Celebrating
20 Years
of Improved Health Care
Service Delivery

Annual Report
2013/2014

Gauteng

GAUTENG PROVINCE
HEALTH
REPUBLIC OF SOUTH AFRICA

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AG	Auditor-General
A&E	Accident and Emergency
AEFI	Adverse Events Following Immunisations
AFP	Acute Flaccid Paralysis
AIDS	Acquired immune deficiency syndrome
ALOS	Average length of stay
ANC	Antenatal care
ART	Antiretroviral treatment
ARV	Antiretroviral
AYFS	Adolescent Youth Friendly Service
BAS	Basic Accounting System
BBBEE	Broad-Based Black Economic Empowerment
BFHI	Baby Friendly Hospital Initiative
BLS	Basic Life Support
BUR	Bed Utilisation Rate
CARMMA	Campaign for Accelerated Reduction of Maternal Mortality in Africa
CBO	Community-based organisation
CBCS	Community Based Care Services
CCM	Cold Chain Mangement
CCMA	Commission for Conciliation, Mediation and Arbitration
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CHBH	Chris Hani Baragwanath Hospital
CHC	Community Health Centre
CHW	Community Health Worker
CMCS	Confirmed Measles Cases
CMJAH	Charlotte Maxeke Johannesburg Academic Hospital
CMR	Child Mortality Rate
CPD	Continuing Professional Development
DAC	Departmental Acquisition Council
DBSA	Development Bank of Southern Africa
DGMH	Dr George Mukhari Hospital
DHIS	District Health Information System
DHS	District Health Services
DID	Department of Infrastructure Development
DOH	Department of Health
DORA	Division of Revenue Act
DOTS	Direct Observed Treatment Support
DPSA	Department of Public Service and Administration
EAP	Employee Assistance Programme
ECD	Early Childhood Development
ECI	Early Childhood Intervention
EE	Employment Equity
EHWP	Employee Health and Wellness Programme
EML	Essential Medicines List
EMS	Emergency Medical Services
EPI	Expanded Programme on Immunisation
EPR	Epidemic Preparedness and Response
EPWP	Expanded Public Works Programme
ESMOE	Essential Steps in Managing Obstetric Emergencies
EXCO	Executive Committee or Council
FBO	Faith-Based Organisation
FDC	Fixed-Dose Combination (ARV pill)
GIS	Geographic Information System
FY	Financial Year
GAS	Gauteng Audit Services
GDID	Gauteng Department of Infrastructure Development
GDE	Gauteng Department of Education

GDoH	Gauteng Department of Health
GFIA	Gobodo Forensic and Investigative Accounting
GPG	Gauteng Provincial Government
GSSC	Gauteng Shared Services Centre
HAART	Highly Active Antiretroviral Treatment
HAST	HIV and AIDS, STIs and TB
HCT	HIV Counseling and Testing
HFM	Health Facilities Management
HFRG	Health Facility Revitalisation Grant
HIG	Hospital Infrastucture Grant
HIS	Hospital Information System
HIV	Human Immunodeficiency Virus
HLS	Healthy Lifestyles
HOD	Head of Department
HR	Human Resources
HPCA	Hospice Palliative Care Association
HPCSA	Health Professions Council of South Africa
HPTDG	Health Profession Training and Development Grant
HRH	Human Resource for Health
HWSETA	Health and Welfare Sector Education and Training Authority
ICT	Information and Communication Technology
ICU	Intensive Care Unit
IEC	Information, Education and Communication
IFS	Interim Financial Statements
ILS	Intermediate Life Support
IMCI	Integrated Management of Childhood Illnesses
IMR	Infant mortality rate
IPC	Infection Prevention and Control
IPT	Isoniazid Prophylaxis
IRS	Intergrated Reporting System
IT	Information Technology
IUD	Intrauterine Device
IVS	Identity Verification Solution
KPI	Key Performance Indicators
JICA	Japanese International Cooperation Agency
LMIS	Logistic Monitoring Information System
M&E	Monitoring and Evaluation
MDGs	Millennium Development Goals
MDR-TB	Multi-drug Resistant Tuberculosis
MEC	Member of Executive Council
MIS	Management Information System
MMC	Medical Male Circumcision
MMR	Maternal Mortality Rate
MOA	Memorandum of Agreement
MOU	Memorandum of Understanding
MSD	Medical Supplies Depot
MSM	Men Who Have Sex With Men
MTEF	Medium-Term Expenditure Framework
MV	Measles Vaccine
NAFCI	National Adolescent Friendly Clinic Initiative
NCDs	Non-Communicable Diseases
NCS	National Core Standards
NGO	Non-Governmental Organisation
NHI	National Health Insurance
NID	National Immunisation Days
NHLS	National Health Laboratory Services
NIMART	Nurse-Initiated Management of ART
NPO	Non-Profit Organisation
NSP	National Strategic Plan on HIV, TB and STI
OPD	Outpatient Department
OPV	Oral Polio Vaccine
OSD	Occupation-Specific Dispensation
OVC	Orphans and Vulnerable Children
PDE	Patient-Day Equivalent
PEP	Post-Exposure Prophylaxis
PFMA	Public Finance Management Act
PHC	Primary Health Care
PICT	Provider Initiated Counselling and Testing
PIDS	Provincial Indicators Data Set
PLHIV	People Living with HIV
PMTCT	Prevention of Mother-to-Child Transmission
POA	Programme of Action
PPTC	Pronvincial Phamarcy and Therapeutic Commitee
PPP	Public Private Partnership
PTB	Pulmonary Tuberculosis
PSA	Prostate Specific Antigen
PSBC	Public Service Co-ordinating Bargaining Council
PSETA	Public Service Education and Training Authority
PTC	Pharmacy Therapeutic Committee
PWD	People with disabilities
QA	Quality Assurance
RAF	Road Accident Fund
RTC	Regional Training Centre
RWOPS	Remunerative Work Outside Public Service
SADC	Southern African Development Community
SAE	Serious Adverse Events
SALICT	South African Life Improvement Charitable Trust
SAMA	South African Medical Association
SANBS	South African National Blood Service
SAPS	South African Police Service
SCM	Supply Chain Management
SCOA	Standard Chart of Accounts
SCOPA	Standing Committee on Public Accounts
SDIP	Service Delivery Improvement Plan
SLA	Service-Level Agreement
SMC	Suspected Measles Cases
SMS	Senior Management Service
TB	Tuberculosis
TOR	Terms of reference
UPFS	Uniform Patient Fee Scheduling
VPDs	Vaccine Preventable Diseases
WBOT	Ward-Based Outreach Teams
WHO	World Health Organisation
XDR-TB	Extreme Drug Resistant Tuberculosis

Over the past 20 years of democracy tremendous strides have been taken to redress the inequalities of the past. Our people now have access to health care services within a five-kilometre radius of where they live, and pregnant women and children under five continue to receive free health care as outlined by President Nelson Mandela in his first State of the Nation Address on 24 May 1994.

Despite Gauteng's ever-expanding population and the tough economic climate, we have a huge responsibility to continue to optimally use our limited resources to improve the quality of health care for the benefit of all our people. The continued implementation of the National Health Insurance will ensure that there is universal provision of quality health care, cross-subsidisation and equity of free health care at the point of service.

As stated in the National Development Plan (NDP), "South Africa's health challenges are more than medical. Behaviour and lifestyle also contribute to ill-health. To become a healthy nation, South Africans need to make informed decisions about what they eat, whether or not they consume alcohol, and their sexual behaviour, among other factors." Preventable lifestyle diseases require a multi-pronged approach from all sectors of society. If these are not addressed immediately, they pose a serious threat to the fiscus and sustainability of our country's limited resources. People need information and incentives to change their behaviour and lifestyles. We need to mobilise leaders who are role models in society to encourage people to lead active and healthy lifestyles that include healthy eating and exercise. We are committed to meeting the 2030 health goals as set out in the NDP to ensure the wellbeing of the population and the implementation of the required systems.

To ensure quality and equitable health care for all, we plan to implement the following initiatives:

- Primary Health Care (PHC) re-engineering to include ward-based interventions. Ward-based teams will be stationed in all 508 wards and doctors will be available in all our clinics as a key priority to complement the work being done by the ward teams. These teams will visit people in their homes to deliver chronic medication, screening and health promotion.
- In 2013/14, there was a total of 49 416 TB patients, 39 292 of whom were new cases. To address the burden of diseases due to TB, we will continue to provide preventative therapy to HIV-positive patients who have not yet contracted TB. Patients who have TB are counselled and tested for HIV and those co-infected will be provided with ARVs in order to reduce mortality. Due to the co-infection rate of TB and HIV, we have started to screen family members and educate them on how to support each other.
- An intensified school health programme providing vaccinations, eye care, dental, reproductive health (contraceptives) and general health care of learners will be rolled out.
- The achievement of the 2015 Millennium Development Goals to reduce maternal mortality to 148/1000 and child mortality to 63/100 is imminent. We are scaling up the top 11 childhood interventions: breastfeeding, handwashing with soap, ART, oral antibiotics for pneumonia, case management of severe neonatal infection, oral rehydration solution, labour and delivery management, therapeutic feeding for severe wasting, TB treatment for children (1-59 months), Kangaroo Mother Care, antenatal corticosteroids for premature labour. The six maternal interventions are: early detection and treatment of HIV for pregnant women, labour and delivery management, TB management in pregnant women, safe abortion services, inter-facility transport and calcium supplementation.

Prudent financial management of the limited resources will be further improved to realise greater efficiencies and get value for our money. Contract management will be prioritised to ensure that we hold service providers accountable for the delivery of services. As we move forward, the Department will place greater emphasis on accountability, integrated and improved service delivery. Special attention will also be given to the area of performance management in governance. We must improve our monitoring and evaluation capacity.

As Mahatma Gandhi once said: "Be the change you want to see." The past 20 years has laid a firm foundation for us to build on it and to ensure that there is universal access to health care for all our people.

Let's build a healthy South Africa together!

Ms Qedani Dorothy Mahlangu
Gauteng MEC For Health

4.1 Overview of the operations of the Department

Key Achievements

The Department has made great strides during the year under review despite mounting challenges and it is in this regard that I take pride in presenting this report. The delivery of services in the year under review continued to be guided by the Health Turnaround Strategy and quite a number of significant milestones have been reached in this regard.

Our most notable accomplishment to date remains the reduction in the Mother-to-Child Transmission of HIV. To date, 98% of babies born to HIV-positive mothers tested HIV negative when tested at six weeks due to increased access to ART for HIV-positive women. This achievement is predicated on the commitment to achieving zero infections of babies. This is a commitment that we will continue to strive towards.

Immunisation against vaccine preventable diseases is another critical intervention to prevent children dying from preventable causes. Immunisation services are provided daily by all clinics and some hospitals in Gauteng and immunisation coverage of children under five years has consistently been above the national target of 90% of all children in the age group. Progress in the TB treatment outcomes were some of the notable accomplishments of the year.

About 100 of 317 fixed clinics provide services after-hours and on weekends. During the week these clinics operate from 4pm to 7pm, and from 8am to 1pm on weekends. This improves access to services, particularly for working people. Nearly all clinics and Community Health Care Centres (CHCs) provide the comprehensive package of PHC services expected of the relevant category of facility. A total of 26 out of the 35 CHCs provide 24-hour health care services. Every health district has a core specialist team, comprising of obstetricians and paediatricians, that provides guidance to staff at CHCs and clinics within the district. However, some of these specialist teams are yet to have a full complement. The school health team's projects have also made remarkable advancements. To date, 61 school health teams have been established. The Department further provides health services at the homes of Gauteng residents through its ever-expanding ward-based primary health teams, which now stands at 130.

Key Challenges

Late presentation of clients at health facilities poses a threat to health treatment outcomes. Such late presentation is particularly common among pregnant women without any history of antenatal care attendance or patients with malaria. Cultural beliefs and myths also affected the uptake of some of the free services that the Department provides such as the medical male circumcisions. Delays in the provincialisation of Emergency Medical Services (EMS) services, shortages of staff, limited budget and ageing EMS fleet are some of the reasons for the inability to consistently perform above expectation with regard to EMS. Infrastructural challenges such as space limitations and the perceived negative attitudes of some of the health care staff members also had an effect in the delivery of health care services.

Cross-border utilisation of services and high rates of migration into the province increased the size of the population we served and this had a negative impact on service delivery. Other factors include low revenue collection from service users, low client satisfaction rate in district hospitals, service users bypassing PHC facilities believing that they would receive better care in hospitals with specialist services. Various educational and awareness programmes have been put in place to address some of these issues and the Department continues to monitor clients' feedback, address concerns and respond to suggestions raised as part of its quality improvement programmes. Furthermore, there has been stringent monitoring of the quality of health facilities, based on six priority areas that are patient-centred. Over time, the Department has seen an improvement in the compliance to quality standards.

4.2 Important policy decisions facing the Department

The following are a few significant policy developments during the 2013/2014 financial year that will affect the work of the Department in the future.

Memorandum of Agreement (MOA) with National Government and the Turnaround Strategy

In the year under review, the Department continued with a number of obligations that came into effect since the 2011/2012 financial year aimed at bringing stability to the Department and strengthening the effectiveness of health systems. These included the signing of the Gauteng Provincial Government (GPG) Memorandum of Agreement (MOA) with the Minister of Health and the Minister of

Finance, and the implementation of the Health Turnaround Strategy 2012-14. Effective monitoring of commitments outlined in the MOA and the Turnaround Strategy is carried out in conjuction with the GPG technical task team.

To expidite service delivery, the Department was placed under Administration based on Section 18 of the Public Finance Management Act (PFMA). In this case, Treasury as an Administrator appointed a PwC Consortium in May 2013 to support the implementation of the Turnaround Strategy across five main work streams: strategic leadership, hospital management, financial management, supply chain management and human resources. These work streams are outlined in the Gauteng Department of Health Administrator Appointment Programme Charter.

In the year under review, the Department and its partners made major strides towards the implementation of the Turnaround Strategy in partnership with the Administrator. Systems are being implemented to enhance controls and identify efficiency gains, particularly with regard to clearing of accruals, contract management, procure to pay, human capital and hospital management systems. However, the focus continued to be on all core challenge areas:

(a) Finance and Financial Management;
(b) Human Resource Management and Development;
(c) Hospital Management;
(d) District Health Services for PHC;
(e) Communication and Mobilisation;
(f) Medico-legal Services and Litigation;
(g) Health Information Management and Health Information System; and
(h) Infrastructure Management and Development.

The implementation of the Turnaround Strategy is monitored through the Provincial Monitoring and Evaluation System and reported fortnightly at the Provincial Technical Task Team meeting.

Administrative Curatorship (Section 18)

The Gauteng Provincial Treasury has appointed a consortium consisting of PwC, EOH, Benguela and Ngubane and Co. that intervened to help the Department put operational systems in place and build capacity for efficient, effective and transparent financial management. The consortium has assisted in closing identified weak gaps, mainly in terms of providing resources.

Finance

Financial mismanagement, deficits and inadequate systems all point to a poor control environment, a general lack of adequate supervision and fiscal discipline, which unfortunately severely affect the Department's ability to deliver services as expected. Problems in Supply Chain Management (SCM), are symptoms of a poor control environment, ill-discipline, inadequate systems and lack of skilled human resources.

In 2013, the Department created a central environment of SCM and Finance, with the migration of staff from the Gauteng Department of Finance to Gauteng Health. The Finance team now has a central point for suppliers and stakeholders to engage on matters that are related to finance and supply chain management. They also act as a conduit between the suppliers and institutions. PwC has assisted with the training and establishing of supplier reconciliation teams. There are team members who are currently at institutions assisting with payment transactions and skills transfer. The supply chain process for non-pharmaceutical commodities at the Medical Supplies Depot was also centralised to head office.

Hospital Services

Overall management, accountability and structures that allow for interventions to be measured, monitored and improved upon are needed throughout the end-to-end management of the facilities. At these facilities service delivery is the main objective.

Leadership and Culture

The Department has seen stability at senior management level following significant appointments made in this financial year. This has assisted to some extent in addressing specific weaknesses within the Department.

Human Resources

While it is true that properly skilled and effectively managed human resources are the most important investment towards service delivery, organisational performance (or effectiveness) is more alligned to strategy execution, which can be enhanced by effective programme management.

Accenture has also been deployed as per National Treasury's advice to assist the Department with budget reforms. The team has successfully developed a budget monitoring tool that will be useful for management in reviewing budgeting and spending trends. The team is currently in the process of developing a budget "blocking" tool that will guide the end users before they procure in terms of knowing what cash is available at any point in time. The budget allocation for the 2014/2015 financial year took into account the accruals and commitments per institution so that only what was available could be spent.

Important Strategic Issues facing the Department

The Head of Department (HOD) was appointed in September 2013. The Department continued with the cost-saving measures implemented during the 2013/2014 financial year. Despite such cost-saving measures being implemented and successful to some extent, the Department continued to experience some challenges with resource constraints. However, these resource constraints were to a lesser extent in the reporting period in comparison to the previous financial years. During the financial year 2013/2014, the Department settled accruals to the value of R1 billion, of which R749 million was paid to the Department's suppliers and R285 million was paid as accruals to the Medical Supplies Depot. The Department also ensured that current year payments were kept up to date and it made consistent payments to the Medical Supplies Depot for the financial year 2013/2014.

The Department continued to work with the Provincial Treasury in making cash available to pay suppliers consistently throughout the financial year 2013/2014. Unlike in previous financial years when the Department lacked funds to pay suppliers until the end of the financial year, in 2013/2014 the Department continued to pay suppliers until March 2014. This signifies an improvement in payment processes and a level of stability for the Department. To ensure that only valid invoices of the previous financial years are paid, the Department has implemented a pre-payment audit process where each invoice of previous financial years is validated for authenticity and only released once validation has been established.

In 2013, there was a perfomance audit carried out by Gobodo Forensic and Investigative Accounting (GFIA), as instructed by National Treasury, into the billing system of National Health Laboratory Services (NHLS). This audit has identified that the NHLS has been overcharging the Department. As a result, it was decided that payments to NHLS be stopped until further notice. The investigation into the NHLS billing is still in progress. Amounts owed to NHLS and amounts owed to the Department by NHLS have been disclosed in the financial statements of the Department.

The number of litigation cases against the Department have increased, putting a lot of strain on the cash availability of the Department since they are not budgeted for, especially the litigation on Medico legal claims. In the 2012/2013 financial year the Department had paid R100 million in claims and in 2013/2014 financial year the amount has risen to R155 million.

The ICT and Revenue section is in the process of upgrading MEDICOM to the latest version, EM 12.x, a process that started at the new Zola Jabulani Hospital. The remaining institutions will be upgraded in the coming months, starting with the New Natalspruit Hospital. The maintenance and support of EM 12.6 forms part of the upgrade and will be for a period of three years.

The Identification Verification Solution (IVS) Project, which involves verifying employees against the population register and the pay roll, was launched on 13 February 2013. The project is driven by Gauteng Treasury in partnership with the Gauteng Department of Health (GDoH). By the end of March 2014, 64 256 employees had been verified, out of a total of 64 567. The Gauteng Treasury team will focus on the verification of new employees for the financial year 2014/2015. For all officials who have undergone physical verification in 2013/14, Treasury will perform an internal verification wherein the payroll details will be verified against the national population register held by Department of Home Affairs as part of annual staff verification. A full physical verification is planned for 2015/16 financial year. As part of the IVS Project, in the 2014/15 financial year Gauteng Treasury and Gauteng Health will verify bank accounts of all GPG employees to ensure that salaries are paid into valid employee bank accounts.

The Department ensures compliance to Treasury Regulations (8.3.4 & 5) by prompting all line-managers to certify Departmental Payroll and submit these to the CFO 10 days before pay date. This period will allow the CFO to prevent or reduce potential financial loss to the Department.

Process failure and allocation of employees to fewer pay-points made it difficult for heads to certify payrolls and submit timeously as per Treasury Regulations.

4.3 Overview of the financial results of the Department:

4.3.1 Departmental Receipts

Departmental receipts	2013/2014			2012/2013		
	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
Sale of goods and services other than capital assets	468 493	471 332	(2 839)	423 269	474 156	(50 887)
Transfers received	-	-	-	37	-	37
Fines, penalties and forfeits	43	47	(4)	40	3	37
Interest, dividends and rent on land	975	6 188	(5 213)	975	1 255	(280)
Financial transactions in assets and liabilities	24 210	50 142	(25 932)	47 230	31 525	15 705
Total	**493 721**	**527 709**	**(33 988)**	**471 551**	**506 939**	**(35 388)**

4.3.2 How the Department has delivered on the plans for collecting Departmental revenue:

Revenue collection for 2013/2014 amounts to R528 million, which exceeds the 2012/2013 financial year (R507 million) by R21 million (4%).

The Department has exceeded the estimated revenue collection of R493 million by R34 million and this can be attributed to greater patient fee collection.

4.4 Tariff Policy

Patient Fee tariff

The Department charges the Uniform Patient Fee Schedule (UPFS) tariffs for patients using public hospitals and clinics. The UPFS tariffs are determined by a steering committee consisting of the National Department of Health and all nine provinces. Tariffs are reviewed annually in accordance with section 7.3.1 of the Treasury Regulations.

Patients accessing public institutions are classified into three main groups for the purposes of service fee determination namely:

(a) Full Paying

This category of patients is liable to pay full UPFS fees for all services provided.

(b) Subsidised and Exempted Patients

These patients fall into six categories based on statutory requirements: PG, HG, H0, H1, H2 and H3. The PG and HG categories are exempted from paying fees due to statutory-based circumstances, such as pregnant women and children under six years of age. The H0 category is made up of pensioners who receives services free of charge when they provide proof of status. The H1, H2 and H3 category pay discounted fees which are expressed as a percentage of the fees payable by full paying patients.

(c) Free Services

Free services are provided in line with the National and Provincial policies, and no new free services were introduced in the 2013/14 financial year. The following free services are provided by the Department:

- Free health services for pregnant women and children under the age of six years (Notice 657 of 1994, 1 July 1994).
- Free primary health care services (Notice 1514 of 1996, 17 October 1996).
- Termination of pregnancy (Act 92 of 1996).
- Social Pensioners (Act 81 of 1967 as amended by Act 100 of 1998).
- Medico Legal service for survivors of rape, assault and post mortem (Criminal procedure Act 51 of 1977).
- Donors (Human Tissue Act 63 of 1965).
- Children who are committed to the care of a children's home, industrial school or foster parents (Child Care Act 74 of 1983, Section 15).
- Persons with Mental Disorders (Mental Health Act 18 of 1973).
- Infectious, Formidable and/or Notifiable Diseases (National Health Act 61 of 2003).
- Services to formally unemployed (Unemployment Insurance Act 63 of 2001).
- Patients receiving HIV and AIDS treatment (Notice 1 of August 2006).

Meals and Crèches Fees Tariffs

The tariffs for meals and crèches are reviewed and revised annually in accordance with section 7.3.1 of the Treasury Regulations. Tariffs adjustments are also negotiated and agreed upon with employee organisation.

Other Tariffs

Other tariffs such as parking and accommodation are determined externally involving relevant Departments.

4.5 Bad Debts written off

Patient Fees Debt

The hospitals have written of bad debts amounting to R223 million for Patient fees debtors as at end of March 2014.

HOSPITALS	BAD DEBTS WRITTEN OFF R'000
Central Hospitals	177 149
Regional Hospitals	22 063
Tertiary Hospitals	11 459
District Hospitals	8 211
Dental Hospitals	3 247
Tuberculosis Hospitals	666
Psychiatric Hospitals	559
Other Specialised Hospitals	112
TOTAL	**223 465**

Bad debt is written off in accordance with the Department's policy. Due to costs involved, debt that is less than R195 is not followed up but written off after 90 days.

Staff Debts and Supplier Debts:

The debt book has reduced significantly due to the implementation of National Treasury instruction note 02A of 2014 that allowed the Department to write off irrecoverable debts against revenue. A total of 2 776 cases amounting to R34 million were writen off during the year. The debt balance was reduced to R23 million as at 31 March 2014.

4. 6 Reasons for collection of more revenue in 2013/14

Revenue collected in 2013/14 financial year amounts to R528 million, comprising patient fees of R392 million and other revenue of R136 million. Hospital fees constitute about 75% while other revenue constitutes 25% of the total revenue. The revenue collected is more by R34 million when compared to the estimated budget. Major contributors to the collected revenue are Road Accident Fund, medical aid schemes, South African Police Services (SAPS), Department of Correctional Services, Department of Justice as well as self-paying patients. The Department's appointment of Alexander Forbes to assist hospitals in claiming from Road Accident Fund for services rendered to motor vehicle accident patients has yielded positive results in the revenue collection. Electronic submission of claims to the medical aid schemes by Medikredit has also contributed to the increase in revenue collection. There has been an improvement in the settlement of claims by SAPS, Department of Correctional Services, Department of Justice and Department of Defence for patients referred to Gauteng hospitals.

4.7 Programme expenditure

	2013/14			2012/13		
Programme name	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	696 543	584 151	112 392	683 447	501 362	182 085
District Health Services	8 676 899	8 357 432	319 467	8 782 484	8 555 956	226 528
Emergency Medical Services	941 765	936 278	5 487	1 059 284	1 147 231	(87 947)
Provincial Hospital Services	5 297 849	5 154 324	143 525	6 546 896	6 582 440	(35 544)
Central Hospital Services	10 311 967	10 237 795	24 073	7 566 859	7 799 913	(233 054)
Health Sciences and Training	901 319	829 485	71 834	841 924	807 070	34 854
Health care Support Services	284 520	194 870	89 650	199 821	196 544	3 277
Health Facilities Management	1 659 923	1 121 466	538 457	1 510 879	1 243 831	267 048
Development and Research						
TOTAL	**28 770 785**	**27 415 801**	**1 354 984**	**27 191 594**	**26 834 347**	**357 247**

The table above summarises the budget versus actual expenditure as at 31 March 2014. The Department spent 95% of the budget.

There is an overall underspending of R1.3 billion which is attributed to underspending within the Conditional Grant Funds (Health Infrastructure Grant and Health Revitalisation Grant), payment to the Medical Supplies Depot that had been due in the 2012/13 financial year was made in 2013/14 and surrender payment for 2012/2013.

Programme 1: Administration

- The underspending in this programme is due to non-spending on the ICT project that was budgeted for IT infrastructure upgrades for the whole Department. There was also underspending on compensation of employees due to a delay in the filling and non-filling of vacant funded posts.

Programme 2: District Health Services

- The programme underspent due to the non-payment to NHLS. Due to NHLS being the highest cost driver, non-payment resulted in savings.

Programme 3: Emergency Medical Services

- Expenditure in this programme is within the target.

Programme 4: Provincial Hospital Services

- The programme is underspending due to the non-payment to NHLS following perfomance audit findings. Due to NHLS being the highest cost driver, non-payment resulted in savings.

Programme 5: Central and Tertiary Hospitals

- Expenditure in this programme is within the target.

Programme 6: Health Sciences and Training

- The underspending is a result of the budget for compensation of employees remaining at the colleges while staff was absorbed and paid by the institutions.

Programme 7: Health Care Support Services

- The programme underspent because the budget allocated for food, laundry services and other related goods and services items could not be spent due to the delay in the opening of Zola Jabulani Hospital (it opened in April 2014) and the non-filling of posts at Masakhane.

Programme 8: Health Facilities Management

- The programme underspent as a result of delay in approval of plans, medical equipment procured but not yet delivered, delay in the submission of the final account for Zola Jabulani and Natalspruit hospitals.

4.8 Virements/Roll overs

An application for virements was made to the Provincial Treasury to alleviate excess expenditure on standard items within programmes and sub-programmes. The application was guided by Section 43 of the PFMA and Treasury Regulation 6.3.

The shifting and virement was made only on the compensation of employees and goods and services economic classifications.

The following main division were affected:

- Administration
- District Health Services
- Emergency Medical Services
- Provincial Health Services
- Central Hospital Services
- Health Sciences and Training

The HOD recommended the application that was subsequently approved by the Provincial Treasury.

The virement approved Administration and District Health Services goods and services to reduce the overspending in the Central Hospital Services programme. This virement is to off-set the unauthorised expenditure incurred in the purchasing of medical suppliers for the Central Hospital Services.

The virement from Health Sciences and Training programme (compensation of employees) to the Emergency Medical Services programme (compensation of employees) to offset the overspending incurred due to salaries was higher than the Departmental salary levels as a result of provincialisation of the Sedibeng Emergency Medical Services.

4.9 Unauthorised, Fruitless and Wasteful Expenditure

There has been a huge improvement over the years and in comparison to previous financial years where unauthorised expenditure was incurred at the Vote level. For the past two consecutive financial years unauthorised expenditure has been incurred within the programme level but not at Department level, which attest to effective processes in place.

4.10 Future plans of the Department

4.10.1 The priorities of the Department include the following:

The Millennium Development Goals and improving health outcomes.
Goal 1: Eradicate extreme poverty and hunger.
Goal 4: Reduce child mortality.
Goal 5: Improve maternal health.
Goal 6: Combat HIV and AIDS, malaria and other diseases.

4.10.2 The outcomes in the Negotiated Service Delivery Agreement between the President and the Minister

- Increasing life expectancy;
- Decreasing maternal, infant and child mortality;
- Combating HIV and AIDS and decreasing the burden of disease from Tuberculosis (TB); and
- Improving health systems' effectiveness.

4.10.3 The 10-Point Plan of the National Department of Health

- Provision of strategic leadership and creation of social compact for better health outcomes;
- Implementation of National Health Insurance (NHI);
- Improving the quality of health services;
- Overhauling the health care system and improving its management;
- Improved Human Resources Planning Development and Management;
- Revitalisation of infrastructure;
- Accelerated implementation of the HIV and AIDS strategic plan and the increased focus on TB and other communicable diseases;
- Mass mobilisation for the better health for the population;
- Review of drug policy; and
- Strengthening research and development.

4.10.4 Gauteng provincial strategic priorities 2009-14 (Medium Term Strategic Framework)

- Quality basic education;
- Long and healthy life for all South Africans;
- All people in South Africa need to feel safe;
- Decent employment through inclusive economic growth;
- Vibrant, equitable and sustainable rural communities contributing towards food security for all;
- Sustainable human settlements and improved household life;
- Responsive, accountable, efficient and effective local government system; and
- An efficient and effective and development-oriented public service.

4.10.5 Turnaround Strategy for Health 2012-14

Objectives of the Turnaround Strategy:

- More effective utilisation of available resources by the Department;
- The clearing of debt and accruals;
- Delivery within allocated budgets;
- Improvement of health outcomes;
- Entrenchment of the desired organisational culture and enhanced internal discipline throughout the organisation; and
- Improved public and partner confidence.

4.11 Public Private Partnerships

Public Private Partnership (PPP) Infrastructure projects under GDoH are implemented through the tripartite agreement, signed on 5 May 2010, referred to as the Joint Implementation Agreement (JIA).

The agreement constitutes of the following role players:

- The Development Bank of Southern Africa (DBSA);
- Department of National Treasury (PPP Unit);
- National Department of Health (NDoH); and
- Gauteng Department of Health (GDoH).

These two Ministerial Flagship projects in Gauteng are:

- Chris Hani Baragwanath Academic Hospital.
- Dr George Mukhari Academic Hospital.

These projects are governed by the Joint Implementation Committee (JIC) with shared responsibilities between the DBSA, National Treasury – PPP Unit, NDoH and GDoH.

Previously, the Department was mandated to lead the PPP projects. This function has now been taken over by NDoH, led by the NDoH Infrastructure Unit. NDoH has advised that a Cabinet decision is needed and that both the Minister of Health Dr Aaron Motsoaledi and the Minister of Finance should decide whether to proceed with these two flagship PPP projects or not.
Currently, there is no funding nor budget for these projects that are from the GDoH. The transaction advisors have completed the feasibility studies for both Chris Hani Baragwanath and Dr George Mukhari hospitals.
See disclosure note on PPP's for details in this regard.

4.12 Discontinued activities during 2013/14 financial year

Construction of new Boitumelo Clinic, Bophelong Clinic, Magagula Heights Clinic, Braamfischerville Clinic, Randfontein Clinic and Heidelberg Clinic.
These clinics were identified for construction and the Gauteng Department of Infrastructure Development (GDID) appointed Moteko Tau Pride as Professional Service Providers (PSPs). Moteko Tau Pride prepared the designs but before they could be made available to GDoH, Moteko Tau Pride became embroiled in a legal dispute with the GDID. Until the legal matter was resolved, GDID could not appoint other PSPs. As a result, the projects were put on hold. Consequently, no funds were allocated to any of these clinics in the 2013/2014 budget. When the legal dispute was resolved in 2013, an amount of R500 000 was allocated to Boitumelo Clinic during the 2013/2014 budget adjustment period. Magagula Heights, Braamfischerville and Heidelberg Clinics did not have suitable land available and were not budgeted for in the 2013/2014 financial year. In the 2014/2015 financial year, R1.5 million is budgeted for the new Boikhutsong Clinic.

Upgrading of staff residence in Sebokeng Hospital
Sebokeng Hospital is one of the five hospitals earmarked for complete revitalisation, including the upgrading of staff residences.

Provision of ICT infrastructure to various facilities
The project was cancelled as ICT is not a core function of Infrastructure Management. ICT infrastructure should be implemented by the ICT Chief Directorate. The budget in 2013/2014 was R28 million, but no budget was allocated in 2014/2015 financial year.

Conversion of SAPS Building for Kagiso Community Health Centre
Although this project was budgeted for 2013/2014 and again in 2014/2015, it was put on hold until suitable land could be identified.

4.13 New/proposed activities

Fixed-Dose Combination (FDC) ARVs
The Department commenced implementation of the revised approach to ART by providing the Fixed Dose Combination (FDC) ARVs on 1 April 2013, which is still funded through the HIV and AIDS conditional grant. This is not a "new" activity, but a revised approach to ART that will improve and strengthen patients' adherence to treatment.

4.14 Supply Chain Management

There were no unsolicited bid proposals concluded for the year under review.
The Department embarked on a process of aligning the SCM structure to the SCM Policy Framework Act, and has compiled a Departmental SCM policy and Standard Operating Procedures.

Challenges experienced in SCM

- Non-adherence of SCM policies and procedures by Departmental officials;
- Delays in payment of suppliers had a negative impact on service delivery as suppliers refused to deliver critical goods and services; and
- Staff capacity constraints within the SCM Chief Directorate.

4.15 Gifts and donations received in kind from non-related parties

The Department received various donations in-kind that included medical supplies, vehicles, computer equipment, office furniture and other items.

4.16 Exemptions and deviations received from the National Treasury

Quarterly Financial Statements

- In terms of the Office of the Accountant General Instruction Note 1 of 2013/2014, issued by the National Treasury, Departments are required to compile and submit Interim Financial Statements (IFS) within 30 days after the periods ending 30 June 2013, 30 September 2013, 31 December 2013 and 31 March 2014. All Departments were exempted from submitting the IFS for the fourth quarter as per Office of the Accountant General Instruction Note 3 of 2013/2014.

4.17 Events after the reporting date

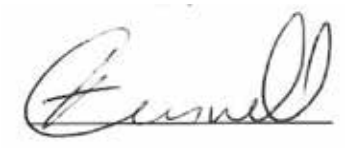
- Payments that have been made in 2014/2015 financial year that relate to prior year amount to R1 billion: R147 million for Medical Supplies Depot, R328 million paid to NHLS and R525 million paid for goods and services suppliers.
- The opening of Zola Jabulani Hospital in April 2014 was a significant achievement.
- Subsequent to national elections outcome of 2014, there was a Cabinet reshuffle and a new MEC was appointed in May 2014.

4.18 Other

Unauthorised Expenditure
An amount of R4.5 billion has been condoned by the Gauteng Provincial Legislature for unauthorised expenditure incurred during the financial years 2007/2008, 2008/2009, 2009/2010 and 2010/2011. This amount was transferred into the Department's bank account and it reduced the unauthorised expenditure. An amount of R261 million was not approved by the Gauteng Provincial Legislature relating to the financial years 2008/2009, 2009/2010 and 2010/2011.

An amount of R357 million was surrendered for 2012/2013 financial year, which had the effect of reducing available cash of 2013/2014. Similarly, the cash was utilised without the corresponding expenditure against the 2013/2014 financial year budget allocation, resulting in under expenditure.

In conclusion, I wish to commend the staff of Gauteng Health, its partners, members of the provincial and national government who work tirelessly to ensure that the Department realises its goals.

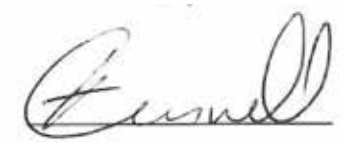


Dr H.D. Gosnell
Accounting Officer
Department of Gauteng Health
31 March 2014

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

- All information and amounts disclosed throughout the annual report are consistent. The annual report is complete, accurate and is free from any omissions. The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.
- The Annual Financial Statements (Part E) have been prepared in accordance with the modified cash standard and the relevant frameworks and guidelines issued by the National Treasury.
- The annual financial statements set out on pages 168 to 240 have been approved by the Accounting Officer.
- The Accounting Officer is responsible for the preparation of the annual financial statements and for the judgements made in this information.
- The Accounting Officer is responsible for establishing and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.
- The external auditors are engaged to express an independent opinion on the annual financial statements.

In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the Department for the financial year ended 31 March 2014.



Dr H.D. Gosnell
Accounting Officer
Department of Gauteng Health
31 March 2014

6.1 Vision

To be the best provider of quality health services to the people of Gauteng.

6.2 Mission

Provide excellent, integrated health services in partnership with stakeholders to contribute towards the reduction of poverty, vulnerability and the burden of disease in all communities in Gauteng.

6.3 Values

- Batho Pele principles.
- Excellence.
- Integrity.
- Humility.
- Selflessness.
- Respect.
- Social justice.

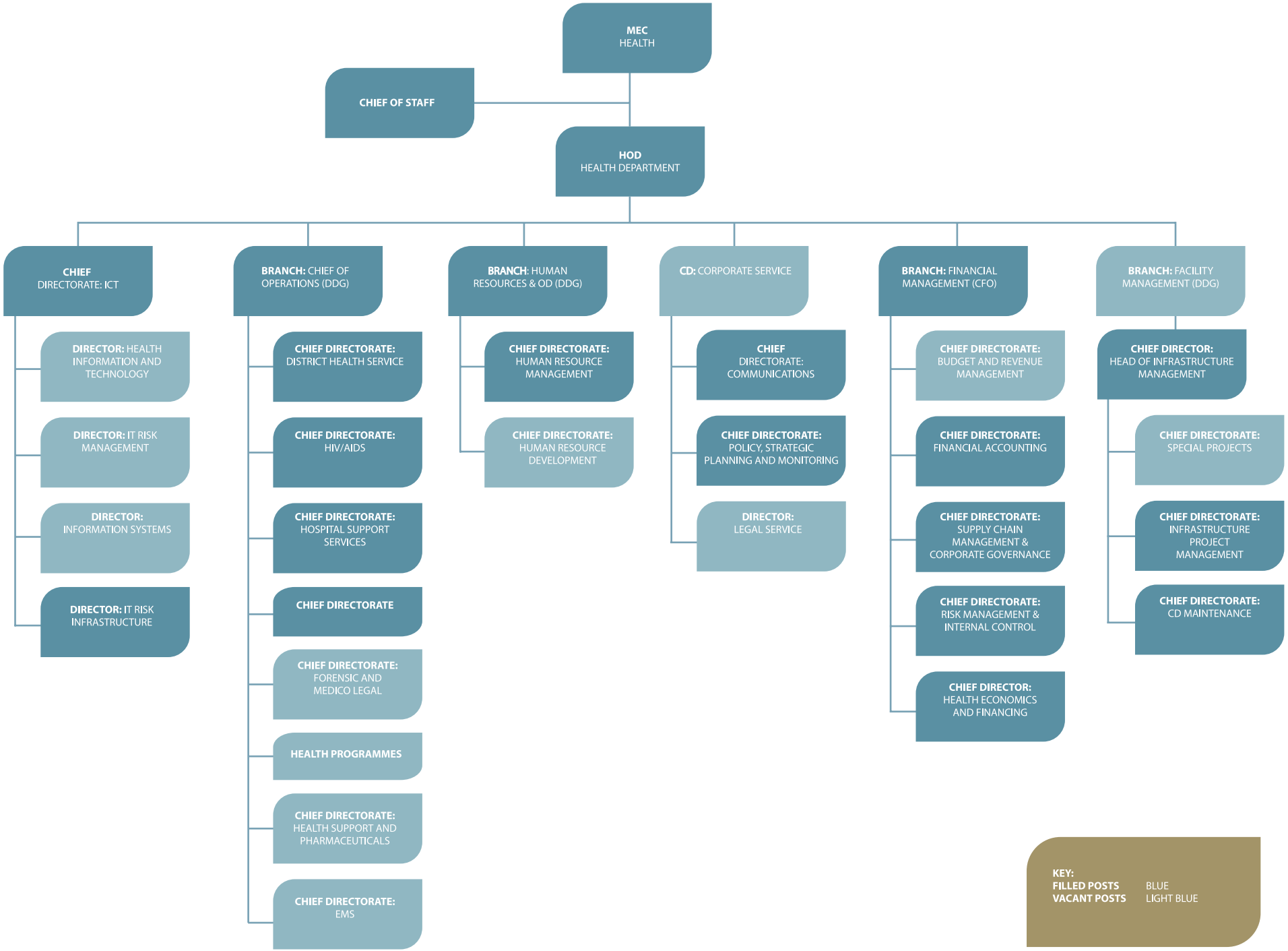
I care, I serve, I belong.

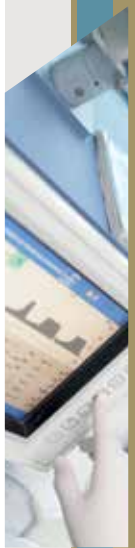
The GDoH derives its mandate from the South African Constitution, the National Health Act, and other legislation promulgated by Parliament.

The core mandate of the Department is to:

- Improve the health status of the population;
- Improve health services;
- Secure better value for money;
- Ensure effective organisation; and
- Provide integrated services and programmes that promote and protect healthy, quality and sustainable livelihoods of poor, vulnerable and marginalised groups in society.

In fulfilling its mandate, the GDoH is guided by legislation listed in the annexure at the end of this report.


MEC
HEALTH
CHIEF OF STAFF
HOD
HEALTH DEPARTMENT
CHIEF
DIRECTORATE: ICT
DIRECTOR: HEALTH INFORMATION AND TECHNOLOGY
DIRECTOR: IT RISK MANAGEMENT
DIRECTOR: INFORMATION SYSTEMS
DIRECTOR: IT RISK INFRASTRUCTURE
BRANCH: CHIEF OF OPERATIONS (DDG)
CHIEF DIRECTORATE: DISTRICT HEALTH SERVICE
CHIEF DIRECTORATE: HIV/AIDS
CHIEF DIRECTORATE: HOSPITAL SUPPORT SERVICES
CHIEF DIRECTORATE
CHIEF DIRECTORATE: FORENSIC AND MEDICO LEGAL
HEALTH PROGRAMMES
CHIEF DIRECTORATE: HEALTH SUPPORT AND PHARMACEUTICALS
CHIEF DIRECTORATE: EMS
BRANCH: HUMAN RESOURCES & OD (DDG)
CHIEF DIRECTORATE: HUMAN RESOURCE MANAGEMENT
CHIEF DIRECTORATE: HUMAN RESOURCE DEVELOPMENT
CD: CORPORATE SERVICE
CHIEF DIRECTORATE: COMMUNICATIONS
CHIEF DIRECTORATE: POLICY, STRATEGIC PLANNING AND MONITORING
DIRECTOR: LEGAL SERVICE
BRANCH: FINANCIAL MANAGEMENT (CFO)
CHIEF DIRECTORATE: BUDGET AND REVENUE MANAGEMENT
CHIEF DIRECTORATE: FINANCIAL ACCOUNTING
CHIEF DIRECTORATE: SUPPLY CHAIN MANAGEMENT & CORPORATE GOVERNANCE
CHIEF DIRECTORATE: RISK MANAGEMENT & INTERNAL CONTROL
CHIEF DIRECTOR: HEALTH ECONOMICS AND FINANCING
BRANCH: FACILITY MANAGEMENT (DDG)
CHIEF DIRECTOR: HEAD OF INFRASTRUCTURE MANAGEMENT
CHIEF DIRECTORATE: SPECIAL PROJECTS
CHIEF DIRECTORATE: INFRASTRUCTURE PROJECT MANAGEMENT
CHIEF DIRECTORATE: CD MAINTENANCE
KEY:
FILLED POSTS BLUE
VACANT POSTS LIGHT BLUE



The Department has no public entities that fall under the control of the MEC except the Medical Supplies Depot (MSD), which is a trading entity. The performance of MSD, in respect of pharmaceutical services, is incorporated under Part F of the report.
The table below indicates the entities that report to the MEC.

Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
Medical Supplies Depot (MSD)	Registered as "The Central Medical Trading Account" since 1 April 1992 under the Exchequer Act, Act 1 of 1976.	The Depot charges a levy of 5% on stock supplied to the Provincial Health Care Facilities.	The MSD is responsible for the supply of essential medicines and disposable sundry items to the Provincial Health Care Facilities in Gauteng.

Part B: Performance Information

The AGSA currently performs certain audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with material findings being reported under the Predetermined Objectives heading in the Report on other legal and regulatory requirements section of the auditor's report.

Refer to pages 163 to 167 of the Report of the Auditor-General, published as Part E: Financial Information.

2.1 Service Delivery Environment for 2013/14

Efforts and achievements outlined in this annual report reflect the ongoing commitment of the Gauteng Department of Health (GDoH) to the country's vision of providing a healthy life for all South Africans.

The provision of Primary Health Care remains a cornerstone for a better health for all residents of Gauteng. Given this goal, the Department, through Primary Health Care, was able to provide services to more than 23 647 164 adults and 4 137 499 children. The growing investment in the outreach programmes and the National Health Insurance (NHI) project further attests to the commitment of universal coverage and ensuring that health services are organised around people's needs and expectations. There has been a notable improvement in the expansion of Ward-Based Outreach Teams – from the 49 teams reported in the previous financial year to 130 teams. The Department also has District Specialists teams in all the districts, including 61 school health teams that provide primary prevention-related services to schoolchildren.

The Department has not remained indifferent to the concerns of the public regarding the quality of health care services. As a result, the Department continued to strengthen the office of standard compliance to execute its functions of monitoring compliance of health institutions and regularly conducting audits to monitor compliance against the six ministerial quality core standards: availability of medicine and supply; cleanliness; values and attitude; patient safety; infection prevention and control; and reducing waiting times. In addition, the plight of communities regarding their experiences in health facilities are addressed directly with complainants. The Department has been able to resolve more than 85% of complaints received through the hotline and/or submitted through the institutions' complaints mechanisms.

The successes made in the Prevention of Mother-To-Child Transmission (PMTCT) programme attest to the Department's commitment to ensuring zero infection. There has been a massive reduction in transmission rates and more than 98% of babies are now testing HIV-negative when tested at six weeks. The Department has also increased access to treatment through the expansion of sites, 94% of them now provide treatment.

The year under review has seen the improvement in the expansion of cutting-edge technology in the form of Genexpert machines, from 12 to 18 institutions. This diagnostic technology has not only assisted with improving case detection, but has also lessened inconvenience caused to patients because results are available within a day and patients can be initiated on treatment immediately upon confirmation of TB.

2.2 Service Delivery Improvement Plan

The Department has completed a Service Delivery Improvement Plan. The tables below highlight the nature of the plan and its achievements to date.

Table 2.2.1: Main services and standards

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
Ophthalmology Services	Patients who are visually impaired, their families and communities.	1 261 cataract operations/ million uninsured population, 15 % below target of 1 500 operations/million.	1 500 cataract surgery/ million uninsured population.	A total of 1 500 cataract surgeries/million uninsured population has been achieved. This is due to the increased interest by private health care service providers to reach the target.

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
Pharmaceutical Services	Patients who rely on public health services for their acute and chronic medicine supply, their families, medical personnel, communities, district and hospital health services' management.	64% availability of medicines in the province.	74% availability of medicines in the province.	Medicine availability in hospitals improved to 94% in hospitals and 82% at the Medical Supplies Depot in Auckland Park.
Blood and Laboratory Services	Medical personnel, patients, epidemiologist, hospital management.	Inconsistent compliance with the signed service level agreements.	70% consistency improvement in line with the signed service level agreements.	The target of 70% compliance to service level agreement has been achieved.

Table 2.2.2: Batho Pele arrangements with beneficiaries (Consultation access etc)

Current/actual arrangements	Desired arrangements	Actual achievements
Only 26 districts campaigns held in October 2012	50 eye care awareness campaigns to be held during 2013/14 financial year.	The target has been exceeded by conducting two more eye care campaigns due to high interest shown by stakeholders.
The Gauteng PPTC has not been functional for more than a year	The Gauteng PPTC members to be appointed and quarterly meetings scheduled.	The Gauteng PPTC members appointed and quarterly meetings held.
A lack of a functional provincial Laboratory and Blood users' committees	To obtain permission to establish a provincial laboratory and blood users' committee.	Provincial Laboratory and Blood users' committee launched and meetings held.

Table 2.2.3: Service delivery information tool

Current/actual information tool	Desired information tool	Actual achievements
No information materials on different eye conditions based on language preferences per catchment areas	To ensure availability of IEC material for all eye conditions.	IEC material for all eye conditions were developed for all five eye priority conditions: cataract, glaucoma, diabetic retinopathy, refractive error and low vision.
No orientation and training of new pharmacy managers	Annual training for all new pharmacy managers on SOP and policies.	All (100%) new pharmacy managers trained on SOP and policies. All new (2014) interns and community service pharmacists orientated on SOP and policies.
Usage and expenditure studies have not been undertaken to determine trends	70% of health institutions able to provide expenditure trend reports for laboratory and blood services.	A target of 70% of health institutions providing expenditure trend reports for laboratory and blood services reached 75%, exceeding the target by 5%.

Table 2.24: Complaints mechanism

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
There is a dedicated toll-free complaints hotline. Quality Assurance customer care units exist at the central and district offices and at all health facilities. Complaints management guidelines are available to staff to guide them on how to deal with complaints and utilise the redress mechanisms.	Electronic complaints system to be implemented. Officials have been trained on Microsoft ACCESS programme that will assist in receiving and resolving complaints timeously. This system is currently piloted by National Department of Health at Tshwane District.	Attended to more than 270 complaints per month. More than 85% are finalised within 25 working days to the satisfaction of most clients. Complaints are dealt with effectively at all levels of care.
A user-friendly complaints form has been developed, and a procedure for walk-in complaints is in place. There is a dedicated email address for complaints.	Current system is sufficient.	Implemented and functional.

2.3 Organisational environment

The Gauteng Department of Health (GDoH) continued to implement the Health Turnaround Strategy based on the Memorandum of Agreement (MOA) between the Gauteng Provincial Government, the Minister of Health and the Minister of Finance. As the need for improved service delivery remained critical, the GDoH was placed under Administration based on Section 18 of the Public Finance Management Act (PFMA). In this case, Provincial Treasury as an Administrator appointed a PwC Consortium in May 2013 to provide solutions and support the implementation of the Health Turnaround Strategy within GDoH across five main work streams: strategic leadership, hospital management, financial management, supply chain management and human capital. The interventions will ensure that service delivery is improved to benefit patients and staff.

Great improvement affecting service delivery has been made in collaboration with the Administrator in the implementation of the Turnaround Strategy, including all eight core challenge areas:

- Finance and Financial Management.
- Human Resource Management and Development.
- Hospital Management.
- District Health Services.
- Health Information Management.
- Communication.
- Medico-legal Services and Litigation.
- Infrastructure Development and Management.

On 26 June 2013, a Development Accord was signed between the National Department of Health, GDoH and the University of the Witwatersrand in order for all parties to share a commitment in addressing the health crisis in Gauteng by:

- Ensuring the availability and functionality of equipment and consumables at four central hospitals;
- Working together towards the achievement of access to health care in Gauteng; and
- Training health care professionals who can help address the country's health challenges.

An enhancement implementation plan has been developed and implemented in hospitals, focusing on:

- Availability of medicines and consumables.
- Availability and functionality of equipment.
- Ward-based and cost management.

The management of the Department has been strengthened in 2013/14 financial year through the appointment of the Head of Department, 14 Senior Managers and seven Chief Executive Officers. The under-resourced legal services unit has been stabilised with the appointment of the unit's head.

2.4 Key policy developments and legislative changes

During the year under review, there were no major policy changes affecting operations of the Department.

3.1 Strategic goals of the Department

- Improved health and wellbeing with an emphasis on vulnerable groups.
- Reduction of the rate of new HIV infections by 50% in youth, adults and babies in Gauteng, and reduce deaths from TB and AIDS by 20%.
- Increased efficiency of service implementation.
- Human capital management and development for better health outcomes.
- Organisational excellence.

3.2 Progress made towards achievement of the five year targets

Significant achievements over the past five years are as follows:
There is a significant increase in life expectancy from 56 years in 2009 to 60 years in 2012, surpassing the target of 58 years by 2014*. The maternal mortality ratio has decreased from 167/100 000 live births, during 2005 and 2007 triennium report, to 145/100 000 live births between 2008 and 2010. Infant survival was improved through the promotion of exclusive breastfeeding and establishment of Kangaroo Mother Care for low-birth weight babies in 98% of hospital providing maternity and neonatal care.

Currently, the Department has 49 facilities accredited as mother- and baby-friendly. These facilities help mothers to breastfeed (which contributes to good nutrition and survival of infants).

A significant policy development in 2010 was the launch of the HIV Counselling and Testing (HCT) campaign. In 2010/11, the HCT campaign doubled the rate of HIV testing compared with 2009/2010 financial year. Since inception in April 2010, more than 3 million people in Gauteng have been tested. Good management of HIV-positive women during pregnancy is critical to reducing maternal deaths and ensuring that the HIV transmission to babies is drastically reduced.

The Department also championed the introduction of fixed-dose combination of ARVs in a phased-in approach for HIV-positive patients, prioritising pregnant women and other eligible patients newly diagnosed with the virus.

To address the burden of TB various initiatives have been employed by the province, including the provision of INH prevention therapy to HIV-positive patients who have not yet contracted TB, as well as children under five years who are in contact with infected patients at home. Strategies for reducing TB are multi-pronged, including intensified home visits of infected patients where contacts are also screened. Various awareness programmes such as the "Kick TB" campaign are also conducted among school-going children and at correctional facilities. The TB/HIV collaboration is an important strategy that presents an opportunity to establish whether there is co-infection among patients who present to health facilities. This ensures that co-infected patients receive both ARVs and TB treatment because the combination of these two diseases contributes to a high percentage of mortality.

TB diagnosis was further strengthened by acquiring GeneXpert diagnostic equipment, which delivers TB test results – including the diagnosis of drug-resistance – within hours. Currently, the Department has 18 Gene Xpert machines. The Department also provides the drug Isoniazid to HIV-positive patients to prevent them from acquiring TB. By end of 2012/13 financial year, this intervention benefited 96 800 people living with HIV. Improvements in TB cure rate rose from 79% in 2009/2010 financial year to 83.8% during the year under review. Fewer patients on TB treatment default from treatment due to Direct Observed Treatment Support by Community Health Workers (CHWs). Furthermore, CHWs conduct home visits and provide psychological support to TB patients. Thus, Pulmonary Tuberculosis defaulter rate has reduced from 6% in 2009/2010 financial year to 4.9% in the second quarter of 2013/2014 financial year. The Department is also striving to improve treatment outcomes for patients who have MDR-TB. Having only Sizwe Hospital as a treatment site results in patients defaulting treatment, compromising the fight against TB. A number of satellite decentralised sites are now being opened to ensure patients receive treatment closer to their homes and families.

The Department is also piloting National Health Insurance (NHI) model announced in 2010 by the National Health Minister. The NHI is a financing system that will make sure that all citizens of South Africa (and legal long-term residents) are provided with essential healthcare, regardless of their employment status and ability to make a direct monetary contribution to the NHI Fund. The Tshwane Health District is one of the 11 pilot sites in South Africa selected for the first phase of NHI implementation. The Municipal Ward-Based PHC outreach teams have been integrated with home based care and integrated school health services.

(*Source: Rapid Mortality Surveillance Report 2012)

4.1 Programme 1: Administration

Purpose of the programme

The purpose of this programme is to provide strategic direction and leadership, to guide and support the development of policy frameworks and guidelines for priority programmes, to develop policies and legislation on health care provision, and to ensure that norms and standards are followed in the course of implementation.

List of sub-programmes

- Human Resource Management.
- Quality Assurance.
- Information and Communication Technology.

Strategic objectives:

The following strategic objectives are relevant for Programme 1:

- Improved client satisfaction rates.
- Improved achievement against national norms for health professionals.
- Employment equity and diversity management.

Human Resource Management

Employment Equity

In the year under review, roadshows and workshops were conducted to communicate Employment Equity (EE) targets and raise awareness on the importance of reaching set targets, that is 2% for People with disabilities (PWDs) and 50% Women at Senior Management level, as well as compliance with the processes outlined by the EE Act and Plan, and to monitor the process of implementation.

The recruitment and selection policy of the Department prioritises employees from designated groups (blacks, women and PWDs) to ensure diversity. During the short-listing process extra points are allocated to applicants from designated groups, particularly women and PWDs, giving them a fair chance to compete for posts. The number of women recruited at senior management level has increased by 4.7% in the 2013/2014 financial year compared to the previous financial year.

All new policies in Human Resources (HR) are sent out to the unit for comment to ensure they are gender-sensitive and do not have any other barriers that could hinder redressing the imbalances of the past. HR policies are continually analysed to ensure compliance with the EE Act and Plan.

The GDoH's Skills Development Plan was developed to address the skills gap and to ensure that the designated groups were targeted at all levels to ensure continuous learning and growth. In the year under review, a total of 16 883 employees from designated groups were trained. Of this number, 10 565 were women and 27 were employees with disabilities.

For the financial year 2013/14, the Department set a target of having 50% of women appointed at Senior Management Service level. By the end of March 2014, the Department achieved 40.5% of this target. Five women were appointed at SMS level despite the moratorium on recruitment during the course of the year.

The Department faces a challenge of senior women managers leaving for greener pastures, an unavoidable nature of the workplace.

Gender Mainstreaming

During the Department of Public Service and Administration's Women Management Week held in August 2013, the Acting Head of Department hosted a Management and Leadership workshop for 33 women at SMS level. During that meeting, the eight Principles on gender mainstreaming and the progress achieved by the Department were presented and discussed.

Also in August, the Department participated in the Service Delivery Expos organised by the Office of the Premier. There was health promotion and screening for diabetes, high blood pressure, cholesterol, HIV and AIDS, breast and cervical cancer screening, dentistry and so on.

Disability Mainstreaming

There has been a steady growth in the recruitment of PWDs, of whom 468 are on the staff compliment. The total number of PWDs recruited is offset by the growth in the staff compliment. The greater the number of total staff, the more PWDs have to be recruited. Due to the moratorium on recruitment of administrative staff in the last quarter, the Department has not been able to recruit new employees with disabilities.

The nature of services the Department provides are such that few PWDs have qualifications in health sciences, particularly in medicine and nursing. The Department has few vacancies in administration and support components where PWDs could be neatly placed.

Organisations working with PWDs provide CV's of eligible candidates, which had enabled the Department to create a database. This database made it possible for 10 PWDs to be employed at the new Zola Jabulani Hospital. When the moratorium gets lifted, more PWDs will be considered for employment opportunities.

The Department continues to improve the health facilties infrastructure to accommodate PWDs.

Road shows and workshops were conducted in three health districts and five hospitals to sensitise staff about the need to treat colleagues with disabilities with dignity and respect. They were urged to communicate any special needs of PWDs. The Department has not yet measured the impact of these workshops, but no complaints have been received thus far.

Quality assurance

Inspectorate

In 2013/2014, the Quality Assurance Directorate, through the Inspectorate Unit, continued the coordination and implementation of the National Core Standards (NCS) to facilitate compliance through self-assessments in all health establishments.

The revised NCS tools and methodology were used to conduct assessments in 2013/14 to address ongoing quality improvement, in particular some major initiatives related to the Six Ministerial Priority Areas that are an integral part of the NCS. The comparison of results generated using the current revised comprehensive tool with the previous results cannot give a clear picture due to marked differences in the tools.

The highlights from current self-assessment results indicate the average overall performance scores as follows:

- Four central hospitals – Steve Biko, Charlotte Maxeke, Chris Hani Baragwanath Academic and Dr George Mukhari – show compliance of 72%
- Three tertiary hospitals – Helen Joseph, Kalafong and Tembisa – show compliance of 68%
- Regional hospitals show compliance of 69%
- District hospitals show compliance of 71%

A dedicated national database allows quality inspectors to enter data that generates reports that give an overall picture of how a particular facility performs in line with the Six Ministerial Priority Areas. Based on that report, gaps in the provision of quality of heathcare are identified and measures to redress them proposed. Inspectors from the Inspectorate Unit support, monitor and evaluate the implementation of quality improvement plans through focus and ad-hoc visits.

Achievements in relation to the Six Ministerial Priority Areas

The Six Ministerial Priority Areas are an integral part of the NCS and have been identified as priority areas for urgent attention.
The average overall performance scores for all hospitals are as follows:

- Availability of medicines and supplies 74%
- Cleanliness 61%
- Keeping patients safe 70%
- Improving values and attitudes of staff 67%
- Preventing the transmission of infections within health establishments 73%
- Reducing waiting times 75%

Quality improvement teams are functional in all districts to fast track progress in priority areas.

The Department has a provincial Infection Prevention and Control (IPC) manager who works with the team or retired nurses to conduct inspections in neonatal wards. They compile weekly dashboard reports that serve as early warning systems of potential outbreaks of hospital-aquired infections. The number of neonatal outbreaks in hospitals has been reduced from 18% in 2012/13 to 14% in 2013/14 through monitoring of adherance to infection prevention and control principles in all heath establishments. Training of cleaners and supervisors has been intensified.

Patients' complaints management system

The Department's complaints system responds to complaints from patients and other members of the public, received at health care facilities. It uses numerous routes, including the Offices of the President and the Premier.

Workshops are conducted regularly for complaints management officials, including coaching, mentoring and monitoring. Raising public awareness about the complaints system to the public is done through various means, including community radio stations, publicity at frontline areas of the complaints system and the Premier's hotline number.

Complaints are processed and resolved within 25 days, with complainants being continually informed of the processes and outcomes. A total of 8 411 complaints were received on problems involving patients at hospitals and districts.

The management of Serious Adverse Events (SAE) is viewed in a critical light within the GDoH and all efforts are channelled towards prevention, prompt identification and effective management of SAEs.

All health facilities have established SAE committees that deal with SAEs as they occur. To prevent the recurrence of the SAEs, facilities institute an immediate investigation to analyse root causes and develop a quality improvement plan.

Affected patients and families are addressed at the end of each SAE investigation. If families are not satisfied with the outcome, they reserve the right to escalate the matter through other avenues to seek relief.

Some of the SAEs are complaints that escalated to be SAEs due to their nature and seriousness. These would range from near-misses of what is an actual SAE to temporary or permanent injury/damage, with the most severe cases resulting in death. A total number of 793 SAEs have been reported, with 480 being resolved, constituting a 60.6% resolution rate. In 2012/13, a total number of 518 SAEs were reported and 390 were resolved compared to 793 reported in 2013/14. The significant increase in reported SAEs can be attributed to effective reporting systems introduced, staff empowerment and education about prompt management of SAEs and public awareness about their rights.

A substantial number of SAEs are referred to the Labour Relations Directorate and the Statutory Councils for further management, and fostering of compliance to appropriate standards of health care and interventions.

Reduction of waiting times at Gauteng Department of health facilities

Waiting times at provincial health facilities are a pivotal concern of the Gauteng Department of Health (GDoH) and the focus is to reduce the patients' waiting period as set in provincial benchmarks. The areas of focus in measuring and monitoring waiting times so far include Primary Health Care (PHC) in Community Health Centres (CHCs), out patients Department (OPD) Casualties and Pharmacies.

Regardless of challenges encountered by different health facilities, there were notable improvements in the reduction of waiting times. Out of 35 CHCs, 29 achieved the set provincial benchmark of 160 minutes. The continuous service improvement in CHCs is attributed to on-going training of newly appointed staff, including Queue Marshalls who are dedicated to providing quality customer care that reduces waiting times.

In the year under review, 18 of the 26 hospitals achieved the benchmark waiting time of 160 minutes at Casualty and Pharmacy. The benchmark was however, not achieved at OPD.

The improvement is due to the ongoing capacity building of Queue Marshalls on queue management and support visits by Provincial Quality Assurance teams. The GDoH has established a partnership with FNB to improve the service standards at health care institutions. The impact of this initiative has resulted in a customer care service that includes the reduction in waiting times and improvement in

staff attitudes. However, two academic hospitals failed to achieve the set benchmark of 180 minutes. This is ascribed to the increase in patient influx and disease burden that affect queue management.

Information and Communication Technology

The Department has started with the process of upgrading the Health Information System (HIS). The first hospital to have the upgraded HIS is Zola Jabulani. Installation will soon be extended to other nine hospitals (Chris Hani Baragwanath, Charlotte Maxeke, Weskoppies, New Natalspruit, Dr George Mukhari, Steve Biko, Helen Joseph, Pretoria West and Mamelodi). Thereafter, the system will be rolled out to other institutions. The upgrade promises to usher in a new period in which patient records are electronically captured.

The ICT infrastructure upgrade plan is now complete and will see hospitals networking and new servers installed. This will help hospitals implement systems to drastically reduce queues, thereby providing an enhanced level of service to citizens.

The Department has introduced the use of IP Phones (the ability to make calls over the IT network of the Department). The technology has been implemented at Head Office and at Zola Jabulani and New Natalspruit hospitals. This has reduced the telephone costs since a call is made over the network at no cost to the Department. This technology will be rolled out to all other institutions in the future.

PROGRAMME 1: ADMINISTRATION

Programme1: Administration					
Strategic objective	**Actual achievement 2012/13**	**Planned target 2013/14**	**Actual achievement 2013/14**	**Deviation from planned target for 2013/14**	**Comment on deviation**
Improved client satisfaction rate					
Client satisfaction rate	67.5%	71%	68%	(3%)	The Department has revised the data collection tools which will be utilised during 2014/15 financial year.
Increase level of Efficiency in PHC Facilities					
Number of CHCs with waiting times below agreed benchmark (out of 35)	26	27/35 (84%)	29	2	The continuous improvement marked in CHCS could be attributed to on-going training of newly appointed staff, including queue marshalls.
Increase level of Efficiency in Hospitals					
Number of hospitals with waiting times below agreed benchmark for OPD (out of 26)	19	18/26 (70%)	17	(1)	There is little improvement in this indicator because of the influx of patients in OPD. However strengthening of capacity building of queue marshals continues to make a positive difference.
Number of hospitals with waiting times below agreed benchmark for casualty (out of 26)	20	18/26 (70%)	19	1	Quality Assurance has been driving a project for all frontline workers and newly appointed staff. Customer care initiative include implementation of strategies on reduction of waiting times.
Number of hospitals with waiting times below agreed benchmark for pharmacy (out of 26)	20	18/26 (70%)	20	2	Strengthening of ongoing health education to encourage patients to observe the clinic opening times and also go to appropriate levels of care.
Employment equity and diversity management					
% of women in senior management posts (349 senior managers)	35.8%	50%	40.5%	(9.5%)	There is approximately 5% improvement in the recruitment of women in senior management positions compared to the 2012/2013 financial year. The slow growth in new appointments of women in senior management is due to limited number of vacant funded posts at SMS levels and female Senior Managers who exit the system.
% of People with disabilities employed	0.8%	2%	0.74%	(1.26%)	There was a slow progress in the recruitment of People with disabilities (PWDs) due to the growth in staff establishment which often offset any gains made in recruitment of PWDs.

Programme1: Administration					
Performance indicator	**Actual achievement 2012/13**	**Planned target 2013/14**	**Actual achievement 2013/14**	**Deviation from planned target for 2013/14**	**Comment on deviations**
Medical officers per 100 000 people	23.9	22	24.8	2.8	The target of 22 was exceeded. The Department has prioritised appointment of health professionals despite a moratorium on recruitment. There was never a moratorium on health professionals.
Professional nurses per 100 000 people	103.8	105	120.7	15.7	The target of 105 was exceeded. The Department has prioritised the appointment of health professionals despite a moratorium on recruitment. There was never a moratorium on health professionals.
Pharmacists per 100 000 people	7.1	8	6.9	(1.1)	The target was not achieved. Although the Department recruited more pharmacists. Pharmacy remains a scarce skill profession.
Vacancy rate for professional nurses	8.7%	6%	11.83%	5.83%	The Department has prioritised appointment of health professionals despite a moratorium on recruitment. There was never a moratorium on health professionals.
Vacancy rate for doctors	17.33%	20%	11.94%	(8.06%)	The Department has prioritised appointment of health professionals despite a moratorium on recruitment. There was never a moratorium on health professionals. More doctors exited because their skills are in high demand.
Vacancy rate for medical specialists	11.03%	20%	7.85%	(12.15%)	The Department has prioritised appointment of health professionals despite a moratorium on recruitment. There was never a moratorium on health professionals. More doctors exited because their skills are in high demand.
Vacancy rate for pharmacists	16.6%	20%	15.42%	(4.58%)	The Department has prioritised appointment of health professionals despite a moratorium on recruitment. There was never a moratorium on health professionals. More pharmacists exited because their skills are in high demand.

Strategy to overcome areas of underperformance

A comprehensive Human Resource for Health Plan has been developed and approved. The plan identifies, among other things, gaps in the HR Management such as staffing, employment equity and relationship issues. It outlines steps to address all the identified gaps, for example the revised recruitment and retention strategy implementation of memorandum of agreement with the Universities, to address joint appointments of registrars and specialists.

Changes to planned targets

There were no mid-year adjustments to the targets under Programme 1.

Linking performance with budgets

The following table presents the financial information for Programme 1.

Expenditure: Programme 1 – Administration

	2013/2014			2012/2013		
Budget sub- programme	**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**
Office of the MEC	14 272	10 969	3 303	16 482	11 519	4 963
Management	781 271	573 181	208 090	666 965	489 843	177 122

4.2 Programme 2: District Health Services

Purpose of the programme

The purpose of the programme is to provide comprehensive Primary Health Care (PHC) services, district hospital services, and comprehensive HIV and AIDS care and to deliver priority health programmes, including the nutrition programme.

The District Health System is the vehicle for the delivery of PHC, which encompasses a range of basic health services and includes health promotion, disease prevention, curative care and rehabilitation. PHC, coupled with equitable access to decent housing, clean water, sanitation, nutrition and education, has had a significant impact on health and health outcomes.

List of sub-programmes

- District health management and PHC services.
- District hospitals.
- HIV and AIDS, STIs and TB.
- Maternal, child and women's health and nutrition.
- Disease prevention and control.
- Forensic pathology services.

Strategic objectives

- Reduce preventable causes of maternal deaths.
- Reduce infant mortality.
- Reduce child mortality.
- Reduce malnutrition in children.
- Reduce referrals for specialised psychiatric care.
- Increase mobility among People with disabilities.
- Reduce new HIV infections in youth and adults through increased safe sex behaviour.
- Reduce new HIV infections in newborn babies.
- Increase medical male circumcision among youth.
- Reduce deaths from TB through effective treatment.
- Reduce death from AIDS through appropriate treatment, care and support for 80% of People living with HIV (PLHIV).
- Facilitate normal psychosocial development of orphans and vulnerable children (OVC), including children affected by AIDS.
- Increase partnerships on HIV and AIDS.
- Improve client satisfaction rate.
- Increase level of efficiency in PHC facilities.

Sub-programme 2.1: District Health Management and PHC Services

Ward-Based Outreach Teams

At the beginning of the financial year, the Department established 49 Ward-Based Outreach Teams (WBOTs), which were used as a baseline for the 2013/2014 financial year. The target for the year was the establishment of 70 additional WBOTs.

The programme was able to establish 11 additional teams to the set target, thereby creating 81 additional teams. By the end of the financial year, together with previous year's achievement, the total number of teams established was 130.

Breakdown per district

DISTRICTS	JOHANNESBURG	EKURHULENI	TSHWANE	WEST RAND	SEDIBENG	TOTAL
TEAMS ESTABLISHED	28	30	25	17	30	130

Trained Team Leader

Team leaders for Ward-Based Outreach Teams (WBOTs) are taken from professional nurses in line with policy directive. The challenge with this is that professional nurses are scarce. Innovative ways had to be sought, which saw enrolled nurses being utilised as team leaders. This model was adopted in Ekurhuleni through which the Department managed to exceed the target. A total of 120 team leaders were trained by Broad Reach to lead the wards, but five of them resigned in persuit of Occupation-Specific Dispensation (OSD).

Community Health Worker Training

The target for the training of Community Health Workers (CHWs) was exceeded by 460 from a target of 700 to 1 160. This was on Primary Health Care Re-engineering and Counselling. A total of 20 officials were trained by the development partners, Broad Reach, and 13 of them are still in the Department. Training will be incorporated to Regional Training Centre (RTC).

Target per district

DISTRICTS	Johannesburg	Ekurhuleni	Tshwane	West Rand	Sedibeng	Total
CHW Training	232	232	232	232	232	1160

Expanded Public Works Programme (EPWP)

The Expanded Public Works Programme (EPWP) is a nationwide Government programme aimed at reducing unemployment and poverty by creating short- to medium-term work opportunities for the unemployed by engaging them in productive work while offering them skills and work experience.

Monitoring and reporting of work opportunities plays a critical role in measuring the performance of the implementation of EPWP. Data collected on jobs created is validated, verified and downloaded onto the online system called the Integrated Reporting System (IRS), which generates National Quarterly System Performance Reports across all the EPWP sectors, that is social, infrastructure, environment, culture and non-state sector.

The Department of Health, like all other public implementing bodies, reports quarterly on the Integrated Reporting System (IRS) and supports other Departments to report online on the national system.

Scope of work

Data was collected from all the funded NPOs through EPWP web-based reporting templates at the five districts and the total targeted number of IRS reports was 511. See the breakdown per district in the table below:

DISTRICT	NO. OF REPORTS (NPOs FUNDED FROM ARV BUDGET)	NO. OF REPORTS (CONDITIONAL GRANT & EQUITABLE SHARE)	TOTAL NO. OF REPORTS PER DISTRICT
JOHANNESBURG	50	128	178
EKURHULENI	25	67	92
TSHWANE	30	94	124
SEDIBENG	15	55	70
WEST RAND	10	37	47
TOTAL	**130**	**381**	**511**

Sub-programme 2.2: District Hospitals

Gauteng Province has 11 District Hospitals and will be opening Zola Jabulani Hospital in Soweto in April 2014 to relieve Chris Hani Baragwanath Hospital of patients in need of level one service. With 380 beds, this hospital is expected to add to the total of 2 965 level 1 beds approved for District Hospitals.

Of these beds, only 2 215 beds were used for the year (2013/14), meaning that 75% of the approved beds were operational for the financial year. In terms of classification, seven of the District Hospitals are medium (±300 beds) size with two small (≤250 beds) and two classified as large (±500).

Performance of the hospitals for the year needs improvement. All hospitals, with the exception of Bertha Gxowa and Jubilee, performed below the 75% target on the bed occupancy rate (BOR), with most of the hospitals performing in the margin of 60%. The Average Length of Stay (ALOS) was also found to be mostly above the target of 3.2 days.

Rehabilitation and therapeutic services

Purpose of the programme:
To ensure appropriate service delivery at all levels of care, to promote health and wellbeing, prevent disability, restore integration and uphold rights of vulnerable groups. This is undertaken in close cooperation with other Government Departments, advocacy groups and different NGOs and Community Based Organisations. The sub-directorate facilitates and supports the delivery of allied, rehabilitation, radiographic and clinical technology services in all health facilities in accordance with legislation and national policies, and will ensure alignment to the Department's strategic objectives.

Achievements
In line with information on the burden of disease in South Africa, an enormous focus was given to patients at risk of cerebral vascular incident and the treatment thereof. Prevention campaigns were held with public health programmes and training workshops were arranged for therapists. A multi-disciplinary protocol was developed.

Eight Orientation and mobility training programmes for people with visual impairments were provided to approximately 70 patients of varying age groups across all districts. The services of the South African Mobility for the Blind Trust (SAMBT) were used. More programmes will need to be provided as more patients are continually being identified for orientation and mobility training.

A screening tool, report writing templates and training workshop were done to ensure that vocational rehabilitation service were implemented at various levels of health care in the province. Vocational Rehabilitation Assessments are already taking place at Chris Hani Baragwanath, Charlotte Maxeke Johannesburg Academic, Steve Biko Academic and Dr G Mukhari Hospitals. Tshwane Rehabilitation Hospital is also in the process of developing the services further.

Staff training sessions and workshops on Early Childhood Interventions (ECI) for children at risk of developing disabilities were held, where 26 stakeholders, including non-governmental organisations (NGOs), were oriented to strengthen collaboration. ECI developmental screening and information brochures for ages 0-24 months were completed and distributed to institutions.

Together with the Provincial Quality Assurance Inspectorate, 21 audits were completed at various hospitals, which were asked to implement corrective measures to monitor and improve compliance to the National Health Insurance core standards of therapy and rehabilitation services. In many instances record keeping was a major challenge and other problem areas related to infrastructure and staff shortages.

Challenges
A lack of social work supervisory posts in District Health Services (DHS) affect quality, monitoring and support of services. A lack of integration of social work services in District Health Services further affects access to services.

A steady increase of local and foreign patients with disabilities requiring alternative care, placement, deportation and repatriation has been observed. There are limited NGOs and community resources to absorb such patients on discharge. This negatively affects length of stay and bed utilisation.

The Department experiences long waiting lists, especially with hearing aids. Inadequate funding for the maintenance and repairs for both manual and motorised wheelchairs compounds the problem, increasing costs for the Department as the devices are replaced instead of being repaired.

Strategy to overcome areas of underperformance
Efforts from a Danish company to donate hearings aids to the province are being supported and motivations were submitted for a central budget to manage repair services.

Radiography services

Strategic objectives
The sub section strives to ensure quality imaging and radiation therapy services at the least amount of radiation risk to the patient. This applies to all levels of radiographic services. It also seeks to assist this radiography services to be compliant with the National Core Standards and Legal Compliance requirements as per the Hazardous Substances Act 15 of 1973. Furthermore, the status and quality of Radiographic Equipment will be monitored and assessed.

Achievements
Twenty radiography Departments were assessed according to the NHI tool. This was done in conjunction with the Quality Assurance Directorate. During these visits, the managers were provided with support and given guidance to improve services delivery.

An equipment register was established and baseline specification for equipment was developed to assist in future tender processes.

Challenges
Technical developments continually take place and staying abreast with these developments is quite challenging. Several facilities experience frequent breakdown of equipment. In many instances, the equipment needs to be replaced, but slow supply chain processes and a lack of funding tend to hamper the replacement of such faulty equipment. This is coupled by challenges of implementing the Quality Assurance (QA) programme at facility level.

Radiography services are also adversely affected by staff vacancies and a lack of tutors to supervise students, thus placing more demands on clinicians.

Strategy to overcome areas of underperformance
Human Resource Management at facility level needs to fill vacant posts speedily and create tutor posts. Financial Managers and Procurement Section need to be alerted about the importance of having funding available for mandatory QA-tests by outside stakeholders, repair of equipment and quick payment of necessary products. Furthermore, radiographers will be trained on the internal QA programme.

Oral Health

Achievements
The Department has appointed a new CEO/Dean of Medunsa Oral Health Centre who has started a selection process of specialists for the three clinical Departments to comply with Health Professions Council of South Africa (HPCSA). The Department has further equitably modernised the essential equipment in all the oral health centres through procurement of six digital panceph X-Ray units. The mobile dental units had been officially launched for outreach from tertiary institutions to underserved communities. The corporate entity entered into a service level agreement as partners to maintain the units, service and fuel the trucks.

Private laboratory cost was reduced by 4.6% as compared to 2012/2013 due to in-house laboratory work undertaken by the Oral Health Centres.

Challenges

A lack of clinical space for the training of mid-level oral health professionals at Wits Oral Health Centre continues to be a challenge. All the Oral Health Centres are still using the old terminologies for post categories. There is a need for revision of staff establishments of all the centres in order to be aligned with current OSD terminology.

Sub-programme 2.3: HIV and AIDS, STIs and TB

Summary of Significant Achievements 2013/14

HIV counselling and testing

Since launching in 2010, HIV counselling and testing is a key starting point for treatment, care and support for People living with HIV (PLHIV). More people than ever are aware of their HIV status. This percentage increased from 51% in 2008 to 68% in 2012[1] due to the high HIV testing coverage in Gauteng, leading to the rapid expansion of the antiretroviral treatment (ART) programme.

Prevention of Mother-To-Child Transmission

The massive 86% reduction in Mother-To-Child Transmission of HIV since 2004[2] has been sustained, with transmission levels consistently lower than national estimates. This is attributed to the effective implementation of the Prevention of Mother-To-Child Transmission (PMTCT) programme and the attainment of universal ART coverage for HIV-positive mothers in Gauteng. Only 2.2% of babies tested positive for HIV when tested at six weeks due to the increased access to ART therapy for HIV-positive women.

Antiretroviral therapy

Universal access to antiretroviral therapy has been achieved among Gauteng residents since 2012, with about 610 000 people on ART by end of the fourth quarter of 2013/14. More than 80% of PLHIVs get treatment from about 380 public health care facilities. This represents access at about 94% of all public health facilities in the province.

The rapid expansion of the ART programme is attributed to the National Health Counselling and Testing campaign and supported by innovative policies such as the training of nurses in the initiation and management of patients on ART (NIMART), and the introduction of the fixed-dose combination (FDC) for patients in April 2013. The success of the ART programme is the main driver for the significant increase in life expectancy of Gauteng residents from 57 years for males and 60 years for females in 2006, to 61 years and 63 years for males and females, respectively, in 2013.

Medical Male Circumcision

Medical Male Circumcision (MMC) is a key HIV prevention programme and has enjoyed sustained rapid expansion with large numbers of procedures performed at MMC sites. Working with development partners at these sites, the Department has achieved increased demand for and high levels of acceptance of MMC services than ever before. About 48% of males in Gauteng are circumcised, with about 60% of circumcised males having undergone MMC[3].

Home and Community-Based Care

The home and community based care programme is an important service for patients who are not sick enough to be admitted to hospitals but still need some form of specialised care and support in the community or at home. The Department funded 316 non-profit organisations (NPOs) to provide home and community-based care services (CBCS). These organisations included 25 hospices that provide palliative care through community-based organisations and trained home-based carers. The Department has conducted more than 300 000 home visits in 2013/14.

1 HSRC SABSSM Survey 2012
2 UNAIDS Spectrum Report
3 HSRC SABSSM Survey 2012 Report

High Transmission Areas

High transmission areas provide access to key HIV prevention interventions for populations at high risk in the province. In 2013/14, the number of peer educators providing specialised HIV and STIs prevention education was increased, and condom distribution was prioritised to more than 180 High Transmission Areas, with improved reporting through the Logistic Monitoring Information System (LMIS).

Multi-sectoral Approach on HIV and AIDS

The multi-sector Gauteng Strategic Plan for HIV, TB and STIs for 2012 to 2016 was adopted by the Gauteng AIDS Council in the 2012/2013 financial year. The plan involves all Government Departments, key sectors of civil society, service NGOs, business and organised labour. The AIDS Council adopted the Combination HIV Prevention policy, which combines social, structural, behavioural and medical services to prevent further HIV infections. The policy focuses on young women between the ages of 15 and 29 years and includes their male sex partners and other high-risk groups.

Community Education Programmes

The high outputs for community education programmes were maintained in 2013/14, with increased numbers of people in high-risk settings provided with appropriate education to reduce vulnerability to HIV infections and reduce the impact of HIV and AIDS in communities.

Managers and key implementers in government and civil society programmes were trained on Combination HIV Prevention in order to turn the tide on new infections among Gauteng residents. Combination HIV Prevention involves all relevant provincial Departments of Government, municipalities, community leaders from all sectors, business and labour in a coordinated effort. These activities are increasingly implemented effectively at ward level to reach young women and their sex partners.

Strategy to overcome areas of underperformance

- Renovations and minor alterations to address infrastructure challenges.
- FDC rollout implemented in all districts with switching of old patients on single agents to FDC; single agent ARV drugs are being gradually phased out.
- Tracking and tracing systems developed for loss to follow up of clients on ART.
- Integration of ART into Primary Health Care (PHC) mainstream to ensure initiation of both adults and children occur at all health facilities.
- While the Department aimed to provide ART at 403 facilities in 2013/14, this was possible at only 380 facilities.
- Conduct week-long outreach Health Counselling and Tetsting (HCT) activities in malls and taxi ranks.
- The district health information system (DHIS) does not capture data from external partners, such as business organisations and NGOs, and therefore reporting on the number of individuals tested for HIV in the province is not complete. Arrangements will be made to add external partners as DHIS reporting units.
- Encourage more professional nurses to conduct HCT in their consulting rooms.
- Allocate targets to every stakeholder and monitor progress.
- Develop a strategy to distribute and monitor condoms.
- GDoH Contract management to closely monitor the condom suppliers' performance (supply of ordered condom numbers).
- Contract private service providers to perform MMC at community level.
- Involvement of the civil society in education of community about PMTCT (informing young HIV-positive girls about PMTCT and to prevent HIV infection in young girls).
- The community worker programme to be integral part of DHS through Ward-Based Outreach Teams (WBOTs).

TB control programme

The year under review has seen an improvement in the expansion of diagnostic technology in the form of Genexpert machines within health facilities aimed at strengthening case detection. This has resulted in the percentage of smear positive TB cases rising from 45% when diagnosed through microscopy to 90% when diagnosed through Genexpert. The advantage of a high smear positivity rate is that it enables the programme to be monitored for treatment outcomes, namely smear conversion and cure rates. This is not the case with smear negative TB. The other benefit of this technology is the ability to diagnose drug-resistant TB. When diagnosis was dependant only on culture and sensitivity, the results used to take up to two months to be available. During this period, many patients were lost to follow-up while others died before receiving treatment.

The technology has also facilitated the process of decentralisation of MDR-TB management. Having the machines in all the districts has enabled patients to start treatment immediately upon confirmation of presence of infection. Once the district receives the results of drug resistance through the Genexpert, treament can start within 24 hours at a local level. This has minimised inconvenience to the patient who had to be transported to Sizwe Hospital in order to start treatment for drug-resistant TB. The introduction of Genexpert technology was coupled with the establishment of decentralised units outside Sizwe Hospital as well as training of staff in order to initiate treatment in facilities closest to patients' homes.

Overview and performance of TB programme

During the year under review, the number of out-patient attendees who were screened for TB increased from 367 086 in 2012/13 to 444 798 in 2013/14. Of these patients, 49 416 were confirmed as having active TB and were initiated on treatment. In comparison to the 2012/13 financial year, there is a reduction from a total of 50 461 who were diagnosed in that year. The reduction is attributed to the success of the ART programme in HIV-positive patients, which results in the reduction of opportunistic infections, the most common of which is TB.

Isoniazid Prophylaxis (IPT) is provided to HIV-positive people as well as household contacts of TB patients who are under the age of five years. IPT was provided to 83 811 PLHIVs, exceeding the target of 80 000.

Treatment outcomes

Out of the 49 416 patients diagnosed with TB, there were 20 622 who were smear positive on microscopy. At the end of two months, the smear conversion was 85%. At the end of six months, 17 361 patients were cured, which translates into an 83,8% cure rate. This is an improvement from 82,4% in 2012 (that is, 18 492 out of 22 669 smear positive patients).

The number of defaulters for the year in review was 1 075, which translates into a 5,1% defaulter rate. This is slightly higher than the 4,8% reported in the previous year. The unrest among Community Health Workers (CHWs) due to the change in the NGO policy affected the ability to support patient thus affecting defaulter tracing.

TB/HIV collaboration

There were 33 347 patients who were co-infected with HIV, which constituted 67% of co-infection rate. This is a significant drop from 71% reported in the previous year. This could be attributed to INH prophylaxis (IPT), which is given in order to reduce chances of developing TB among HIV-positive people. ART was provided to 22 396 co-infected patients (67%), a great improvement from 58% in the previous year.

DRUG-RESISTANT TB

There were a total of 459 patients with Multidrug-resistant TB (MDR-TB) and 19 with Extreme Drug-resistant TB (XDR-TB) who were newly diagnosed and initiated on treatment. The number of new XDR patients is the same as in 2012 but the ones with MDR-TB is less than the previous year, which was 749 cases. The reason for the viewer MDR-TB patients in 2013/2014 is because patients are now diagnosed through Genexpert as well, but there are actualy diagnosed as Rifampicin resistance rather than MDR-TB. This, however, is not a cause for celebration because the introduction of Genexpert technology has resulted in an increase in the detection of drug-resistance cases. There were 1 509 Rifampicin-resistant cases diagnosed through the Genexpert technology, of which 60% were confirmed as true MDR through culture and sensitivity tests. This shows that by investing in new technology, many patients with drug-resistant TB can now be initiated on treatment immediately, unlike in the past when they had to wait for up to two months before receiving treatment.

In an effort to fight multi-drug resistant TB, decentralised sites have been opened in 12 hospitals and 27 clinics. This eases the burden of Sizwe Hospital. An old ward is being reconstructed at Tshwane District Hospital for the same purpose. Each district also has a satellite clinic where the MDR patients will be visiting once a month when they are in the continuation phase, which is the phase following the intensive initial phase. In the continuation phase, patients are maintained on oral therapy and the visits are for monitoring purposes until they complete treatment. The Department is also working with Hospice Palliative Care Association (HPCA) to reduce the defaulter rate among the MDR patients.

In order to prevent contacts from also getting infected, a total of 618 households were visited where 2 130 contacts were screened. Out of these, 941 suspects were identified. There were 239 children under five years who were identified as suspects and were provided with INH prophylaxis as they were at a greater risk of being infected.

The Department also conducted outreach activities to provide ongoing education and social mobilisation activities. Five thousand five hundred and thirty-one leaners were reached in different schools. Other areas that were visited were as follows: 579 offenders were reached in correctional centres, 16 612 people in mines and hostels, 6 109 in old age homes, 206 in informal settlements, 2 145 in shopping malls and 82 in private companies. The year ended with the commemoration of World Stop TB Day in Saulsville and at Kokosi in Carletonville. The latter event was held jointly with the mining sector.

To ensure continuity in the workplace, ongoing training was provided to 4 234 different people on various aspects of the TB programme: health workers, data capturers, Community Health Workers, lay counsellors, peer educators, NPOs and traditional healers.

Research

At Sizwe Hospital there is ongoing research on the drug Bedaquilline, which is our future for the management of Extreme Drug Resistance (XDR).

PPP

The Department has entered into talks with Discovery Health Care to ensure that the private sector is capacitated to manage TB patients in line with national policies and to refer patients to the public sector when the need arises without compromising quality of care.

Sub-programme 2.4: Maternal, Child and Women's Health and Nutrition

Maternal and Newborn Health

Antenatal first visit before 20 weeks improved from 40% in 2012/2013 to 43.7% in 2013/2014 through sustained community mobilisation. Training of health care professionals is a priority in reducing the mortality of mothers and babies and 583 nurses and 126 doctors were trained in neonatal resuscitation skills and 253 nurses and 128 doctors trained on ESMOE (essential steps on the management of obstetric emergencies). In 2012, the number of recorded maternal deaths was 332 against 248 in 2013, a decrease of 84 deaths. It should be noted that 80.7% of mothers and babies received postnatal care within six days. Total facility deliveries for current year is 211 291.

Child Health and Integrated School Health Programme

Training of professional nurses in IMCI Case Management is key to decreasing child mortality, hence the training of 295 professional nurses and 223 fixed Primary Health Care facilities are at 60% saturation with trained professional nurses. The province has employed 61 School Health teams to implement the ISHP against a target of 39. During the recent HPV Vaccine Campaign 56 925 girls in Grade 4, around nine years in age and above, were vaccinated from all Quintile 1 to 5 Public Primary Schools, including public special schools.

Adolescent and Youth Health Service

A programme to strengthen Adolescent Youth Friendly Service (AYFS) was introduced with the technical assistance of loveLife and 97 health care professional nurses were trained from 121 youth-friendly clinics. This encompasses internal and external assessment of facilities before designation as National Adolescent Friendly Clinic Initiative (NAFCI). Ekurhuleni Metro Health and Johannesburg Metro Health Districts conducted 20 and six internal assessment respectively. Delivery for under 18 years old is at 5.7% due to sustained peer education at the AYFS.

Reproductive and Women's Health

In its quest to improve access to contraceptive method mix and mandate to progressively realise the prescripts of the newly launched Contraception and Fertility Planning Policy 2012, the Department introduced two new products: implants and Intrauterine Device (IUD). Training of health care professionals on the new products was conducted for each Health District.

In the current financial year, 13 028 mammograms were performed in six hospitals. Professional nurses trained on Contraception and Fertility Planning Policy were 398, 199 on IUD and 419 on implants, and 63 doctors were trained on implants and 2 858 implants were inserted. The rollout is being implemented in phases, starting at community health centres before moving to District Hospitals. Social mobilisation is part of the programme on roll-out and 201 Health Promoters were trained.

The cervical cancer screening coverage for the province is 41.8%, the reason being women not presenting themselves early enough for routine screening. The Department plans to strenghten HCT campaigns which will include cervical and breast cancer screening.

It is noted that 41.3% of women did pap smears during this financial year compared to 56% in the previous (2012/2013).

Nutrition

In the Integrated Nutrition Programme, the baby-friendly hospital initiative is one of the strategies and interventions in improving the health and well-being of mothers and children through the promotion of safe feeding practices. In Gauteng, the number of public health care facilities with maternity beds accredited as mother-baby friendly has increased from 43 (74%) in 2012/2013 to 49 (85%) in 2013/2014, surpassing the national target of 55% for 2013/2014.

All Health Districts received 225 000 Road-To-Health Booklets for both boys and girls as a tool in monitoring growth and development.

The Department continues to fund crèches as an intervention that seeks to reduce extreme poverty and hunger. Children at risk of malnutrition are enrolled in the nutrition supplement programme, for example through the funding of crèches. Increase is noted in children benefiting from crèche funding from 44 160, with the budget of R38 million in 2012/2013, to 50 939 in 2013/2014, with budget of R40.8 million and the number of crèches funded increased from 929 to 1 149 in the same period respectively.

Improving the management of severe malnutrition is one of the major priorities in child care, hence 155 health care professionals were trained on the World Health Organisation (WHO) 10 steps to managing severe acute malnutrition. Severe Acute Malnutrition rate has decreased to 2.4 per 1 000 in 2013/2014 from 2.9 in 2012/2013 due to sustained training on classification and supportive supervision.

Reduction of infant and child mortality

(a) Reaching a coverage of 90% and above for the under one-year age category:

The Expanded Programme on Immunisations (EPI) and Cold Chain Management (CCM) Programme exceeded the National Department of Health (NDoH) EPI(SA) prescribed Routine Immunisation target of reaching 90% coverage and above for the under one year age category. This success was brought about by the daily provision of immunisation services in all clinics. It was also supported by the implementation of defaulter tracing mechanisms employed by Health Promoters, and encouragement of hospitals to establish "Vaccination Posts" those children who have missed their immunisations can receive catch up, reducing missed opportunities and increasing the coverage.

(b) The 2013 National Polio and Measles Campaign:

The National Immunisation Days (NID) or Campaigns are conducted every three to four years, informed by the following:

- Poor routine coverage below the recommended 90% indicator.
- Occurrence of outbreaks, the situation thus warranting a campaign, so as to reach a great number of children to contain the outbreak.

The 2013 National Polio and Measles Campaign was conducted in two rounds, Gauteng did very well in both rounds. The first round, for the 0-59 months children who were vaccinated with Oral Polio Vaccine (OPV) a 98% coverage was reached, and for the 9-59 months children who received the Measles Vaccines (MV), 101% coverage was achieved. During the second round, only OPV was administered again to the 0-59 months and coverage of 100% was attained.

(c) Priority Vaccine Preventable Diseases (VPDs) Surveillance:

Passive Surveillance is ongoing, and weekly reports are received by this programme every Thursday on Priority Vaccine Preventable Diseases VPDs and a provincial comprehensive summary report is forwarded to NDoH EPI (SA) weekly on a Monday before 12:00. The Surveillance Indicators were exceeded and the Acute Flaccid Paralysis (AFP) target was exceeded by detecting 11 AFP cases than planned. A total of 70 AFP cases were detected in 2013 (between January and December), these were investigated and notified. As regards the Suspected Measles Cases (SMC) Surveillance, the target of 229 was exceeded, when 778 SMCs were detected, investigated and notified. There were four Confirmed Measles Cases (CMCs). No deaths were reported. To alleviate the Public anxieties against Adverse Events Following Immunisations (AEFI) such cases are reported and investigated, families are visited and reassured that vaccines have been tested, hence the "safe recommendations" that they will cause no harm to children. No case of Neonatal Tetanus was reported during this period.

(d) Cold Chain and Vaccine stocks availability management:

Cold Chain Management: All health facilities are encouraged to conduct the Cold Chain Capacity Audits and inventory yearly to ascertain their cold chain needs. The new digital thermometers to monitor the temperatures in the vaccine fridges were purchased by NDoH EPI (SA) and distributed to all districts and personnel were all trained on how to operate these.

Vaccine Stocks Management: Vaccine stocks availability is being monitored continuously at all levels to prevent stock outs. Weekly reports on vaccine stock availability are received from district and provincial pharmaceutical services. Necessary action is taken where there is a need. In-service training and refresher courses on Vaccines Stock Management is also ongoing. Vaccine Stocks estimates are done yearly to prepare for subsequent years, taking into consideration the population target groups in order to prevent overstocking or understocking. All health facilities are encouraged to use Vaccines Stock Cards to monitor their stocks daily. This initiative helped as no stockouts were reported from 2013 to date.

Motivation for the creation and filling of District's Cold Chain Managers' posts was submitted to the HOD's Office in September 2013 and is still awaiting a response.

Health promotion

Healthy Lifestyles

In 2013/14 financial year, 157 health promotion events and campaigns took place within the five districts. Various presentations and messages on aspects of healthy lifestyles were communicated. The messages focused on healthy eating, physical activity, safer sex, smoking and alcohol, substance abuse, screening for hypertension, diabetes and HIV.

A total of 234 support groups for NCDs and geriatrics, in facilities and communities were engaged in physical activity. Eight of these support groups were established within the financial year. The aim was to stimulate interest among members of these groupings to participate in various activities such as exercises, games and brisk walks. Healthy lifestyle activities were also conducted in other areas (workplaces, service centres, luncheon clubs and youth clubs and churches). Healthy Lifestyles (HLS) activities are implemented in the following settings:

Schools

Learners from 547 schools across the province received education on various aspects of HLS, including the dangers of smoking, drugs and substance abuse, teenage pregnancy, medical male circumcision, mental health, healthy eating and physical activity, prevention of child abuse, amongst others. The reason for the fewer schools reached - from 706 the previous financial year to 547 - was the shortage of Health Promoters. Other health education activities and demonstrations such as the correct hand washing techniques reached about 59 386 learners.

In collaboration with the Gauteng Department of Education (GDE), 35 schools were accredited as Health Promoting Schools (HPS) during this financial year, resulting in 146 schools accredited schools in the whole province. These 146 schools met the World Health Organisation criteria and were awarded HPS certificates.

Clinics

Healthy lifestyles and other health education activities are continuously conducted in all clinics in the province where health promoters are allocated, amongst others, a move for Health Campaign and a Fun Walk was conducted reaching more than 20 2276 community members and 457 youth. About 2 016 pregnant women and mothers were given talks on the importance of physical activity, early booking and care during pregnancy. A total of 102 clinics participated in the Healthy Baby Growth Monitoring Initiative in partnership with J&J. About 800 people participated in the Healthy Baby Award Ceremony that was held in September 2013.

Crèches/Early Learning Centres

Healthy lifestyle activities were conducted in about 1 361 Early Childhood Development (ECD) centres, reaching more than 9,187 children.

Furthermore, the Integrated Management of Childhood Illnesses Community Component (household) training was conducted for about 454 ECD Practitioners, 159 Community Health Workers, 32 Home-Based Carers, 40 Traditional Health Practitioners and 37 Volunteers.

Women, Maternal and Youth Health Promotion

A total of 10 000 women, including the elderly, were reached during Breast & Cervical Cancer Awareness campaigns held throughout the province. A total of 1 000 people participated during the awareness campaign on reproductive health that was held at Ethafeni Clinic in Ekurhuleni district.

Strategies for addressing areas of underperformance

Several health promoters in the province are continually opting for D4 nurse training, as a career pathway. This further exacerbates the shortage of Health Promoters in districts and affects the performance of the programme. The Department will continue to support Health Promoters in order for them to improve themselves within health promotion and to remain in the system. A survey was conducted within the province with a purpose to conduct the situational analysis for health promoters for effective intervention strategies.

An initiative has been undertaken by Gauteng, as a quality improvement drive for Health Promoters, to develop an induction manual and training on health promotion. This initiative is funded by the Japanese International Cooperation Agency (JICA).

Sub-programme 2.5: Disease Prevention and Control

Non-communicable diseases, geriatrics, and eye-care

Summary of significant achievements

The ICDM is a National Department of Health initiative towards improving chronic disease management. Fifteen facilities participated in the pilot in July 2011 initially, and the remaining 42 facilities implemented the ICDM from 1 September 2013. A total of 400 ICDM manuals were procured for the Provincial 2014/15 roll out, to all the districts. The National Department of Health conducted an ICDM briefing workshop for all 104 district managers from both local and provincial area managers, pharmaceutical managers, family physicians and procurement managers. Implementation of the National Cancer Registry is being piloted in all Ekurhuleni Health District hospitals and will be beneficial for planning, health information systems, budget allocation and efficient patient care.

The Province hosted the National annual Active Ageing Golden Games in Ekurhuleni Health district and all provinces attended. Two adverse events cases that were referred to Tambo Memorial hospital were managed effectively and transported back to their Provinces. Training on the following National protocols and guidelines was conducted, 99 Primary Health Care (PHC) Nurses and four doctors were trained on Asthma Management in adults, 96 PHC nurses and two doctors were trained on Hypertension Management at Primary Health Care level, 66 PHC nurses and three doctors were trained on Chronic Obstructive Pulmonary Disease and 45 PHC nurses were trained on management of Rheumatic Heart Disease in Primary Health care level.

With regards to prostate cancer prevention, a total of 29 120 males over the age of 45 were screened for Prostate Specific Antigen (PSA), a predictor of Prostate Cancer. Out of the total of 29 120 screened cases, 3 566 males were found to have raised levels of PSA.

The cataract surgery rate target was achieved through a performance of 14 008 operations, 246 of those operations were performed in private facilities to state patients free of charge. Private Public Partnerships contributed to the improved performance. A Public Private Partnership resulted in a successful launch of four community-based eye clinics in Chiawelo, Mofolo, Tladi and Orlando health facilities. Fifty-two Eye Care Awareness campaigns were held in all five districts, throughout the year, during the campaigns, 2 001 people were screened, 245 people were referred for further management. The Department managed to place three optometry bursary holders at district facilities and is supporting eye care preventative and curative services in the province. Five district based glaucoma awareness and screening campaigns were held in all districts, 405 patients were screened and 56 patients were referred for further management.

Five hospitals participated in a national cataract statistics audit which is aimed at improving data quality management.

Two private/public partnerships were forged, one with the Brian Holden Vision Institute aimed at improving Eye Care Services in the JHB/Metro Health District and another one with South African Life Improvement Charitable Trust (SALICT), aimed at increasing cataract surgery at Natalspruit Hospital.

Communicable disease control and surveillance

All Notifiable Communicable Diseases were reported and responded to within the target period of 24 hours. The in-depth Epidemic Preparedness and Response (EPR) training was conducted by the National Department of Health (NDoH) and Province for each of the five districts. No cholera cases were reported and the Environmental Health Services continue to monitor water samples.

The Provincial Surveillance Guidelines have been submitted and are implemented at district level. All hospitals and clinics submit weekly surveillance reports. This has resulted in the province attaining a target of above 80%. The module on Notifiable Medical Conditions for DHIS is implemented on trial at district level.

South Africa seeks to eliminate malaria by 2018. Gauteng is not malaria-endemic. However, the influx of people from malaria-endemic areas into the province results in a high number of cases and deaths. To meet the malaria elimination goal additional intense training of Health Promoters, Community Health Care Workers, traditional practitioners has been conducted in "Hotspots". The province has also conducted awareness in "Hotspots" during the SADC Malaria Week and Day in November 2013.

Strategies to address areas of underperformance

The malaria audit has revealed that late presentation of patients at facilities is the main cause of death and high fatality rate. Training and awareness is being continuously intensified giving priority to "hotspots". Community Radio stations have also been used as a vehicle to transmit messages to the community at large. Pamphlets have been disseminated to heighten awareness during the door to door visits by Health Promoters. The messages sent to communities include: recognition of signs and symptoms of the disease when returning from malaria endemic areas, early presentation to health care facilities, the prevention of diseases by taking Chemo-Prophylaxis before visiting malaria-endemic areas or countries and protection from mosquito bites by using mosquito repellents.

Environmental and port health services

Port Health

A total of six Port Health officers were appointed for O.R. Tambo International Airport, Lanseria International Airport and City Deep Container Depot for inspection of all containers with food stuff, cosmetics and chemicals. A total of 2 000 food samples were collected and analysed to ensure food safety control, 50 893 International aircraft were monitored and disinfected at the first point of entry into the country to prevent mosquitoes from entering the country and causing malaria. There were 700 000 passengers from yellow fever endemic countries monitored for compliance with the yellow fever certificate, and 67 145 consignments inspected and certified not harmful for use and cleared at City Deep and O.R. Tambo International Airport.

Environmental Health

Applications were received from dealers of 130 hazardous substances and 76 licenses were issued to those who comply with the Act. Government premises were monitored to check the standard of hygiene and compliance with the no smoking policy; all 138 complied. A total of 2 090 bacteriological water samples were collected and analysed to prevent water pollution. The free residual chlorine was adequate, however 100 samples collected from the rivers had a high level of feacal coliform.

Sub-programme 2.6: Forensic Pathology Services

Forensic medical service

This sub-programme consists of Forensic Pathology Service and Clinical Forensic Medical Service.

Purpose of the programme

The purpose of Forensic Pathology Service is, inter alia, investigation of the cause of any unnatural death or sudden unexpected death, using scientific internationally accepted methods, thereby assisting the South African Police Service (SAPS) in the collection of evidence and presentation thereof in a court of law. The service is also required to keep statistics on trends that can be used in prevention strategies for unnatural causes of death which include trauma like motor vehicle accidents, violence, drowning, suicide, and so on. The service, through its joint service partnership with medical universities, appoints medical doctors, trains medical, legal and law enforcement practitioners in the field of Forensic Medicine.

The purpose of Clinical Forensic Medical Service is to manage survivors of crime with specific emphasis on rape, domestic violence against women, men and child abuse and in the process supports the judicial processes through collection of evidence and being expert witnesses in a court of law. The service also examines alleged perpetrators of crime. Clinical Forensic Medical Service is also involved with taking blood for alleged drunken driving, and provision of medical care to inmates in Correctional Centres. The Gauteng Anti-Rape strategy was developed in conjunction with all relevant stakeholders and the leading Department was the Family Violence Child Protection and Sexual Offences Unit (FCS) of the SAPS.

Both Forensic Pathology and Clinical Forensic Medical Service play an important role in the overall strategic objective of Government to create safer communities and adopting zero tolerance for crime especially violent crime.

Our interventions contribute a lot in the strategy to reduce trauma, which is amongst the top cost drivers in the provision of health services.

Structure Forensic Pathology Service

The service is divided into two regions (north and south), comprising four clusters made up of at least two facilities (mortuaries) each. The total number of forensic mortuaries is 11.

Most of the facilities have been upgraded and they have been turned into habitable facilities. A mortuary service is being established at Carletonville, Merafong municipal area. The infrastructural upgrade has been completed. The facility was due to start operating from June 2014.

Clinical Forensic Medical Services

Service Package:
Among the services considered core in Clinical Forensic Medical Service is the management of the following:

- Victims (and perpetrators where possible) of sexual assaults, domestic violence, child abuse, violence against women.
- Suspected drunken driving, DNA tests, paternity tests, age estimations, international immunisations.
- Medical examinations of the elderly for the provision of housing by the State.
- Custody abuse, for example detainees at police stations and places of safety.
- Provision of Correctional Centres Medical services and so on.
- Prevention of injuries and non-natural deaths.

Facilities
Services are generally rendered within various facilities in the district, namely hospitals and clinics. All health facilities are expected to manage survivors of violence and take bloods for suspected drunken driving and so on. As a strategy to improve quality of service medico-legal centres that cater for all or some of the services of the package were established. These come under various names that may relate to the main focus of that particular centre e.g. Crisis Centres, PEP Centres, and Comprehensive Medico-Legal Centres. Currently, all hospitals and some clinics offer PEP (Post exposure prophylaxis). There are 60 PEP sites province wide. There are 32 sites offering comprehensive services of which 25 provide a 24 hour service. Services to victims of crime have been gazetted as the designated responsibility of the Department of Health. The strategy for the MTEF is one of "Vertical consolidation with Horizontal integration."

The Department will conduct vertical consolidation of Clinical Forensic Medical Services by establishing centers of excellence, including the expansion of iKhaya leThemba concept. This will include horizontal integration by improving quality of care for victims of violence in all centers in hospitals and some CHCs.

Renovation and replacement of old facilities (Johannesburg, Daveyton/Springs and Bronkhorstspruit) is in the process of being actioned after the project was handed over to the Development Bank of Southern Africa (DBSA) assisted by PMSU and National Health, this is needed to enhance quality of care for the deceased, their families and our staff.

There is a need to empower personnel as well as the community, through ongoing training of staff in management of victims of sexual assault and domestic violence, forensic pathology skills, regular debriefing sessions, ,victim empowerment through advocacy programmes. Strengthen intra- and interDepartmental co-operation. Improve the efficacy of systems through the improvement of information management in all facilities of Forensic Medical Service, for example in hospital mortuaries. Strengthen asset management control systems.

Form strategic partnership with national media to improve identification of missing and unidentified persons by their next of kin. Increase capacity for urgent post-mortems to cater for different cultural needs and Diplomatic Corps.

PROGRAMME 2: DISTRICT HEALTH SERVICES

Programme 2: District Health Services					
Strategic Objective	**Actual achievement 2012/13**	**Planned target 2013/14**	**Actual achievement 2013/14**	**Deviation from planned target 2013/14**	**Comment on deviation**
Increased level of Efficiency in PHC Facilities					
% of CHCs that provide 24 hour access.	26/35	26/35	26/35	0	All the CHCs that were earmarked to provide 24-hour services are providing the service. Focus continue to be on improving the quality of services provided within the CHCs.
Number of fully trained Community Health Workers (EPW) Cumulative).	2058	700	1800	1100	The Department has trained 1100 additional CHWs from the planned 700 in the year under review bringing the total trained CHWs to 3 858. The achievement was made possible through the support of NDoH which provided training materials and maximum utilisation of GDoH internal trainers.
Number of District Specialist Teams established.	*	5	5	0	District Specialist Teams (DCST) have been established in all five districts. However, some of the districts are yet to have the recommended team composition.
Number of ward-based PHC outreach teams established.	49	70	81	11	The WBOT coverage has increased by additional 32 teams compared to 49 teams established in 2012/13. Bringing a total number of teams to 130. Enrolled nurses function as team leaders where professional nurses are not available.
Increased mobility for people with disability					
Number of assistive devices issued.	43 251	34 000	34 022	22	Target achieved with additional 22 from the 34 000 planned assistive devices due to supply chain processes which impacted on the ability to issue assistive devices.
Increased level of efficiency in PHC Facilities					
Number of Fissure Sealants placed.	52 769	52 500	43 616	(8 884)	A lack of dedicated transport for Oral Hygienists impacted on the ability to achieve the set target.
Number of Dentures delivered to old-age pensioners.	6 906	5 600	7 327	1 727	Performance can be attributed to the efforts of the dental students and ring-fenced funds.
Number of school learners on tooth brushing programmes.	151 000	125 000	121 378	(3 622)	A lack of dedicated transport for Oral Hygienists impacted on the ability to achieve the set target.

* new indicator

Programme 2: District Health Services					
Strategic Objective	**Actual achievement 2012/13**	**Planned target 2013/14**	**Actual achievement 2013/14**	**Deviation from planned target 2013/14**	**Comment on deviation**
Reduce new infections in youth and adults through increased safe sex behaviour					
Number of people in high risk groups reached with peer education.	933 059	750000	968 114	218 114	Target exceeded due to commitment of peer educators and NPOs.
Number of people reached with ward based education.	6 090 898	7 million In 65% of wards reaching 50% of the population	8 215 508	1 215 508	Over 1.2 million additional people were reached through ward based education during 2013/2014 financial year than targeted. A total of 3.2 million households visits.
Number of CBO members reached with education and support.	8 891 825	5 million	3 110 884	(1 889 116)	Decreased perfomance due to programme instability.
Numbers reached with media.	7 281 848	6 million	4 725 000	(1 275 000)	Target not achieved. However there is large advertising campaign by the Office of the Premier.
Number of civil society leaders trained on multi-sectoral AIDS programme.	9 268	12000	8 064	(3 936)	Short term NPO contracts impacted on performance.
Number of government (GPG and municipalities) managers trained on multi-sectoral programme.	294	750	141	(609)	Service contracts delays impacted on the ability to achieve the target.
Percentage of clients tested for HIV to those counselled (excl antenatal).	95.7%	95.7%.	99.4%	3.7%	Target achieved due to improved quality of counselling and health education in testing sites.
Number of male condoms distributed.	131 972 200	214 000 000	70 145 553	(143 854 447)	Delayed tender and limited stock distribution for male condoms.
Number of female condoms distributed.	2 368 915	2 782 000	1 461 014	(1 32 986)	National Female Condom Tender was only awarded in the third quarter of the financial year in November 2013 and deliveries commenced only in March 2014.

Programme 2: District Health Services					
Strategic Objective	**Actual achievement 2012/13**	**Planned target 2013/14**	**Actual achievement 2013/14**	**Deviation from planned target 2013/14**	**Comment on deviation**
Increase Male Circumcision among Gauteng youth					
Number of males circumcised.	94 159	138 841	132 095	(6 746)	Challenges still persist in relation to limited space at facilities. Other factors impacting on achievement include cultural and seasonal preferences and exclusion of private sector data in the routine data of the Department. With that said, over 37 000 more MMCs were perfomed this year compared to 2013/2014 financial year.
Reduce new infection in babies					
Transmission rate from mother to child.	2.4%	<3%	2%	(1%)	The transmission rate has dropped to 2% compared to the 2.4% reported during the 2012/2013 financial year. The Department has implemented an ART nurse initiation programme and provider initiated counselling and testing (PICT) whereby all pregnant women are offered HIV Counselling and Testing (HCT) and initiated to treatment if test positive.
Reduce deaths from AIDS through appropriate treatment, care and support					
Number of ART sites accredited.	364	403	380	(23)	Local government facilities are unable to provide ART services due to space limitations.
ARV drug stock out rate.	6.1%	0	4.8%	4.8%	Shortage of single agents due to inadequacy of service providers. There is slow ART switch from the multidrug regimen to the fixed dose combination.
Total number of ever registered patients (cumulative).	733 308	1 182 000	830 495	(857 546)	There is a need to strengthen HCT through the use of WBOT and civil society organisations in order to reach communities.
Total number of Children on ART.	41 172	60 000	28 209	(31 791)	More children are being initiated on treatment than before however there is a need to mobilise communities regarding the importance of committed guardians in the provision of treatment to children.

Programme 2: District Health Services					
Strategic Objective	**Actual achievement 2012/13**	**Planned target 2013/14**	**Actual achievement 2013/14**	**Deviation from planned target 2013/14**	**Comment on deviation**
Reduce infant mortality					
Antenatal client Nevirapine uptake/	52.3%	80%	Indicator not collected anymore because of new PMTCT guidelines		
Baby Nevirapine uptake.	95.5%	100%	96.7%	(3.3%)	Some babies who are very ill after birth are not given nevirapine within 72 hours. In addition some babies die and others are transferred out.
Reduce preventable causes of maternal deaths					
Antenatal client initiated on HAART rate.	83%	80%	63.1%	(16.9%)	All pregnant women eligible for HAART are initiated. Therefore those already on treatment are not initiated.
Reduce Child Mortality					
Severe malnutrition under five years incidence	2.5%	3.4%	2.4%	(1%)	Improving the management of severe malnutrition is one of the major priorities in child care. The decline in the incidence of severe acute malnutrition can be attributed to training of health care professionals on the World Health Organisation (WHO) 10 steps to managing severe acute malnutrition and supportive supervision.

Programme 2: District Health Services					
Performance indicator	**Actual achievement 2012/13**	**Planned target 2013/14**	**Actual achievement 2013/14**	**Deviation from target 2013/14**	**Comment on deviation.**
Provincial PHC expenditure per uninsured person.	R366	R425	R 302	(R 123.14)	The decline in expenditure on uninsured person might be due to the increase in the Denominator value of uninsured population.
PHC headcount – total	23 063 294	24 m	23 647 164	(352836)	Some patients still present at inappropriate levels of care. Further analysis has revealed that where ward based outreach teams are functional, PHC level headcount has reduced.
PHC headcount under five years – total	4 145 897	4 400 000	4 137 499	(262 501)	The District Health outreach programmes such as the promotion of healthy lifestyle, the implementation of IMCI and WBOT has contributed to the decline.

Programme 2: District Health Services					
Performance indicator	**Actual achievement 2012/13**	**Planned target 2013/14**	**Actual achievement 2013/14**	**Deviation from target 2013/14**	**Comment on deviation.**
PHC Utilisation rate	2	2.5	1.8	(0.7)	PHC facilities have on average two visits per person. Changes in the Denominator might have contributed to a decline in utilisation rate.
PHC Utilisation rate under five years.	4.2	5	4	1	On average PHC have four visits per child. Outreach teams also contribute to the reduction of utilisation rates of under five year olds.
PHC supervisor visit rate (fixed clinic/CHC/ CDC).	90.7%	100% (352/352)	79.2%	(20.8%)	Lack of dedicated transport for sub-district managers has contributed to the drop in supervisory visits to facilities.
Percentage of complaints of users of PHC Services resolved within 25 working days.	94%	100%	74.3%	(25.7%)	Target was not achieved due to few dedicated complaint managers at facility level. The Department will continue to recruit and train new and existing complaints managers during the next financial year.
Number of PHC facilities assessed for compliance against the six priorities of the core standards	282	282/314	234	(48)	The facilities were trained to conduct self-assessments with support from the Inspectorate and various development partners.

District Hospitals					
Performance indicator	**Actual achievement 2012/13**	**Planned target 2013/14**	**Actual achievement 2013/14**	**Deviation from planned target 2013/14**	**Comment on deviation**
Delivery by Caesarean section rate.	21.2%	16%	22.3%	6.3%	Increase of high risk patients and two district hospitals are performing caesarean sections on behalf of Chris Hani Baragwanath.
Inpatient Separations – Total.	179 871	200 000	116 412	(83 588)	Separations measure discharges, transfer outs and deaths. The projected separations has been overestimated.
Patient Day Equivalents – Total.	885 094	825 200	805 895	(19305)	This might be due to the effect of strengthened outreach programmes at Primary health Care level.
OPD Headcount – Total.	739 783	870 950	673 387	(197563)	Improved DHS outreach programmes have impacted on the projected headcounts.
Average Length of Stay	3.2 days	3.2 days	4.9 days	1.7 days	This is due to medical patients (HIV and TB patients) who often require a longer period of stay.

District Hospitals					
Performance indicator	**Actual achievement 2012/13**	**Planned target 2013/14**	**Actual achievement 2013/14**	**Deviation from planned target 2013/14**	**Comment on deviation**
Inpatient Bed Utilisation Rate.	66.3%	75%	85%	(10%)	There is a need to ensure that quality of care is not compromised as bed occupancy increases.
Expenditure per patient day equivalent (PDE).	R2 031.98	R1 550	R2 186.75	R 636	Increased costs of medicines and supplies have contributed, including accruals of the previous financial years.
Complaint resolution within 25 working days rate.	87.4%	100%	81%	(19%)	Some complaints are difficult to resolve in time depending on their seriousness (SAEs which often take longer to resolve).
Mortality and morbidity review rate.	100%	100%	96.5%	(3.5%)	GDoH provides support meetings and individualised workshops with all institutional clinical managers at all levels. Cluster workshops are also conducted throughout the province to re-enforce the importance and benefits of quality improvement and of submitting the Mortality and morbidity review reports.
Patient Satisfaction rate.	66%	71%	69%	(2%)	Patients are not satisfied with access, for example transport costs to visit health care facility.
Number of hospitals assessed for compliance against the six priorities of the core standards.	9	10	10	10	The facilities were trained to conduct self-assessments with support from the Inspectorate and various development partners.

Oral Health and Rehabilitation Services					
Performance indicator	**Actual achievement 2012/13**	**Planned target 2013/14**	**Actual achievement 2013/14**	**Deviation from planned target 2013/2014**	**Comment on deviation**
Number of assistive devices issued.	43 251	34 000	34 022	22	The Department provided slightly over 34 000 assistive devices, ranging from walking aids, wheel chairs and hearing aids amongst other aids to targeted clients.
Number of Fissure Sealants placed.	52 769	52 500	43 616	(8 884)	A lack of dedicated transport for Oral Hygienists impacted on the ability to achieve the set target.
Number of dentures delivered to old age pensioners.	6 906	5 600	7 327	1 727	Performance can be attributed to the efforts of dental students and ring-fenced funds.
Number of school learners on tooth brushing programmes.	151 000	125 000	121 378	(3 622)	A lack of dedicated transport for Oral Hygienists impacted on the ability to achieve the set target.

HIV and AIDS, STIs and TB control					
Performance indicator	**Actual achievement 2012/13**	**Planned target 2013/2014**	**Actual achievement 2013/14**	**Deviation from planned target 2013/14**	**Comment on deviation**
Total clients remaining on ART (TROA) at end of the month.	734 308	944 000	587 572	(356 428)	GDoH serves highly mobile communities which creates challenges with compliance monitoring.
Male condom distribution rate.	10.3%	13%	14.2%	1.2%	Although the target is achieved, the Department encountered problems with limited stock supplies. Suppliers also had difficulties meeting the demand for condoms.
TB (new pulmonary) defaulter rate.	4.8%	<5%	5.1%	0.1%	Instability of the community health worker programme (strikes) and high social mobility of patients impacted negatively on defaulter tracing.
TB AFB sputum result turn-around time under 48 hours rate	71%	90%	68.3%	(22.7%)	Timely availability of sputum results were affected by the drastically changed NHLS software system.
TB new client treatment success rate.	83%	84%	84.5%	0.5%	Improved supervision and support to health facilities enabled the target to be reached.
Percentage of HIV-TB Co-infected patients placed on ARV.	54.8%	60%	67%	7%	The improved performance was enhanced by allocating a NIMART trained nurse in the treatment rooms.
HIV Testing Coverage.	93.1%	95%	82.4%	(12.6%)	There is a need for more HIV services in community sites.
TB (new pulmonary) cure rate.	83.1%	83%	83.8%	0.8%	There is improved treatment outcomes due to increased management support.

Maternal, Child and Women's Health and Nutrition					
Performance indicator	**Actual achievement 2012/13**	**Planned target 2013/14**	**Actual achievement 2013/14**	**Deviation from planned target 2013/14**	**Comment on deviation**
Immunisation coverage under one year.	107.9%	90%	109%	19%	All health facilities practice the "Everyday is an Immunisation Day. Monitoring of vaccine stocks is on-going with defaulter tracing mechanisms in place in all clinics to identify missed cases.

Maternal, Child and Women's Health and Nutrition					
Performance indicator	**Actual achievement 2012/13**	**Planned target 2013/14**	**Actual achievement 2013/14**	**Deviation from planned target 2013/14**	**Comment on deviation**
Vitamin A coverage 12-59 months.	46.32%	55%	49.9%	(5.1%)	Community mobilisation through CIMCI (household component) strategy and health promotion messages should be strengthened and also focus on EDC (crèches). Continue social mobilisation; training, monitoring and supportive supervision.
Measles 1st dose under 1 year coverage.	111.6%	90%	105%	15%	All health facilities practice the "Everyday is an Immunisation Day". Measles vaccines stocks monitored monthly by District and Provincial Pharmaceutical services. Suspected Measles Cases (SMC) contacts are vaccinated immediately to prevent outbreaks.
Pneumococcal (PCV) 3rd dose coverage.	109.3%	90%	102.9%	12.9%	All health facilities practice the "Everyday is an Immunisation Day". Vaccines stocks monitored monthly by District and Provincial Pharmaceutical services. Suspected Measles Cases (SMC) contacts are vaccinated immediately to prevent outbreaks.
Rota Virus (RV) 2nd dose coverage.	112.4%	90%	105.8%	15.8%	Continued Health Education of communities on the importance of vaccination of children. All health facilities practice the "Everyday is an Immunisation Day". Monitoring of vaccine stocks is on-going.
Child under five years diarrhoea with dehydration incidence.	4.1	<12	8.1	(3.9)	Community mobilisation through CIMCI (household component) strategy with emphasis on hand washing and improved clinical classification of diarrhoea and late health care seeking behaviours by child minders remains a challenge.
Child under five years pneumonia incidence.	3.7%	<50	37.3%	(12.7%)	Community mobilisation through CIMCI (household component) strategy and health promotion messages had a positive effect on performance.
Cervical cancer screening coverage.	44.1%	65%	41.8%	(23.2%)	GDoH has screened 41.8% of women for Cervical cancer during the 2013/2014 financial year. Late health care seeking behaviours by women. New population figures used to calculate this indicator. To develop a social behaviour change communication strategy in new financial year to include community dialogues.

Maternal, Child and Women's Health and Nutrition					
Performance indicator	**Actual achievement 2012/13**	**Planned target 2013/14**	**Actual achievement 2013/14**	**Deviation from planned target 2013/14**	**Comment on deviation**
Antenatal 1st visit before 20 weeks rate.	37.8%	40%	43.7%	(3.7%)	Social mobilisation and health talks offered in communities and public facilities have contributed to an improvement in the attendance of ANC 1st visits before 20 weeks.
Infant 1st PCR test positive within 2 months rate.	2.4%	<5%	2%	(3%)	The transmission rate has dropped to 2% compared to the 2.4% reported during the 2012/2013 financial year. This is due to the implementation of ART nurse initiation programme and PICT whereby all pregnant women are offered HCT and initiated on treatment if they test positive.
Couple year protection rate.	28.3%	50%	25%	(25%)	Drug stock out remains a challenge, including lack of adequate method mix in meeting contraception needs. The Department introduced new products to mitigate against this and 398 nurses trained in Contraception and Fertility Planning, including 214 nurses and 79 doctors on insertion of implants.
Maternal Mortality in facility Ratio (MMR).	117.3/100 000	145/100 000	105/100 000	(40/100 000)	MMR has been reduced by 12.3 per 100 000 live births and this is largely attributed to sustained capacity building and implementation of Saving Mothers Recommendation such as training on the 5 Hs, Early Warning Chart and ESMOE.
Delivery in facility under 18 years rate.	4.8%	7%	5.7%	(1.3%)	The Department has strengthened the peer education programme being implemented by Ground breakers and Impintshis on healthy life style, including dangers of early pregnancy. Adolescent social mobilisation through media and Integrated School Health programme (ISHP) and implementation of Youth-Friendly services.

Maternal, Child and Women's Health and Nutrition					
Performance indicator	**Actual achievement 2012/13**	**Planned target 2013/14**	**Actual achievement 2013/14**	**Deviation from planned target 2013/14**	**Comment on deviation**
Child under 1 year mortality in facility rate.	5.0/1000 live births	30	12.4/1000 live births	(17.6/1000 live births)	The Department will continue to put more efforts in increasing uptake of the Neonatal Resuscitation Programme (NRP). This includes training of doctors and midwives on NRP and early initiation of children on HAART.
Inpatient death under 5 years rate.	3.7/1000 live births	22	5.8/1000 live births	(16.2/1000 live births)	There is a significant improvement in the reduction of Inpatient death under 5 years. The plan is to put more efforts into Increasing uptake of Neonatal Resuscitation Programme (NRP). Training of doctors and midwives on NRP and on early initiation of children on HAART and Establish a Technical Committee which may result in further reduction.

Disease Prevention and Control					
Performance indicator	**Actual achievement 2012/13**	**Planned target 2013/14**	**Actual achievement 2013/14**	**Deviation from planned target 2013/14**	**Comment on deviation**
Malaria case fatality rate (annual).	1.1	<0.4	1.1	0.7	There were 22 malaria deaths out of 1 975 cases within the 2013/2014 financial year. Regular auditing of all malaria deaths is conducted to evaluate other determinants of deaths. Many of the deaths are related to late presentationat health facilities. The Department has prioritised training and awareness on the importance of prevention of malaria and seeking help early.
Cholera fatality rate (annual)	0.0	<1	0.0	0	There were no reported cholera cases. Environmental health practitioners continue to monitor water samples on a regular basis.
Cataract surgery rate (annual)	11 433 1500/million	13 430 1500/ million	14 008 1500/million	578 1500/million	The improved performance of cataract surgery enhanced by support from patners.

Changes to planned targets

An indicator under Programme 2, sub-programme HAST, Antenatal Nevirapine uptake was discontinued during the year under review due to changes in the National policy.

Linking performance with budgets

The following table presents the financial information for Programme 2.

Expenditure: Programme 2 – District Health Services

	2013/2014			2012/2013		
	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
District Management	437 576	411 698	25 878	529 506	512 335	17 171
Community Health Clinics	1 656 587	1 640 842	15 745	1 970 362	1 884 133	86 229
Community Health Centres	1 263 630	1 087 137	176 493	1 103 078	1 184 942	(81 864)
Community Based Services	889 834	888 127	1 707	978 352	919 224	59 128
HIV and AIDS	2 486 556	2 459 887	26 669	2 262 327	2 134361	127 966
Nutrition	47 238	26 339	20 899	50 342	49 411	931
Coroner Services	169 949	145 177	24 772	147 971	126 423	21 548
District Hospitals	1 725 529	1 698 225	27 304	1 740 546	1 745 127	(4 581)

4.3 Programme 3: Emergency Medical and Patient Transport Services

Purpose of the programme

The purpose of the Emergency Medical and Patient Transport Services is to ensure rapid and effective emergency medical care and transport as well as efficient planned patient transport, in accordance with provincial norms and standards.

Improving ambulance response times

In 2013/14 financial year, 120 ambulances were procured and allocated to the five districts, including local municipalities. It should be noted that the above figure was for ambulance replacement rather than service expansion due to the current ageing fleet. Due to the adding of reports from local authorities on this indicator, it appears that EMS achieved 78% of response time within 15 minutes to all priority one patients (life-threatening) and serviced 354 593 emergency cases. Simultaneously, agents (local municipalities), City of Johannesburg, City of Ekurhuleni and City of Tshwane have also procured ambulances under the municipal budget which have also assisted in the improvement of response times.

It should also be noted that the strengthening and expansion of planned patient transport system have enabled an improvement of response time by reducing workload on emergency transport and making resources available to respond to critically ill or injured patients.

City of Johannesburg, City of Ekurhuleni and City of Tshwane local municipalities have started reporting on DHIS from October 2013 and backdated their data up until April 2013. They are currently reporting on a monthly basis. An ambulance procurement has also made an impact on our target and EMS plans to maintain this standard in 2014/15 financial year.

Gauteng EMS has also procured a further 50 response vehicles, currently awaiting conversion and delivery, which should also sustain an effective response time.

PROGRAMME 3 – EMERGENCY MEDICAL SERVICES

Programme 3: Emergency Medical and Patient Transport Services					
Performance indicator	**Actual achievement 2012/13**	**Planned target 2013/14**	**Actual achievement 2013/14**	**Deviation from planned target 2013/14**	**Comment on deviation**
EMS operational ambulance coverage.	0.023/1000	0.06	(2.3/10 000 population)	0.17 per 1000 (2.24 per 10000)	The province still has low numbers of rostered ambulances per population.
EMS P1 urban response under 15 minutes rate.	52%	70%	76.7%	6.7%	The improvement in the response times is due to increased compliance to reporting by all districts and an injection of an additional 120 ambulances.
EMS P1 rural response under 40 minutes rate.	95%	100%	74.5%	(25.5%)	Not all P1 calls were responded to within 40 min at Metsweding due to long travelling distance.
EMS P1 call response under 60 minutes rate.	77%	85%	97.1%	6.1%	Gauteng is a small province, travel time within most districts is not more than 60 minute except for the rural district. The report presented includes COJ, Ekurhuleni and Tshwane District local authority reports.

Strategy to overcome areas of under performance

The strategy will focus on the following key areas:

- Provincialisation of the remaining districts.
- Enforce compliance to current Service Level Agreements with municipalities pending completion of provincialisation of municipalities.
- Recruitment and filling of all strategic positions.
- Recapitalisation of EMS.
- And finally strengthen fleet management strategy.

The target needs to be revised to be in line with the national target of rostered ambulances per 1 000 population. Currently, the rostered target is per 10 000 population, giving a target of 2.15. If we were to report on rostered ambulance per 1 000 population, the annual actual figure would be 0.21.

Linking performance with budgets

Expenditure: Programme 3 – Emergency Medical Services

	2013/2014			2012/2013		
	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
Emergency Transport	811 052	798 148	12 904	859 869	916 241	(56 372)
Planned Patient Transport	130 713	138 130	(7 417)	199 415	230 990	(31 57)

4.4 Programme 4: Provincial Hospital Services

Programme purpose
To provide general and specialised hospital services by general specialists through regional hospitals, TB hospitals, psychiatric/mental hospitals, dental training hospitals and other specialised hospitals.

List of sub-programmes
General (regional) Hospitals.
Tuberculosis Hospitals.
Psychiatric Hospitals.

Regional Hospitals

Key Achievements:
Regional hospitals achieved targets for efficiency indicators for Bed Occupancy Rate (BOR) and Average Length of Stay (ALOS) except for two hospitals that were affected by their geographical locations. The achievements in these indicators may be attributed to well-functioning clusters and continuous support visits to these hospitals by head office. Down referral of patients and triaging work well in hospitals adjacent to district services.

Most hospitals still experience high numbers of patients and an increased Caesarean section rate. Cost per Patient-Day Equivalent (PDE) remains high, and could be attributed to the increased price of medication, laboratory and blood services, surgical consumables, food and so on. Despite this challenge, hospitals still continued to manage their day-to-day operations without compromising the quality of service.

There is a marked improvement in the manner in which some hospitals function. Leratong Hospital paediatric ward received 2013/14 Premiers Service Excellent Award for best service site.

Other achievements are as follows:
- All hospitals are implementing ward committees and this improves health outcomes.
- Better monitoring of after-hours remuneration of doctors (while this is an HR function, the process was driven by hospital services).

Maternal Mortality Rate
As a standard requirement, all hospitals have maternal health committees that regularly hold meetings to discuss issues related to maternal and child mortality and ways to improve the management of these cases. Infection prevention and control have been strengthened across all hospitals.

Sub-programme: Specialised Hospitals					
Strategic objective	**Actual achievement 2012/13**	**Planned target 2013/14**	**Actual achievement 2013/14**	**Deviation from planned target 2013/14**	**Comment on deviation**
Increase level of Efficiency in Hospitals (Tuberculosis)					
Average Length of Stay in Sizwe Infectious Disease hospital.	104 days	120 days	98.3 days	(21.7) days	Length of stay is slightly longer because of the nature of treatment for drug-resistant TB.
Bed Occupancy rate(BOR) in Sizwe Infectious Disease hospital.	55%	60%	52.4%	(7.6%)	Optimal utilisation of beds to be explored. More patients are now treated for drug resistant TB while in the community as outpatients, in line with the national policy.

Sub-programme: Specialised Hospitals					
Strategic objective	**Actual achievement 2012/13**	**Planned target 2013/14**	**Actual achievement 2013/14**	**Deviation from planned target 2013/14**	**Comment on deviation**
Expenditure per patient day equivalent(PDE) in Sizwe Infectious Disease hospital.	R2 177	R2 000	R2 398	R398	NHLS audit and payments not made. The increase in expenditure is partly due to the decrease in utilisation rate.
Reduce referrals for specialised psychiatric care (Psychiatric Hospitals)					
Number of dedicated acute beds for adults at designated psychiatric units in general hospitals.	419	521	472	(49)	Delay in finalising infrastructure development at hospitals identified for designation for specialised mental health services.
Number of contracted (Life Esidimeni) beds utilised for chronic users (ALOS >1 year) as a % of total beds.	80%	55% (1243/ 2260)	82%	27%	Challenges experienced with the discharge of patients including untraceable family members and refusal by families to take their discharged patients.

Sub-programme: General (Regional) Hospitals					
Performance indicator	**Actual achievement 2012/13**	**Planned target 2013/2014**	**Actual achievement 2013/14**	**Deviation from planned target 2013/14**	**Comment on deviation**
Delivery by Caesarean section rate.	32%	26%	32.9%	6.9%	Regional hospitals serve as referral centres for complicated caesarean section cases. Late presentation, obstetrical complications presenting at Regional hospitals and in-migration of pregnant mothers with no history ANC visits are contributory factors.
Inpatient Separations – Total.	453 399	321 605	275 357	(46 248)	Low separation could be attributed to improved level of care in DHS, improved referral pathways and effective clustering.
Patient Day Equivalents – Total.	2 609 924	1 672 069	1 849 429	177 360	It could be attributed to specialised care availability at regional hospitals, as well as patients being very ill due to HIV and AIDS related conditions.
OPD Headcount – Total.	1 853 400	1 303 984	1 217 209	(86 775)	It could be attributed to improved level of care in DHS, improved referral pathways and effective clustering.

Sub-programme: General (Regional) Hospitals					
Performance indicator	**Actual achievement 2012/13**	**Planned target 2013/2014**	**Actual achievement 2013/14**	**Deviation from planned target 2013/14**	**Comment on deviation**
Average Length of Stay.	4.1 days	4.7 days	4.9 days	0.2 day	Average length of stay within the recommended target.
Inpatient Bed Utilisation Rate.	80%	78%	85.%	7%	It could be attributed to specialised care availability at regional hospitals, also patients being very ill due to HIV and AIDS related conditions.
Expenditure per patient day equivalent (PDE).	R1 964	R1 857	R2 110	R253	Target not achieved due to high price of medication, laboratory and blood services, surgical consumables, food etc. There is a need to review the cost per PDE in line with inflation.
Complaint resolution within 25 working days rate.	90%	95%	89.7%	(5.3%)	Insufficient complaints managers. The Department will continue to train new complaints managers and acquire new complaints managers.
Mortality and morbidity review rate in Hospitals.	100%	100%	93.3%	(6.7%)	GDoH provides support meetings and individualised workshops with all institutional clinical managers at all levels. Cluster workshops are also conducted throughout the province to re-enforce the importance and benefits of quality improvement and of submitting the Mortality and morbidity review reports.
Hospital Patient Satisfaction rate.	67%	71%	65%	(6%)	Patients not satisfied with elements of Access and assurance.
Number of Hospitals assessed for compliance with the 6 priorities of the core standards.	9	9	9	0	Target was reached , assessments were conducted by the inspectorate team.
Case fatality rate in regional hospitals for surgery separations.	3.5%	2%	5.6%	3.6%	This could be attributable to Late case presentations and Patients having extreme co-morbid diseases with severe immunosuppression.

Strategy to overcome areas of under performance

- The commissioning of Jabulani Zola Hospital will reduce the overcrowding at Chris Hani Baragwanath (CHBH). There is also a plan to open Discoverers and Lenasia South which are close to Zola and CHBH. The year under review will see the New Natalspruit Hospital being commissioned and the revitalisation of other facilities will continue as planned.
- The Department will continue to implement the Turnaround Strategy and Six Ministerial Priority Areas (provide good quality, reliable care and patient's safety; ensure availability of medication, equipment and consumables; reduce waiting times; prevent cross infection; improve staff values and attitudes; and keep facilities clean).

Oral health centres (Dental Hospitals)

Achievements

- The appointment of a new CEO/Dean of Medunsa Oral Health Centre.
- Procurement of six digital pancephs X-ray units for all centres has been approved after four years of requisitioning.
- Launch of the mobile dental units in partnership with a corporate entity had been officially commissioned to outreach from tertiary institutions to underserved communities.
- Private laboratory cost was reduced by 4.6% as compared to 2012/2013 due to in-house laboratory work undertaken.

Challenges

- A lack of clinical space at Wits Oral Health Centre for the training of mid-level oral health professionals continues to be a challenge.
- Revision of the staff establishments of all Oral Health Centres need to be done and aligned with current OSD terminology.

Changes to planned targets

No changes to our planned targets.

Linking performance with budgets

Expenditure: Programme 4 – Provincial Hospitals

	2013/2014			2012/2013		
	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
General (Regional) Hospitals	3 511 108	3 642 601	(131 493)	4 826 251	5 150 556	(324 305)
Tuberculosis Hospitals	342 659	157 940	184 749	350 003	156 715	193 288
Psychiatric/Mental Hospitals	942 414	919 845	22 569	956 038	893 466	62 572
Other Specialised Hospitals	56 539	58 030	(1 491)	59 320	52 673	6 647
Dental Training Hospitals	396 099	375 909	20 190	355 284	329 030	26 254

4.5 Programme 5: Central and Tertiary Hospitals

Tertiary Hospitals

Programme purpose

To provide specialist and sub-specialist services, receive referrals from regional hospitals and provide a platform for the training of health workers.

There are three Tertiary Hopitals in Gauteng: Helen Joseph, Kalafong and Tembisa.

Programme 5: Tertiary Hospitals					
Performance indicator	**Actual achievement 2012/13**	**Planned target 2013/2014**	**Actual achievement 2013/14**	**Deviation from planned target 2013/14**	**Comment on deviation**
Delivery by Caesarean section rate	41%	27%	32.5%	5.5%	Tertiary hospitals serve as referral centres for complicated caesarean section cases. Late presentation ,obstetrical complications and mothers with no history of ANC visits.
Inpatient Separations – Total.	318 805	152 934	112 459	(40 475)	Low separation could be attributed to improved level of care in DHS, improved referral pathways and effective clustering.
Patient Day Equivalents – Total	2 615 032	1 004 898	942 851	(62 047)	This might be due to improved district health and referral system.
OPD Headcount – Total	2 597 531	1 188 155	733 014	(455 141)	It could be attributed to improved level of care in DHS, improved referral pathways and effective clustering.
Average Length of Stay	5.3 days	5.5 days	5.8 days	0.3	Average length of stay with the recommended target
Inpatient Bed Utilisation Rate	77%	78%	82.2%	4.2%	It could be attributed to specialised care availability at regional hospitals, also patients being very ill due to HIV and AIDS related conditions.
Expenditure per patient day equivalent (PDE)	R2 950	R1 818	R2 338	R520	Target not achieved due to high price of medication, laboratory and blood services, surgical consumables, food etc. There is a need to review the cost per PDE in line with inflation.

Programme 5: Tertiary Hospitals					
Performance indicator	**Actual achievement 2012/13**	**Planned target 2013/2014**	**Actual achievement 2013/14**	**Deviation from planned target 2013/14**	**Comment on deviation**
Complaint resolution within 25 working days rate	87.7%	95%	65.9%	(29.1%)	This may be attributed to a high attrition rate of complaint managers, necessitating training of new personnel. Continue with interactive training of new complaints managers.
Mortality and morbidity review rate in Hospitals	100%	100%	100%	0%	GDoH provides support meetings and individualised workshops with all institutional clinical managers at all levels. Cluster workshops are also conducted throughout the province to re-enforce the importance and benefits of quality improvement and of submitting the Mortality and morbidity review reports.
Hospital Patient Satisfaction rate	67%	71%	64%	(7%)	Patients not satisfied with access.
Hospitals assessed for compliance with the 6 priorities of the core standards?	Yes	3	3	0	Target reached assessments conducted by the inspectorate unit.

Central Hospitals

Programme purpose

To provide highly specialised health care services, platforms for the training of health workers, sites for research and to serve as specialist referral centres for regional hospitals and neighbouring provinces.

There are four central hospitals in Gauteng: Steve Biko Academic, Dr George Mukhari, Charlotte Maxeke Johannesburg Academic and Chris Hani Baragwanath Academic.

Central Hospitals Performance Overview

Key achievements as regards Steve Academic Biko Hospital (SBAH) are: The hospital commissioned the electronic access control and Security System to counter security breaches and to safeguard patients, staff and State assets. The system also tracks patients and has a biometric staff entry mechanism. SBAH scooped the MEC's Special Quality Improvement Award in the Khanyisa Awards in November 2013. The hospital started a new Corneal transplanting service, in December 2013. This service has not been offered in SBAH for the past 20 years or so, and corneal grafts are procured from the United States.

The national and provincial project of Direct Pharmaceutical Supplies Deliveries was piloted in SBAH and is now being rolled out to other hospitals. It allows a hospital to order directly on an electronic system and to get medicines delivered directly to the health facility bypassing the Medical Supplies Depot.

In line with national and provincial strategy of overhauling management to improve the running of health facilities, the hospital split the supply chain management and finance functions and created two separate directorates. The same was done by separating Human Resource Management from Patients Administration and Logistics. This has allowed these areas to be run by experts in their fields, and has already started producing good results.

Constraints

The delay in implementing the approved Medicom electronic Health Information System has delayed possible improvements, including waiting times, revenue collections, reliable data within the Department, and patients files will no longer be misplaced. In addition, there were delays in the procurement processes for the hospital's Picture Archiving & Communication System (PACS).

The following table presents the perfomance indicators for Programme 5.

Performance indicators: Programme 5 – Central Hospital Services

Steve Biko Academic Hospital					
Performance indicator	**Actual achievement 2012/13**	**Planned target 2013/14**	**Actual achievement 2013/14**	**Deviation from planned target 2013/14**	**Comment on deviation**
Delivery by Caesarean section rate.	62%	55%	57.1%	2.1	Hospital provides obstetric services for only very ill and complicated maternity cases, and hence the high Caesarean Section rate. Normal deliveries are handled in the nearby Tshwane District Hospital, Mamelodi Hospital and in Stanza Bopape CHC.
Inpatient Separations – Total.	42 270	55 000	34 367	(20 633)	Inpatient separation lower than in the previous financial year
Patient Day Equivalents – Total	387 293	400 000	371 091	(28 909)	Inpatient separation lower than in the previous financial year
OPD Headcount – Total	478 075	600 000	427 620	(172 380)	It could be attributed to improved level of care in DHS, improved referral pathways and effective clustering.
Average Length of Stay.	5.5 days	6 days	6.5 days	0.5 days	Shortage of beds & theatre time due to nursing shortage do affect LOS as patients that need to be operated on stay longer.
Inpatient Bed Utilisation Rate.	77%	80%	78.3%	(1.7%)	The Deviation is insignificant, but could be due to reduced usable beds because of acute exacerbation of shortage of nurses.
Expenditure per patient day equivalent (PDE).	R3 899	R3 500	R3 899	R 399	The Deviation from target was caused by medical inflation and OSD salary grading of health professionals.
Complaint resolution within 25 working days rate.	97%	95%	81.8%	(13.2%)	Target not achieved. This may be attributed to a high attrition rate of complaint managers, necessitating training of new personnel. Many complaints take longer to resolve because they emanate from complaints about waiting time for elective surgical procedure (e. Hip or knee replacements).

Steve Biko Academic Hospital					
Performance indicator	**Actual achievement 2012/13**	**Planned target 2013/14**	**Actual achievement 2013/14**	**Deviation from planned target 2013/14**	**Comment on deviation**
Mortality and morbidity review rate in hospitals.	100%	100%	100%	0%	Mortality and morbidity meetings are KPI at clinical level.
Hospital Patient Satisfaction rate.	67%	71%	69%	(2%)	Patients not satisfied with access.
Number of hospitals assessed for compliance with the 6 priorities of the core standards.	Yes	Yes	Yes	0	Institution conducted their own self-assessment.

Dr George Mukhari Hospital					
Performance indicator	**Actual achievement 2012/13**	**Planned target 2013/14**	**Actual achievement 2013/14**	**Deviation from planned target 2013/14**	**Comment on deviation**
Delivery by Caesarean section rate.	35%	45%	37.8%	(7.2%)	High number of normal vaginal deliveries due to walk in patients dilutes the caesarean section rate.
Inpatient Separations – Total.	55 512	52 524	57 037	(4513)	Performance is within the norm.
Patient Day Equivalents – Total	534 716	859 112	535 556	(323 556)	Insufficient ICU beds and shortage of equipment and consumables.
OPD Headcount – Total	348 646	347 916	379 631	31 715	The down referrals to lower levels are slow due to the inconsistent availability of EDL medicines at those facilities.
Average Length of Stay.	7.3 days	7.2 days	7.6 days	0.4 days	The long waiting time for operations causes patients to stay long at the hospital. The delay to transport patients back to referring hospitals in Limpopo and North West provinces also contribute to increased length of stay.
Inpatient Bed Utilisation Rate.	72%	75%	69.8%	(5.2%)	Renovations done in different wards and decline in the number of admission during December 2013 and January 2014 period.
Expenditure per patient day equivalent (PDE).	R2 456	R 3 000	R2 758	(R 242)	Expenditure significantly higher than the Departmental target. However, the provincial target has not been reviewed for at least three years. High price of medication and blood services, surgical consumables, food, and so on. contribute to high expenditure. Accruals due to delay in paying suppliers also contribute to high expenditure.
Complaint resolution within 25 working days rate.	97%	85%	84%	(1%)	Serious adverse events need experienced Senior Investigators, and take longer to resolve than 25 days.

Dr George Mukhari Hospital					
Performance indicator	**Actual achievement 2012/13**	**Planned target 2013/14**	**Actual achievement 2013/14**	**Deviation from planned target 2013/14**	**Comment on deviation**
Mortality and morbidity review rate in hospitals.	100%	100%	100%	0%	Mortality and morbidity meetings are KPI at clinical level.
Hospital Patient Satisfaction rate.	67%	71%	66%	(5%)	Patients not satisfied with the visiting hours (not long enough), getting bored in the wards and patient waiting time for files. Measures were put in place to address the customer concerns.
Hospitals assessed for compliance with the 6 priorities of the core standards?	Yes	Yes	Yes	0	Self-assessment done by facility staff with assistance from Inspectorate.

Charlotte Maxeke Johannesburg Academic Hospital					
Performance indicator	**Actual achievement 2012/13**	**Planned target 2013/14**	**Actual achievement 2013/14**	**Deviation from planned target 2013/14**	**Comment on deviation**
Delivery by Caesarean section rate.	51%	51%	48.8%	(2.2%)	The CS rate is closer to the norm. The hospital has been delivering less complicated cases because of unavailability of maternity services at other hospitals within the cluster.
Inpatient Separations – Total.	92 517	53 252	51 176	(2 076)	Did not reach the target but bed occupancy higher than previous financial year due to the longer stay of ill patients.
Patient Day Equivalents – Total.	781 843	812 516	790 341	(22 175)	Efficiencies in the management of patients.
OPD Headcount – Total.	1 225 775	1 299 908	1 254 106	(45 802)	Comparing with previous financial year, down referrals to PHC facilities are slow due to the inconsistent availability of EDL medicines at those facilities.
Average Length of Stay.	3.9 days	4 days	7.1 days	3.1 days	There's a need to revisit ALOS target to be in line with central hopsitals ALOS target.
Inpatient Bed Utilisation Rate.	83%	88%	84.1%	(3.9%)	Did not reach the target but bed occupancy is higher than previous financial year due to the longer stay of ill patients.
Expenditure per patient day equivalent (PDE).	R2 640	R 2 216	R986	(R 1 230)	Data management challenges to be addressed.
Complaint resolution within 25 working days rate.	97%	96%	61%	(35%)	Lack of capacity and dedicated managers to manage serious adverse events and complaints.
Mortality and morbidity review rate in hospitals.	100%	100%	100%	0	Mortality and morbidity meetings are KPI at clinical level.
Hospital Patient Satisfaction rate.	67%	71%	65%	(6%)	Patients not satisfied with cleanliness.

Charlotte Maxeke Johannesburg Academic Hospital					
Performance indicator	**Actual achievement 2012/13**	**Planned target 2013/14**	**Actual achievement 2013/14**	**Deviation from planned target 2013/14**	**Comment on deviation**
Hospitals assessed for compliance with the 6 priorities of the core standards?	Yes	Yes	Yes	0	Self-assessment was conducted by the facility with assistance from inspectorate.

Chris Hani Baragwanath Academic Hospital					
Performance indicator	**Actual achievement 2012/13**	**Planned target 2013/14**	**Actual achievement 2013/14**	**Deviation from planned target 2013/14**	**Comment on deviation**
Delivery by Caesarean section rate.	36%	33%	36.8%	3.8%	The reported figure is higher than the target CHBAH serves as a referral for complicated cases and also treats un-booked emergency cases.
Inpatient Separations – Total.	128 506	115 312	96 093	(19 219)	The figures indicate less separation due to burden of diseases.
Patient Day Equivalents – Total.	911 180	739 064	940 372	201 308	Cumulative figures shows that the hospital attends to an extensive large number of patients.
OPD Headcount – Total.	545 035	478 564	563 917	85 353	Figures shows that the hospital attends to an extensive large number of patients who should not be seen at a tertiary level, but at lower levels of care.
Average Length of Stay.	5.5 days	5.8 days	7.6 days	1.8 days	ALOS increased due to less separation.
Inpatient Bed Utilisation Rate.	77%	78.7%	81.2%	2.5%	The bed utilisation rate is higher than the target. Due to burden of disease.
Expenditure per patient day equivalent (PDE).	R3 101	R1 917	R1 866	(R 51)	Expenditure higher than the target. High price of medication, laboratory and blood services, surgical consumables food etc.
Complaint resolution within 25 working days rate.	97%	95%	47.5%	(47.5%)	Serious Adverse Events take more than 25 days to resolve due to their complexity, added to this is the lack of senior complaints managers to manage these problems.
Mortality and morbidity review rate in hospitals.	100%	100%	100%	0%	Mortality and morbidity meetings are KPI at clinical level.
Hospital Patient Satisfaction rate.	67%	71%	64%	(7%)	Patient not satisfied with access and tangibles e.g. cost of transport and cleanliness.
Hospitals assessed for compliance with the 6 priorities of the core standards?	Yes	Yes	Yes	0	Inspectorate was assisted by national inspectors.

Strategy to overcome areas of underperformance

- Decrease Patient numbers: Due to an improved referral system. More patients accessing health care at the appropriate level. To further strengthen the referral system and outreach programme to improve on gains so achieved.
- To embark on a Patient education awareness programme on the importance of attending ante-natal clinics early in the pregnancy.

Changes to planned targets

No changes to our planned targets.

Linking performance with budgets

The following table presents the financial information for Programme 5.

Expenditure: Programme 5 – Central and Tertiary Hospital Services

	2013/2014			2012/2013		
	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
Central Hospitals	8 071 832	8 079 936	(8104)	7 566 859	7 799 913	(233 054)
Provincial Tertiary Hospitals	2 190 135	2 157 860	32 275	-	-	-

4.6 Programme 6: Health Sciences and Training

Purpose

The Health Sciences and Training Programme is strategically positioned to plan, produce and manage the education, training and development needs of the Gauteng Department of Health. It is designed to comply with relevant legislative and policy mandates at national, provincial and local level, and also to respond to service transformation imperatives. Priorities include support for the Service Transformation Plan, Re-engineering of PHC, expansion of the HIV and AIDS, STI and TB programmes and implementation of NHI.

List of Sub-Programmes

- Professional Development Directorate includes:
  - Regional Training Centres
  - Nursing Colleges/Education
- Lebone College of Emergency Care
- Leadership Management and Skills Development Directorate
- Employee Health and Wellness Programme Directorate

Strategic objectives

- Improve achievement of national norms for supply of health professionals.
- Improve compliance with legislative framework.
- Respond to the GDoH staff education, training and development needs.
- Provide employee health and wellness to improve productivity and staff morale.
- Contribute to the job-creation mandate through targeted youth empowerment programmes.

Professional Development

Thirty-five Clinical Technology Interns are placed in specialised areas such as neurology, cardiology and pulmonary thoracic surgical units in Academic Hospitals. This has provided an opportunity of employability.

The Bursary funding for 2013/14 was R45 384 000. There were 271 new full-time (external candidates) and 149 part-time (staff members) bursary beneficiaries. In the financial year under review, 4 397 bursary beneficiaries for both full-time and part-time were maintained. The Bursary Scheme provides an opportunity to deserving students who do not have financial resources to qualify as Health Professionals.

Continuous Professional Development (CPD)

Continuous Professional Development (CPD) activities were conducted for health and allied professionals. A total of 1373 health and allied professionals were trained in various clinical practice fields in the Health Sciences.

Clinical Associates

Currently, there are 41 Clinical Associates on training. About 50 Clinical Associates are placed in the District Health Services (DHS), which includes District Hospitals and as per Gauteng Bursary Policy. The Clinical Associates Programme is aligned to family medicine practice with its focus on DHS. Clinical Associates complement the work of doctors in the districts. On completion of their training, they are absorbed into the DHS to serve their contractual obligations.

Pharmacist Assistants Training

In response to the Human Resources for Health Strategy for development of mid-level workers, Primary Health Care re-engineering process and expansion of Anti-Retroviral Therapy sites in the province, the human capital branch recruited 616 Pharmacist Assistants into the programme. Two hundred and twenty are GDoH employees and 396 are external Basic Pharmacist Assistant learners.
The training of the Pharmacist Assistants will impact positively on patients' waiting times at pharmacies in line with National Core Standards. There are two main benefits for placing post basic Pharmacist Assistants in the DHS:

- It will alleviate pressure on the PHC-trained nurses on management and control, safe keeping and dispensing of medication.
- The pharmaceutical services will be improved, as waiting times will be reduced.

Skills Development for Enrolled Nurses Working in the Maternity Settings

Empowering enrolled nurses allocated in maternity units, gives an opportunity for task shifting. Registered nurses are enabled to focus on midwifery activities whilst the enrolled nurses concentrate on nursing care. There are 56 enrolled nurses working in the maternity wards, who have completed this six-month in-service training programme. The next cohorts from Johannesburg and Tshwane will commence training in the last week of April 2014.

Cuban Medical Programme

Through the national bi-lateral co-operation agreement between South Africa and Cuba, signed in 1996, the Gauteng Department of Health participates in the South African Cuban Medical Programme. The participation is part of the realisation of HRH strategy to increase the number of doctors in the country. On completion of their training, these doctors will be placed in the Gauteng health services to serve their contractual obligation. Currently, 219 students are on the programme.

Health Professionals Training & Development Grant (HPTDG)

In 2013-14, the Health Professionals Training & Development Grant (HPTDG) allocation was R765 202 000. The entire grant had been spent by the 31 March 2014. More than 20 000 Health Sciences students were enrolled in various higher education institutions in the province, with more than 15 000 of them utilising the clinical service platform of GDoH. Approximately 3 000 graduates are reported in the health sciences, among whom 550 are medical doctors, 185 are medical specialist graduates and over a 100 are dentists. It must be noted that these graduates are part of a national supply, some of whom have been allocated to Gauteng as medical interns and community service dentists in 2014.

Professional Service Support

Professional Services Support component contributes to the development, management and support of medical and allied health professionals in the areas of medical internships, community service and foreign health professionals placements. In this regard, 220 medical doctors and 474 allied health professionals have been placed for community service in various hospitals and the DHS. Forty-eight foreign health professionals were offered employment in GDoH and 18 were successful in obtaining extensions of their contracts.

Four hundred and twenty-nine first-year medical interns were placed and 394 are completing their second year in various institutions.

Placement of Community Service officials is a statutory requirement and it contributes to the improvement of service delivery and enables the graduates to consolidate knowledge.

HIV and AIDS Training

HIV and AIDS training and capacity building for expansion of HCT and ARV is funded by the HIV and AIDS Conditional Grant based on an approved Business Plan. In the year under review, a total of 1 005 Professional Nurses were trained and skilled to render the Nurse Initiated Management of ARV Treatment (NIMART) for all ARV sites indistricts and hospitals. In addition, 9 731 health professionals, lay workers and counsellors were up-skilled in various fields of the Comprehensive Care, Management and Treatment of HIV (CCMT), Tuberculosis (TB), Integrated Management of Childhood Illnesses (IMCI), Male Medical Circumcision (MMC), Fixed-Dose Combination (FDC), HIV and AIDS Counselling for lay counsellors. It is anticipated that access to ART will be improved through training of nurses, thus enabling the Department to realise National Health Priorities, namely combating HIV and AIDS and decreasing the burden of diseases from TB.

Nursing Education

The Department trains various categories of nurses in accordance with the legislative framework of the South African Nursing Council (SANC) and the National Human Resources for Health Strategy. The Department provides mandatory community service placements for graduates with four-year diplomas and degrees which cover General Nursing, Psychiatric and Community Nursing, and Midwifery. The intake of nurses annually is informed by the targets in the Performance Plan. Appropriate numbers are accepted in various categories of nursing (including the category of Mid-level Enrolled Nurses for career progression only), for the range of services rendered in the province.

The sub-programme supports and coordinates the activities of six nursing colleges and monitors compliance with the requirements of the SANC. Hospitals and clinics in the province provide the platform for experiential learning for nursing students from all these

colleges. During the year under review, the number of nursing students in all years at all levels of training was 5 963. The total intake during 2013/14 was 1 126 and 2 458 nurses graduated in various categories.

These graduates comprised:

- Basic training graduates: 1 789
- Post basic training graduates: 669

A total of 696 Professional Nurses were placed in the Health Institutions for Community Service.

Table 1: The composition of Basic Nursing training in 2013/14 appears in the table below:

CATEGORY	NUMBER
Professional Nurses: four-year degree	105
Professional Nurses: four-year diploma	660
Professional Nurses: Bridging Course	197
Enrolled Nurses: two-year course	573
Enrolled Nurses: Exiting from four-year course	73
Enrolled Nursing Auxiliaries exiting from four-year course	181
TOTAL	**1789**

The training of specialist nurses is informed by the strategic priorities and service needs analysis of the province. The output increased from 598 in 2012 to 669 in 2013. In response to the need for Advanced Midwives, the number of graduates in this programme was 76 in 2013 and 55 Critical Care Nursing graduates. Standardised Midwifery procedures were developed during 2013 as an intervention to reduce the high incidence of serious adverse events related to Midwifery practice.

Table 2: Fields of study of specialist nurse graduates in 2013/14

CATEGORY	NUMBER
Primary Health Care	199
Psychiatric Nursing	22
Child Nursing	38
Advanced Midwifery and Neonatology	76
Ophthalmic Nursing	18
Midwifery	182
Orthopaedic Nursing	10
Critical Care Nursing	55
Trauma and Emergency Nursing	17
Nephrology Nursing	12
Operating Theatre Nursing	26
Oncology Nursing	14
TOTAL	**669**

Nursing as a career of choice was marketed through career exhibitions and visits to different schools throughout the year. By providing prospective candidates with information about the selection criteria, they are able to make informed decisions before applying to train as nurses.

The Minister launched the National Strategic Plan for Nurse Education, Training and Practice in March 2013. A provisional implementation plan, which includes the Nursing Education component, has been developed. The Nursing Colleges have been preparing for the implementation of the new nursing qualifications within the regulatory framework and other legislative requirements of higher education.

The funds, ring-fenced by the National Department for Health for Gauteng for infrastructure development of Nursing Colleges in the country, were used to complete the infrastructure development project at the Ann Latsky Nursing College in 2013.

Quality promotion visits were conducted by SANC at the majority of hospitals and community health centres in the province. The purpose of these visits was to monitor whether adequate learning and teaching opportunities were available and whether patient care met the required standards.

Emergency Care Training

In the year under review, the Lebone College of Emergency Care had an intake of 24 Critical Care Assistants (CCAs) and 48 Ambulance Emergency Assistant (AEA) learners. The CCA and AEA learners commenced with theory classes, which were followed by practical learning. They will sit for mid-term examination in June 2014.

The Emergency Care Technicians (ECT) learners, ECT 01/2012 group, had their final end-of-course evaluations, and 33 of them were successful and have to register with the Health Professional Council South Africa (HPCSA). Twenty of the learners who successfully completed the course were bursary holders. They are to be absorbed within Gauteng Health Emergency Medical Services Programme in order to render their contractual obligations. The 13 ECT learners who have graduated have gone back to the services to serve the contractual obligation as per Bursary Policy.

Leadership Management and Skills Development

In accordance with human capital management and development for better health outcomes mandate, the Leadership, Management and Skills Development component continues to play a pivotal role in capacity building to ensure attainment of key priorities, including the Millennium Development Goals, implementation of the NHI, strengthening of PHC and the Turnaround Strategy. The Directorate provides leadership and management development, functional skills development of non-clinical staff and generic skills development of all categories of staff in GDoH. In line with the important political mandate of youth empowerment and job-creation, the Directorate also ensures legislative compliance with a focus on youth development through Learnerships and Internships, with a special emphasis on previously disadvantaged groups. The Directorate is also responsible for management of the skills levy, monitoring and evaluation of training programmes, marketing the HRD and EHWP Chief Directorate programmes, implementing effective Knowledge Management systems including mentorship, e-learning and championing other non-classroom learning for the GDoH. In addition, the Directorate provides management consultation services to hospital management teams on request and manages training committees.

A total of 2 846 learners and staff members participated in Internship and Learnership programmes funded and supported by strategic partners, including HWSETA, DID and GCRA. The sum of 2362 took part in various Clinical and Non-Clinical Internship Programmes. A total of 72 Clinical Internships comprised the following: Clinical Technologists (54), Medical Orthotics and Prosthetics (6), Dental Assistant (10) and Forensic Pathology Technicians (2).

A total of 2 290 Non-Clinical Internshipswere made up of: Ad hoc – Administration (259), NYS Basic Ambulance Assistance (280), NYS General Administration (243), GCRA General Administration (1 000), ICT Interns CISCO programme (4), HWSETA PWD interns (eight).

The Department participated in four career expos where more than 2 000 learners were reached and given information on careers in the Health Sciences as part of the recruitment strategy.

In compliance with Turnaround Strategy for improved management acumen within the Department, as well as the DPSA Pillar of Human Capital Management and Development for better health outcomes, the GDoH launched the new Nurse Unit Managers' Leadership and Management Development Programme. The pilot was held at Chris Hani Baragwanath Academic Hospital. This programme will equip Unit Managers with appropriate management skills to effectively manage their units within a changing health environment. It will facilitate quality nursing practice through the development and implementation of appropriate protocols, evidence-based best practice and supported by a strong mentorship programme.

Furthermore, the Department also developed and launched the new Clinical Managers Leadership and Management Development Programme, and a total of 106 managers have undergone the training. GDoH also developed a Strategic Intervention Package (targeting CEOs and Management teams) – this includes motivational talks and refresher courses on key people management skills.

Various management development initiatives were implemented in collaboration with the GCRA, including a high-level Executive Leadership Development Programme (through GIBS) where 13 Senior Managers participated and graduated. This intervention is aimed at heightening management and leadership acumen and competencies in the Department. A further 141 managers participated in GCRA-funded Management Development Programmes, including Foundational Management Development Programme (FMDP), Emerging Management Development Programme (EMDP) and Middle Management Development Programme (MMDP) offered by various institutions of higher learning. In the interest of capacity building for achieving Negotiated Service Delivery Agreement (NSDA) outcome of Health System Effectiveness, institutions were supported through management consultation services. The Department also actively participated in the Public Service Week by deploying four managers to the services through the KHAEDU project, including presentations made at the DPSA Public Service Conference and the provincial HR Summit.

In the interest of organisational excellence, improved compliance rate to legislative framework and Turnaround Strategy, an Orientation and Induction Programme has been revitalised and 524 new staff members were inducted. In addition, various HRD policies, including a Mentorship Policy, have been developed and approved in the year under review. Currently, the policies are being communicated through the Knowledge Management (KM) Forum to all staff. The policies will be fully implemented in the 2014/2015 financial year. A total of 2 638 employees have been re-orientated on the Code of Conduct.

A total of 680 staff members attended the Uniform Patient Fee Scheduling (UPFS) training in preparation for implementation of the NHI. In addition, 91 key personnel in the political office and other sections were trained on the Protocol Programme through the National Department of International Relations and Co-operation. In alignment to the turnaround strategy, 70 managers and supervisors participated in the Anti-Fraud and Corruption Training Programme.

A total of 624 staff members participated in the Adult Education and Training (AET) Programme in the 2013/2014 financial year. This project is a Presidential mandate aimed at redressing past imbalances and improving access to education and information as well as up-skilling staff members in line with Skills Development Act and National Skills Development Strategy III.

All of these development programmes have been evaluated positively by the participants, and currently a framework is being developed to measure the impact of these training programmes.

Employee Health and Wellness Programme (EHWP)

The Employee Health and Wellness Programme (EHWP) focuses on the promotion and maintenance of the highest degree of physical, mental, spiritual and social wellbeing of staff; prevention of illness caused by working conditions; protection of employees in their workplace from risks resulting from factors adverse to health, placement and maintenance of employees in occupational settings.

In the current financial year, HCT awareness campaign detected new HIV cases in health care workers and created a greater awareness on the importance of knowing one's status. The HIV screening has enabled the Department to identify and offer early treatment to employees with TB infection. Twenty-one institutions were allocated funding for the commemoration of World Aids Day, and the greater awareness was created on HIV, AIDs, STI and TB issues. This awareness campaign has resulted in 1 060 self-referrals to the Employee Health and Wellness Centres and other facilities.

Overall, 10 838 employees and senior managers were reached through capacity building for employee health and wellness programme. Twenty thousand posters and pamphlets were procured to provide information to the employees.

There are 16 functional Employee Health and Wellness Centres in the Department.

- 12 000 employees accessed Employee Health and Wellness services in 2013/14.
- Financial Wellness sessions, garnishee orders were reduced from 39 000 to 23 000.
- 80 cases of Occupational Tuberculosis were diagnosed and treated. The cases were reported as Occupational Diseases to the Compensation Commissioner. Six occupational TB deaths were reported in 2013/14 among doctors and nurses.

- 715 employees were offered Post Exposure Prophylaxis (PEP)
- 783 employees were offered preventative Programme of Hepatitis B Vaccine.

The EHWP Directorate has participated in the planning and establishing of the National Occupational Health One Stop Shop wellness centre in Carletonville Hospital for current and former mine workers. The services to be offered are occupational health benefit medical assessments and diagnosis of occupational diseases in current and former mine workers and community around mines. Also to be looked at are administration of compensation cases and rehabilitation.

The EHWP Directorate, in collaboration with the National Institute of Occupational Health (NIOH) and University of Columbia in Canada, is currently involved in a TB-research study. The study aims to establish the incidence of TB among health care workers.

PROGRAMME 6 – HEALTH SCIENCES AND TRAINING

Programme 6: Health Sciences and Training					
Strategic objective	**Actual achievement 2012/13**	**Planned target 2013/14**	**Actual achievement 2013/14**	**Deviation from planned target 2013/14**	**Comment on deviation**
Improve achievement of national norms (Health professionals per 100 000 population)					
Number of basic medical graduates	517	600	563	(7)	Target not reached it depends on Universities intake and student pass rate
Number of first year medical interns placed in the services	422	400	429	29	Target reached, accreditation for nine medical interns at Pholosong hospital which is now a regional hospital
Number of community service doctors placed in the services	205	200	220	20	Target reached. This is the approved number of community services doctors
Number of community service dentists placed	4	3	6	3	3 added due to political interventions
Number of medical specialist graduates[5]	164	120	153	33	Target exceeded it depends Universities intake and student pass rate
Number of Allied community service professionals placed in the services	365	400	417	17	Target reached. The Department had decreased the number of post of community services per institution.
Number of pharmacy interns placed	6	30	61	29	Target exceeded due to increase of accreditation of institutions and increased number of student completing their degree
Number of community service pharmacists placed	52	45	66	21	Target exceeded due to the increase in number of posts requested by the institutions
Number of Nursing community service professionals placed in the services	696	754	765	11	Permission was obtained to appoint Tshwane University graduates

Programme 6: Health Sciences and Training					
Strategic objective	**Actual achievement 2012/13**	**Planned target 2013/14**	**Actual achievement 2013/14**	**Deviation from planned target 2013/14**	**Comment on deviation**
Improve achievement of national norms (Health professionals per 100 000 population)					
Number of middle level workers produced (Clinical associates, enrolled nurse graduates, emergency care technicians, pharmacist assistant graduates)	819	855	250	(605)	There has not been intake in 2012 to date, those who graduated were 2011 intake, some pharmacy assistant are still on training doing basic and post-basic
No of youth completing internship	1 690	1 000	2362	1362	Good partnership with stakeholders led to more than expected output.
No of youth completing Learnerships	297	500	484	(16)	Unfunded mandate

Strategy to overcome areas of under performance

- To fill critical posts and address the gross shortage of skills and capacity in Programme 6.
- Review the organisational implications for the RTCs Nursing Education may have to go to the Chief Directorate Nursing.
- Twinning the RTC and EMS with institutions of higher learning has enormous benefits for accredited training, return on investment, and retention strategies.
- Monitor and evaluate compliance to all legislative and statutory imperatives and mandates.

Changes to planned targets

None

Expenditure: Programme 6 – Health Sciences and Training

	2013/14			2012/13		
	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**
Nurse Training Colleges	784 569	674 596	107 838	739 850	689 135	50 715
Ems Training	33 976	27 829	9 947	40 975	24 371	16 604
Bursaries	45 384	52 607	(7 223)	50 815	43 573	7 242
Other training	46 390	74 355	(31 983)	59 653	49 991	9 662

4.7 Programme 7: Health care Support Services

Purpose
The purpose of this programme is to provide non-clinical services, including laundry, food services and medical supplies, to support hospitals and clinics in an effective and efficient manner.

Strategic objective
The central objective of the programme is to increase the efficacy of the supply chain management system.

Summary of the significant achievements
The achievements of this programme focus on implementation of supply chain management, including the Broad-Based Black Economic Empowerment (BBBEE) strategy in support of the five strategic goals of the Department.

Programme 7 plays a key role in supporting the following areas of the Turnaround Strategy:
- Payment of suppliers and clearing of accruals.
- Achieving an unqualified audit: PFMA adherence and risk management.
- Contract and asset management.
- Procurement and supply chain management.
- Effective environmental controls throughout the system.

Supply Chain Management and the Turnaround Strategy
As part of the Turnaround Strategy for Health, Supply Chain Management (SCM) is the focus of various interventions to improve systems and processes:

Governance of SCM and capacity building:
- SCM Policy developed.
- Revised Bid Adjudication Committee (BAC) and Bid Evaluation Committee (BEC) functioning to be in line with SCM Regulations through a Charter.
- Training on SCM is being rolled out for CEOs, Clinicians and SCM practitioners.
- Finalising the migration of procurement officials from GDF.

Management of SCM Deviations (Irregular expenditure):
- Procedure for Emergency procurement.
- Prohibition of Ex Post Factos, and verification of historical commitments (ex post factos) and corrective actions and investigations.
- Withdrawal of all manual purchase order books from all health institutions.

Contract Management
- Established a medical equipment contracts.
- Medical Consumables/surgical sundries contract moved from MSD to SAP SRM.
- Audit of contracts and database has been developed and is being monitored.
- SCM is currently reviewing all contracts due for extension.
- SCM is currently negotiating all contract prices on newly awarded contracts in line with market related prices.

Market Price analysis:
Negotiating prices on newly established contracts in line with market.

Co-operatives
The Department has will be contracted to provide the following services: supply of linen, and will target previously disadvantaged groups.

Pharmaceutical Services

Laboratory and Blood Services Narrative Annual Report 2013/14

National Health Laboratory Services (NHLS)

For the period April 2013 to March 2014, laboratory tests were processed by NHLS laboratory services at total cost of R1 217 084 242 paid for by the Department. The total expenditure for 2013/14 financial year represents a net saving of R14 505 758 million from the total allocated budget of R1 231 590 000.

Cost Containment Measures aligned to the Turnaround Strategy:

Electronic Gate-Keeping (EGK)

Electronic Gate-Keeping (EGK) as a cost containment measure was reinforced through implementation of own hospital rules by the following hospitals:

- Chris Hani Baragwanath.
- Helen Joseph.
- Charlotte Maxeke.

This altogether meant that all central hospitals and one tertiary hospital were operating on their own generated rules.

Rand value of savings made from the NHLS cost saving plan (EGK)

During 2013/14 R8 138 738 million was saved from implementing EGK. Although slightly higher than the previous year's saving of R6 184 932 million, this represents a deficit of R10 861 262 million from the provincial target of R19 million.

The reasons associated with the reduced EGK savings are to do with a lack of:

- unique identifier, which makes the system ineffective in identifying and tracking patients.
- interface between the hospital information system and the NHLS information system.
- full cooperation of healthcareworkers in developing and implementing rules at appropriate levels and service points and in filling test request forms completely and accurately.
- hospital information system (HIS system) to enable EGK rejections to occur on the hospital side.

Service Delivery Improvement Plan (SDIP)

In line with the provincial mandate for quality improvement, Pharmaceutical Services, Eye Care and the Laboratory and Blood Services sub-directorate attended a Service Delivery Improvement Plan (SDIP) stakeholders' workshop after which the three units completed the development of the 2013 – 2015 SDIP.

Provincial Laboratory and Blood Users' Committee

The unit successfully coordinated for the establishment of the Provincial Laboratory and Blood Users' Committee, which was launched on 11 July 2013. The Committee is constituted by 15 clinicians appointed by the HOD, five ex-officio members from provincial head office and three members of the secretariat from District Health. The function of the committee is to develop, review or adapt standardised testing policy guidelines for laboratory, point of care testing (POCT) and blood services.

Other service improvements

Review of Service Level Agreement (SLA) between the Department and the NHLS

The Service Level Agreement (SLA) that was signed between the Department and the NHLS on 30 November 2009 for three years expired on 30 November 2012. The SLA review process started in June 2012. A review plan with time-frames was developed by a joint task team representative of the NHLS and the Department. Due to delays experienced in the circulation of the draft SLA to different stakeholders, it was also resolved that permission for the extension of the SLA be requested in accordance with paragraph 9.2 of the current SLA. As a result of the recommendation by the stakeholders meeting, permission was granted to maintain the terms and conditions under the SLA signed between the Department and the NHLS until 31 December 2013. Subsequent requests to have permission for a further extension of the SLA to 30 September 2014 is yet to be granted.

National Core Standards Internal Audits

During the 2013/14, the unit has further participated in national core standards internal audits and development of quality improvements both of which were coordinated through the Provincial Inspectorate.

Challenges in Laboratory Services

Trackcare Laboratory Information System

During November 2012, the NHLS embarked on a process to replace the DISA laboratory information system. By 30 November, a new laboratory information system called Trackcare was implemented at the South Rand and Dr Yusuf Dadoo District Hospitals. According to information received from the NHLS, the rollout was supposed to be completed by May 2013 and the phasing out of the old DISA system by June 2013 in Gauteng. After the initial rollout of the new system at Charlotte Maxeke Academic Hospital, it was observed that the rollout was suspended and that most of the NHLS laboratories in Gauteng were operating on dual systems. Although no reasons for the suspension of the implementation was provided, the sub-directorate suspects it could be related to performance issues.

Contrary to the earlier reports on the benefits that would be achieved through the implementation of the new system, institutions started experiencing long turnaround times of laboratory results, late/non-processing of specimens from clinics, difficulty in accessing patients' results, inability to provide periodic reports and failure to support compliance to approved electronic gate keeping rules.

South African National Blood services (SANBS)

For the period April 2013 to March 2014, the Department purchased blood and blood products from SANBS at a total cost of R452 568 995. The total expenditure for 2013/14 financial year represents a net increase of R230 266 991 from to the total allocated budget of R222 302 004.

Promotion of rational utilisation of blood services

Blood Wastage Reports

During 2013/14 provision of blood wastage reports were also increased to include district hospitals. The purpose of the report is to create wastage awareness by hospitals through the provision of data on the number and charge of unused red blood cells (RBC) units not returned to the blood bank. This report is highly manual and does not include unused RBC units discarded by the hospitals.

Other Achievements

The unit was successful in negotiating for an extended blood bank services from 12 hours to 24 hours at the Tembisa effective from September 2013. Following extensive consultations and negotiations, SANBS was provided with a space for the establishment of a 12-hour blood bank at the Mamelodi Hospital. The infrastructural project to make the necessary changes to the allocated space started during the first quarter of 2014/15, with a view to start the blood bank services during the second quarter of 2014/15.

To ensure availability of blood at all facilities performing Caesarean sections, the unit successfully negotiated for the placement of a SANBS-accredited fridge at the newly commissioned Zola Jabulani Hospital.

Challenges

- Scarcity of blood donors, especially for blood Group O which often results in blood shortage.
- Inability to provide appropriate blood cost containment guidelines.
- Insufficient budget allocated for blood services.

Performance indicators: Programme 7 – Health care Support Services

Programme 6: Health care Support Services					
Strategic objective	**Actual achievement 2012/13**	**Planned target 2013/14**	**Actual achievement 2013/14**	**Deviation from planned target 2013/14**	**Comment on deviation**
Increase level of Efficiency of supply chain management system					
BBBEE expenditure on procurement budget.	56%	70%	58%	(12%)	Vendors are either not submitting/ submitting expired BBBEE certificates for verification as a result not getting the full points that they deserve.
Number of hospitals procuring goods through cooperatives.	31%	25%	31%	6%	Institution is buying into the use of cooperatives for procuring their linen requirements. This will also allow price competition so that institutions pay market related prices.
Percentage of procurement awarded to women owned enterprises.	24%	15%	22%	7%	The use of co-operatives has boosted the use of women owned enterprises.
Increase level of Efficiency in Hospitals and PHC Facilities					
Percentage of EML available at facilities.	76%	98%	82%	(16%)	The depot has made some improvements in terms of the availability of EML medicines compared to the previous financial year. The non-payment of suppliers has contributed to the low percentage of EML availability. The annual average percentage for the EML availability is 82% which is a difference of 16%.

Strategy to overcome areas of under performance

To continue with the implementation of the Turnaround strategy which focuses on health systems support effectiveness.

Changes to planned targets

Departments must provide reasons per performance indicator if the indicators or targets have been changed in-year. In year changes to targets are only permitted if there has been an adjustment in the budget.

Linking performance with budgets

Expenditure: Programme 7 – Health care Support Services

	2013/2014			2012/2013		
	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**
Laundries	181 826	151 213	30 613	161 853	152 113	9 740
Food Supply	102 693	43 420	59 273	37 967	44 281	(6 314)
Forensic Services	-	-	-	-	-	-
Medicine Trading Account	1	236	(235)	1	150	(149)

4.8 Programme 8: Health Facilities Management

Purpose

The purpose of this programme is to plan, provide and equip new facilities; to upgrade and rehabilitate community health centres, clinics, and district, provincial, specialised and academic hospitals, and other health-related facilities. It also undertakes life-cycle management of immovable assets through maintenance.

Strategic Objective

Increased efficiency of service implementation.

Health Facility Revitalisation Grant

- The Health Facility Revitalisation Grant (HFRG) funds the construction and maintenance of health infrastructure. This grant has been created through the merger of three previous grants: HIG, HRG and NCG, which are now three components within the merged grant. The combination gives greater flexibility to the Gauteng Department of Health (GDoH) to shift funds between three grant components (with the approval of the National Treasury), enabling the Department to avoid underspending or overspending in any one area of health infrastructure. The three components of the grant are:
  - **Hospital Infrastructure Grant (HIG)**
    This grant funds general maintenance and infrastructure needs at hospitals and clinics.
  - **Health Revitalisation Grant (HRG)**
  - This grant supports large projects to modernise hospital infrastructure and equipment.
  - **Nursing Colleges Grant**
    This grant funds the refurbishment and upgrading of nursing colleges. GDoH will play a more active role in the planning, packaging and procurement of projects funded through this window than it does in other infrastructure grants.

Equitable Share (ES)

This is a voted fund used for maintenance as well as upgrading and refurbishment of all facilities and also includes upgrading of electro-mechanical equipment.

Extended Public Works Programme (EPWP)

The EPWP incentive is to expand work creation efforts through the use of labour-intensive delivery methods in the maintenance of buildings.

Except for EPWP, all funding sources are sub-divided according to the type of infrastructure project which are as follows:

- New or replaced infrastructure asset.
- Upgrades and additions.
- Renovation, rehabilitation and refurbishment.
- Maintenance and repairs.

Key Achievements

During the 2013/14 financial year, Practical Completion was achieved at the new Zola Jabulani Hospital and Works Completion was achieved at the New Natalspruit Hospital. Both hospitals were commissioned and officialy opened in 2014. Relevant training was completed for staff members at both New Natalspruit Hospital and Zola Jabulani Hospital.

Additional Oxygen and Vacuum points were completed at the following hospitals: Tambo Memorial, Edenvale, Pholosong, Dr George Mukhari, Rahima Moosa and Sebokeng. The upgrade of Leratong Hospital's air-conditioning system was completed. Renovations to 30 HIV and AIDS clinics were completed to accommodate the HAST Programme.

Refurbishment of nurses' residences at Leratong Hospital, Natalspruit Hospital, Tembisa Hospital, Charlotte Maxeke Johannesburg Academic Hospital (CMJAH), Bona Lesedi Nursing College, and Lebone College were completed. Renovation to Tambo Memorial psychiatric ward was completed. Phase two of upgrading and renovations of Ann Latsky Nursing College was completed.
Minor works and refurbishments were completed at the following FPS mortuaries:

- Sebokeng
- Diepkloof
- Pretoria

- Ga-Rankuwa
- Roodepoort
- Heidelberg
- Germiston

The NDoH approved the business cases for the revitalisation of the following hospitals: Jubilee, Dr Yusuf Dadoo, Kalafong, Sebokeng and Tambo Memorial.

Planning of the re-opening of Lenasia South and Discoverers Community Health Centres (CHCs) as district hospitals commenced.

Through the NHI, Tshwane District completed the repair of 21 clinics and three CHCs.

The upgrading of Masakhane Cook-Freeze was completed on 5 June 2013 and subsequently the upgrading of the provincial laundries, Masakhane and Dunswart. Installation and/or upgrading of electro-mechanical equipment were concluded as follows:

- Boiler (one) at Helen Joseph Hospital was replaced;
- Replacement of lifts were 14 at Chris Hani Baragwanath Hospital and two at Bona Lesedi Nursing College;
- Generators were replaced at Natalspruit Hospital (one) and Sebokeng Hospital (one); and
- Replacement of electrical reticulation at these hospitals: South Rand, Carletonville and Heidelberg.

Performance indicators: Programme 8 – Health Facilities Management

Strategy to overcome areas of under performance

By means of the following interventions, improved expenditure is anticipated:

- All maintenance work is executed through three-year contracts with:
  - Construction contractors
  - Material suppliers
  - Electronic maintenance system which identifies maintenance issues, monitors performance and trouble shoots performance challenges
- Implementation of delegations.
- Reduction of payment approval processes.

Changes to planned targets

There were no changes to planned targets in 2013/2014.

Linking performance with budgets

The following table represents actual achievements in relation to planned financial targets:

PROGRAMME 8: HEALTH FACILITIES MANAGEMENT

Programme 8: Health Facilities Management					
Performance indicator	**Actual achievement 2012/13 (in R'000')**	**Planned target 2013/14 (in R'000')**	**Actual achievement 2013/14 (in R'000')**	**Deviation from planned target 2013/14 (in R'000')**	**Comment on deviation**
Expenditure on Health Infrastructure Grant.	98 513	91 928	55 413	(36 515)	Targets could not be reached due to the following: • Late approval of planning documents; • Delays in procurement; and • A lack of delegations.
Expenditure on Hospital Revitalisation Grant.	572 080	743 736	412 083	(331 653)	Targets could not be reached due to the following: • Invoices were not received for processing; • Contractor under-performance; • SCM re-engineering; • Non-compliance of contractors with SARS regulations; • Late approval of budget allocation; and • SCOA changes.

Performance indicators: Programme 8

Programme 8: Health Facilities Management					
Performance indicator	**Actual achievement 2012/13 (in R'000')**	**Planned target 2013/14 (in R'000')**	**Actual achievement 2013/14 (in R'000')**	**Deviation from planned target 2013/14 (in R'000')**	**Comment on deviation**
Expenditure on capital projects.	574 764	676 775	263 320	(413 455)	Targets could not be reached due to the following: • Invoices were not received for processing; • Contractor under-performance; • SCM re-engineering; • Non-compliance of contractors with SARS regulations; • Late approval of budget allocation; • SCOA changes; • Late approval of planning documents; • Delays in procurement; and • A lack of delegations.

Programme 8: Health Facilities Management					
Performance indicator	**Actual achievement 2012/13 (in R'000')**	**Planned target 2013/14 (in R'000')**	**Actual achievement 2013/14 (in R'000')**	**Deviation from planned target 2013/14 (in R'000')**	**Comment on deviation**
Expenditure on maintenance projects.	606 576	944 880	566 804	(378 076)	Targets could not be reached due to the following: • Delays in approval of invoices; • Contractor under-performance; • Invoices not received; • Late issuing of adjusted budget allocation letter for implementation; • Suspension of critical implementation officials; • Misallocations; and • Late loading of budget on BAS.

Expenditure: Programme 8 – Health Facilities Management

	2013/2014			2012/2013		
	Final appropriation in R'000'	**Actual expenditure in R'000'**	**(Over)/under expenditure in R'000'**	**Final appropriation in R'000'**	**Actual expenditure in R'000'**	**(Over)/under expenditure in R'000'**
Equitable Share	812 685	646 672	166 013	563 142	503 045	60 097
Hospital Revitalisation Grant	743 736	410 078	333 658	795 439	572 080	223 359
Health Infrastructure Grant	91 928	55 413	36 515	110 361	98 513	11848
Nursing Colleges Grant	R 8 574	6 303	2 271	12 480	7 702	4 778
Extended Public Works Programme	R 3 000	3 000	0	0	0	0
TOTAL	**R1 659 923**	**R1 121 466**	**R538 457**	**R1 481 422**	**R1 181 340**	**R300 082**

Health Facilities Management: Expenditure per Sub-programme

	2013/2014			2012/2013		
	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**
Community Health Facilities	177 133	133 060	44 083	106 325	101 168	5 157
Emergency Medical Rescue Services	3 960	1 501	2 459	939	18 506	(17 567)
District Hospital Services	303 110	201 983	101 127	368 159	271 852	96 307
Provincial Hospital Services	539 766	384 383	155 383	636 813	505 784	131 029
Central Hospitals	355 664	242 822	112 842	0	0	0
Other Facilities	280 290	157 727	122 563	0	0	0

5. Transfer Payments

5.1 Transfer payments to public entities

Transfer payments made to public entities 2013/14

No transfers were made to public entities.

5.2 Transfer payments excluding public entities

The table below reflects the transfer payments made for the period 1 April 2013 to 31 March 2014.

Table 5.2: Transfer payments 2013/14

Name of transferee	Purpose for which the funds were used	Compliance with s 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity	Reasons for the funds unspent by the entity
City Of Johannesburg Metro	PHC	Yes	97 303	97 303	
City of Tshwane Metro	PHC	Yes	35 837	35 837	
Ekurhuleni Metro	PHC	Yes	104 395	104 395	
West Rand District Council	-	-	0	0	
Sedibeng District Council	-	-	0	0	
City Of Johannesburg Metro	HIV and AIDS	Yes	17 889	17 889	
City of Tshwane Metro	HIV and AIDS	Yes	10 403	10 403	
Ekurhuleni Metro	HIV and AIDS	Yes	10 487	10 487	
West Rand District	HIV and AIDS	Yes	6 072	6 072	
Sedibeng District	HIV and AIDS	Yes	6 372	6 372	
City of Johannesburg Metro	EMS	Yes	100 334	100 334	
City of Tshwane Metro	EMS	Yes	53 750	53 750	
Ekurhuleni Metro	EMS	Yes	129 001	129 001	
West Rand District Council	EMS	Yes	35 834	35 834	
Sedibeng District Council	-	-	0	0	

6. Conditional Grants

6.1 Conditional grants and earmarked funds received

CONDITIONAL GRANT 1: HEALTH INFRASTRUCTURE GRANT1

Department who transferred the grant	NDOH
Purpose of the grant	To supplement provincial funding of health infrastructure to address backlogs, accelerate the provision of health facilities and ensure proper life cycle maintenance of provincial health maintenance of provincial health infrastructure.
Expected outputs of the grant	Number of health facilities, planned, designed, constructed, maintained and operationalised.
Actual outputs achieved	• Contractor was appointed for refurbishment of CHBH Nurses Residence, Construction commenced at CHBH, South Rand Hospital and CMJAH for additional oxygen and vacuum points. • Renovations to Helen Joseph Hospital and CMJAH psychiatric ward reached 40% completion. • Additional vacuum and oxygen points were completed at Pholosong Hospital and Carletonville Hospital. • A contractor was appointed for the construction of a 24-hour blood bank at Tembisa Hospital. • The upgrading of the chiller plant at Pretoria West Hospital reached 80% completion. • Construction commenced for the new MDR/XDR TB wards at Sizwe Tropical Disease Hospital. • Construction commenced for the replacement of the north emergency power generator, LT upgrade and street lighting at Weskoppies Hospital, • A contractor was appointed for the renovations of the psychiatric ward at Tembisa Hospital. • Construction commenced for the renovations of the psychiatric ward at CMJAH. • Refurbishment of nurses residences at Leratong, Natalspruit, Tembisa, CMJAH, Bonalesedi, Sebokeng and Lebone College was completed. • Contractors were appointed for refurbishment of DGMH Nurses Residence.
Amount per amended DORA	R91 928
Amount received (R'000)	R86 816
Reasons if amount as per DORA was not received	None
Amount spent by the Department (R'000)	R55 413
Reasons for the funds unspent by the entity	Targets could not be reached due to: • Late approval of planning documents, • Delays in procurement, • Lack of delegations.
Monitoring mechanism by the receiving Department	• Monitoring mechanisms during planning are: project plans, submissions, monthly design reviews and finalisations, meetings. • Monitoring mechanisms during construction are monthly progress review reports and meetings.

CONDITIONAL GRANT 2: HOSPITAL REVITALISATION GRANT

Department who transferred the grant	NDOH
Purpose of the grant	To provide funding to enable provinces to plan, manage, modernise, rationalise and transform health infrastructure, health technology, monitoring and evaluation of the health facilities in line with national policy objectives. Supplement expenditure on health infrastructure delivered through public-private partnerships.
Expected outputs of the grant	Number of hospitals upgraded, rebuilt and fully commissioned.
Actual outputs achieved	• Works completion was reached for New Natalspruit Hospital. • In total, 25% of equipment for New Natalspruit Hospital was procured. • Practical completion was reached for the new Zola Jabulani Hospital and the hospital became partially functional on 31 March 2014. • In total, 73% of equipment for the Zola Jabulani Hospital was procured. • Additional oxygen and vacuum points were completed at Tambo Memorial Hospital. • Construction commenced for the renovations and refurbishment for a TB ward at Kopanong Hospital. • Construction commenced at Sebokeng Hospital for upgrading of hospital. • A contractor was appointed for renovation of psychiatric ward at Kopanong Hospital. • Construction of new Randgate Clinic was completed to 40%. • Renovation of TB ward at Tshwane District Hospital reached 96% completion. • Renovation of TB ward at Pholosong Hospital reached 80% completion. • Renovation of clinics to accommodate HIV and AIDS clinics was completed. • Occupational Health and Safety Training, Change Management and Customer Care Training were completed at the new Zola Jabulani Hospital and the New Natalspruit Hospital. • In total, 31 facilities were maintained from the Health Revitalisation Grant.
Amount per amended DORA	R743 736
Amount received (R'000)	R671 371
Reasons if amount as per DORA was not received	Delays in project completions.
Amount spent by the Department (R'000)	R412 083
Reasons for the funds unspent by the entity	Targets could not be reached due to: • Contractor under-performance. • Delayed procurement processes. • Non-compliance of contractors with SARS regulations.
Monitoring mechanism by the receiving Department	• Monitoring mechanisms during planning are: project plans, submissions, monthly design reviews and finalisations, meetings. • Monitoring mechanisms during construction are monthly progress review reports and meetings.

CONDITIONAL GRANT 3: NURSING COLLEGES GRANT

Department who transferred the grant	NDOH
Purpose of the grant	To supplement provincial funding of health infrastructure to accelerate the provision of health facilities including office furniture and related equipments, and also to ensure proper maintenance of provincial health infrastructure for nursing colleges and schools.
Expected outputs of the grant	• Number of nursing colleges and schools, planned, designed, constructed, maintained and operationalised. • Number of work opportunities created.
Actual outputs achieved	• Phase 2 upgrade of Ann Latsky Nursing College was completed in December 2013. • The tender for appointment of a contractor for the upgrading of Bonalesedi Nursing College was advertised in March 2014.
Amount per amended DORA	R8 574
Amount received (R'000)	R6 846

Department who transferred the grant	NDOH
Reasons if amount as per DORA was not received	None
Amount spent by the Department (R'000)	R6 303
Reasons for the funds unspent by the entity	• Delays in appointment of contractors. • Poor performance by service providers. • Lengthy process for approval of documents.
Monitoring mechanism by the receiving Department	• Monitoring mechanisms during planning are: project plans, submissions, monthly design reviews and finalisations, meetings. • Monitoring mechanisms during construction are monthly progress review reports and meetings.

CONDITIONAL GRANT 4: EXTENDED PUBLIC WORKS PROGRAMME

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: • Road maintenance and the maintenance of buildings. • Low traffic volume roads and rural roads. • Other economic and social infrastructure. • Tourism and cultural industries. • Sustainable land based livelihoods.
Expected outputs of the grant	• Number of people employed and receiving income through the EPWP. • Average duration of the work opportunities created. • Income per EPWP beneficiary.
Actual outputs achieved	In total 322, beneficiaries were employed, receiving a stipend of R70 per hour and they were employed for 12 months.
Amount per amended DORA	R3 000
Amount received (R'000)	R3 000
Reasons if amount as per DORA was not received	None
Amount spent by the Department (R'000)	R3 000
Reasons for the funds unspent by the entity	None
Monitoring mechanism by the receiving Department	• Attendance registers. • Reports from institutions where the beneficiaries were deployed to.

CONDITIONAL GRANT 5: NATIONAL TERTIARY SERVICES GRANT

Department who transferred the grant	National Department of Health
Purpose of the grant	To enable provinces to plan, modernise, rationalise and transform the tertiary hospital service delivery platform in line with a national tertiary services plan.
Expected outputs of the grant	Provision of designated central and national tertiary services (T1, T2 & T3) in 22 hospitals/ complexes as agreed between the Province and the National Department of Health.
Actual outputs achieved	
Amount per amended DORA	R3 305 931
Amount received (R'000)	R3 305 931
Reasons if amount as per DORA was not received	
Amount spent by the Department (R'000)	R3 305 810
Reasons for the funds unspent by the entity	R121
Monitoring mechanism by the receiving Department	The expenditure is monitored monthly.

CONDITIONAL GRANT 6: COMPREHENSIVE HIV AND AIDS GRANT

Department who transferred the grant	National Department of Health
Purpose of the grant	To enable the health sector to develop an effective response to HIV and AIDS, including universal access to HIV counselling and testing (HCT). To support the implementation of the national operational plan for comprehensive HIV and AIDS treatment and care. To subsidise in-part for the antiretroviral treatment(ART) programme.
Expected outputs of the grant	
Actual outputs achieved	
Amount per amended DORA	R2 258 483
Amount received (R'000)	R2 258 483
Reasons if amount as per DORA was not received	
Amount spent by the Department (R'000)	R2 258 483
Reasons for the funds unspent by the entity	
Monitoring mechanism by the receiving Department	

CONDITIONAL GRANT 7: HEALTH PROFESSION TRAINING GRANT

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 public service platform. Co-funding of the national human resource plan for health in expanding undergraduate medical education for 2013 and beyond 2025.
Expected outputs of the grant	
Actual outputs achieved	
Amount per amended DORA	R765 202
Amount received (R'000)	R765 202
Reasons if amount as per DORA was not received	
Amount spent by the Department (R'000)	R765 202
Reasons for the funds unspent by the entity	
Monitoring mechanism by the receiving Department	The expenditure is monitored monthly.

CONDITIONAL GRANT 8: NATIONAL HEALTH INSURANCE

Department who transferred the grant	National Department of Health
Purpose of the grant	To develop and implement innovative models for contracting general practitioners within selected NHI pilot district. To identify and test alternative reimbursement models for central hospitals in readiness for the phased implementation of NHI. To support central hospitals in strengthening health information systems and revenue management.
Expected outputs of the grant	

Department who transferred the grant	National Department of Health
Actual outputs achieved	31 GPs contracted in the PHC facilities. The Municipal Ward-Based Outreach Teams (WBOTs) have been integrated with Home Based Care (HBC) and Integrated School Health Programme (ISHP). The ward coverage of WBOT teams has increased from 28 to 38 by 100% of sub districts with functional integrated school health services (ISHP).
Amount per amended DORA	R16 876
Amount received (R'000)	R4 850
Reasons if amount as per DORA was not received	Delays in procurement of machinery and equipment.
Amount spent by the Department (R'000)	R13 559
Reasons for the funds unspent by the entity	An amount of R3,3 million has not been spent due to delays in procurement with regards to machinery and equipment.
Monitoring mechanism by the receiving Department	The expenditure is monitored monthly.

7. Donor funds

7.1 Donor funds received

7.1.1 Name of donor	National Department of Health
Full amount of the funding	Printers and computers valued at R1 717 948.
Period of the commitment	None.
Purpose of the funding	To facilitate execution of support services.
Expected outputs	Improved operations of support services.
Actual outputs achieved	Improved efficiencies due to readily available equipment.
Amount received in current period (R'000)	R1 717 948.
Amount spent by the Department (R'000)	None.
Reasons for unspent funds	N/A.
Monitoring mechanism by the donor	N/A.

7.1.2 Name of donor	Board of Members, Adendorff Machinery Mart, Ditulo Office & Uno Sewing Machinery
Full amount of the funding	R117 712.
Period of the commitment	None.
Purpose of the funding	Wheel chairs donated to speech therapy.
Expected outputs	To commute patients to and from the Audiology Department.
Actual outputs achieved	Reduced delays in transporting patients between different Departments.
Amount received in current period (R'000)	R117 712.
Amount spent by the Department (R'000)	None.
Reasons for unspent funds	None.
Monitoring mechanism by the donor	None.

7.1.3 Name of donor	National Department of Health
Full amount of the funding	Software programme valued at R595 755.
Period of the commitment	None.
Purpose of the funding	Rollout of the three monitoring and evaluation systems for antiretroviral programme.
Expected outputs	Improved monitoring and reporting of performance.

7.1.4 Name of donor	Adcock Ingram
Full amount of the funding	Infusion pumps to the value of R1 519 999.
Period of the commitment	None.
Purpose of the funding	To replace old infusion pumps.
Expected outputs	Limited disruption of patients treatment.
Actual outputs achieved	Patients were treated accordingly.
Amount received in current period (R'000)	R1 519 999.
Amount spent by the Department (R'000)	None.
Reasons for the funds unspent	None.

7.1.4 Name of donor	Adcock Ingram
Full amount of the funding	Infusion pumps to the value of R1 519 999.
Monitoring mechanism by the donor	None
7.1.5 Name of donor	**Right to Care & SA Medical**
Full amount of the funding	Office furniture valued at R497 882.
Period of the commitment	None.
Purpose of the funding	To improve the work environment of officials rendering HIV-related services and improve service delivery.
Expected outputs	To ensure that the support services units are adequately furnished.
Actual outputs achieved	Little or no disruption of services.
Amount received in current period (R'000)	R497 882.
Amount spent by the Department (R'000)	None.

7.1.6 Name of donor	Phillips Medical System & Netcare Union Hospital
Full amount of the funding	Ultrasound machine valued at R543 300.
Period of the commitment	None.
Purpose of the funding	To help enhance obstetric services.
Expected outputs	To assist in diagnosis and treatment of patients.
Actual outputs achieved	It assisted to diagnose and treat patients.
Amount received in current period (R'000)	R543 300.
Amount spent by the Department (R'000)	None.
Reasons for the funds unspent	None.
Monitoring mechanism by the donor	None.

7.1.7 Name of donor	Makro & Game Store
Full amount of the funding	Office furniture for support services valued at 26 371.
Period of the commitment	None.
Purpose of the funding	To ensure that the support services units are adequately furnished.
Expected outputs	Little or no disruption in daily execution of office work.
Actual outputs achieved	Little or no disruption of services.
Amount received in current period (R'000)	R26 371.
Amount spent by the Department (R'000)	None.
Reasons for the funds unspent	None.
Monitoring mechanism by the donor	None.

7.1.8 Name of donor	Rotary Club of Boksburg Lake
Full amount of the funding	Television set valued at R5 799.
Period of the commitment	None.
Purpose of the funding	To provide information on current affairs to employees.
Expected outputs	Officials are up to date with current issues.

7.1.8 Name of donor	Rotary Club of Boksburg Lake
Actual outputs achieved	Update officials on current affairs.
Amount received in current period (R'000)	R5 799.
Amount spent by the Department (R'000)	None.
Reasons for the funds unspent	None.
Monitoring mechanism by the donor	None.

7.1.9 Name of donor	Old Mutual
Full amount of the funding	A microwave oven valued at R786.
Period of the commitment	None.
Purpose of the funding	None.
Expected outputs	To help warm staff meals as and when needed.
Actual outputs achieved	Officials enjoy warm meals.
Amount received in current period (R'000)	R786.
Amount spent by the Department (R'000)	None.
Reasons for the funds unspent	None.
Monitoring mechanism by the donor	None.

8. Capital Investment

8.1 Capital investment, maintenance and asset management plan

A commentary on infrastructure projects is as follows:

(a) Progress made on implementing the capital, investment and asset management plan.
Through the implementation of various capital and maintenance infrastructure projects, Programme 8 managed to spend 67% of its total allocated budget.

(b) The table below shows infrastructure projects that have been completed in the current year and the progress in comparison to what was planned at the beginning of the year with reasons for material variances (2% variance) is as follows:

Infrastructure projects that were completed in the current year:

Project name	Project start date	Planned completion date	Actual Project completion date	Reasons for deviation
Natalspruit Hospital Build new 760 Bed Regional Hospital	29 July 2005	Works Completion: 31 May 2013	Works Completion: 6 November 2013	Works completion depended on electronic security and communication systems to be completed.
Zola Hospital (in Jabulani) New 300-bed District Hospital and Gateway Clinic in Jabulani	20 March 2009	Practical Completion: 22 April 2013	Practical Completion: 19 July 2013	Practical completion could not be reached as the contractor could not complete the work.
Tambo Memorial Hospital Additional oxygen and vacuum points	22 July 2011	Works Completion: 25 May 2013	Works Completion: 25 May 2013	NA
Edenvale Hospital Additional oxygen and vacuum pump points	22 July 2011	Practical Completion: 31 March 2013	Practical Completion: 15 June 2013	Delays in procurement of material because there was only one supplier.
Pholosong Hospital Additional oxygen and vacuum pump points	22 July 2011	Practical Completion: 11 February 2013	Practical Completion: 4 February 2014	Delays in procurement of material because there was only one supplier as well as slow performance by the contractor.
Dr George Mukhari Academic Hospital Replacement of Vacuum Pumps and oxygen points	23 October 2012	Practical Completion: 1 March 2013	Practical Completion: 1 March 2013	NA
Rahima Moosa Mother and Child Hospital Additional oxygen and vacuum points	22 July 2011	Practical Completion: 31 March 2013	Practical Completion: 31 March 2013	NA
Sebokeng Hospital Additional oxygen and vacuum points	22 July 2011	Practical Completion: 1 May 2013	Practical Completion: 24 May 2013	NA
Leratong Hospital Air Conditioning	1 June 2008	Practical Completion: 20 May 2013	Practical Completion: 20 May 2013	NA
HIV and AIDS Infrastructure Renovation of various HIV and AIDS facilities in Ekurhuleni, Tshwane, Sedibeng and Johannesburg Districts	1 April 2013	Practical Completion: 31 March 2014	Practical Completion: 31 March 2014	NA

Project name	Project start date	Planned completion date	Actual Project completion date	Reasons for deviation
Various Nurses Residences Refurbishment	1 March 2013	Practical Completion: 31 March 2013	Practical Completion: 31 May 2013	Delays in issuing of PO numbers, operational delays such as decanting of facilities.
Tambo Memorial Hospital Renovations to Psychiatric wards	5 June 2011	Practical Completion: 2 September 2013	Practical Completion: 31 March 2014	Slow performance by contractor.
Ann Latsky Nursing College Phase 2A Upgrade	1 June 2008	Practical Completion: 30 June 2013	Practical Completion: 10 December 2013	Delays in payment of invoices submitted.

(c) Infrastructure projects that are currently in progress:

Project name	Planned completion date
Natalspruit Hospital Build new 760 Bed Regional Hospital.	31 May 2014
Natalspruit Hospital Equipment for the Revitalisation Project.	31 July 2014
Zola Hospital (in Jabulani) New 300-bed District Hospital.	31 May 2014
Zola Hospital (in Jabulani) Equipment for the Revitalisation Project.	31 June 2014
Chris Hani Baragwanath Hospital Additional oxygen and vacuum pump points in neo-natal and maternity wards.	1 August 2014
Helen Joseph Hospital Renovations to Psychiatric ward and observation units.	27 November 2014
Leratong Hospital Additional oxygen and vacuum pump points in neo-natal and maternity wards.	30 March 2015
Pholosong Hospital Additional oxygen and vacuum pump points in neo-natal wards.	4 February 2015
Tambo Memorial Hospital Additional oxygen and vacuum points in neo-natal wards.	25 May 2014
Tshwane District Hospital External wet services contract.	1 July 2016
Discoverers CHC Convert CHC into district hospital.	21 July 2017
Kopanong Hospital Renovations and refurbishments of wards to accommodate TB beds.	20 October 2014
Lenasia South CHC Convert CHC into district hospital.	6 December 2016
Pretoria West Hospital Upgrading of Chiller Plant.	31 May 2014
Carletonville Hospital Additional oxygen and vacuum points.	30 March 2015
Sebokeng Hospital Construction and/or Completion of : Pharmacy, ICU, Radiology, Kit Store, Administration Block, Physio, Waiting Areas, Existing OPD, Renal and Gate House.	15 December 2016
Charlotte Maxeke Academic Hospital Replacement of Vacuum Pumps and installation of oxygen points.	31 Jun 2014
Charlotte Maxeke Johannesburg Academic Hospital Upgrading and renovation of the existing Psychiatric unit.	30 June 2014

Project name	Planned completion date
Dr George Mukhari Academic Hospital Replacement of Vacuum Pumps and oxygen points.	1 March 2014
South Rand Hospital Additional oxygen and vacuum points.	31 July 2014
Sebokeng Hospital Additional oxygen and vacuum points.	23 May 2014
S G Lourens Nursing College Refurbishment to nursing college.	30 September 2016
Sterkfontein Hospital Upgrading of Ward 16.	30 June 2015
Sizwe Hospital Construction of new 46 bed MDR/XDR –TB wards.	31 May 2014
Kopanong Hospital Renovation of Psychiatric Wards 1 & 2.	31 March 2015
Tshwane Rehabilitation Centre Renovations and upgrading of facility.	23 April 2016
Randgate Clinic Build new clinic.	7 October 2015
Weskoppies Hospital Replace north emergency power generator, LT upgrade and street lighting.	31 August 2014
Tshwane District Hospital Renovations to accommodate TB beds.	31 March 2015
Carletonville Hospital Refurbishment of wards to accommodate TB beds.	22 November 2014
Pholosong Hospital Renovations to accommodate TB beds.	2 September 2014
Pretoria West Hospital Renovations to accommodate TB beds.	22 November 2014
Bonalesedi Nursing College Renovations and additions to nursing college.	17 January 2016
Ga-Rankuwa Nursing College Upgrading and renovations to nursing college.	28 February 2016
Tembisa Hospital Renovations to Psychiatric wards.	28 February 2015
Chris Hani Baragwanath Hospital Renovations to Psychiatric wards.	9 July 2014
Tembisa Hospital Repair and Refurbishment of Blocks, A, B, C, D, 1, 2 and 3 as well as storm water drains, landscaping, guardhouse and electrical upgrade.	31 May 2014
Daveyton FPS Mortuary New mortuary.	4 October 2017
Johannesburg FPS Mortuary New mortuary.	13 July 2015
Bronkhorstspruit FPS Mortuary New mortuary.	4 April 2017
Far East Rand Hospital Upgrade Wards 4 & 8.	11 July 2014
Khayalami Hospital Complete refurbishment of the existing disused hospital into a functional District Hospital.	11 May 2018
Sterkfontein Hospital Sewer reticulation.	30 June 2014
Finetown Clinic Construction of new Finetown Clinic.	31 May 2015

Project name	Planned completion date
Securing of Sites for Various Projects Various sites.	31 March 2017
Special projects Chiawelo clinic phase 2 mental health, TB unit, chronic unit, Internal refurbishment and water proofing.	31 May 2014
Tshwane District HCW Phase 2 Upgrades to facilities in the Tshwane District to enable compliance with Health Care Waste protocol.	30 June 2014
West Rand District HCW Phase 2 Upgrades to facilities in the West Rand District to enable compliance with Health Care Waste protocol.	31 July 2014
Johannesburg District HCW Phase 2 Upgrades to facilities in the Johannesburg District to enable compliance with Health Care Waste protocol.	31 July 2014
Ekurhuleni District HCW Phase 2 Upgrades to facilities in the Ekurhuleni District to enable compliance with Health Care Waste protocol.	31 July 2014
Sedibeng District HCW Phase 2 Upgrades to facilities in the Sedibeng District to enable compliance with Health Care Waste protocol.	30 June 2014
Tembisa Hospital Revitalisation project that was put on hold in June 2009.	31 March 2015
Sizwe Hospital New perimeter fence.	23 May 2015
Weskoppies Hospital Condition assessment and refurbishment of heritage buildings.	6 October 2017
Electro-Mechanical Replacement Programme Replacement of Electro Mechanical equipment at various institution.	31 March 2015

(d) Plans to close down or downgrade any current facilities

A strategic decision will be taken on the future of the old Germiston Hospital and the old Natalspruit Hospital.

(e) Progress made on the maintenance of infrastructure

The CEOs of Academic Hospitals were given permission to approve maintenance projects to the value of R1 million. Procurement processes were followed.

General maintenance of facilities in GDoH has been mostly unsatisfactory resulting from capacity challenges. However, term contracts were procured with service providers for maintenance of facilities. These term contractors will be implemented in the 2014/15 financial year.

As part of the Turnaround Strategy, the following tertiary and central hospitals were prioritised:

- Steve Biko Academic Hospital
- Dr George Mukhari Hospital
- Charlotte Maxeke Johannesburg Academic Hospital
- Chris Hani Baragwanath Academic Hospital
- Kalafong Hospital
- Tembisa Hospital
- Helen Joseph Hospital

Since October 2012, the Infrastructure Directorate focussed on the maintenance of these prioritised hospitals. Each prioritised hospital was allocated a Project Manager who visited the hospital weekly and monitored maintenance-related issues and progress. Challenges identified during these visits are discussed at provincial level and escalated to HOD intervention.

(f) Developments relating to the maintenance of infrastructure impacting on current expenditure

The Department's infrastructure continues to suffer from a substantial maintenance backlog resulting in the deterioration of the value and functionality of facilities. Addressing the maintenance backlog will lead to increased expenditure budget requirements.

(g) How asset holdings have changed in the period under review

With regard to immovable assets, no assets of the Department were disposed of, scrapped or lost due to theft.

(h) Measures taken to keep the asset register up-to-date

GDID appointed the Ernst & Young Consortium to compile GDoH's asset register. The asset register was completed and immovable assets were transferred to GDID as the custodians of the assets. As of 2014/15, GDID will be responsible for the maintenance of the immovable asset register.

(i) Current state of capital assets

In the User Asset Management Plan (UAMP) for 2013/14, 43% of the health assets occupied by the GDoH were rated "good" to "excellent" in terms of condition and 57% were rated as "fair". This does not take into account the electrical upgrades (including electrical reticulation) and plumbing work that are in a poor to very poor state.

(j) Major maintenance projects that have been undertaken during the period under review

Under Project 274, Electro-Mechanical Replacement Programme, the following were completed:

- Lift replacement at:
  - Chris Hani Baragwanath Hospital
  - Bonalesedi Nursing College

- Electrical reticulation upgraded at:
  - Carletonville Hospital
  - Heidelberg Hospital
  - South Rand

- Boiler replacement at:
  - Helen Joseph Hospital

- Generator replacement at:
  - Natalspruit Hospital
  - Sebokeng Hospital
  - Kopanong Hospital

- Laundry equipment replacement at:
  - Dunswart Laundry
  - Johannesburg Laundry
  - Masakhane Laundry

(k) Rate of progress in addressing the maintenance backlog

The maintenance backlog has not been reduced in the 2013/14 financial year mainly due to slow procurement processes to appoint contractors for construction. In an attempt to improve maintenance at facilities, term contracts were procured with service providers. These term contractors will be implemented in the 2014/15 financial year.

Table 17: Expenditure on infrastructure project 2013/14

	2013/2014			2012/2013		
Infrastructure projects	**Final Appropriation R'000**	**Actual Expenditure R'000**	**(Over)/Under Expenditure R'000**	**Final Appropriation R'000**	**Actual Expenditure R'000**	**(Over)/Under Expenditure R'000**
1. New and replacement assets	629 418	335 546	293 872	738 320	508 359	229 961
2. Existing infrastructure assets	988 787	618 197	370 590	743 102	672 981	70 121
3. Upgrades and additions	99 675	35 209	64 466	96 564	32 357	64 207
4. Rehabilitation, renovations and refurbishments	127 871	55 774	72 097	160 042	34 048	125 994
5. Maintenance and repairs	761 241	527 214	234 027	468 496	606 576	-138 080
6. Infrastructure transfer	1 618 205	953 743	664 462	1 418 422	1 181 340	300 082
7. Current	761 241	527 214	234 027	486 496	606 576	-120 080
8. Capital	856 964	426 529	430 435	994 926	574 764	420 162
Total	**1 618 205**	**953 743**	**664 462**	**1 481 422**	**1 181 340**	**300 082**

Part C: Governance

1. Introduction

The Gauteng Department of Health is committed to good corporate governance in its delivery of health care services to members of the public. The Department assures tax payers that systems have been implemented to effectively, efficiently and economically utilise the State resources.

2. Risk management

Effective risk management is necessary for the Department to ensure competent strategic decision-making and to conduct efficient, effective and robust business processes. It is essential for the realisation of the Department's strategic and operational objectives. Sound management of risk enables the Department to anticipate and respond to changes in the health environment, and make informed decisions under conditions of uncertainty. These decisions impact on the quality of service delivery.

Strategy development

During the year under review, the Department developed a Risk Management Policy, Strategy and its implementation plan to provide reasonable assurance on the achievement of health outcomes. The strategy is focused on understanding the risks that the Department faces, identifying the causes and developing mitigation measures. The strategy also acknowledged the importance of creating an environment of honesty and openness where adverse incidents and emerging risks are identified quickly and dealt with in a positive and responsive way. Other aspects of the strategy dealt with reducing risks to employees and stakeholders, managing them or transferring them, as appropriate.

As part of building a culture of risk and opportunity consciousness, the Department conducted awareness and training workshops to staff on risk management and also incorporated this to form part of the monthly orientation and induction programme for newly appointed personnel.

Forty-six health institutions/directorates have developed risk registers with actions plans and they are being monitored on a monthly basis.

The Department is in the process of reviewing its Risk Management Committee Charter and appointing an external chairperson to strengthen oversight on the implementation of risk management across the organisation. Furthermore, the capacity of the Risk Management shall be increased with appointment of personnel.

Progress in addressing risks

The Department's cash flow position has improved during the year under review through management of accruals and cost containment measures. Mandates committees for high risk areas were maintained to monitor mitigations of risks. A Revenue Management Plan was developed, resulting in considerable write-off of debts as per Treasury Regulations and investment in ICT infrastructure to improve revenue management systems.

3. Fraud and corruption

The Department has developed a fraud prevention plan and a strategy and the following the progress made:

- Establishment of minimum anti-corruption capacity is under way with an investigation function of fraud and corruption-related incidents.
- Two officials within the Risk Management Unit were certified as Fraud Examiner's (ACFE) as part of building the capacity of the investigation function.
- Three officials completed the course in crime resolution.
- Officials attended fraud prevention awareness programme.
- Newly appointed officials attended an induction programme on fraud prevention and code of conduct.
- The Department conducted 16 training sessions on ethics.
- An integrity policy has been developed.

The Department has implemented a Whistleblowing policy through awareness workshops and posters promoting reporting of fraud and corruption-related cases to the Public Services Commission (PSC). A register of reported cases is being maintained and

investigations were concluded and disciplinary action has been taken. All cases reported through the PSC hotline were investigated by the Department and the outcome was reported back to the commission. The Department had a 100% compliance rate for disclosure of interest of SMS members. All companies disclosed were checked against the SAP system to ensure that the Department does not do business with companies owned by SMS members. All other levels were also required to declare interest.

4. Minimising conflict of interest

The Department has put in place a process whereby all officials are requested to complete a declaration of interest form yearly. The move seeks to minimise cases of conflict of interest. Awareness around conflict of interest is raised at orientation and induction sessions as well as at training sessions on the Department's code of conduct. Where conflict of interest has been identified, disciplinary action is taken.

Financial Disclosures were submitted to the Public Service Commission (PSC) within the stipulated time-frames. Staff on salary levels 1 to 12, including Supply Chain employees and staff who were translated to Occupational Specific Dispensations (OSDs), are all required to submit annual Declarations of Interest, declaring where the employees or their spouses have business interest with the Department or any other Department within the public service, or where the employee is performing Remunerative Work Outside the Public Service (RWOP). The system was introduced in the 2012/2013 financial year with varying degrees of compliance. The monitoring and control measures are in place, which has resulted in increased compliance compared to the previous financial year. A vetting plan has been approved and agreed to with the State Security Agency. The screening of employees addressed the backlog of vetting existing employees. It also focused on new employees as soon as they were recruited.

5. Code of conduct

The Department conducted two training sessions per institution on the code of conduct during the financial year under review. Awareness is also raised during induction sessions.

6. Health Safety and Environmental issues

The Department has continued to create a healthy working environment for its employees by ensuring good work ethics and discipline through progressive human resource development and management practices.

While numerous challenges still confront institutions regarding compliance with some aspects of environmental, occupational health and safety management, the Department has succeeded in establishing active occupational health and safety committees in most institutions. Compliance with the Occupational Health and Safety Act is still a huge problem as most institutions do not have dedicated staff for Occupational Health and Safety (OHS). Disaster Management compliance is another challenge that has been identified as a priority for 2014/15 financial year. Enforcement of Section 37(2) for contractor on the Health Care Facilities requires additional attention. No allocated budget is available in many facilities, specifically for OHS. This makes the implementation of the programme in the institutions difficult. The Department has, on its staff compliment, environmental health officers who promote environmental programmes as defined in the new National Health Act, as well as coordinate the activities of Local and Metro Governments to ensure compliance with legislated functions.

The Directorate for Health care Waste and Occupational Hygiene Risk Management was established as a specialising environmental health field due to inherent health care risk waste. It was prioritised as one of the priority programmes of the HOD. Health care risk waste is generated on a daily basis and the services for collection, transport, treatment and final disposal are contracted out to private companies. This type of waste contributes greatly to the enhanced risk in terms of Occupational Health and Safety in the Department. However, effective and efficient control measures have been introduced and the risks are managed very significantly through regular auditing and inspections.

7. Portfolio Committees

The Portfolio Committee exercises oversight over the service delivery performance of Departments.

7.1 The table below reflects Portfolio Comittee meeting dates:

i.	26 April 2013	- Presenting the APP for 2013/14FY & Turnaround Strategy
ii.	10 May 2013	- Budget Vote 4 Report 2013/14
iii.	17 May 2013	- 4th Quarterly Report 2012/13FY & Folateng Wards
iv.	12 June 2013	- Mental Health care Amendment Bill
v.	27 August 2013	- 1st Quarterly Report 2013/14
vi.	25 October 2013	- Annual Report 2012/13
vii	25 February 2014	- 2nd and 3rd Quarterly Report 2013/14

7.2 Matters raised by the Portfolio Committee and how the Department has addressed them

Matters raised	How the Department addressed the matter
The Department to provide a breakdown of the expenditure on the R31 million which was allocated for the National Health Insurance in the previous Financial year.	R11.5 million was for the development of District Services and R20 million was set aside to develop patient administration and improve revenue collection processes in central hospitals.
The Department should submit a comprehensive report on the strategy that will ensure that proper financial management systems are in place and will improve the procurement and contract management of tangible assets.	The Department implemented demand management by mapping of demand management process, training of 38 delegates in the demand management functionality and the development of Demand Management Standard Operating Procedures.
The Department should submit a progress report on the effective and efficient record keeping system that will address all challenges within the patient administration and billing process.	The Department has developed a revenue plan that is being implemented in phases.
The Department should revert to the old method of recruiting nurses and providing a status report quarterly.	The Department sought assistance from the Department of Labour. It has been decided to work with the Talent Attraction Centre in Gauteng Department of Finance and to adapt the e-Recruitment system for the student selection process in 2014.
The Department to comment on Mental Health Amendment Bill.	The Department supports the intentions of the Bill to improve efficiency and effectiveness.
The Department should provide reason for the 21.7% budget decrease on NPOs and NGOs.	The Department made a policy change, effective from November 2013, after the tabling of the adjustment budget on the payment of Community Health Care Workers.
Progress on the Community Worker Programme.	Rationalise the programme through extending NGO contracts until end of financial year. Community workers to be integrated into PHC-Ward based Outreach Teams.
The Department should develop and submit a detailed strategy on the recruitment of women in senior management and people with disability.	All adverts will stipulate that the position is Affirmative Action and only women candidates are targeted. Allocation of more points for women candidates during interviews. All positions vacated by male employees at senior management level will be replaced by female candidates until the Department reaches 50% occupation level.
The Department should develop a mechanism on the management of TB defaulters. This mechanism should be reported to the committee quarterly.	The Department developed Management of TB defaulters Strategy, which is aligned to provincial and national priorities and mandate. Key interventions and implementation of the plan have been identified.

The Department should recruit more physiotherapists at rehabilitation centres, a progress report should be submitted.	The Department is in the process of attempting to retain community service physiotherapists of 2013 for 2014 in permanent posts and to fill all vacant funded posts.
The Department should report quarterly on patients' food, security, hospital hygiene and laundry services under Programme 7.	Current security contracts are extended on a month-to-month basis until a directive is received from Chief Directorate Risk & Internal Control on the way forward regarding the National Departments instruction on the security contracts. The Department has established a linen bank and deliveries of linen has been distributed. Purchasing of linen from co-operatives and establishment of linen tender is currently advertised. Institutions are sourcing services for deep cleaning at the institutions assisted by Quality Assurance Directorate.
The Department should submit a detailed project plan on the completion and commissioning of both Zola Jabulani and Natalsrpuit hospitals together with confirmed opening dates for both hospitals.	Zola Jabulani - The hospital infrastructure will be completed by 31 October 2013. The Departmental plan is to test the hospital processes by admitting a controlled number of patients from mid-November 2013. Final opening date is expected to be 31 January 2014. New Natalspruit Hospital - The hospital infrastructure will be completed by 31 October 2013. The plan is to test and start decanting patients from old hospital to new hospital in February 2014. Final opening date is expected to be in March 2014.

8. SCOPA Resolutions

8.1 Scopa Resolutions: 2012/13, Progress Report - Gauteng Medical Supplies Depot

	SCOPA RESOLUTIONS	PROGRESS
8.1.1	In terms of Rule 182(4), the Accounting officer submits a monthly reconciled financial statements to the Health Portfolio Committee on this matter commencing 30 days after adoption hereof.	The Gauteng Medical Supplies Depot (MSD) will submit financial statements for financial year ended 31 March 2014 to the Health Portfolio Committee.
8.1.2	The Entity provides the Committee with a progress report on the effectiveness of having placed expired stock as one of its performance indicators that has to be reported on a quarterly basis. The Accounting Officer provides the Committee with a quarterly progress report of measures and systems put in place to monitor and evaluate expenditure management in order to avoid the recurrence of non-compliance with applicable legislation within 30 days of adoption hereof.	**The following controls have been put in place:** 1. The use of colour-coded stickers on boxes to identify the year of expiry. 2. Shelf Marshalls were appointed to monitor and report on expiry dates of stock per shelf. As a result the value was reduced from the previous financial year. For 2013-2014: • Breakages have been reduced to R15 645.34 and the expired stock to R565 820.10, excluding expired female condoms to the value of R4 688 753.50.

8.1.3	The Entity provides the Committee with a quarterly progress report of measures put in place to monitor adequacy of internal controls in order to avoid recurrence of non-compliance with applicable legislation in future within 30 days of adoption hereof. The Entity provides the Committee with a report on the condonation of irregular expenditure within thirty days of adoption hereof. That the CFO submits to the Committee a monthly report for the 2013/14 financial year of all deviations from Treasury Regulations and relevant legislation including explanations for each of the non-payment. The MEC ensure that the Accounting Officer provides a monthly report to the committee on how the Entity is adhering and complying to the requirements of all applicable legislation to ensure that creditors are paid within the stipulated timeframes as required by the PFMA and Treasury Regulations.	**Payment within 30 days:** The following measures have been implemented: • Monthly supplier reconciliations. • Monthly cash projections are submitted to the Department for cash flow allocation to the MSD. • Continuous engagement with institutions to ensure that payment voucher are complete to enable processing of payment. • Moved the procurement of non-pharmaceuticals from the Depot to the Department to improve contract management. **Report on condonation of irregular expenditure:** The MSD is currently analysing cases of irregular expenditure with an intention of engaging the Treasury for application of condonment. **Monthly report on deviations for 2013/14 financial year** The MSD is evaluating the deviations for engagement with the Provincial Treasury.
8.1.4	In terms of the GPL rule 182 (4), the Portfolio Committee on Health and the office of the Chair of Chairs monitor the non-compliance with regulations and the matter be included in the Health Portfolio committee quarterly report.	The MSD will submit a report to Portfolio Committee on Health.
8.1.5	The MEC tables the mid-year report to the House on progress made in relation to the effectiveness of measures put in place in addressing audit findings and progress made towards achieving a clean audit by 2014.	MSD Audit action plan has been developed and is monitored on a monthly basis.
8.1.6	The Entity provides the Committee with a quarterly progress report detailing the effectiveness of measures put in place in addressing the inter-Departmental debts.	The following process has been implemented for G-fleet account: G-fleet will forward invoices for monthly leasing of vehicles, fuel utilisation, oil and toll fees to the Entity within the first 10 days of the following month. • The Entity will reconcile G-fleet invoices against internal log sheets and forward to Finance Section for payment. • Note that payments will always be processed in the following month due to the fact that G-fleet submit the previous month's invoices in the following month.

8.2 Scopa Resolutions: 2012/13, Progress Report – Gauteng Department Of Health

	SCOPA RESOLUTIONS	PROGRESS
8.2.1	The Department has to provide the Committee with a progress report with regard to their garding audit evidence for Departmental revenue within 30 days of adoption hereof.	• The Department is currently implementing maintenance and support on the Medicom with the latest Version at 12 hospitals which currently utilising this software. The project was started in March 2014 and implementation will be finalised in August 2015. • The Department has managed to procure seven servers in July 2013 to stabilise the IT infrastructure and this has yielded positive results in that downtime is now minimal. • The Department is in the process of procuring IT infrastructure in preparation for the Electronic Medical Records System. The pilot sites have been identified as Zola Jabulani and Natalspruit hospitals. The Bid Adjudication committee has already approved the migration of paper records into electronic format for Natalspruit hospital. • Phase 1 of the Revenue Reengineering Process was started in August 2013. The workflow processes for patient administration and billing have been mapped out at Dr George Mukhari, Steve Biko, Chris Hani Baragwanath and Charlotte Maxeke hospitals and will be finalised by 31 July 2014. Phase 2 will be started in August 2014 and finalised in February 2015 where new process flows will be mapped out for implementation. • New forms have been developed to assist hospital officials in collecting necessary documentation from patients. A total of 967 officials have been trained in 2013/14 on the utilisation of these forms and this was evident in the current audit report where patient classification is no longer an issues as documentation is slowly been provided by patients.
8.2.2	In terms of Rule 182(4), the Department has to provide the Health Portfolio Committee with a quarterly progress report regarding the effectiveness of measures put in place in addressing the recurrence of sufficient appropriate audit evidence of Departmental revenue and receivables within 30 days after adoption hereof.	1. Four Revenue forums were conducted per region where more than 150 officials held workshops on the following in 2013/14: • Debtors reconciliations • Receipts reconciliations • Debt management write-offs, tracing, adjustments, allocations of payments received,) • Compliance to auditor general's requests on requested documents 2. The Revenue process manual was developed and issued to hospitals during March 2013 to serve as a guideline for clerks at hospital level.

	SCOPA RESOLUTIONS	PROGRESS
8.2.3	In terms of Rule 182(4), the Department has to provide the Health Portfolio Committee with a quarterly progress report regarding the effectiveness of measures put in place in addressing the recurrence of contingent liabilities within 30 days after adoption hereof.	**Human Resources** The Department having recognised capacity as one of the contributing factors has increased the capacity of the Legal Services Branch and to date the staff complement is as follows; 1 x DDG 1 x Director 5 x Legal Officers (OSD-MR5 and MR6) 1 x Medical Advisor 1 x Medical Advisor on Secondment 5 x Support Staff (NON-LEGAL) 3 x Legal Interns (ENDING APRIL 2015) 1 x Para-Legal Intern 2 x Seconded Legal Officers (Absorbed on a permanent basis from 1 August 2014) 1 x Transfer of a Legal Officer (1 August 2014 1 x Transfer of Para-Legal The Department has established a preliminary Medical Advisory Panel and a Panel of Experts to provide expert support to the litigation process. The approach is to deal with disputes quickly and cost-effectively by assessing matters for early resolution and settlement of disputes where there is evident negligence. The panel shall minimise the risks associated with incapacitation of the legal service unit. **REVIEW OF FILES** A review was conducted by the Risk Management and Internal Control to verify the status and accuracy of the contingent liabilities in the Branch: Legal Services. A distinction has been made of the closed files and the pending files and a reporting template was developed as a measure to distinguish between Contingency and Provision for effective monthly reporting on matters that are active against settled matters. All medico-legal files, EMS and civil litigation files were assessed and a reporting template was populated, identifying and recognising contingent liabilities in accordance with Chapter 8 of the Departmental financial reporting framework as prescribed by the National Treasury. An analysis report on the contingent liability versus provision is in the process of being made.
8.2.4	In terms of Rule 182(4), the Department needs to provide the Health Portfolio Committee with a quarterly progress report regarding the effectiveness of measures put in place in addressing the recurrence of contingent liabilities within 30 days after adoption hereof.	**REVIEW OF FILES** A review of files was conducted by the Risk Management and Internal Control to verify the status and accuracy of the contingent liabilities in the Branch: Legal Services. A distinction has been made of the closed files and the pending files and a reporting template was developed as a measure to distinguish between Contingency and Provision for effective monthly reporting on matters that are active against settled matters. A report on the contingent liability versus provision is in the process of being made. **Record keeping** To improve on the flow of records and information contained in the files, a record management template has been developed by creating index and pagination of documents for pleadings, evidence and correspondence. The Department is exploring various systems to secure a new electronic record management system to ensure proper management of files and tracking of progress of action plans on each matter. **Filing system** Records management unit has developed a filing system to record all the closed files in order to provide adequate and efficient file tracking system on closed and active files. Currently, records management and legal services are physically appraising all the files.

	SCOPA RESOLUTIONS	PROGRESS
8.2.5	The Department has to provide the Committee with a progress report on the mechanisms and systems put in place to prevent the recurrence of restatements within 30 days of adoption hereof.	The restatement of leave was as a result of cleaning up the 2011/12 qualification on this item. It was imperative to restate the opening balance of the leave lest the qualification would roll over to 2012/13. This is standard practice regarding qualification items. Consolidation of financial statements is always dependent on end users submitting accurate information. In this case, leave capturing is decentralized and is highly dependent on manual processing by officials and the risk of not processing is always high and that exposes to the incomplete information on Persal system. Financial reporting unit has put certain mechanisms and systems to ensure that they consolidate accurate and complete information: • The unit ensured that they start the process of financial statements early in 2013/14; • The team send out proper communication to all end users outlining the requirements, roles and responsibilities of the end users into the financial reporting process; • The team continued to have one on one meeting with the different end users as per the different areas and always outlining two important issues: completeness and accuracy of information they send for consolidation; Internally within the financial reporting unit: • The team ensures that they check the information provided by all end users against reports on the system, for example with leave, a report from Persal is used to check against spread sheets submitted by HR end users; • There are 2nd reviews and 3rd reviews done before submission of AFS, There are also other stakeholders involved in the review of financial statements: • The Department's internal control unit • Review by Gauteng Treasury • Review by Gauteng Audit Services from GDF • Inputs from the Audit Committee

	SCOPA RESOLUTIONS	PROGRESS
8.2.6	The Department needs to provide the Committee with a progress report on the effectiveness of current measures put in place to avoid the recurrence of material impairment within 30 days of adoption hereof.	The issues highlighted above still remain, however the Department has come up with a revenue improvement initiative strategy which will assist to alleviate some of the challenges experienced. • The Department has employed 33 case managers and placed them at the central and tertiary hospitals to assist with the management of clinical and financial risks. • The process of advertising a tender that will cater for training and implementation of ICD 10 Coding to comply with Medical schemes and Road Accident Fund Regulations has commenced in June 2014. • The Department conducts quarterly meetings with RAF on outstanding debt and this is continuously leading positive results from RAF payments. • The claims for the Department of Justice and Constitutional Development have been centralised with effect from March 2013 to ensure proper claims management processes. • Engagement with the South African Police Services occurred during 2013/14 financial. year on outstanding accounts, claims were resubmitted retrospectively and payment was received on old accounts. The same process will be rolled out to Department of Correctional Services during October in 2014/15 financial year. • The Department is in the final stage of appointing service providers to ensure the following ° Collection of Outstanding patient fees from self-paying patients. ° Provide a solution to verify patient's information across databases on Registration and Admission to ensure correct categorization at public Hospitals charging patient fees. ° Provide an electronic case management system to improve process of Compensation of Occupational Injuries on Duty (COID) claims in selected Gauteng Health public health institutions.
8.2.7	That the Department has to provide the Committee with a progress report on the effectiveness of mechanisms and systems put in place to address findings in material losses.	The Department is currently conducting the reengineering of workflow processes in hospitals with the assistance of PWC. Phase 1 of the Revenue Reengineering Process was started in August 2013 where the as-is workflow processes for patient administration and billing have been mapped out at Dr George Mukhari, Steve Biko, Chris Hani Baragwanath and Charlotte Maxeke will be finalised by 31 July 2014. Phase 2 will be started in August 2014 and finalized in February 2015 where new process flows will be mapped out for implementation. Institutions have been provided with Departmental debt management policies and training has been provided to +/- 200 officials on the application thereof in 2013/14.
8.2.8	In terms of Rule 182(4) the Department needs to provide the Health Portfolio Committee with a quarterly progress report regarding the effectiveness of measures put in place in addressing matters related to underspending within thirty days after adoption hereof.	The following are being implemented on infrastructure: • Currently reengineering the payment process for projects to reduce the time for payments • Handed projects to DID at the beginning of the financial year. • Contractor performance monitoring measures have been introduced. • Implemented e-maintenance system for all facilities to improve speed on response to day to day maintenance issues. • Awarded term contract to reduce procurement time for maintenance projects suppliers will be on contract.

	SCOPA RESOLUTIONS	PROGRESS
8.2.9	In terms of Rule 182(4), the Department has to provide the Health Portfolio Committee with a quarterly progress report regarding the effectiveness of measures put in place to address weaknesses of predetermined objectives within 30 days after adoption hereof.	Various measures were implemented during the course of 2013/2014 financial year to improve effectives of interventions aimed at addressing weaknesses of predetermined objectives and they are as follows: • Data quality audits have been institutionalized within the Department and findings from these audits are used to advocate for strengthening of performance information. • Process to improve data quality are being developed and implemented together with National Department of Health. • Managers' report on a quarterly basis in terms of their performance to indicators. • The Department has sought assistance from NGO's to improve performance information quality and use of performance information by institutions and facility levels. These include ensuring that the entire organization understands the full priorities of the Department, performance measurements, tools that can support improved quality of performance information and enhance capacity of facility and institutional managers to manage performance in particular at the service delivery points.
8.2.10	The Department has to provide the Committee with a quarterly progress report on the mechanisms and systems put in place to ensure compliance with section 40(1) of the PFMA within thirty days of adoption hereof. In terms of Rule 182(4) the Department provide the Committee as well as the Health Portfolio Committee with a progress report regarding the effectiveness of measures put in place to curb the recurrence of this within thirty days after adoption hereof and continuing until further notice.	**The following measures have been implemented:** • Provided training to officials compiling AFS in accordance to the Treasury Guide. • The Department has introduced the production of monthly financial statements. • Reconciliations procedures have been introduces. • Journals are passed on a monthly basis to correct any anomaly. • Monthly financial reports (IYM) assists the Department to detect any accounting errors and monitor spending trends.

	SCOPA RESOLUTIONS	PROGRESS
8.2.11	In terms of Rule 182(4), the Department has to provide the Health Portfolio Committee with a monthly report on the Departments' adherence and compliance to the requirements of all applicable legislation to ensure that effective measures are implemented to prevent irregular expenditure as required by section 38(1)(c)(ii) and Treasury Regulation 9.1.1.	In order to ensure adherence and compliance to the requirements of all applicable legislations, the Department has implemented the following measures to prevent irregular expenditure: **SCM Reforms** The Department has established a "new" compliant and effective SCM function aligned to National Treasury's Supply Chain Management Policy Framework which incorporates the elements of: Demand Management, Acquisition Management, Contract Management, Logistics Management, Assets and Disposal Management and Risk and SCM Performance Management. The Department has finalised concept models for Demand Management, Acquisition Management and Contract Management. The Department is in the process of finalising the concept model for Logistics Management. **Training of SCM Officials** The aim of the training is to provide coaching, training and mentoring support to improve the skills and knowledge of SCM officials. Training has been provided in the following areas: • Demand Management • Acquisition Management • Contract Management **Current Reality Assessment** The aim of the current reality assessment is to gain an understanding of the state of readiness at all health institutions to participate in the roll out of SCM functions. The current reality assessment has been performed at the following Institutions: • Steve Biko Academic Hospital • Dr George Mukhari Academic Hospital • Chris Hani Baragwanath Academic Hospital • Charlotte Maxeke Academic Hospital **Strengthening of Bid Adjudication Committee** The Department has compiled and implemented a Bid Adjudication Committee Charter. **Establishment of contract register** 879 items have been placed on contract to remove the need for adhoc and quotation procurement on common commodities. Developed maintenance contracts on medical equipment to reduce the need for emergency repairs on equipment. The Department has compiled a centralised contract register. The contracts register is monitored on a monthly basis to ensure contracts are timeously renewed to prevent contracts been extended. The MEC submits a report, within 30 days, detailing the status of each investigation and a quarterly update on the matter until finalisation thereof.

<table>
<tr><th>SCOPA RESOLUTIONS</th><th>PROGRESS</th></tr>
<tr><td></td><td>
The Department has analysed the following irregular expenditure. It was found that this expenditure was incurred due to emergency situation for maintain service delivery and it was not practical to comply to the SCM laws.

The Department is analysing the irregular expenditure of R119 809 000 to determine the correct steps.

An investigation has been concluded on the irregular expenditure case as mentioned below and the matter was handed over to the Department of Education to take disciplinary action against the officials involved as they are in the employment of that Department. The Department has taken steps against officials internally who were found to been a party to this irregularities.

<table>
<tr><th>Type of case</th><th>Amount</th><th>Action Taken</th></tr>
<tr><td>Irregular procurement of linen</td><td>R3, 932, 514</td><td>Disciplinary process is under way and four officials have been served with charges of misconduct.</td></tr>
<tr><td>Irregular procurement of medical furniture</td><td>R177 738</td><td>Disciplinary process is under way</td></tr>
<tr><td>Irregular procurement of service and installation</td><td>R482 886</td><td>Under investigation</td></tr>
<tr><td>Irregular procurement of refurbishment and installation services</td><td>R973 551</td><td>Under investigation</td></tr>
</table>
The Department has put the following measures in place to alleviate over commitments:

Clearance of Open Purchase Order Report
• The Department receives the Open Purchase Order Report from Provincial Treasury monthly. The report is distributed to all health institutions who are responsible for identifying and cancelling purchase orders older than 3 months.
• Audit of prior year's invoices.
• Cost containment measures.
• Establishment of contracts for non-negotiable items.
</td></tr>
</table>

SCOPA RESOLUTIONS	PROGRESS
8.2.12 The Department to provide the Committee with a progress report on the effectiveness of mechanisms and systems put in place to address findings in revenue management within 30 days of adoption hereof.	The Department engages with external funders quarterly to discuss outstanding debt, challenges experienced and improve claim submission processes. More than 18 meetings have been conducted with RAF, SAPS and Correctional Services. This has yielded positive results in that significant amounts have been collected to date as reflected on the table below
The MEC to submit a progress report within 30 days detailing the status of the law suit as well as the finalisation of the interprovincial debt policy by the National Department of Health.	The policy was developed around the source of funding and the type of services being offered, therefore the interprovincial National Tertiary Service Grant (NTSG) was developed and does not allow cross border billing between provinces The table below reflect the debt status from other provinces.

BAS PATIENT FEES RECEIPTS 2013/2014

Customer Name	Apr 13 - Mar 14	Apr 12 - Mar 13	Variance	
			Up/-Down	
			R	%
ROAD ACCIDENT FUND	164 393 455	154 122 187	10 271 269	6%
MEDICAL AID & OTHER FUNDERS	108 690 656	94 089 410	14 601 246	13%
SELF-PAYING PATIENTS	72 524 971	62 787 244	9 737 726	13%
Department OF CORRECTIONAL SERVICE	31 472 162	29 028 289	2 443 873	8%
SOUTH AFRICAN POLICE SERVICES	26 827 992	14 210 790	12 617 202	47%
Department OF JUSTICE	26 476 162	16 515 644	9 960 518	38%
Department OF DEFENCE	2 937 927	2 055 126	882 801	30%
WORKMENS COMPENSATION	1 943 051	1 126 275	816 776	42%
GRAND TOTAL	**435 266 377**	**373 934 966**	**61 331 411**	**14%**

Customer Name	Apr 13 - Mar 14	Apr 12 - Mar 13	Variance	
			Up/-Down	
			R	%
North West Province	2 003 575	5 885 524	-3 881 948	-194%
Mpumalanga Province	648 102	3 339 570	-2 691 468	-415%
Limpopo Province	0	11 178 559	-11 178 559	0%
Grand Total	**2 651 677**	**20 403 653**	**-17 751 975**	**-669%**

	SCOPA RESOLUTIONS	PROGRESS
8.2.13	The Department to provide the Committee with a progress report on measures put in place to monitor adequacy of internal controls in order to avoid recurrence of non-compliance with applicable legislation in future within 30 days of adoption hereof.	To ensure adherence and compliance to the requirements of all applicable legislations, the Department has implemented the following measures to prevent irregular expenditure: **SCM Reforms** The Department has established a "new" compliant and effective SCM function aligned to National Treasury's Supply Chain Management Policy Framework which incorporates the elements of: Demand Management, Acquisition Management, Contract Management, Logistics Management, Assets and Disposal Management and Risk and SCM Performance Management The Department has finalised concept models for Demand Management, Acquisition Management and Contract Management. The Department is in the process of finalising the concept model for Logistics Management. **Training of SCM Officials** The aim of the training is to provide coaching, training and mentoring support to improve the skills and knowledge of SCM officials. Training has been provided in the following areas: • Demand Management • Acquisition Management • Contract Management **Current Reality Assessment** The aim of the current reality assessment is to gain an understanding of the state of readiness at all health institutions to participate in the roll out of SCM functions The current reality assessment has been performed at the following Institutions: • Steve Biko Academic Hospital • Dr George Mukhari Academic Hospital • Chris Hani Baragwanath Academic Hospital • Charlotte Maxeke Academic Hospital **Strengthening of Bid Adjudication Committee** The Department has compiled and implemented a Bid Adjudication Committee Charter. **Establishment of contract register** 879 items have been placed on contract to remove the need for adhoc and quotation procurement on common commodities. Developed maintenance contracts on medical equipment to reduce the need for emergency repairs on equipment. The Department has compiled a centralised contract register. The contracts register is monitored on a monthly basis to ensure contracts are timeously renewed to prevent contracts been extended.
	The MEC to submit the report within 30 days detailing the status of the forensic investigation and a quarterly update on the matter until finalization thereof.	A status report has been compiled.

	SCOPA RESOLUTIONS	PROGRESS
8.2.14	The Department has to provide the Committee with a progress report on all measures put in place to avoid recurrence of non-compliance with applicable human resource management legislation in future within thirty days of adoption hereof.	• The generic Job Descriptions are made available for the advert that would attract candidates for the post. Once a candidate is appointed a specific Job Description in line with the Generic one has to be developed by the respective supervisor which is signed by both the supervisor and supervisee. Supervisors at all levels have been trained on the development of Job Descriptions including availing of a Job Description Template • The Department has put measures in place to address non-compliance by providing training and workshops to educate and show the importance of having signed job descriptions • The Department has further implemented a control measure that all performance reviews must be accompanied by signed job descriptions to ensure that job description are signed and in place for all posts. **Verification of criminal records** A meeting took place between the Chief Directorate HR Management, Chief Directorate Risk Management, Directorate Security Services and the State Security Agency to establish a platform for this Department's verification process for new appointees. It was concluded that SSA will do the criminal and financial stability verifications. To address the backlog of staff already appointed, an agreement was reached that ID copies for staff already appointed as from the 1 April 2013 (approximately 3 000) will be submitted to SSA in batches of 50 for verification, with the initial focus on SMS appointments. Preparation started during December 2013 to collect the relevant ID copies and the first batch was ready for submission by end of December 2013. A decision was also taken that all newly appointed staff will be assessed immediately to avoid further backlogs. There will be interfacing between HRM, Risk and Security and a database capturing all verifications submitted, will be captured by the Directorate Security Services. A Circular was drafted for the institutions to submit certified copies of identity documents of staff appointed in the relevant financial year to facilitate the submission to SSA. Verification of qualifications is also addressed in the circular (that institutions must continue with the verification process and reference checks). Since the process has been established, a total of 1577 ID copies were submitted to SSA for criminal checks as well as financial stability checks. The process is ongoing as the institutions respond to Circular 12 of 2014. Reference checks are done on an ongoing basis. Verification of qualifications is not yet done because of unavailability of funds. **Pay points management** This was attributable to a few pay points with large numbers of employees that makes it very difficult to certify for all employees. Logistical and geographical challenges within district health services are further contributing to the finding persisting. A project to establish more pay points was undertaken and the process have been completed at the majority of the larger institutions such as central hospitals. **Organisational structure** The Department does not have an approved organisational structure for the 2009-2014 review period. It is currently operating on the structure which was approved for the period 2004-2009 with amendments. There are draft structures available which have not yet been approved, due to the National process of developing common generic structures for all Provincial Health Departments.
		This process is driven by the National Department of Health and Public Service and Administration in order to ensure uniformity. This National process should be completed by Aug 2014.

	SCOPA RESOLUTIONS	PROGRESS
8.2.15	The Accounting Officer submits the report within thirty days detailing the status of the investigations and a quarterly update on the matter until finalisation thereof.	A status report has been compiled.

9. Prior modifications to Audit Reports

Nature of qualification, disclaimer, adverse opinion and matters of non-compliance	Financial year in which it first arose	Progress made in clearing / resolving the matter
The Auditor General was unable to obtain sufficient appropriate evidence for accrued departmental revenue as disclosed in note 27 to the financial statements for the current and prior year, due to material weaknesses identified in the receivable management system, inadequate record keeping and ineffective computerised information systems. The Auditor General was unable to confirm the accrued departmental revenue by alternative means. Consequently, the Auditor General was unable to determine whether any adjustment to the accrued departmental revenue stated at R625 535 000 (2012-13: R1 543 710 000) in the financial statements was necessary.	2012/2013	The Department has put systems in place, which will be closely monitored, to ensure that information is captured accurately timeously on its billing systems.

10. Internal Control Unit

The Internal Control Unit has assisted management to improve internal control environment through the following activities:
The establishment of an Audit Action Plan Progress Review Committee (AAPPRC) that meets with all the various process owners on a monthly basis to track their progress of implementing corrective measures to address audit findings.

The AAPPRC focuses on head office process owners and then the four academic and 3 tertiary institutions.

Performs monthly key control evaluations and provides feedback to institutions and assists them to improve the internal control environment.

Regular training and awareness sessions with regard to internal control and audit processes to ensure improvement of the internal control environment and audit outcome.

11. Internal Audit and Audit Committees

The Department uses the services of a shared provincial internal audit function, the Gauteng Audit Services (GAS). GAS has completed the following audit during the year under review and management has developed action plans to implement the recommendations:

Risk and compliance audits

- Emergency Medical Services (EMS)
- Medical Supplies Depot
- Key Controls Verification
- Financial Statements
- Folateng Wards
- Supply Chain Management

- Revenue Management
- Key Controls Verification
- Interim Financial statements
- Key Controls Verification

Performance audits

- Medical Supplies Depot
- Verification of Performance Information
- Verification of Performance Information - Quarter 2 and Review of the draft Annual Performance Plan for 2014/15
- Verification of Performance Information

Computer audits

- IT Governance Review
- General Computer Controls Review

Audit Committee

The table below discloses relevant information on the audit committee members:

Name	Qualifications	Internal or external member	If internal, position in the Department	Date appointed	Date resigned	No of meetings attended
Ms Lungelwa Sonqishe	• Master in Business Administration (MBA) • B.Com Accounting Science • Certificate in Governance	External Chairperson		1 September 2010	N/A	6 of 6
Mr Mandla Ncube	• Certified Internal Auditor (CIA) • Quality Assurance Reviewer • Certified Corporate Fraud Manager • Diploma in Accounting • Certificate in Accounting	External		1 October 2012	N/A	6 of 6
Ms Nkateko Mabaso	• Master in Business Administration (MBA) • National Diploma: Internal Auditing • Higher Diploma in Computer Auditing: WITS • Certificate in Fraud Examination: University of Pretoria • Management Development Programme: WITS • Diploma in Project Management: Damelin	External		1 October 2012	N/A	6 of 6

12. Report of the Audit Committee – Cluster 03

We are pleased to present our report for the financial year ended 31 March 2014.

Audit Committee and Attendance:
The Audit Committee consists of the external Members listed hereunder and is required to meet a minimum of at least two times per annum as per provisions of the Public Finance Management Act (PFMA). In terms of the approved Terms of Reference (GPG Audit Committee Charter), six meetings were held during the current year, i.e. four meetings for Quarterly Performance Reporting (financial and non-financial) and two meetings to review and discuss the Annual Financial Statements and the Auditor-General Report.

Non-Executive Members:

Name of Member	Number of meetings attended
Ms Lungelwa Sonqishe (Chairperson)	6
Ms Nkateko Mabaso (Member)	6
Mr Mandla Ncube (Member)	6

Executive Members:

In terms of the GPG Audit Committee Charter, officials listed hereunder are obliged to attend meetings of the Audit Committee:

Compulsory Attendees	Number of meetings attended
Dr Hugh Gosnell (Head of Department)	2
Mr Ndoda Biyela (Acting Head of Department)	1
Mr Ndoda Biyela (Chief Financial Officer)	3
Mr Abey Marokoane (Chief Risk Officer)	6

The HoD did not attend four meetings during the year and letters of apology were tendered with a duly appointed representative. However, the Audit Committee is satisfied that the Department adhered to the provisions of the GPG Audit Committee Charter. The Head of Department's attendance to these meetings are strongly encouraged. The Members of the Audit Committee met with the Senior Management of the Department and Internal Audit, collectively to address risks and challenges facing the Departments. A number of in-committee meetings were held to address control weaknesses and conflicts with the Department.

Audit Committee Responsibility
The Audit Committee reports that it has complied with its responsibilities arising from section 38 (1) (a) of the PFMA and Treasury Regulation 3.1.13. The committee has also adopted a formal charter to regulate its affairs as it discharges its responsibilities.

The effectiveness of internal control and Information and Communication Technology (ICT) Governance.

The Audit Committee has observed that the overall control environment has continued to improve during the year under review. However, there are still some concerns with the level of internal controls within the Department where evidence of lapses of effective monitoring and enforcement by Management were observed. During the year under review, several deficiencies in the system of internal control and deviations were reported by the Auditor-General South Africa. In certain instances, the matters reported previously have not been fully and satisfactorily addressed.

The Audit Committee also reviewed progress with respect to the ICT Governance in line with the ICT Framework issued by the Department of Public Services and Administration. Although there were some significant progress on the ICT internal control, the Audit Committee report its dissatisfaction with minimal progress made with the implementation of the Disaster Recovery Plan and the Business Continuity Plan. This continued to be a high risk for the Department and the downtime of the Revenue system is something that needs serious attention.

Internal Audit

The Audit Committee is satisfied that Internal Audit plans addresses a clear alignment with the major risks, adequate information systems coverage, a good balance between different categories of audits, i.e. risk-based, mandatory, performance and follow-up audits. The Audit Committee has noted considerable improvement in the communication between the Executive Management, the Auditor-General and the Internal Audit Function, which has strengthened the Corporate Governance initiatives.

The Audit Committee wishes to stress that in order for the Internal Audit Function to operate at optimal level as expected by the Audit Committee, it requires additional human resources and skills. This is being addressed and corrective action is being implemented.

Risk Management

Progress on Departmental risk management was reported to the Audit Committee on a quarterly basis. The Audit Committee is satisfied that the actual management of risk is receiving attention, although there are areas that still require improvement. Management should take full responsibility for the entire Enterprise Risk Management (ERM) Process and continue to support the Chief Risk Officer to even further enhance the performance of the Department. The appointment of an independent external chairperson for the Risk Management Committee is recommended to assist with ERM implementation and improving the Department's risk maturity status.

Forensic Investigations

The Audit Committee held in-committee meetings with the Forensic Investigations function and is satisfied with the actual management of investigations and reporting thereof, although the Audit Committee noted that the same allegations were raised in different requests for investigation, therefore emphasis was put on the Department to implement Forensic Investigation recommendations to avoid investigation of similar allegations. Investigations based on allegations of procurement irregularities, fraud, theft and negligence are being performed at the Department and are still in progress.

The quality of quarterly reports submitted in terms of the PFMA and the Division of Revenue Act

The Audit Committee is satisfied with the content and quality of financial and non-financial quarterly reports prepared and issued by the Accounting Officer of the Department during the year under review and that the reports were in compliance with the statutory reporting framework, although managing of performance information still needs to be improved upon.

Evaluation of Annual Financial Statements

The Audit Committee has:

- Reviewed and discussed the audited Annual Financial Statements to be included in the Annual Report, with the Auditor-General and the Accounting Officer;
- Reviewed the Auditor-General's Management Report and Management's response thereto;
- Reviewed the Department's compliance with legal and regulatory provisions; and
- Reviewed significant adjustments resulting from the audit.

The Audit Committee concurs with and accepts the Auditor-General's conclusions 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.

One-on-One Meeting with the Accounting Officer

The Audit Committee has met with the Accounting Officer for the Department to address unresolved issues.

One-on-One Meetings with the Executive Authority

The Audit Committee has met with the Executive Authority for the Entity to apprise the MEC on the performance of the Department.

Auditor-General South Africa

The Audit Committee has met with the Office of the Auditor-General South Africa to ensure that there are no unresolved issues.

Ms. Lungelwa Sonqishe
Chairperson of the Audit Committee
Date: 4 August 2014

Part D: Human Resource Management

1. Introduction

The Vision of the Human Capital and Organisational Development Branch is to provide efficient, effective and responsive human resources services for the public health sector in Gauteng by:

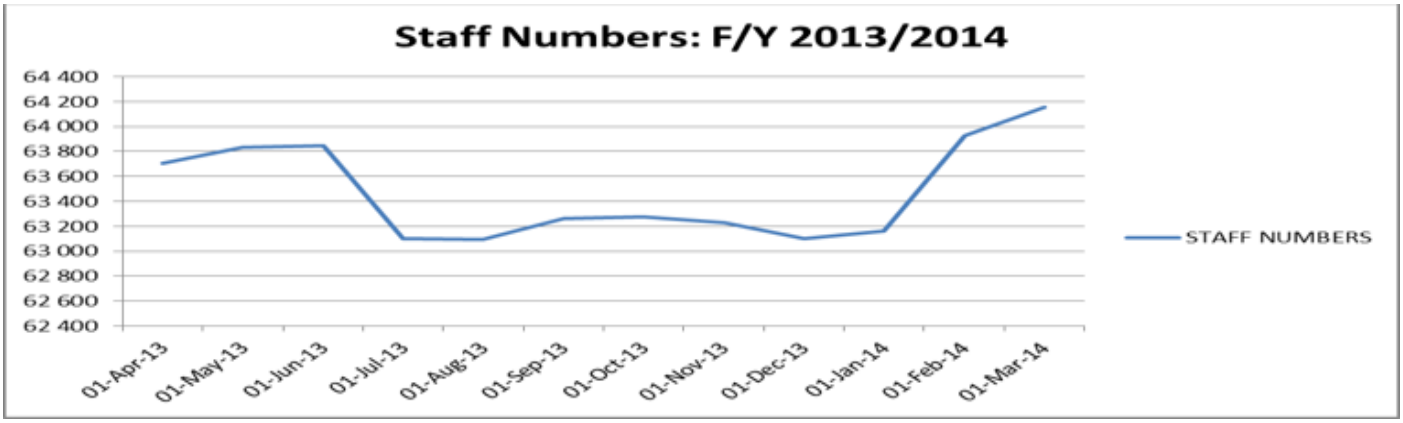
- Identifying adequate and appropriately qualified Human Resource for Health (HRH) to enable organisational development for improved delivery of health care within the HRH Legislative Framework.
- Expanding the range of adequately qualified HRH to address the skills shortages within the Department.
- Establishing strategic partnerships and stakeholders platforms in the development of HRH.
- Optimising HRH through effective utilisation, matching people and skills to functions.
- Improving relations with organised labour and all stakeholders to contribute towards a functional environment through proactive and sustainable employee relations policies and constructive interventions.

2. Overview of Human Resources

Status of Human Resource for Health in GDoH

The Human Capital Branch has two Chief Directorates – Human Resource Management and Human Resources Development – comprising of eight directorates. The branch is responsible human resource (HR) support services for hospitals and district services.

The following table reflects the staff compliment broken down per month for the year under review. It shows a net gain of 453 between 1 April 2013 and 31 March 2014. During the year under review, the Department could not fill all vacant posts due to budgetary constraints.



MONTH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH
Staff Numbers	63 706	63 832	63 846	63 104	63 093	63 260	63 273	63 227	63 101	63 163	63 927	64 139

Strengthening of Leadership Management

The branch had given priority to the attraction and retention of HRH. In this financial year, the Department has filled key management posts at head office as well as at various health institutions. A total number of 34 management posts were filled. Over and above the appointment of the Head of Department by the Executing Authority, Deputy Director Legal Services, Heads of Health Districts and CEOs of Hospitals were appointed. The Department continued to prioritise recruitment of clinical and clinical support staff over the administrative and general support employees.

This approach ensured a constant supply of critical clinical staff, but negatively affected the supply of the general support staff. The Department continued with the close monitoring of new appointments, ensuring that institutions were not exceeding their allocated Compensation of Employees Budget. Inefficiencies were effectively dealt with. For example, the management of general overtime and commuted overtime, existing policies, guidelines, operating procedures and control systems were analysed and reviewed. The changes resulting from these reviews were at different stages of development as the year ended.

The Human Resource Plan, which is informed by the National Human Resources for Health Plan (HRH), was developed and signed by the executing authority and submitted to the Department of Public Service and Administration. The revision of the plan was in line with the Department's Turnaround Strategy.

The development of a clear Human Resource plan assists managers within the Department to approach HR more strategically, in alignment with national and international health obligations such as the achievement of the Millennium Development Goals and the strengthening of the district health system. The Departmental plan is also informed by the Integrated Health Planning Framework (IHPF) and the Service Transformation Plan (STP).

The Department is labour-intensive, requiring highly skilled personnel. The shortage of skilled health professionals is a matter of concern. The HR strategy is developed in the context of preparing the public health system for the introduction of National Health Insurance (NHI). In the light of these priorities and in accordance with the GDoH Turnaround Strategy, the main focus for the year was:

- Aligning HR plans with the strategic direction of the Department.
- Accelerating the filling of vacant funded posts in key health professions.
- Increasing productivity and accountability through effective performance management.
- Tightening management of overtime and Remunerative Work Outside Public Service (RWOPS) in order to secure best value for the Department.
- Reviewing and Revision of Memorandum of Agreement with universities.
- Improving HR controls and managing compensation of employees.

Key strategies to attract and recruit Human Resource for Health

The revised Recruitment and Retention Strategy has improved the recruitment of clinical staff through the following:

- Walk-in applications.
- Open-ended advertisements to reduce red tape and improve recruitment turnaround times and costs.
- Working with institutions of higher learning to accelerate joint appointments of specialist.

Streamlining of HR Policies

The branch completed the first phase of HR Policy Manual for Gauteng Health. The process-mapping culminated in a production of Gauteng Health Performance Toolkit and HR Policy Manual. This initiative will strengthen consistency in the application of policies throughout the province.

Further improvement has been noted in the following areas:

Identity verification of personnel/head count

In April 2013, the Department, in partnership with Gauteng Department of Finance (GDF), began a process of verifying its staff. This project enabled the Department to physically account for all employees on its payroll, ensuring that taxpayers' money was not wasted. The Identity Verification Solution (IVS) was developed within the Gauteng Provincial Government. The system enabled the verification of personnel against records at the Department of Home Affairs in order to identify "ghost employees" as well as staff who have been on incapacity leave for long periods. As a result, disciplinary action has been taken against non-compliant staff. The introduction of IVS has assisted the Department in the improvement of the management and monitoring of ill health. By the end of the third quarter, all staff in all institutions – hospitals, District Health Service facilities, nursing colleges, Emergency Medical Services, head office and the Medical Supplies Depot – had been verified.

Currently, the Human Resource Branch is busy with verification of new employees, which happens when they are employed. The verification of employees has become normal practice in the Department.

Overtime Exceeding 30%

The Department has over the years experienced the misuse of overtime, which contributed to the Compensation of Employees (CoE) over-expenditure. The branch took steps to identify the weaknesses and gaps in the system. Over and above the overtime policy review and monitoring, reporting was improved. The utilisation and cost of overtime exceeding 30% has been reduced from R9.9 million (in 2012/13) to R1.5 million as at the end of 2013/14 which amounts to a total reduction of R8.5 million. The involvement and responsiveness of CEOs and heads of institutions contributed positively.

Workload Indicators for Staffing Needs

The Workload Indicators for Staffing Needs (WISN) process was rolled out in the rest of the NHI pilot site, that is, the Tshwane Health District and the four central hospitals. The process resulted in the National Department of Health (NDoH) determining the staffing norms nationally.

As a result, the NDoH is in the process of finalising the staffing norms for the District Health Services that, once approved, would be implemented nationwide.

As regards Labour Relations, the Department has been able to attain the following:

- In order to build capacity of employees in labour relation matters, 330 employees comprising of Senior Managers and Labour Relation officers were trained on labour law and forensic investigation.

- Maintenance of relationships with important stakeholders such as unions has contributed to stability in the organisation. This has been achieved through collective bargaining structures such as multilateral meetings at both institutional and provincial level. Provincial Chamber and Public Health and Social Development Sectoral Bargaining Council (PHSDSBC) committees are fully functional and the Departmental representatives are regular participants ensuring cordial relations, communication of policy development. A bilateral agreement was entered into between the GDoH and the South African Medical Association (SAMA).

Misconduct and Disciplinary Cases

Of 946 cases that were reported and handled by the Labour Relations Unit, 700 have been completed. Of these 700, there have been 97 dismissals, two demotions and 11 suspensions without pay. From the trend analysis of misconduct cases, absenteeism and theft remain a concern, with the former standing at 236 cases and the latter at 116. The HR Branch intends to focus on these areas of concern in the fourth coming financial year.

Grievances

One of the challenges that the unit has been addressing is instilling a culture and practice of resolving grievances at the lowest level possible through the training of managers and supervisors. This will positively contribute towards the resolution of disputes in the Department. About 60% of the 379 grievances lodged were resolved by the end of this financial year.

Disputes

Resolution of disputes still needs improvement. Dispute resolution is co-ordinated by external structures, such as the Public Service Coordinating Bargaining Council (PSCBC), PHSDSBC and Commission for Conciliation, Mediation and Arbitration (CCMA). Thus, the turnaround period of some of cases is longer than anticipated. As of the end of the financial year, 215 cases were lodged and 72 of them were resolved.

Challenges experienced in the Human Capital Branch

Labour Relations

They may be labelled as challenges but these are, in fact, opportunities, which present us with a prospect to innovate and initiate new strategies that will ensure that the Department continues to be at the forefront of providing improved health care services.

Staff Retention

The GDoH has made significant strides in implementing the goals outlined in its Turnaround Strategy for the province. There has been a marked increase in the appointment of operational staff in our clinical units, which has helped to improve operational efficiencies in our hospitals, clinics and other health care facilities.

However, there was an imbalance when the above-mentioned process was effectively conducted. The administration component of the Department was somewhat compromised by the staff turnover and brain drain in the HR arena, which saw HR and labour relations specialists leaving the Department for the private sector or other Departments. As a result, the Department is critically understaffed in the HR and Labour Unit, especially at various health institutions, and this has crippled efforts to provide sustainable services at the level and standards expected.

The migration of services from the GDF has exacerbated the already heavy workload in which the Labour Unit is experiencing. All the work that was directed and performed by the GDF in terms of labour-related matters is now the responsibility and delegation of the Central Office. Institutions previously used to deal with minor cases (such as progressive discipline) but have now adopted a system of referring all matters to Central Office. This has produced a backlog in turnaround times for the Department.

As a solution, the Department has formulated a new labour relations model that will focus on ensuring that line managers and supervisors are adequately trained to address minor grievances and conflicts and some managers to preside over labour-related matters. Support structures for all health care facilities will be established at Central Office and a unit will conduct monitoring and evaluation which will assist in a trend analysis and formulation of strategies that will once and for all eradicate ongoing dilemmas.

Health Profession Training and Development Grant (HPTDG)

Challenges and possible audit queries in managing the grant during the year are mainly on the expenditure trends and delayed submissions of data from institutions.

3. Human Resource Oversight Statistics

Table 3.1.1 Personnel costs by Programme, 2013/14

Programme	Total Expenditure (R'000)	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Professional and Special Services (R'000)	Personnel cost as percent of Total Expenditure	Average Personnel Cost per Employee (R'000)	Employment
1. Administration	584 150	274 797	3 801	40 134	47%	368	1 587
2. District Health Services	8 357 432	4 663 026	7 216	669	56%	461	18 148
3. Emergency Medical Services	936 278	313 509	26	65	33%	637	1 469
4. Provincial Hospital Services	5 154 325	3 856 710	401	18 220	75%	273	18 857
5. Central Hospitals Services	10 237 895	7 176 189	878	10 540	70%	548	18 673
6. Health Sciences and Training	829 386	680 787	5 321	193	82%	185	4 491
7. Health Care Support Services	194 869	121 428	0	0	62%	217	900
8. Health Facilities Management	1 121 465	10 408	3 010	0	1%	32 948	34
- HWSETA Accounts	0	0	0	0	*	0	0
Medsas Trading Account	0	0	0	0	*	0	0
Total	**27 415 800**	**17 096 854**	**20 653**	**69 821**	**62.36%**	**35 673**	**64 159**

Notes:

(a) Financial data extracted from Basic Accounting System (BAS) and Personnel numbers extracted from the PERSAL system.

(b) Employment: Employees as at the 31 March 2014 (PERSAL System).

(c) Report compiled by the Directorate Management Accounting.

(d) Training expenditure is derived from level 4 SCOA item – Training and development.

(e) Professional Services is derived from revised level 4 SCOA item – CONS/PROF: BUSINESS & ADVISORY SERV and including Agency: Nursing staff, professional staff, researcher, admin and support staff, and personnel and labour.

Table 3.1.2 Personnel cost by salary band 2013/2014

Salary Band	Personnel Expenditure (R'000)	% of total personnel cost	No of employees	Average personnel cost per employee (R'000)
Lower skilled (Level 1 - 2)	907 107	5.3	6 277	144 512.8
Skilled (Level 3 - 5)	4 122 808	24.0	27 295	151 046.3
Highly skilled production (Level 6 - 8)	3 177 402	18.5	13 543	234 615.8
Highly skilled supervision (Level 9 - 12)	5 417 916	31.5	11 782	459 846.9
Senior and top management (Level 13 - 16)	1 584 946	9.2	93	17 042 430.1
Contract (Level 1 - 2)	2 007	0.0	2	1 003 500.0
Contract (Level 3 - 5)	17 695	0.1	92	192 337.0
Contract (Level 6 - 8)	167 810	1.0	740	226 770.3
Contract (Level 9 - 12)	1 553 840	9.0	2 706	574 220.3
Contract (Level 13 - 16)	86 897	0.5	15	5 793 133.3
Periodical Remuneration	132 057	0.8	1 019	129 594.7
Abnormal Appointment	15 774	0.1	595	26 510.9
Total	**17 186 259**	**100**	**64 159**	**267 869.8**

Notes:

(a) Data extracted from VULINDLELA.

(b) Number of employees on the table refers to a head count of current employees on PERSAL.

(c) Total Personnel Cost on this table differ from Table (3.1.3) as the data sources differ (that is, BAS and VULINDLELA); the BAS system does not cater for salary bands, but expenditure per item.

Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by Programme, 2013/2014

Programme	Salaries (R'000)	Salaries as % of Personnel Cost	Overtime (R'000)	Overtime as % of Personnel Cost	HOA (R'000)	HOA as % of Personnel Cost	Medical Ass. (R'000)	Medical Ass. as % of Personnel Cost	Total Personnel Cost (R'000)
1. Administration	258 570	94%	2 073	1%	5 174	2%	8 980	3%	274 797
2. District Health Services	4 117 894	88%	200 036	4%	146 905	3%	198 191	4%	4 663 026
3. Emergency Medical Services	268 798	86%	5 844	2%	14 616	5%	24 251	8%	313 509
4. Provincial Hospital Services	3 277 427	85%	307 050	8%	118 900	3%	153 334	4%	3 856 710
5. Central Hospitals Services	6 003 282	84%	758 149	11%	192 819	3%	221 939	3%	7 176 189
6. Health Sciences and Training	601 279	88%	953	0%	40 299	6%	38 256	6%	680 787
7. Health Care Support Services	95 801	79%	7 225	6%	8 583	7%	9 818	8%	121 428
8. Health Facilities Management	9 889	95%	9	0%	169	2%	341	3%	10 408
- HWSETA Accounts	0	0.00%	0		0	0%	0	*	0
Total	14 632 940	86%	1 281 339	7%	527 465	3%	655 110	4%	17 096 854

Notes:

(a) Data extracted from Basic Accounting System (BAS).

(b) Total Personnel Cost on this table differ from Table 3.1.2 as the data sources differ (that is, BAS and VULINDLELA). BAS does not cater for salary bands, but expenditure per item.

(c) Salaries include all the compensation of employees items excluding overtime, houisng allowance and employer medical aid.

Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by Salary Band 2013/2014

Salary Bands	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Lower skilled (Level 1 - 2)	600 034	63.4	12 386	1.3	75 063	7.9%	57 509	6.1%
Skilled (Level 3 - 5)	2 760 694	76.5	65 622	1.8	258 048	7.1%	286 679	7.9%
Highly skilled production (Level 6 - 8)	2 423 805	84.1	55 648	1.9	115 982	4.0%	166 274	5.8%
Highly skilled supervision (Level 9 - 12)	5 055 705	77.6	787 138	12.1	74 967	1.2%	132 389	2.0%
Senior and top management (Level 13 - 16)	1 099 294	86.6	360 128	28.4	6 199	0.5%	13 695	1.1%
Total	11 939 532	78.4	1 280 922	8%	530 259	3.5%	656 546	4.3%

Notes:

(a) Data extracted from VULINDLELA.

(b) All totals on this table differ from Table 3.1.3 as the data sources differ (that is, BAS vs VULINDLELA). BAS does not cater for salary bands, but expenditure per item.

Table 3.2.1 Employment and vacancies by programme: 2013/2014

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
1 - Health Administration	1 298	1 047	16.8%	0
2 - District Health Services	19 931	17 912	9.8%	0
3 - Emergency Medical Services	1 685	1 462	13.1%	0
4 - Provincial Health Service	20 435	18 493	9.3%	0
5 - Academic Health Services	21 305	18 500	13.0%	0
6 - Health Sciences	5 564	4 425	20.5%	0
7 - Health Care Support Services	1 052	925	12.0%	0
8 - Health Facility Management	38	34	10.5%	0
Total	**71 308**	**62 798**	**11.7%**	**0**

Notes:

(a) Data was extracted from PERSAL (Establishment Report) as at end March 2014.

(b) The vacant posts include three frozen posts.

Table 3.2.2 Employment and vacancies by salary band: 2013/2014

Salary Band Description	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
1. Lower Skilled (Level 1 - 2)	8 385	7 860	6.2%	0
2. Skilled (Level 3 - 5)	29 076	25 940	10.7%	0
3. High Skilled Production (Level 6 - 8)	17 452	14 808	14.8%	0
4. Highly Skilled Supervision (Level 9 - 12)	16 251	14 083	12.9%	0
5. Senior Management (Level 13 - 16)	144	107	19.4%	0
Total	**71 308**	**62 798**	**11.7%**	**0**

Notes:

(a) Data was extracted from PERSAL (Establishment Report) as at end March 2014.

(b) The vacant posts include three frozen posts.

Table 3.2.3 Employment and vacancies by critical occupations: 2013/2014

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Dental Practitioner	245	232	5.3%	0
Dental Specialist	152	127	14.5%	0
Medical Practitioner	2 397	1 977	17.1%	0
Medical Practitioner (Intern)	1 084	897	16.9%	0
Medical Specialist	2 536	2 227	11.7%	0
Emergency Care Practitioners	1 587	1 356	14.4%	0
Pharmacist	546	450	17.4%	0
Pharmacist (Intern)	64	49	23.4%	0
Professional Nurse	15 537	13 329	13.9%	0
Staff Nurse	7 071	6 201	12.2%	0
Nursing Assistant	7 496	7 074	5.6%	0
Professional Nurse (Student)	4 706	3 652	22.4%	0
Total	**43 421**	**37 571**	**13.2%**	**0**

Notes:

(a) Data was extracted from PERSAL (Establishment Report) as at end March 2014.

(b) This report reflects the number of critical posts as they appear on the establishment.

Table 3.3.1 SMS post information as on 31 March 2014

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
Director-General/ Head of Department	0	1	1%	0	0%
Salary Level 16	0	1	1%	0	0%
Salary Level 15	1	7	5%	3	2%
Salary Level 14	2	25	19%	7	2%
Salary Level 13	6	73	54%	18	13%
Total	**9**	**107**	**79%**	**28**	**21%**

Table 3.3.2 SMS post information as on 30 September 2013

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
Director-General/Head of Department	0	1	1%	0	0%
Salary Level 16	0	1	1%	0	0%
Salary Level 15	3	7	5%	4	3%
Salary Level 14	6	24	19%	7	5%
Salary Level 13	12	71	55%	14	11%
Total	**21**	**104**	**81%**	**25**	**19%**

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2013 and 31 March 2014

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
Director-General/Head of Department	0	1	1%	0	0%
Salary Level 16	0	1	1%	0	0%
Salary Level 15	1	7	5%	3	2%
Salary Level 14	2	25	19%	7	2%
Salary Level 13	6	73	54%	18	13%
Total	**9**	**107**	**79%**	**28**	**21%**

Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS – Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2013 and 31 March 2014

Reasons for vacancies not advertised within six months
Financial Constraints, the Department was only funded for warm bodies. This was exacerbated by the fact that the Department commenced the new financial year on accruals. The third reason was the scarce skills in some core clinical posts like Emergency Medical Services (EMS); the post was advertised thrice and normal selection process could not source the right candidate. The Department opted for head hunting process, which requires stringent procument procedures.

Reasons for vacancies not filled within twelve months
Due to candidates not complying with set requirements of the post, also not receiving enough applications

Reasons for vacancies not advertised within six months
Same as above

Reasons for vacancies not filled within six months
Same as above

Table 3.4.1 Job Evaluation by salary band 2013/2014

Salary band	Posts on establishment	Number of jobs evaluated	% of jobs evaluated	Posts upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower skilled (Level 1 - 2)	8 378	0	0	0	0.00%	0	0
Skilled (Level 3 - 5)	28 816	3 510	0	3 510	12.18%	0	0
Highly skilled production (Level 6 - 8)	15 148	0	0	0	0.00%	0	0
Highly skilled supervision (Level 9 - 12)	14 742	0	0	0	0.00%	0	0
Senior management Band A	92	0	0	0	0.00%	0	0
Senior management Band B	33	0	0	0	0.00%	0	0
Senior management Band C	9	0	0	0	0.00%	0	0
Senior management Band D	1	0	0	0	0.00%	0	0
Contract (Level 1 - 2)	7	0	0	0	0.00%	0	0
Contract (Level 3 - 5)	260	0	0	0	0.00%	0	0
Contract (Level 6 - 8)	2 304	0	0	0	0.00%	0	0
Contract (Level 9 - 12)	1 509	0	0	0	0.00%	0	0
Contract Band A	5	0	0	0	0.00%	0	0
Contract Band B	1	0	0	0	0.00%	0	0
Contract Band C	2	0	0	0	0.00%	0	0
Contract Band D	1	0	0	0	0.00%	0	0
Total	**71 308**	**3 510**	**0**	**3 510**	**4.92%**	**0**	**0**

Table 3.4.2 Profile of employees whose positions were upgraded due to their post being upgraded 2013/14

Gender	African	Asian	Coloured	White	Total
Female	2 451	3	41	26	2 521
Male	950	4	16	19	989
Total	**3 401**	**7**	**57**	**45**	**3 510**
Employees with disabilities					

Table 3.4.3: Employees with salary levels higher than those determined by job evaluation of occupation 2013/2014

Number of employees	Job evaluation level	Remuneration level	Reasons for deviation
3 510	5	5	N I L
			0
			0

Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2013 and 31 March 2014

Total number of employees whose salaries exceeded the level determined by job evaluation	0

Table 3.5.1 Annual turnover rates by salary band 2013/2014

Salary Band	Number of employees at the beginning of period – April 2013	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
1. Lower Skilled (Level 1 - 2)	6 421	1 154	172	0.03
2. Skilled (Level 3 - 5)	26 375	2 429	1 275	0.05
3. Highly Skilled Production (Level 6 - 8)	12 951	906	1 132	0.08
4. Highly Skilled Supervision (Level 9 - 12)	14 364	1 660	1 541	0.12
5. Senior Management Service Band A	60	8	153	2.28
5. Senior Management Service Band B	18	1	6	0.32
5. Senior Management Service Band C	1	1	12	2.00
5. Senior Management Service Band D	1	1	7	7.00
6. Contracts	3 468	2 626	1 257	0.35
Total	**63 659**	**8 786**	**5 555**	**8.7%**

Notes:

(a) Data extracted from PERSAL.

(b) Number of employees as of 1 April 2013.

(c) Appointments and transfers into the Department – from 1 April 2013 to 31 March 2014.

(d) Terminations and transfers out of the Department – from 1 April 2013 to 31 March 2014.

Table 3.5.2 Annual turnover rates by critical occupation: 2012/2013

Critical occupation	Number of employees at the beginning of period – April 2013	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Dental Practitioner	271	85	45	16.6%
Dental Specialist	175	22	15	8.6%
Medical Practitioner	2 111	1 122	536	25.4%
Medical Practitioner (Intern)	819	476	231	28.2%
Medical Specialist	2 287	448	349	15.3%
Emergency Care Practitioner	1 484	97	105	7.1%
Pharmacists	421	157	126	29.9%
Pharmacists (Intern)	447	117	115	25.7%
Professional Nurse	12 739	1 147	1 374	10.8%
Staff Nurse	5 799	206	274	4.7%
Nursing Assistant	6 543	664	283	4.3%
Professional Nurse (Student)	5 012	595	103	2.1%
Total	**38 108**	**5 136**	**3 556**	**9.3%**

Notes:

(a) Data extracted from PERSAL.

(b) This only represent critical occupations.

(c) Number of Employees – as of 1 April 2013.

(d) Appointments and Transfers into the Department – from 1 April 2013 to 31 March 2014.

(e) Terminations and Transfers out of the Department – from 1 April 2013 to 31 March 2014.

Table 3.5.3 Reasons why staff left the Department: 2013/2014

Termination Type	Number	% of Total Resignation
1. Death	302	5.8%
2. Resignation	2 173	41.5%
3. Expiry of contract	1 669	31.9%
4. Dismissal – operational changes	0	0.0%
5. Dismissal – misconduct	50	1.0%
6. Dismissal – inefficiency	0	0.0%
7. Discharged due to ill – health	23	0.4%
8. Retirement	961	18.4%
9. Transfer to other Public Service Departments	6	0.1%
10. Other	47	0.9%
Total	5 231	100.0%

Total number of employees who left as a % of total employment	**8.2%**

Notes:

(a) Data extracted from PERSAL.

(b) Terminations – from 1 April 2013 to 31 March 2014.

Table 3.5.4 Promotions by critical occupation: 2013/2014

Occupational Class	Employees as at 01 April 2013	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progression to another notch within a salary level	Notch progression as a % of employees by occupation
Dental Practitioner	271	0	0.0%	6	2.2%
Dental Specialist	175	1	0.6%	6	3.4%
Medical Practitioner	2 111	8	0.4%	18	0.9%
Medical Practitioner (Intern)	819	0	0.0%	0	0.0%
Medical Specialist	2 287	48	2.1%	36	1.6%
Emergency care practitioner	1 484	10	0.7%	10	0.7%
Pharmacists	421	4	1.0%	5	1.2%
Pharmacists (Intern)	447	0	0.0%	0	0.0%
Professional Nurse	12 739	79	0.6%	66	0.5%
Staff Nurse	5 799	43	0.7%	1	0.0%
Nursing Assistant	6 543	27	0.4%	3	0.0%
Professional Nurse (Student)	5 012	0	0.0%	0	0.0%
Total	**38 108**	**220**	**0.58%**	**151**	**0.40%**

Notes:

(a) Data extracted from PERSAL.

(b) Promotions – from 1 April 2013 to 31 March 2014.

(c) Number of employees – as of 1 April 2013.

Table 3.5.5 Promotions by salary band 2013/2014

Salary Band	Employees 1 April 2013	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progression to another notch within a salary level	Notch progression as a % of employees by salary bands
1. Lower Skilled (Level 1 - 2)	6 439	267	4.1%	0	0.0%
2. Skilled (Level 3 - 5)	26 720	842	3.2%	11	0.0%
3. Highly Skilled Production (Level 6 - 8)	13 601	234	1.7%	12	0.1%
4. Highly Skilled Supervision (Level 9 - 12)	16 805	140	0.8%	147	0.9%
5. Senior Management (Level 13 - 16)	94	2	2.1%	0	0.0%
Grand Total	**63 659**	**1 485**	**2.3%**	**170**	**0.27%**

Notes:

(a) Data extracted from PERSAL.

(b) Number of Employees – as of 1 April 2013.

(c) Promotions – from 1 April 2013 to 31 March 2014.

Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational bands on 31 March 2014

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
1. Legislators, Senior Officials and Managers	8	65	4	4	5	56	5	7	154
2. Professionals	869	1 765	46	433	950	1 596	74	463	6 196
3. Technicians and Associate Professionals	165	2 621	47	52	1 430	16 795	526	369	22 005
4. Clerks	84	2 203	55	20	395	4 733	97	17	7 604
5. Service Workers and Shop and Market Sales Workers	63	2 380	24	14	192	13 374	177	24	16 248
7. Craft and Related Trades Workers	0	1	0	0	2	0	0	0	3
8. Plant and Machine Operators and Assemblers	10	386	9	1	0	36	0	0	442
9. Elementary Occupations	89	3 711	53	5	101	7 375	167	6	11 507
Grand Total	**1 288**	**13 132**	**238**	**529**	**3 075**	**43 965**	**1 046**	**886**	**64 159**
Employees with disabilities	25	148	6	4	61	202	8	4	458

Notes:

(a) Data extracted from PERSAL as at end March 2014.

(b) Total number of employees is as at the end of the reporting period (31 March 2013). This table counts current employees and not filled posts.

Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands on 31 March 2014

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
1. Top Management	4	0	0	1	3	0	0	0	8
2. Senior Management	45	2	3	8	31	4	3	4	100
3. Professionally qualified and experienced specialists and mid-management	2 799	77	475	994	9 104	313	670	1 667	16 099
4. Skilled technical and academically qualified workers, junior management, supervisors	2 345	58	30	148	10 132	355	169	1 046	14 283
5. Semi-skilled and discretionary decision-making	5 717	72	20	107	20 785	301	41	344	27 387
6. Unskilled and defined decision-making	2 219	29	1	30	3 910	73	3	14	6 279
Total	**13 132**	**238**	**529**	**1 288**	**3 534**	**83**	**3**	**3 075**	**64 156**
Employees with disabilities	148	6	4	25	202	8	4	61	458

Notes:

(a) This table counts current employees and not filled posts.

(b) Classification legend:

1. Top management-: Deputy Director General and upwards, but excludes the MEC.

2. Senior management-: Chief Directors and Directors.

3. Professionally qualified and middle management-: Level 9 - 12 and Professionals levels 0, 13 and 14.

4. Skilled technical, junior management and supervisory-: Level 6 - 8.

5. Semi-skilled and discretionary decisions-: Level 3 - 5.

6. Unskilled and defined decisions-: Level 1 - 2.

Table 3.6.3 Recruitment 2013/2014

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
1. Top Management	0	0	0	1	1	0	0	0	2
2. Senior Management	11	1	0	0	8	1	0	0	21
3. Professionally qualified and experienced specialists and mid-management	753	18	131	297	1 285	46	234	518	3 282
4. Skilled technical and academically qualified workers, junior management, supervisors	195	10	4	17	999	44	75	319	1 663
5. Semi-skilled and discretionary decision-making	587	3	2	4	1 813	29	5	39	2 482
6. Unskilled and defined decision-making	433	8	0	6	685	16	0	4	1 152
Total	**1 979**	**40**	**137**	**326**	**4 790**	**136**	**314**	**880**	**8 602**
Employees with disabilities	4								4

Notes:

(a) Data extracted from PERSAL – from 1 April 2013 to 31 March 2014.

This table counts only the number of appointments and not transfers into the Department.

(b) Classification legend:

1. Top management-: Deputy Director General and upwards, but excludes the MEC.

2. Senior management-: Chief Directors and Directors.

3. Professionally qualified and middle management-: Level 9 - 12 and Professionals levels 0, 13 and 14.

4. Skilled technical, junior management and supervisory-: Level 6 - 8.

5. Semi-skilled and discretionary decisions-: Level 3 - 5.

6. Unskilled and defined decisions-: Level 1 - 2.

Table 3.6.4 Promotions 2013/2014

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
1. Top Management	0	0	0	0	0	0	0	0	0
2. Senior Management	0	0	0	0	0	0	0	0	0
3. Professionally qualified and experienced specialists and mid-management	65	1	24	22	133	4	17	23	289
4. Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	67	2	1	4	153	3	6	10	246
5. Semi-skilled and discretionary decision-making	247	0	0	1	594	3	0	8	853
6. Unskilled and defined decision-making	104	0	1		161	1	0	0	267
Total	**483**	**3**	**26**	**27**	**1 041**	**11**	**23**	**41**	**1 655**
Employees with disabilities		1		2	2				5

Notes:

(a) Data extracted from PERSAL

- *Table includes both level and notch promotions:*
- *Level promotion = promotions from one salary level to another (for example, Professional Nurse Grade 1 to Professional Nurse Grade 2 – that is, level 6 - 7)*
- *Notch promotion = promotion from one notch to another within the same salary level (that is, pay progression).*

(b) Classification legend:

1. Top management-: Deputy Director General and upwards, but excludes the MEC.

2. Senior management-: Chief Directors and Directors.

3. Professionally qualified and middle management-: Level 9 - 12 and Professionals levels 0, 13 and 14.

4. Skilled technical, junior management and supervisory-: Level 6 - 8.

5. Semi-skilled and discretionary decisions-: Level 3 - 5.

6. Unskilled and defined decisions-: Level 1 - 2.

Table 3.6.5 Terminations 2013/2014

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
1. Top Management	1	0	2	3	0	0	1	2	9
2. Senior Management	6	0	1	2	3	0	0	1	13
3. Professionally qualified and experienced specialists and mid-management	479	6	88	202	1 106	52	132	312	2 377
4. Skilled technical and academically qualified workers, junior management, supervisors	195	5	7	28	849	43	47	277	1 451
5. Semi-skilled and discretionary decision-making	289	5	1	10	848	18		39	1 210
6. Unskilled and defined decision-making	59	4	0	5	91	4	1	7	171
Grand Total	**1 029**	**20**	**99**	**250**	**2 897**	**117**	**181**	**638**	**5 231**
Employees with disabilities	5			1	5			1	12

Notes:

(a) Data extracted from PERSAL.

(b) Classification legend:

1. Top management-: Deputy Director General and upwards, but excludes the MEC.

2. Senior management-: Chief Directors and Directors.

3. Professionally qualified and middle management-: Level 9 - 12 and Professionals levels 0, 13 and 14.

4. Skilled technical, junior management and supervisory-: Level 6 - 8.

5. Semi-skilled and discretionary decisions-: Level 3 - 5.

6. Unskilled and defined decisions-: Level 1 - 2.

Table 3.6.6 Disciplinary Action 2012/2013

	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Disciplinary Action	**342**	**10**	**4**	**7**	**445**	**10**	**2**	**28**	**848**

Note:

(a) Data Supplied by Human Resource Development: Skills Development.

Table 3.6.7 Skills Development 2012/2013

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
1. Legislators, Senior Officials and Managers	61	1	0	0	111	4	1	0	178
2. Professionals	61	9	13	10	88	17	5	4	207
3. Technicians and Associate Professionals	1 006	57	99	336	3 862	102	97	618	6 177
4. Clerks	2 005	191	35	89	4 867	228	199	991	8 605
5. Service Workers and Shop and Market Sales Workers	411	58	51	7	901	68	37	115	1 648
7. Craft and Related Trades Workers	0	0	0	0	0	0	0	0	0
8. Plant and Machine Operators and Assemblers	67	3	9	16	2	1	6	1	105
9. Elementary Occupations	71	0	11	5	161	21	17	26	312
Total	**3 682**	**319**	**218**	**463**	**9 992**	**441**	**362**	**1 755**	**17 232**
Employees with disabilities	0	0	0	0	1	0	1	0	2

Notes:

(a) Data Supplied by Human Resource Development: Skills Development.

(b) Classification legend:

• ***Legislators, Senior Officials and Managers:***	*Officials responsible for determining and formulating policy and strategy, planning, directing and coordinating the policies and activities of the organisation, for example CEOs, Senior Managers and College Principals.*
• ***Professionals:***	*Include officials whose main task require a high level of professional knowledge, for example Clinical Psychologists, Medical and Dental Practitioners.*
• ***Technicians and Associate Professionals:***	*This group includes occupations whose main tasks require technical knowledge and experience, for example Clinical Technologists, Industrial Technicians, Environmental Health Officers and Professional Nurses.*
• ***Clerks:***	*This group includes occupations whose tasks require knowledge and experience to organise, store, compute and retrieve information, for example Accounting Clerks, Stores Officers and Administration Clerks.*
• ***Service Workers and Shop and Market Sales Workers:***	*This group includes occupations whose main tasks require the knowledge and experience necessary to provide personal and protective services, for example Auxiliary Services Officers (ward attendants), Emergency Care Practitioners, Fire-fighters and Food Services Aids.*
• ***Craft and Related Trades Workers:***	*This group includes occupations whose main tasks require the knowledge and experience of skilled trades and handicrafts, for example Clinical Photographers, plumbers and electricians.*
• ***Plant and Machine Operators and Assemblers:***	*The main tasks of this occupational grouping involve the use of automated industrial machinery and equipment, for example Drivers and Tradesmans Aids.*
• ***Elementary Occupations:***	*This group covers occupations which require relatively low / elementary levels of knowledge and experience necessary to perform mostly simple and routine tasks, involving the use of hand held tools and in some cases considerable physical effort, and, with few exceptions, limited personal initiative and judgement, for example Cleaners and Groundsmen.*

Table 3.7.1 Signing of Performance Agreements by SMS Members as on 31 May 2013

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
Director-General/ Head of Department	1	1	1	100%
Salary Level 16	1	-	-	-
Salary Level 15	9	9	9	100%
Salary Level 14	28	24	23	96%
Salary Level 13	84	72	66	92%
Total	**123**	**106**	**99**	**93%**

Table 3.7.2 Reasons for not having concluded Performance Agreements for all SMS members as on 31 March 2014

Reasons: Four were on precautionary suspension; one had a dispute with the Department; and one was on a pre-approved leave without pay for the whole 2013/2014 financial year.

Table 3.8.1 Performance rewards by Race, Gender, and Disability for 2013/2014

Demographics	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
African, Female	32 360	43 387	75%	225 177	6 958
African, Male	8 564	12 563	68%	59 283	6 922
Asian, Female	418	856	49%	2 440	5 837
Asian, Male	255	469	54%	1 399	5 486
Coloured, Female	727	1 032	70%	4 867	6 695
Coloured, Male	147	225	65%	944	6 422
White, Female	1 768	2 947	60%	11 472	6 489
White, Male	580	1 048	55%	3 490	6 017
TOTAL	**44 819**	**62 527**	**72%**	**309 072**	**6 896**

Table 3.8.2 Performance rewards by Salary Band for personnel below Senior Management Service in 2013/2014

Salary Band	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
Lower skilled (Level 1-2)	4 406	6 270	70%	31 355	7 116
Skilled (Level 3-5)	19 119	27 373	70%	137 475	7 190
Highly skilled production (Level 6-8)	10 278	14 323	72%	72 592	7 063
Highly skilled supervision (Level 9-12)	11 016	14 561	76%	67 649	6 141
Periodical Remuneration	0	0	0%	0	0
Abnormal Appointment	0	0	0%	0	0
Total	**44 819**	**62 527**	**72%**	**309 071**	**6 896**

Table 3.8.3 Performance rewards by Critical Occupation in 2013/2014

Critical Occupations	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
Dental practitioners	139	247	56.30	1 002	7 209
Dental specialists	51	115	44.30	300	5 882
Emergency services related	896	1 354	66.20	5009	5 590
Medical practitioners	843	3 239	26.00	4 970	5 896
Medical specialists	847	1 872	45.20	4 346	5 131
Nursing assistants	5 538	6 623	83.60	39 662	7 162
Pharmacists	786	1 060	83.62	5 173	6 581
Professional nurse	10 799	12 136	89.00	73 904	6 844
Staff nurses and pupil nurses	5 348	6 274	85.20	36 117	6 753
Total	**25 247**	**32 920**	**76.69**	**170 483**	**6 753**

Table 3.8.4 Performance-related rewards (cash bonus) by Salary Band for Senior Management Service 2013/2014

Salary Band	Beneficiary profile			Cost		
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	Total cost as a % of the total personnel expenditure
Band A	0	72	0	0	0	0
Band B	0	24	0	0	0	0
Band C	0	9	0	0	0	0
Band D	0	1	0	0	0	0
Total	**0**	**106**	**0**	**0**	**0**	**0**

Table 3.9.1 Foreign workers by Salary Band 2013/2014

Salary Band	1 April 2013		31 March 2014		Change	
	Number	% of total	Number	% of total	Number	% Change
Lower skilled	21	2.73%	15	1.70%	-6	-5.3%
Highly skilled (Level 6-8)	32	4.16%	41	4.64%	9	8.0%
Highly skilled supervision (Level 9-12)	341	44.29%	343	38.84%	2	1.8%
Contract (Level 9-12)	376	48.83%	484	54.81%	108	95.6%
Contract (Level 13-16)	0	0.00%	0	0.00%	0	0.0%
Total	**770**	**100.0%**	**883**	**100.0%**	**113**	**100.0%**

Note:

(a) Data extracted from PERSAL.

Table 3.9.2 Foreign workers by Major Occupation: 2013/2014

Major occupation	1 April 2012		31 March 2013		Change	
	Number	% of total	Number	% of total	Number	% Change
Administrative office workers	6	0.8%	5	0.6%	-1	-0.9%
Elementary occupations	8	1.0%	3	0.3%	-5	-4.4%
Information technology personnel	1	0.1%	1	0.1%	0	0.0%
Professionals and managers	578	75.1%	671	76.0%	93	82.3%
Social, Natural, Technical, and Medical Sciences & Support	9	1.2%	11	1.2%	2	1.8%
Technicians and associated professionals	168	21.8%	192	21.7%	24	21.2%
Total	**770**	**100.0%**	**883**	**100.0%**	**113**	**100.0%**

Note:

(a) Data extracted from PERSAL.

Table 3.10.1 Sick Leave: 1 January 2013 to 31 December 2013

Salary Band	Total Days	% Days with Medical Certificate	Number of employees using sick leave	% of Total employees using sick leave	Average Days per employee for year	Estimated Cost (R'000)	Total number of employees using sick leave	Total number of days with medical certificate
1. Unskilled (Level 1 - 2)	45 205	93.6%	5 145	11.4%	8.8	12 494	47 910	42 290
2. Skilled (Level 3 - 5)	177 642	91.3%	21 102	11.9%	8.4	67 333	47 910	162 267
3. Highly skilled production (Level 6 - 8)	95 580	88.3%	11 478	12.0%	8.3	61 350	47 910	84 354
4. Highly skilled & supervision (Level 9 - 12)	74 324	86.5%	9 629	13.0%	7.7	100 445	47 910	64 324
5. Senior management (Level 13 - 16)	3 941	80.1%	556	14.1%	7.1	13 841	47 910	3 156
Grand Total	**396 691**	**89.84%**	**47 910**	**62.3%**	**8.3**	**255 463**	**47 910**	**356 391**

Notes:

(a) Data extracted from VULINDLELA.

(b) Data represents the calendar year and not the financial year.

(c) % days with medical certificates refers to days that employees took as sick leave and were covered by a medical certificate.

(d) % number of employees using sick leave days refer to employees using sick leave against the total staff in the employ of the Department as at the end of the calendar year.

Table 3.10.2 Disability Leave (Temporary and Permanent) 1 January 2013 to 31 December 2013: 2013/14

Salary Band	Total Days	% Days with Medical Certificate	Number of employees using disability leave	% of Total employees using disability leave	Average days per employee	Estimated Cost (R'000)	Total number of days with medical certification	Total number of Employees using disability leave
Lower skilled (Level 1 - 2)	373	100.0%	11	3%	33.91	104	373	146
Skilled (Level 3 - 5)	2 994	100.0%	69	2%	43.39	1 192	2 994	146
Highly skilled production (Level 6 - 8)	1 075	100.0%	32	3%	33.59	751	1 075	146
Highly skilled supervision (Level 9 - 12)	1 109	100.0%	32	3%	34.66	1 613	1 109	146
Senior management (Level 13 - 16)	143	100.0%	2	1%	71.50	429	143	146
Grand Total	**5 694**	**100.0%**	**146**	**11.1%**	**39**	**4 089**	**5 694**	**146**

Notes:

(a) Data extracted from VULINDLELA.

(b) Format of data is on calendar and not financial year.

Table 3.10.3 Annual Leave – 1 January 2013 to 31 December 2013: 2013/14

Salary Band	Total Days Taken	Number of Employees using annual leave	Average per Employee per day
Lower skilled (Level 1 - 2)	134 350.09	6 635	20.2
Skilled (Level 3 - 5)	601 372.90	26 366	22.8
Highly skilled production (Level 6 - 8)	307 554.59	13 605	22.6
Highly skilled supervision (Level 9 - 12)	302 751.51	13 505	22.4
Senior management (Level 13 - 16)	28 967.94	1 255	23.1
TOTAL	**1 374 997.03**	**61 366**	**22.4**

Notes:

(a) Data extracted from Vulindlela.

(b) Data represents the calendar year and not the financial year.

Table 3.10.4 Capped Leave – 1 January 2013 to 31 December 2013 2013/14

Salary Band	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2013	Number of employees taken capped leave	Total number of capped leave available at 31 December 2013	Number of employees as at 31 December 2013
Lower skilled (Level 1 - 2)	193	6.4	15	30	9 229	605
Skilled (Level 3 - 5)	1 108	3.7	23	298	163 451	7 036
Highly skilled production (Level 6 - 8)	1 038	4.3	35	243	155 070	4 370
Highly skilled supervision (Level 9 - 12)	1 054	4.3	39	246	164 624	4 168
Senior management (Level 13 - 16)	186	7.8	41	24	21 772	528
Grand Total	**3 579**	**4.3**	**31**	**841**	**514 146**	**16 707**

Notes:

(a) Data extracted from Vulindlela.

(b) Format of data is on calendar and not financial year.

(c) Number of employees refers to those with capped leave between 1 January 2013 and 31 December 2013.

Table 3.10.5 Leave Payouts for the period 1 January 2013 to 31 December 2013:2013/14

Reason	Total Amount (R'000)	Number of Employees	Average Payment per Employee (R)
Leave payout for 2013/14 due to non-utilisation of leave for the previous cycle	91	3	30 333
Capped leave payouts on termination of service for 2013/14	1 307	165	7 921
Current leave payout on termination of service for 2013/14	14	1 306	11
Grand Total	**1 412**	**1 474**	**957**

Notes:

(a) Data extracted from VULINDLELA.

(b) Format of data is on calendar and not financial year.

Table 3.11.1 Steps taken reduce the risk of occupational exposure:2013/2014

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
• Doctors	Policy approved and implemented for prophylaxis for accidental exposure to blood borne pathogens
• Nurses	Guidelines for prophylaxis for accidental exposure to blood borne pathogens
• Laboratory Workers	Protective clothing
• Cleaners working in clinical areas	Survey on risk assessment
• Laundry Workers	Training of officers
• Mortuary Workers	
• Health Care Waste Officers	A Directorate of Health Care Waste and Occupational Hygiene Management has been created to deal with waste management

Note:

(a) Data Supplied by Chief Directorate: Human Resource Development - Employee Wellness.

Table 3.11.2 Details of Health Promotion and HIV and AIDS Programmes (tick applicable boxes and provide the required information) 2013/2014

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.		X	Due to a moratorium on posts the Department has not designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001.
2. Does the Department have a dedicated unit or have you designated specific staff members to promote health and well being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	X		The Directorate Employee Wellness Programme is responsible for promoting health and wellbeing of employees. The total number of employees in the Unit is 17. The allocated budget is R5 348 000 from the equitable share and R5 000 000 from the HIV Conditional Grant.
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.	X		Employee Assistance Programme: Professional Counselling, Trauma Management, Prevention of Violence in the Workplace, Stress and Conflict Management, Capacity Building on EAP Issues, Lifestyle Management. Lifestyle Management, Absenteeism Management, Managerial Consultancy, Pre-Retirement Services, Behavioural Risk Management Audit, Financial Wellness, Debt Management Ongoing Monitoring and Evaluation, and Report writing.
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) they represent.	X		EHWP Provincial Committee (40 members), Tshwane EHWP Regional Committee, Ekurhuleni EHWP regional Committee: Johannesburg Metro Regional Committee, HIV and AIDS, STI and TB Provincial Committee, EAP, and Occupational Health.

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.	X		The Directorate Employee Wellness Programme is responsible for reviewing the HIV and AIDS, STI and TB Policy. Employee Health and Wellness Programme
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.	X		The Department has introduced measures to protect HIV-positive employees such as capacity building on reduction of stigma and discrimination. Policy on HIV and AIDs, STIs and TB management.
7. Does the Department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	X		Three quarters of employees go for HCT and Physical Assessments every six months.
8. Has the Department developed measures/indicators to monitor and evaluate the impact of your employee Health and Wellness programme? If so, list these measures/indicators.			Increase the number of employees capacitated in EHWP. Increase the number of employee wellness centre's by two per annum – currently 16. Reduce occupational injuries and diseases by 10% (2009-2011), (Strategic Plan 2009-2014). Increase number of employees accessing EHWP.
Training on HIV and AIDS issues conducted by HIV and AIDS Workplace.			Reduce the number of new HIV infections by 50% (NSP 2012 – 2016).
			Increase the number of employees who present themselves for HCT.
Management of disclosure.			Management of disclosure, Reduction of stigma and discrimination, HIV and TB co-infection.
Reduction of stigma and discrimination.			Peer education.
HIV and TB co-infection.			Training of the trainer.
Peer education.			Empowerment of People with disabilities.
Training of the trainer.			Mainstreaming of HIV and AIDS and TB management.
Empowerment of People with disabilities.			Capacity building on PMTCT.
Mainstreaming of HIV and AIDS and TB management.			Capacity building on Alzheimer's/Dementia.
Capacity building on PMTCT.			

Note:

(a) Data Supplied by Chief Directorate: Human Resource Development – Employee Health and Wellness Programme.

Table 3.12.1 Collective agreements: 2013/2014

Subject Matter	Date
PSCBC Res 1/2013 – Service Charter	8 June 2013
PSCBC Res 2/2013 – Agreement on the increase of levies	2 September 2013

Note:

(a) Data supplied by Labour Relations Management.

Table 3.12.2 Misconduct and disciplinary hearings finalised 2013/2014

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	9	1.3%
Verbal warning	107	15.3%
Written warning	244	34.9%
Final written warning	207	29.6%
Suspended without pay	11	1.6%
Fine	0	0.0%
Demotion	2	0.3%
Dismissal	97	13.9%
Not guilty	13	1.9%
Case withdrawn	10	1.4%
Total	**700**	**100.0%**

Note:

(a) Data supplied by Labour Relations Management.

Table 3.12.3 Types of misconduct addressed at disciplinary hearings: 2013/2014

Type of misconduct (based on annexure A)	Number	% of total
HR and procurement irregularities	54	5.7%
Absenteeism	236	24.9%
Negligence	51	5.4%
Insubordination	90	9.5%
Fraud and corruption	58	6.1%
Dishonesty and misrepresentation	27	2.9%
Theft	116	12.3%
Dereliction of duty	10	1.1%
Others	289	30.5%
Intimidation and incitement	15	1.6%
Total	**946**	**100.0%**

Notes:

(a) Data supplied by Labour Relations Management.

(b) The "Other" cases (289) include:

- *poor performance*
- *improper conduct RWOPS*
- *assault*
- *alcohol abuse*
- *sexual harassment*
- *late coming*
- *abscondment*

Table 3.12.4 Grievances logded: 2013/2014

	Number	% of Total
Number of grievances resolved	229	60.4%
Number of grievances not resolved	150	39.6%
Total number of grievances lodged	**379**	**100.0%**

Notes:

(a) Data supplied by Labour Relations Management.
(b) The above number of grievances lodged include PSC, Central Office and grievances referred by institutions.
(c) We also received complaints from presidential hotline, PSC hotlines and anonymous complaint letter.

Table 3.12.5 Disputes logded: 2013/2014

	Number	% of Total
Number of disputes upheld	72	33.5%
Number of disputes pending	143	66.5%
Total number of disputes lodged	**215**	**100.0%**

Notes:

(a) Data supplied by Labour Relations Management.

(b) The total number of disputes lodged include:
- *CCMA cases*
- *PHSDSBC cases*
- *PSCBC cases*

(c) The pending cases include those:
- *Awaiting arbitration awards – 5*
- *Arbitration which are in progress – 79*
- *Awaiting dates for arbitration – 58*
- *Reconstruction of documents – 1*

(d) From the 72 disputes upheld, 9 are presently at the Labour Court.

Table 3.12.6: Strike actions 2013/2014

Total number of person working days lost	588
Total cost (R'000) of working days lost	131
Amount (R'000) recovered as a result of no work no pay	0

Notes:

(a) Data supplied by Labour Relations Management.

(b) The strike took place in February 2014 and the matter has not been finalised.

Table 3.12.7 Precautionary suspensions 2013/2014

Number of people suspended	48
Number of people whose suspension exceeded 30 days	44
Average number of days suspended	4 860
Cost (R'000) of suspensions	5 176

Note:

(a) Data supplied by Labour Relations Management.

Table 3.13.1 Training needs identified 2013/2014

Occupational Categories	Gender	Number of employees as at 1 April 2013	Learnerships	Training needs at the start of the reporting period		
				Skills Programmes & other short courses	Other forms of training	Total
1. Legislators, Senior Officials and Managers	Female	106	0	582	0	582
	Male	126	0	388	0	388
2. Professionals	Female	2 870	0	900	0	900
	Male	2 973	0	600	0	600
3. Technicians and Associate Professionals	Female	19 201	350	3 300	0	3 650
	Male	2 846	150	2 200	0	2 350
4. Clerks	Female	5 688	0	1 800	0	1 800
	Male	2 450	0	1 200	0	1 200
5. Service Workers and Shop and Market Sales Workers	Female	13 297	0	600	0	600
	Male	2 451	0	400	0	400
7. Craft and Related Trades Workers	Female	3	0	18	0	18
	Male	1	0	12	0	12
8. Plant and Machine Operators and Assemblers	Female	37	0	0	0	0
	Male	388	0	0	0	0
9. Elementary Occupations	Female	7 551	0	600	0	600
	Male	3 671	0	400	0	400
Total		**63 659**	**500**	**13 000**	**0**	**13 500**

Notes:

(a) Data provided by the Directorate Human Resource Development: Skills Development.

(b) Number of employees as at the beginning of the reporting period (for example in April 2013) as required by the reporting guideline.

(c) Learnerships, Skills Programmes and other forms of training are trainining needs identified as per Workplace Skills Plan of 2013/2014.

(d) Classification legend:

• *Legislators, Senior Officials and Managers:*	*Officials responsible for determining and formulating policy and strategy, planning, directing and coordinating the policies and activities of the organisation, for example CEOs, Senior Managers and College Principals.*
• *Professionals:*	*Include officials whose main task require a high level of professional knowledge, for example Clinical Psychologists, Medical and Dental Practitioners.*
• *Technicians and Associate Professionals:*	*This group includes occupations whose main tasks require technical knowledge and experience for example Clinical Technologists, Industrial Technicians, Environmental Health Officers and Professional Nurses.*
• *Clerks:*	*This group includes occupations whose tasks require the knowledge and experience necessary to organise, store, compute and retrieve information, for example Acounting Clerks, Stores Officers and Administration Clerks.*
• *Service Workers and Shop and Market Sales Workers:*	*This group includes occpations whose main tasks require the knowledge and experience necessary to provide personal and protective services, for example Auxilairy Services Officers (ward attendants), Emergency Care Practitioners, Firefighters and Food Services Aids.*
• *Craft and Related Trades Workers:*	*This group includes occupations whose main tasks require the knowledge and experience of skilled trades and handicrafts, for example Clinical Photogrpahers, plumbers and electricians.*
• *Plant and Machine Operators and Assemblers:*	*The main tasks of this occupational grouping involve the use of automated industrial machinery and equipment, for example Drivers and Tradesmans Aids.*
• *Elementary Occupations:*	*This group covers occupations which require relatively low / elementary levels of knowledge and experience necessary to perform mostly simple and routine tasks, involving the use of hand held tools and in some cases considerable physical effort, and, with few exceptions, limited personal initiative and judgement, for example Cleaners and Groundsmen.*

Table 3.13.2 Training provided for the period 2013/2014

Occupational Categories	Gender	Number of employees as at 1 April 2013	Learnerships	Training provided within the reporting period		
				Skills Programmes & other short courses	Other forms of training	Total
1. Legislators, Senior Officials and Managers	Female	106	0	612	0	612
	Male	126	0	408	0	408
2. Professionals	Female	2 870	0	825	0	825
	Male	2 973	0	549	0	549
3. Technicians and Associate Professionals	Female	19 201	290	3 278	0	3 568
	Male	2 846	194	2 186	0	2 380
4. Clerks	Female	5 688	0	1 769	0	1 769
	Male	2 450	0	1 180	0	1 180
5. Service Workers and Shop and Market Sales Workers	Female	13 297	0	629	0	629
	Male	2 451	0	420	0	420
7. Craft and Related Trades Workers	Female	3	0	14	0	14
	Male	1	0	10	0	10
8. Plant and Machine Operators and Assemblers	Female	37	0	0	0	0
	Male	388	0	2	0	2
9. Elementary Occupations	Female	7 551	0	652	0	652
	Male	3 671	0	435	0	435
Total		**63 659**	**484**	**12 969**	**0**	**13 453**

Note:

(a) Data provided by the Directorate Human Resource Development.

(b) Number of employees is extracted from PERSAL as at the beginning of the reporting period (for example April 2013) as required by the reporting guideline.

(c) Learnerships, Skills Programmes and other forms of training is trainining provided as per Annual Training Report of 2013/20143.

(d) Classification legend:

• *Legislators, Senior Officials and Managers:*	*Officials responsible for determining and formulating policy and strategy, planning, directing and coordinating the policies and activities of the organisation, for example CEOs, Senior Managers and College Principals.*
• *Professionals:*	*Include officials whose main task require a high level of professional knowledge, for example Clinical Psychologists, Medical and Dental Practitioners.*
• *Technicians and Associate Professionals:*	*This group includes occupations whose main tasks require technical knowledge and experience, for example Clinical Technologists, Industrial Technicians, Environmental Health Officers and Professional Nurses.*
• *Clerks:*	*This group includes occupations whose tasks require the knowledge and experience necessary to organise, store, compute and retrieve information, for example Accounting Clerks, Stores Officers and Administration Clerks.*

• *Service Workers and Shop and Market Sales Workers:*	*This group includes occupations whose main tasks require the knowledge and experience necessary to provide personal and protective services , for example Auxiliary Services Officers (ward attendants), Emergency Care Practitioners, Fire-fighters and Food Services Aids.*
• *Craft and Related Trades Workers:*	*This group includes occupations whose main tasks require the knowledge and experience of skilled trades and handicrafts, for example Clinical Photographers, plumbers and electricians.*
• *Plant and Machine Operators and Assemblers:*	*The main tasks of this occupational grouping involve the use of automated industrial machinery and equipment, for example Drivers and Tradesmen Aids.*
• *Elementary Occupations:*	*This group covers occupations which require relatively low / elementary levels of knowledge and experience necessary to perform mostly simple and routine tasks, involving the use of hand held tools and in some cases considerable physical effort, and, with few exceptions, limited personal initiative and judgement, for example Cleaners and Groundsmen,*

Table 3.14.1 Injury on Duty 2013/2014

Nature of injury on duty	Number	% of total
Required basic medical attention only	650	99.69%
Temporary Total Disablement	2	0.31%
Permanent Disablement	0	0.00%
Fatal	0	0.00%
Total	**652**	**100.00%**

Note:

(a) Data provided by the Department of Finance.

Table 3.15.1 Report on consultant appointments using appropriated funds 2013/14

Project Title	Total number of consultants that worked on the project	Duration: WorkDays	Contract value in Rand
To extend the period of the In Year Monitoring Project (YMP) of cost centres. Period of extension: 1 March 2014 to 30 June 2014 (4 months)	1. Accenture	4 months	11 960 800.00

Total number of projects	Total individual consultants	Total duration: Workdays	Total contract value in Rand
1	1	4 months	11 960 800.00

Notes:

(a) Data supplied by the Directorate: Supply Chain Management.

(b) All projects approved during the reporting period.

Table 3.15.2 Analysis of consultant appointments using appropriated funds in terms of Historically Disadvantaged Individuals (HDI's) 2013/14

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that worked on the project
To Complete the Work on the New 46 Bed MDR/XDR TB Wards at Sizwe Tropical Disease Hospital.	30%	67%	1

Notes:

(a) Data supplied by the Directorate: Supply Chain Management.

(b) 58.14% of appropriated funds for goods and services were spent on Black Economic Empowerement (BEE) companies.

Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2013 to 31 March 2014

Project Title	Total Number of consultants that worked on the project	Duration (work days)	Donor and Contract value in Rand
None			
Total number of projects	**Total individual consultants**	**Total duration (work days)**	**Total contract value in Rand**
None			

Note:

(a) Data supplied by the Directorate: Supply Chain Management.

Table 3.15.4 Analysis of consultant appointment using Donor funds, in terms of Historically Disadvantaged Individuals (HDI's) for the period 1 April 2013 to 31 March 2014

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
None			

Note:

(a) Data supplied by the Directorate: Supply Chain Management.

Table 3.16.1 Granting of employee initiated severance packages for the period 1 April 2013 and 31 March 2014

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

Part E: Financial Information

Gauteng Department of Health Annual Financial Statements
For the year ended 31 March 2014

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Annual Financial Statements

The annual financial statements are as per the Departmental Financial Reporting Framework as issued by National Treasury.

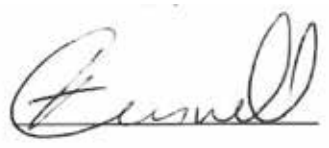
Annual Financial Statements

The annual financial statements are as per the Departmental Financial Reporting Framework as issued by National Treasury. The Accounting Office is responsible for the preparation of the Department's annual financial statements and for the judgements made in this information.

The Accounting Officer is responsible for establishing, and implementing a system of internal control designed to provide reasonable assurance as to the integrity and reliability of the annual financial statements. In my opinion, the financial statements fairly reflect the operations of the Department for the financial year ended 31 March 2014.

The external auditors are engaged to express an independent opinion on the AFS of the Department. The Gauteng Department of Health's annual financial statements for the year ended 31 March 2014 have been examined by the external auditors and their report is presented on page 163.

The annual financial statements of the Department, set out on page 168 to page 240, have been approved.



Dr H.D. Gosnell
Accounting Officer
Department of Gauteng Health
31 March 2014

Report of the Auditor-General to the Gauteng Provincial Legislature on Vote 4: Gauteng Department of Health
Report on the financial statements

Introduction

1. I have audited the financial statements of the Gauteng Department of Health set out on pages 168 to 240, which comprise the appropriation statement, the statement of financial position as at 31 March 2014, 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, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the Modified Cash Standards (MCS) prescribed by the National Treasury and the requirements of the Public Finance Management Act (Act No.1 of 1999) (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.

Auditor-general's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the general notice issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Basis for qualified opinion

Accrued Departmental revenue

6. I was unable to obtain sufficient appropriate evidence for accrued Departmental revenue as disclosed in note 27 to the financial statements for the current and prior year, due to material weaknesses identified in the receivable management system, inadequate record keeping and ineffective computerised information systems. I was unable to confirm the accrued Departmental revenue by alternative means. Consequently, I was unable to determine whether any adjustment to the accrued Departmental revenue stated at R625,535,000 (2012-13: R1,543,710,000) in the financial statements was necessary.

Qualified opinion

7. In my opinion, except for the possible effects of the matter described in the basis for qualified opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the Gauteng Department of Health as at 31 March 2014 and its financial performance and cash flows for the year then ended, in accordance with the MCS prescribed by National Treasury and the requirements of the PFMA.

Emphasis of matters

8. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Significant uncertainty

9. With reference to note 22.1 to the financial statements, the Department is the defendant in lawsuit as a result of various claims relating to medical negligent and breach of contract. The ultimate outcome of these matters cannot presently be determined and therefore no provision for any liability, that may result, was made in the financial statements.

Material underspending of conditional grants

10. As disclosed in note 4.3 to the appropriation statement, the Department has materially underspent the budget for the conditional hospital revitalisation grant and the health infrastructure grant to the amount of R331 653 000 and R36 515 000, respectively.

Material underspending of the vote

11. As disclosed in the appropriation statement and accounting officer's report, the Department has materially underspent the budget on programme 2: District health services and programme 8: Health facilities management to the amount of R319 467 000 and R538 457 000, respectively.

Material losses

12. As disclosed in note 27.2 to the annual financial statements, material losses to the amount of R223 465 000 were incurred as a result of a write-off of irrecoverable patient debt.

Material impairment

13. As disclosed in note 27.3 to the annual financial statements, impairments to the amount of R1 511 514 000 were incurred as a result of an increase in provision for doubtful debt relating to patient fees.

Additional matter

14. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Unaudited supplementary schedules

15. The supplementary information set out on pages 226 to 240 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.

Report on other legal and regulatory requirements

16. In accordance with the PAA and the general notice issued in terms thereof, I report the following findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report, non-compliance with legislation as well as internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

Predetermined objectives

17. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected programmes presented in the annual performance report of the Department for the year ended 31 March 2014:
    - Programme 2: District Health Service on pages 37 to 60
    - Programme 4: Provincial Hospital Services on pages 63 to 66
    - Programme 5: Central Hospital Services on pages 67 to 73

18. I evaluated the reported performance information against the overall criteria of usefulness and reliability.

19. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned programmes. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's *Framework for managing programme performance information (FMPPI).*

20. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

21. The material findings in respect of the selected programmes are as follows:

Programme 2 – District Health Services

Reliability of reported performance information

22. The FMPPI requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets. Significantly important targets were not reliable when compared to the source information or evidence provided. This was due to a lack of monitoring of the completeness of source documentation in support of actual achievements and frequent reviews to ensure the validity of reported achievements against source documentation.

Programme 4 – Provincial Hospital Services

Reliability of reported performance information

23. The FMPPI requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets. Significantly important targets were not reliable when compared to the source information or evidence provided. This was due to a lack of monitoring of the completeness of source documentation in support of actual achievements and frequent reviews to ensure the validity of reported achievements against source documentation.

Programme 5 – Central Hospital Services

Reliability of reported performance information

24. The FMPPI requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets. Significantly important targets were not reliable when compared to the source information or evidence provided. This was due to a lack of monitoring of the completeness of source documentation in support of actual achievements, and frequent reviews to ensure the validity of reported achievements against source documentation.

Additional matters

25. I draw attention to the following matters:

Achievement of planned targets

26. Refer to the annual performance report on pages 24 to 103 for information on the achievement of planned targets for the year. This information should be considered in the context of the material findings on the reliability of the reported performance information for the selected programmes of this report

Unaudited supplementary information

27. The supplementary information set out on pages 89 to 103 does not form part of the annual performance report and is presented as additional information. I have not audited these schedules and, accordingly, I do not report thereon.

Compliance with laws and regulations

28. I performed procedures to obtain evidence that the Department had complied with applicable legislation regarding financial matters, financial management and other related matters.
29. My findings on material compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA, are as follows:

Annual financial statements

30. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and supported by full and proper records as required by section 40(1) (a) of the Public Finance Management Act.

Human resource management

31. Employees were appointed without following a proper process to verify the claims made in their applications, in contravention of Public Service Regulation 1/VII/D.8.

32. An approved organisational structure based on the Department's strategic plan was not in place as required by Public Service Regulation 1/III/B.2(a).
33. An approved human resource plan was not in place as required by Public Service Regulation 1/III/B.2(d).

Revenue management

34. Effective and appropriate steps were not taken to collect all money due, as required by section 38(1)(c)(i) of the Public Finance Management Act and Treasury Regulations 11.2.1, 15.10.1.2(a) and 15.10.1.2(e).

35. Appropriate processes were not developed and implemented to provide for the identification, recording, reconciliation and safeguarding of information about revenue, as required by Treasury Regulation 7.2.1.

36. Sufficient appropriate audit evidence could not be obtained that reasonable steps were taken to recover debts before writing them off, as required by Treasury Regulation 11.4.1.

Expenditure management

37. Effective steps were not always taken to prevent irregular and fruitless and wasteful expenditure, as required by section 38(1)(c)(ii) of the Public Finance Management Act and Treasury Regulation 9.1.1.

38. Contractual obligations and money owed by the Department to the value of R922 524 000, as disclosed in note 24, were not settled within 30 days or an agreed period, as required by section 38(1)(f) of the PFMA and Treasury Regulation 8.2.3.

Procurement and contract management

39. Goods and services above R500 000 thresholds were procured without inviting competitive bids, as required by Treasury Regulation 16A6.1. Deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of Treasury Regulation 16A6.4.

Internal control

Leadership

40. Lack of effective oversight to ensure that a human resource plan was in place, that key laws and regulations were complied with and that the annual financial statements and performance reports were free from material misstatements.

Financial and performance management

41. No adequate reviews of the annual financial statements, annual performance report and monitoring compliance with laws and regulations. In addition, there was a lack of implementation of approved policies and procedures that guide the operations of the Department.

42. Lack of implementation of proper record keeping system to ensure that complete, relevant and accurate information was accessible and available to support financial and performance reporting.

43. Lack of implementation of controls over daily and monthly processing and reconciliations.

Other reports

Performance audit

Use of consultants

44. The Report of the Auditor-General of South Africa on a performance audit of the use of consultants at selected Departments of the Gauteng provincial government was tabled during the 2013-14 financial year. The Department of Health was one of the Departments audited. The Department was selected for audit based on our assessment of possible weaknesses in the use of consultants as well as spending trends.

Performance audit of the readiness of government to report on its performance

45. The report of the Auditor-General of South Africa on the readiness of government to report on its performance will be tabled during 2014. The Gauteng Department of Health was one of the 61 institutions/Departments audited during this audit. The performance audit focused on the following:

- The systems and processes that government institutions/Departments have put in place to report on their performance
- The performance reporting guidance and oversight government Departments received.

Investigations

46. Investigations based on the allegations of procurement irregularities, fraud, theft and negligence are being performed by the Department. These investigations were in progress at the reporting date.

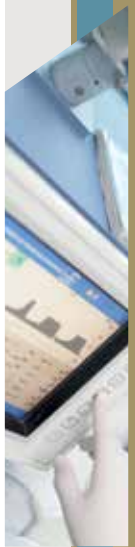
Auditor-General

Johannesburg
31 July 2014

AUDITOR-GENERAL
SOUTH AFRICA

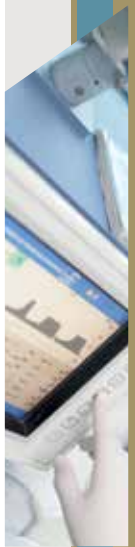
Auditing to build public confidence

Appropriation per programme									
	2013/14							2012/13	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Administration									
Current payment	793,631	-	(139,000)	645,631	565,776	88,855	86.4%	664,842	471,731
Transfers and subsidies	2,000	-	-	2,000	1,897	103	94.9%	2,100	16,136
Payment for capital assets	39,912	-	-	39,912	16,449	23,463	41.2%	16,505	12,761
Payment for financial assets	-	-	-	-	29	(29)	-	-	734
	835,543	**-**	**(139,000)**	**696,543**	**584,151**	**112,392**	**-**	**683,447**	501,362
2. District Health Services									
Current payment	8,048,362	-	(341,000)	7,707,362	7,551,459	155,903	98.0%	7,554,108	7,415,385
Transfers and subsidies	849,760	-	-	849,760	731,303	118,457	86.1%	1,114,430	1,080,394
Payment for capital assets	119,777	-	-	119,777	74,207	45,570	62.0%	113,946	58,990
Payment for financial assets	-	-	-	-	463	(463)	-	-	1,187
	9,017,899	**-**	**(341,000)**	**8,676,899**	**8,357,432**	**319,467**	**-**	**8,782,484**	**8,555,956**
3. Emergency Medical Services									
Current payment	517,122	-	9,000	526,122	537,280	(11,158)	102.1%	535,810	556,692
Transfers and subsidies	319,813	-	-	319,813	320,218	(405)	100.1%	494,074	577,474
Payment for capital assets	95,830	-	-	95,830	78,780	17,050	82.2%	29,400	13,063
Payment for financial assets	-	-	-	-	-	-	-	-	2
	932,765	**-**	**9,000**	**941,765**	**936,278**	**5,487**	**-**	**1,059,284**	**1,147,231**
4. Provincial Hospital Services									
Current payment	4,854,466	-	49,000	4,903,466	4,867,144	36,322	99.3%	6,105,608	6,248,011
Transfers and subsidies	240,216	-	-	240,216	231,469	8,747	96.4%	298,198	255,714
Payment for capital assets	154,167	-	-	154,167	53,831	100,336	34.9%	143,090	76,944
Payment for financial assets	-	-	-	-	1,880	(1,880)	-	-	1,771
	5,248,849	**-**	**49,000**	**5,297,849**	**5,154,324**	**143,525**	**-**	**6,546,896**	**6,582,440**
5. Central Hospital Services									
Current payment	9,477,068	-	431,000	9,908,068	10,061,397	(153,230)	101.5%	7,260,454	7,613,644
Transfers and subsidies	8,615	-	-	8,615	36,182	(27,567)	420.0%	18,829	21,008
Payment for capital assets	395,284	-	-	395,284	139,849	255,435	35.4%	287,576	163,639
Payment for financial assets	-	-	-	-	466	(466)	-	-	1,622
	9,880,967	**-**	**431,000**	**10,311,967**	**10,237,795**	**74,172**	**-**	**7,566,859**	**7,799,913**



Appropriation per programme									
	2013/14							2012/13	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
6. Health Sciences and Training									
Current payment	852,666	-	(9,000)	843,666	717,639	126,027	85.1%	767,313	732,861
Transfers and subsidies	48,088	-	-	48,088	101,209	(53,121)	210.5%	66,682	65,296
Payment for capital assets	9,565	-	-	9,565	10,588	(1,023)	110.7%	7,929	8,549
Payment for financial assets	-	-	-	-	49	(49)	-	-	364
	910,319	**-**	**(9,000)**	**901,319**	**829,485**	**71,834**	**-**	**841,924**	**807,070**
7. Health Care Support Services									
Current payment	280,328	-	-	280,328	190,354	89,974	67.9%	195,864	194,173
Transfers and subsidies	288	-	-	288	730	(442)	253.5%	274	276
Payment for capital assets	3,904	-	-	3,904	3,747	157	96.0%	3,683	2,052
Payment for financial assets	-	-	-	-	39	(39)	-	-.	43
	284,520	**-**	**-**	**284,520**	**194,870**	**89,650**	**-**	**199,821**	**196,544**
8.Health Facilities Management									
Current payment	877,280	-	-	877,280	666,714	210,566	76.0%	575,393	638,152
Transfers and subsidies	-		-	-	39	(39)	-	-	211
Payment for capital assets	782,643	-	-	782,643	454,713	327,930	58.1%	935,486	605,468
	1,659,923	**-**	**-**	**1,659,923**	**1,121,466**	**538,457**	**-**	**1,510,879**	**1,243,831**
TOTAL	**28,770,785**	**-**	**-**	**28,770,785**	**27,415,801**	**1,354,984**	**95.3%**	**27,191,594**	**26,834,347**

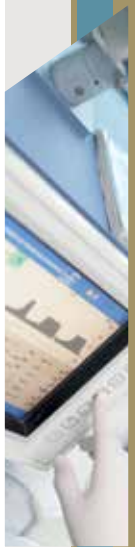
	2013/14		2012/13	
	Final Appropriation	Actual Expenditure	Final Appropriation	Actual Expenditure
TOTAL (brought forward)				
Reconciliation with statement of financial performance				
ADD				
Departmental receipts	527,709		506,939	
Actual amounts per statement of financial performance (total revenue)	**29,298,494**		**27,698,533**	
Actual amounts per statement of financial performance (total expenditure)		**27,415,801**		**26,834,347**



Appropriation per economic classification									
	2013/14							2012/13	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	16,998,724	-	99,000	17,097,724	17,096,854	870	100.0%	15,278,812	15,244,542
Goods and services	8,702,199	-	(99,000)	8,603,199	8,059,289	543,910	93.7%	8,380,580	8,625,127
Interest and rent on land	-	-	-	-	1,523	(1,523)	-	-	981
Transfers & subsidies									
Provinces & municipalities	607,677	-	-	607,677	607,677	-	100.0%	964,285	1,083,525
Departmental agencies & accounts	16,209	-	-	16,209	16,117	92	99.4%	28,286	28,267
Universities & Technikons	1,650	-	-	1,650	958	692	58.1%	1,500	500
Non-profit Institutions	788,090	-	-	788,090	640,453	147,637	81.3%	916,785	817,505
Households	55,154	-	-	55,154	157,841	(102,687)	286.2%	83,731	86,713
Payments for capital assets									
Buildings & other fixed structures	754,057	-	-	754,057	415,135	338,922	55.1%	848,689	528,282
Machinery & equipment	847,025		-	847,025	416,840	430,185	49.2%	688,926	413,182
Intangible assets	-	-	-	-	188	(188)	-	-	-
Payment for financial assets	-	-	-	-	2,926	(2,926)	-	-	5,723
TOTAL	**28,770,785**	**-**	**-**	**28,770,785**	**27,415,801**	**1,354,984**	**95.3%**	**27,191,594**	**26,834,347**

Detail Per Sub-Programme 1 – Administration
For the year ended 31 March 2014

2013/2014								2012/13	
Detail per sub-programme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1.1 Office of the MEC									
Current payment	13,800	-	-	13,800	10,307	3,493	74.7%	16,232	11,081
Payment for capital assets	472	-	-	472	663	(191)	140.5%	250	438
1.2. Management (Health)									
Current payment	779,831	-	(139,000)	640,831	555,469	85,362	86.7%	648,610	460,650
Transfers and subsidies	2,000	-	-	2,000	1,897	103	94.9%	2,100	16,136
Payment for capital assets	39,440	-	-	39,440	15,786	23,654	40.0%	16,255	12,323
Payment for financial assets	-	-	-	-	29	(29)	-	-	734
Total	**835,543**	**-**	**(139,000)**	**696,543**	**584,151**	**112,392**	**83.9%**	**683,447**	**501,362**

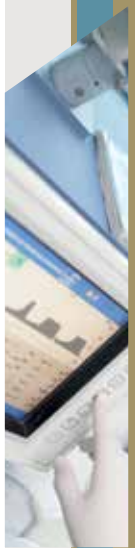


Detail per Programme 1 – Administration
For the year ended 31 March 2014

2013/2014								2012/13	
Programme 1 per Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	347,954	-	-	347,954	274,797	73,157	79.0%	244,851	241,566
Goods and services	445,677	-	(139,000)	306,677	290,748	15,929	94.8%	419,991	229,793
Interest and rent on land	-	-	-	-	231	(231)	-	-	371
Transfers and subsidies to:									
Non-profit institutions	-	-	-	-	-	-	-	-	15,132
Households	2,000	-	-	2,000	1,897	103	94.9%	2,100	998
Departmental Agencies and Accounts	-	-	-	-	-	-	-	-	7
Payment for capital assets									
Machinery & equipment	39,912	-	-	39,912	16,449	23,463	41.2%	16,505	12,761
Payment for financial assets	-	-	-	-	29	(29)	-	-	734
TOTAL	**835,543**	**-**	**(139,000)**	**696,543**	**584,151**	**112,392**	**83.9%**	**683,447**	**501,362**

Detail Per Programme 2 – District Health Services
For the year ended 31 March 2014

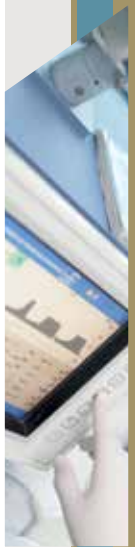
2013/2014								2012/13	
Detail per sub-programme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
2.1.District Management									
Current payment	401,212	-	-	401,212	375,519	25,693	93.6%	482,409	466,138
Transfers and subsidies	13,803	-	-	13,803	11,554	2,249	83.7%	42,897	29,179
Payment for capital assets	22,561	-	-	22,561	24,593	(2,032)	109.0%	4,200	16,594
Payment for financial assets	-			-	32	(32)	-	-	424
								-	-
2.2 Community Health Clinics									
Current payment	1,429,407	-	(30,000)	1,399,407	1,386,709	12,698	99.1%	1,568,457	1,444,765
Transfers and subsidies	247,600	-	-	247,600	248,554	(954)	100.4%	389,552	431,629
Payment for capital assets	9,580	-	-	9,580	5,553	4,027	58.0%	12,353	7,484
Payment for financial assets	-	-	-	-	26	(26)	-	-	255
2.3 Community Health Centres									
Current payment	1,297,361	-	(110,000)	1,187,361	1,020,920	166,441	86.0%	1,016,239	1,116,068
Transfers and subsidies	63,154	-	-	63,154	54,588	8,566	86.4%	72,853	60,179
Payment for capital assets	13,115	-	-	13,115	11,529	1,586	87.9%	13,986	8,613
Payment for financials assets	-	-	-	-	100	(100)	-	-	82



2013/2014								2012/13	
Detail per sub-programme	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
2.4 Community Based Services									
Current payment	769,143	-	(60,000)	709,143	768,804	(59,661)	108.4%	708,568	694,226
Transfers and subsidies	177,847	-	-	177,847	117,548	60,299	66.1%	267,909	223,494
Payment for capital assets	2,844	-	-	2,844	1,780	1,064	62.6%	1,875	1,504
Payment for financials assets	-	-	-	-	(5)	5	-	-	
2.5. HIV AND AIDS									
Current payment	2,167,665	-	-	2,167,665	2,191,097	(23,432)	101.1%	1,929,142	1,847,950
Transfers and subsidies	298,245	-	-	298,245	266,428	31,817	89.3%	289,380	282,853
Payment for capital assets	20,646	-	-	20,646	2,362	18,284	11.4%	43,805	3,558
2.6. NUTRITION									
Current payment	-	-	-	-	27	(27)	-	963	417
Transfers and subsidies	47,238	-	-	47,238	26,312	20,926	55.7%	49,379	48,994
2.7. CORONER SERVICES									
Current payment	156,725	-	-	156,725	142,765	13,960	91.1%	145,150	124,233
Transfers and subsidies	263	-	-	263	449	(186)	170.7%	196	254
Payment for capital assets	12,961	-	-	12,961	1,835	11,126	14.2%	2,625	1,928
Payment for financial assets	-	-	-	-	128	(128)	-	-	8
2.8. DISTRICT HOSPITALS									
Current payment	1,826,849	-	(141,000)	1,685,849	1,665,618	20,231	98.8%	1,703,180	1,721,588
Transfers and subsidies	1,610	-	-	1,610	5,870	(4,260)	364.6%	2,264	3,812
Payment for capital assets	38,070	-	-	38,070	26,555	11,515	69.8%	35,102	19,309
Payment for financial assets	-	-	-	-	182	(182)	-	-	418
Total	**9,017,899**	-	**(341,000)**	**8,676,899**	**8,357,432**	**319,467**	**96.3%**	**8,782,484**	**8,555,956**

Detail Per Programme 2 – District Health Services
For the year ended 31 March 2014

2013/2014								2012/13	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	4,673,330	-	-	4,673,330	4,663,026	10,304	99.8%	4,250,737	4,243,315
Goods and services	3,375,032	-	(341,000)	3,034,032	2,888,427	145,605	95.2%	3,303,371	3,172,071
Interest and rent on land	-	-	-	-	7	(7)	-	-	-
Transfers and subsidies to:									
Provinces & municipalities	288,758	-	-	288,758	288,758	-	100.0%	470,685	506,498
Departmental agencies & accounts	99	-	-	99	1	98	1.0%	-	10
Non-profit institutions	553,142	-	-	553,142	421,917	131,225	76.3%	631,266	560,417
households	7,761	-	-	7,761	20,627	(12,866)	265.8%	12,479	13,468
Payment for capital assets									
Buildings & other fixed structures	18,500	-	-	18,500	1,537	16,963	8.3%	31,340	1,509
Machinery & equipment	101,277	-	-	101,277	72,511	28,766	71.6%	82,606	57,481
Intangible assets	-	-	-	-	158	(158)	-	-	-
Payment for financial assets	-	-	-	-	463	(463)	-	-	1,187
TOTALS	**9,017,899**		**(341,000)**	**8,676,899**	**8,357,432**	**319,467**	**96.3%**	**8,782,484**	**8,555,956**

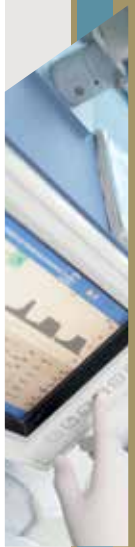


Detail Per Programme 3 – Emergency Medical Services
For the year ended 31 March 2014

2013/2014								2012/13	
Detail per sub-programme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
3.1 Emergency Transport									
Current payment	387,409	-	8,000	395,409	399,341	(3,932)	101.0%	336,442	325,772
Transfers and subsidies	319,813		-	319,813	320,027	(214)	100.1%	494,027	577,404
Payment for capital assets	95,830	-		95,830	78,780	17,050	82.2%	29,400	13,063
Payment for financial assets	-	-	-	-	-	-	-	-	2
3.2 Planned Patient Transport									
Current payment	129,713	-	1,000	130,713	137,939	(7,226)	105.5%	199,368	230,920
Transfers and subsidies	-	-	-	-	191	(191)	-	47	70
Payment for capital assets									
Total	**932,765**		**9,000**	**941,765**	**936,278**	**5,487**	**99.4%**	**1,059,284**	**1,147,231**

Detail Per Programme 3 – Emergency Medical Services
For the year ended 31 March 2014

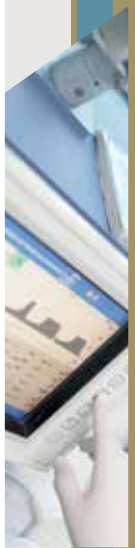
2013/2014								2012/13	
Programme 3 per Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	305,297	-	9,000	314,297	313,509	788	99.7%	253,509	262,330
Goods and services	211,825		-	211,825	223,771	(11,946)	105.6%	282,301	294,362
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers & subsidies									
Provinces & municipalities	318,919	-	-	318,919	318,919	-	100.0%	493,600	577,027
Households	894	-	-	894	1,299	(405)	145.3%	474	447
Payment for capital assets									
Buildings & other fixed structures	-	-	-	-	510	(510)	-	-	-
Machinery & equipment	95,830	-	-	95,830	78,270	17,560	81.7%	29,400	13,063
Payment for financial assets	-	-	-	-	-	-	-	-	2
Total	**932,765**	**-**	**9,000**	**941,765**	**936,278**	**5,487**	**99.4%**	**1,059,284**	**1,147,231**



Detail Per Programme 4 – Provincial Hospital Services
For the year ended 31 March 2014

2013/2014								2012/13	
Detail per sub-programme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
4.1. General Hospitals									
Current payment	3,461,543	-	49,000	3,510,543	3,593,541	(82,998)	102.4%	4,753,738	5,071,449
Transfers and subsidies	3,254	-	-	3,254	9,624	(6,370)	295.8%	10,351	10,642
Payment for capital assets	46,311	-	-	46,311	38,283	8,028	82.7%	62,162	67,087
Payment for financial assets	-	-	-	-	1,153	(1,153)	-	-	1,378
4.2. Tuberculosis Hospital									
Current payment	252,782	-		252,782	156,230	96,552	61.8%	288,794	156,117
Transfers and subsidies	300		-	300	403	(103)	134.3%	255	148
Payment for capital assets	89,607	-	-	89,607	1,036	88,571	1.2%	60,954	367
Payment for financial assets	-	-		-	270	(270)	-	-	83
4.3. Psychiatric/ Mental Hospital									
Current payment	700,082	-	-	700,082	692,777	7,305	99.0%	663,743	645,173
Transfers and subsidies	235,864	-	-	235,864	220,687	15,177	93.6%	286,846	243,691
Payment for capital assets	6,468	-	-	6,468	6,071	397	93.9%	5,449	4,397
Payment for financial assets	-	-	-	-	310	(310)	-	-	205

2013/2014								2012/13	
Detail per sub-programme	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
4.4. Other Specialised Hospitals									
Current payment	53,974	-	-	53,974	56,168	(2,194)	104.1%	53,829	52,415
Transfers and subsidies	41	-	-	41	95	(54)	231.7%	54	54
Payment for capital assets	2,524	-	-	2,524	1,760	764	69.7%	5,437	200
Payment for financial assets	-	-	-	-	7	(7)	-	-	4
4.5. Dental Training Hospitals									
Current payment	386,085	-	-	386,085	368,428	17,657	95.4%	345,504	322,857
Transfers and subsidies	757	-	-	757	660	97	87.2%	692	1,179
Payment for capital assets	9,257	-	-	9,257	6,681	2,576	72.2%	9,088	4,893
Payment for financial assets	-	-	-	-	140	(140)	-	-	101
Total	**5,248,849**	**-**	**49,000**	**5,297,849**	**5,154,324**	**143,525**	**97.3%**	**6,546,896**	**6,582,440**

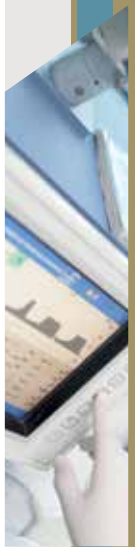


Detail Per Programme 4 – Provincial Hospital Services
For the year ended 31 March 2014

2013/14								2012/13	
Programme 4 per Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	3,724,963	-	49,000	3,773,963	3,856,710	(82,747)	102.2%	4,569,043	4,584,209
Goods and services	1,129,503	-	-	1,129,503	1,010,189	119,314	89.4%	1,536,565	1,663,541
Interest and rent on land	-	-	-	-	245	(245)	-	-	261
Transfers & subsidies									
Departmental Agencies and Accounts	12	-	-	12	18	(6)	150.0%	-	4
Non-profit institutions	234,948	-	-	234,948	218,536	16,412	93.0%	285,519	241,843
Households	5,256	-	-	5,256	12,915	(7,659)	245.7%	12,679	13,867
Payment for capital assets									
Buildings & other fixed structures	82,107	-	-	82,107	-	82,107	-	38,850	1
Machinery & equipment	72,060	-	-	72,060	53,814	18,246	74.7%	104,240	76,943
Software & other intangible assets	-	-	-	-	17	(17)	-	-	-
Payment for financial assets	-	-	-	-	1,880	(1,880)	-	-	1,771
Total	**5,248,849**	-	**49,000**	**5,297,849**	**5,154,324**	**143,525**	**97.3%**	**6,546,896**	**6,582,440**

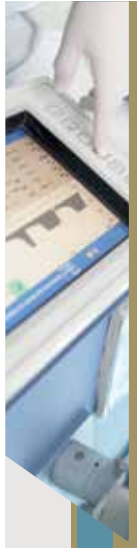
Detail Per Programme 5 – Central Hospitals
For the year ended 31 March 2014

2013/14								2012/13	
Detail per sub-programme	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 payment	7,394,428	-	431,000	7,825,428	7,960,220	(134,792)	101.7%	7,260,454	7,613,644
Transfers and subsidies	6,697	-	-	6,697	30,142	(23,445)	450.1%	18,829	21,008
Payment for capital assets	289,707	-	-	289,707	89,282	200,425	30.8%	287,576	163,639
Payment for financial assets	-	-	-	-	291	(291)	-	-	1,622
5.2 Provincial Tertiary Hospital									
Current payment	2,082,640	-	-	2,082,640	2,101,078	(18,438)	100.9%	-	-
Transfers and subsidies	1,918	-	-	1,918	6,040	(4,122)	314.9%	-	-
Payment for capital assets	105,577	-	-	105,577	50,567	55,010	47.9%	-	-
Payment for financial assets	-	-	-	-	175	(175)	-	-	-
Total	**9,880,967**	**-**	**431,000**	**10,311,967**	**10,237,795**	**74,172**	**99.3%**	**7,566,859**	**7,799,913**



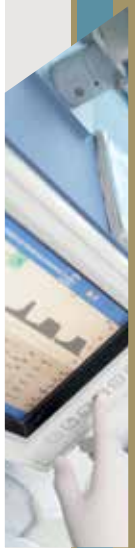
Detail Per Programme 5 – Central Hospital
For the year ended 31 March 2014

2013/14								2012/13	
Programme 5 per Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	6,981,434	-	50,000	7,031,434	7,176,189	(144,755)	102.1%	5,130,271	5,096,361
Goods and services	2,495,634	-	381,000	2,876,634	2,884,069	(7,435)	100.3%	2,130,183	2,516,934
Interest and rent on land	-	-	-	-	1,040	(1,040)	-	-	349
Transfers and subsidies to:									
Departmental Agencies and Accounts	13	-	-	13	12	1	92.3%	-	-
Households	8,602	-	-	8,602	36,170	(27,568)	420.5%	18,829	21,008
Payment forcapital assets									
Machinery and equipment	395,284	-	-	395,284	139,836	255,448	35.4%	287,576	163,639
Intangible assets	-	-	-	-	13	(13)	-	-	-
Payments for financial assets	-	-	-	-	466	(466)	-	-	1,622
Total	**9,880,967**		**431,000**	**10,311,967**	**10,237,795**	**74,172**	**99.3%**	**7,566,859**	**7,799,913**



Detail Per Programme 6 – Health Training and Sciences
For the year ended 31 March 2014

2013/14								2012/13	
Detail per sub-programme	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. Nurse Training Colleges									
Current payment	780,017	-	(9,000)	771,017	666,358	104,659	86.4%	689,304	682,442
Transfers and subsidies	552	-	-	552	1,625	(1,073)	294.4%	748	1,231
Payment for capital assets	4,000	-	-	4,000	6,679	(2,679)	167.0%	1,565	5,116
Payment for financial assets	-	-	-	-	34	(34)	-	-	344
6.2. EMS Training Colleges									
Current payment	28,754	-	-	28,754	24,103	4,651	83.8%	32,153	21,030
Transfers and subsidies	-	-	-	-	15	(15)	-	-	2
Payment for capital assets	5,222	-	-	5,222	3,696	1,526	70.8%	5,988	3,330
Payment for financial assets	-	-	-	-	15	(15)	-		9
6.3. Bursaries									
Current payment	15,583	-	-	15,583	3,473	12,110	22.3%	14,701	8,284
Transfers and subsidies	29,801	-	-	29,801	49,133	(19,332)	164.9%	36,114	35,291
6.4. Other Training									
Current payment	28,312	-	-	28,312	23,705	4607	83.7%	31,155	21,105
Transfers and subsidies	17,735	-	-	17,735	50,436	(32,701)	284.4%	29,820	28,772
Payment for capital assets	343	-	-	343	213	130	62.1%	376	103
Payment for financial assets	-	-	-	-	-	-	-	-	11
Total	**910,319**	-	**(9,000)**	**901,319**	**829,485**	**71,834**	**92.0%**	**841,924**	**807,070**

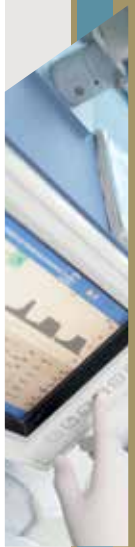


Detail Per Programme 6 – Health Training and Sciences
For the year ended 31 March 2014

2013/14								2012/13	
Programme 6 per Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	789,482	-	(9,000)	780,482	680,787	99,695	87.2%	686,488	686,496
Goods and services	63,184	-	-	63,184	36,852	26,332	58.3%	80,825	46,365
Transfers and subsidies to:									
Departmental agencies and accounts	16,085	-	-	16,085	16,085	-	100.0%	28,286	28,239
Universities and Technikons	1,650	-	-	1,650	958	692	58.1%	1,500	500
Households	30,353	-	-	30,353	84,166	(53,813)	277.3%	36,896	36,558
Payment for financial assets									
Machinery and equipment	9,565	-	-	9,565	10,588	(1,023)	110.7%	7,929	8,548
Payment for financial assets	-	-	-	-	49	(49)	-	-	364
Total	**910,319**	**-**	**(9,000)**	**901,319**	**829,485**	**71,834**	**92.0%**	**841,924**	**807,070**

Detail Per Programme 7 – Health Care Support Services
For the year ended 31 March 2014

2013/14								2012/13	
Detail per sub-programme	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 Laundries									
Current payment	177,766	-	-	177,766	146,955	30,811	82.7%	158,021	149,876
Transfers and subsidies	221	-	-	221	492	(271)	222.6%	210	266
Payment for capital assets	3,839	-	-	3,839	3,731	108	97.2%	3,622	1,948
Payment for financial assets	-	-	-	-	36	(36)	-	-	23
7.2. Food Supply Services									
Current payment	102,561	-	-	102,561	43,163	59,398	42.1%	37,842	44,147
Transfers and subsidies	67	-	-	67	238	(171)	355.2%	64	10
Payment for capital assets	65	-	-	65	16	49	24.6%	61	104
Payment for financial assets	-	-	-	-	3	(3)	-	-	20
7.3. Medicine Trading Account									
Current payment	1	-	-	1	236	(235)	23600.0%	1	150
Total	**284,520**	-	-	**284,520**	**194,870**	**89,650**	**68.5%**	**199,821**	**196,544**

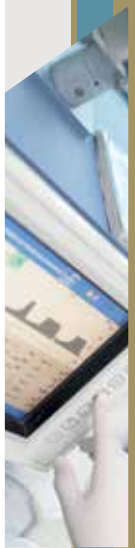


Detail Per Programme 7 – Health Care Support Services
For the year ended 31 March 2014

2013/14								2012/13	
Programme 7 per Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	159,168	-	-	159,168	121,428	37,740	76.3%	130,282	120,031
Goods and services	121,160	-	-	121,160	68,927	52,233	56.9%	65,582	74,142
Transfers and subsidies to:									
Departmental agencies and accounts	-	-	-	-	1	(1)	-	-	-
Households	288	-	-	288	728	(440)	252.8%	274	276
Payment for capital assets									
Machinery and equipment	3,904	-	-	-	3,747	157	96.0%	3,683	2,052
Heritage assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	-	-	39	(39)	-	-	43
Total	**284,520**	**-**	**-**	**284,520**	**194,870**	**89,650**	**68.5%**	**199,821**	**196,544**

Detail Per Programme 8 – Health Facility Management
For the year ended 31 March 2014

2013/14								2012/13	
Detail per sub-programme	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 payment	122,928	-	-	122,928	100,366	22,562	81.6%	91,058	81,142
Payment for capital assets	54,205	-	-	54,205	32,684	21,521	60.3%	15,267	20,026
8.2. Emergency Medical Rescue Services									
Current payment	3,960	-	-	3,960	1,270	2,690	32.1%	217	13,337
Payment for capital assets	-	-	-	-	231	(231)	-	722	5,169
8.3. District Hospital Services									
Current payment	115,755	-	-	115,755	83,584	32,171	72.2%	86,066	85,141
Payment for capital assets	187,355	-	-	187,355	118,399	68,956	63.2%	282,093	186,711
8.4. Provincial Hospital Services									
Current payment	225,667	-	-	225,667	198,515	27,152	88.0%	150,198	192,896
Payment for capital assets	314,099	-	-	314,099	185,868	128,231	59.2%	486,615	312,888
8.5. Central Hospital Services									
Current payment	272,234	-	-	272,234	195,495	76,739	71.8%	127,002	157,717
Payment for capital assets	83,430	-	-	83,430	47,327	36,103	56.7%	130,902	54,322
8.6. Other Facilities									
Current payment	136,736	-	-	136,736	87,484	49,252	64.0%	120,852	107,919
Transfers and subsidies	-			-	39	(39)	-	-	211
Payment for capital assets	143,554	-	-	143,554	70,204	73,350	48.9%	19,887	26,352
Total	**1,659,923**	-	-	**1,659,923**	**1,121,466**	**538,457**	**67.6%**	**1,510,879**	**1,243,831**



Detail Per Programme 8 – Health Facility Management
For the year ended 31 March 2014

2013/14								2012/13	
Programme 8 per Economic classification	**Adjusted Appropriation**	**Shifting of Funds**	**Virement**	**Final Appropriation**	**Actual Expenditure**	**Variance**	**Expenditure as % of final appropriation**	**Final Appropriation**	**Actual expenditure**
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	17,096	-	-	17,096	10,408	6,688	60.9%	13,631	10,234
Goods and services	860,184	-	-	860,184	656,307	203,878	76.3%	561,762	627,919
Transfers and subsidies to:									
Households	-	-		-	39	(39)	-	-	91
Non-Profit Institutions	-	-	-	-	-	-	-	-	113
Departmental Agencies and Accounts	-	-	-	-	-	-	-	-	7
Payment for capital assets									
Buildings and other fixed structures	653,450	-	-	653,450	413,088	240,362	63.2%	778,499	526,772
Machinery and equipment	129,193	-	-	129,193	41,625	87,568	32.2%	156,987	78,695
Total	**1,659,923**	-	-	**1,659,923**	**1,121,466**	**538,457**	**67.6%**	**1,510,879**	**1,243,626**

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

   Detail of these transactions can be viewed in the note on Transfers and subsidies, disclosure notes and Annexure 1 (A-E) 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 on 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 R'000	Variance as a % of Final Appropriation
Administration	696,543	584,151	112,392	16%
District Health Services	8,676,899	8,357,432	319,467	4%
Emergency Medical Services	941,765	936,278	5,487	1%
Provincial Hospital Services	5,297,849	5,154,324	143,525	3%
Central Hospital Services	10,311,967	10,237,795	74,172	1%
Health Science and Training	901,319	829,485	71,834	8%
Health Care Support Services	284,520	194,870	89,650	32%
Health Facilities Management	1,659,923	1,121,466	538,457	32%
TOTAL	**28,770,785**	**27,415,801**	**1,354,984**	**5%**

Programme 1: Administration

The underspending in this programme is due to non-spending on the ICT project that was budgeted for IT infrastructure upgrades for the whole Department. There was also underspending on Compensation of employees due to delay in filling and non-filling of vacant funded posts.

Programme 2: District Health Services

The programme is underspending due to the non-payment to NHLS as a decision was made after the report from the Perfomance audit. Due to NHLS being the highest cost driver, non-payment resulted in savings.

Programme 3: Emergency Medical Services

The expenditure in this programme is within the target.

Programme 4: Provincial Hospital Services

The programme is underspending due to the non-payment to NHLS as a decision was made after the report from the Perfomance audit. Due to NHLS being the highest cost driver, non-payment resulted in savings.

Programme 5: Central Hospital Services
The expenditure in this programme is within target.

Programme 6: Health Sciences and Training

The underspending is as a result of the budget for Compensation of employees remained at the colleges whilst staff was absorbed and paid at the institutions.

Programme 7: Health Care Support Services

The programme is underspending as the budget allocated for food, laundry services and other related goods and services items could not be spent due to the delay in the opening of Zola/Jabulani Hospital (it opened in April 2014) and the non-filling of posts at Masakhane Laundry and Cookfreeze.

Programme 8: Health Facilities Management

The programme is underspending as a result of delay in approval of plans, medical equipment procured but not delivered, delay in the submission of the final invoices for Zola/Jabulani and Natalspruit hospital.

4.2 Per economic classification	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Compensation of employees	17,097,724	17,096,854	870	0%
Goods and services	8,603,199	8,059,289	543,910	6%
Interest and rent on land	-	1,523	(1,523)	-
Provinces and municipalities	607,677	607,677	-	0%
Departmental agencies and accounts	16,209	16,117	92	1%
Higher education institutions	1,650	958	692	42%
Non-profit institutions	788,090	640,453	147,637	19%
Households	55,154	157,841	(102,687))	(186%)
Buildings and other fixed structures	754,057	415,135	338,922	45%
Machinery and equipment	847,025	416,840	430,185	51%
Intangible assets	-	188	(188)	-
Payments for financial assets	-	2,926	(2,926)	-

Explanation of variance: **Compensation of Employees**:-The under expenditure in this main item is attributed to the delays in the filling of vacant posts. **Goods and Services**:- The programme is under-spending due to the non-payment to NHLS as a decision was made after the report from the Perfomance audit. Due to NHLS being the highest cost driver, non-payment resulted in savings. **Higher Education institutions**:- The under expenditure is as a result of delays in submission of claims and payment thereof. **Non Profit Institutions**:- The under-expenditure is attributed to a shift in policy which resulted in some payments for Non Profit Institutions being paid under goods and services. **Households**:- Over expenditure due to an increase of student intake in the Cuban Programme as well as unforeseen increase in staff resignations resulting in increased leave gratuity payments. **Payments for capital assets**:- Delay in approval of plans, procurement processes and non delivery of procured equipment before the closure of the financial year.

4.3 Per Conditional Grant	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Health				
National Tertiary Services Grant	3,305,931	3,305,810	121	0%
Comprehensive HIV and AIDS Grant	2,258,483	2,258,483	-	0%
Hospital Revitalization Grant	743,736	412,083	331,653	45%
Health Professional Training and Development Grant	765,202	765,202	-	0%
Health Infrastructure Grant	91,928	55,413	36,515	40%
National Health Insurance Grant	16,876	13,559	3,317	20%
Nursing Colleges and Schools Grant	8,574	6,303	2,271	26%
Expanded Public Works Integrated Grant	3,000	3,000	-	0%

Explanation of variance: The low spending on the Hospital Revitalization, Health Infrastructure and Nursing colleges and schools grants are as a result of the delays in the appointing of service providers, poor performance by contractors and slow procurement processes with regards to equipment for Zola Jabulani and Natalspruit projects. National Health Insurance under-spent by 20%, this is as a result of the Tshwane District that did not utilise the allocation meant for the telephone management system at the Clinics and Community Health Centres, installation of a server as well as training in Supply Chain Management to improve on Supply Chain Management processes.

	Note	2013/14	2012/13
		R'000	R'000
REVENUE			
Annual appropriation	1	28,770,785	27,191,594
Departmental revenue	2	527, 709	506,939
TOTAL REVENUE		**29,298,494**	**27,698,533**
EXPENDITURE			
Current expenditure			
Compensation of employees	4	17,096,854	15,279,910
Goods and services	5	8,059,289	8,589,759
Interest and rent on land	6	1,523	981
Total current expenditure		**25,157,666**	**23,870,650**
Transfers and subsidies			
Transfers and subsidies	8	1,423,046	2,016,510
Total transfers and subsidies		**1,423,046**	**2,016,510**
Expenditure for capital assets			
Tangible assets	9	831,974	941,464
Intangible assets	9	189	-
Total expenditure for capital assets		**832,163**	**941,464**
Payments for financial assets	7	2,926	5,723
TOTAL EXPENDITURE		**27,415,801**	**26,834,347**
SURPLUS FOR THE YEAR		**1,882,693**	**864,186**
Reconciliation of Net Surplus for the year			
Voted funds		**1,354,984**	**357,247**
Annual appropriation		981,107	92,437
Conditional grants		373,877	264,810
Departmental revenue and NRF Receipts	16	527,709	506,939
SURPLUS FOR THE YEAR		**1,882,693**	**864,186**

	Note	2013/14	2012/13
		R'000	R'000
ASSETS			
Current assets		2,009,886	6,184,943
Unauthorised expenditure	*10*	1,598,685	6,095,207
Cash and cash equivalents	*11*	363,945	25,410
Prepayments and advances	*12*	260	109
Receivables	*13*	46,996	64,217
Non-current assets			
Investments	*14*	54,000	54,000
TOTAL ASSETS		2,063,886	6,238,943
LIABILITIES			
Current liabilities		2,009,886	6,184,943
Voted funds to be surrendered to the Revenue Fund	*15*	1,699,631	2,113,891
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	*16*	73,914	76,770
Bank overdraft	*17*	49,913	3,777,932
Payables	*18*	186,428	216,350
TOTAL LIABILITIES		2,009,886	6,184,943
NET ASSETS		54,000	54,000
Represented by:			
Capitalisation reserve		54,000	54,000
TOTAL		54,000	54,000

The difference of R50, 377 million between the capital amount as disclosed by the Medical Supplies Depot and the Department as reflected in the financial statements of the Department is as a result of a cash injection to increase stock holdings. The transaction was funded from the depot's own proceeds. The investment of R54 million is the initial capital outlay to the depot, no additional funds were transferred by the Department.

	Note	2013/14		2012/13
		R'000		R'000
Capitalisation Reserves				
Opening balance		54,000		54,000
Transfers:				
Movement in Equity		-		-
Movement in Operational Funds		-		-
Other movements		-		-
Closing balance		54,000		54,000
TOTAL		**54,000**		**54,000**

The difference of R50, 377 million between the capital amount as disclosed by the Medical Supplies Depot and the Department as reflected in the financial statements of the Department is as a result of a cash injection to increase stock holdings. The transaction was funded from the depot's own proceeds. The investment of R54 million is the initial capital outlay to the Depot, no additional funds were transferred by the Department.

	Note	2013/14		2012/13
		R'000		R'000
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts		**29,298,494**		**27,698,533**
Annual appropriated funds received	*1.1*	28,770,785		27,191,594
Departmental revenue received	*2*	521,521		505,684
Interest received	*2.3*	6,188		1,255
Net (increase)/decrease in working capital		4,483,670		(1,115,884)
Surrendered to Revenue Fund		(2,299,809)		(1,165,252)
Surrendered to RDP Fund/Donor		-		(676)
Current payments		(25,156,143)		(23,545,195)
Interest paid	*6*	(1,523)		(981)
Payments for financial assets		(2,926)		(5,723)
Transfers and subsidies paid		(1,423,046)		(2,016,510)
Net cash flow available from operating activities	*20*	**4,898,717**		**(151,688)**
CASH FLOW FROM INVESTING ACTIVITIES				
Payments for capital assets	*7*	(832,163)		(941,464)
Net cash flow from investing activities		**(832,163)**		**(941,464)**
Net increase/(decrease) in cash and cash equivalents		4,066,554		(1,093,152)
Cash and cash equivalents at beginning of period		(3,752,522)		(2,659,370)
Cash and cash equivalents at end of period	*21*	**314,032**		**(3,752,522)**

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.

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 exchange rates prevailing at the date of payment/receipt.
6	**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.
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	**Accrued expenditure payable** Accrued expenditure payable is recorded in the notes to the financial statements when the goods are received or, in the case of services, when they are rendered to the Department. Accrued expenditure payable is measured at cost.
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. 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.

12	**Loans and receivables** Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.
13	**Investments** Investments are recognised in the statement of financial position at cost.
14	**Impairment of financial assets** Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.
15	**Payables** Loans and receivables are recognised in the statement of financial position at cost.
16	**Capital Assets**
16.1	**Immovable capital assets** Immovable capital assets are initially recorded in the notes to the financial statements at cost. Immovable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition. Where the cost of immovable capital assets cannot be determined accurately, the immovable capital assets are measured at R1 unless the fair value of the asset has been reliably estimated, in which case the fair value is used. All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) are recorded at R1. Immovable capital assets are subsequently carried at cost and are not subject to depreciation or impairment. Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the immovable asset is recorded by another Department in which case the completed project costs are transferred to that Department.
16.2	**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 accurately, 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) are recorded at R1. Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment. Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the movable asset is recorded by another Department/entity in which case the completed project costs are transferred to that Department.
16.3	**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 accurately, 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) are recorded at R1. Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment. Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the intangible asset is recorded by another Department/entity in which case the completed project costs are transferred to that Department.
17	**Provisions and Contingents**
17.1	**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.

17.2	**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
17.3	**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
17.4	**Commitments** Commitments 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
18	**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.
19	**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.
20	**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.
21	**Changes in accounting estimates** The effect of a change in an accounting estimate are be recognised prospectively Nature and amount of a change in an accounting estimate that has an effect in the current period or is expected to have an effect in future periods, except for the disclosure of the effect on future periods when it is impracticable to estimate that effect are disclosed. If the amount of the effect in future periods is not disclosed because estimating it is impracticable, the Department disclose that fact.

22	**Prior period errors** Prior period error is corrected by retrospective restatement except to the extent that it is impracticable to determine either the period-specific effects or the cumulative effect of the error. When it is impracticable to determine the period-specific effects of an error on comparative information for one or more prior periods the Department restates the opening balances of recognised assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable Similarly, opening balances reflected in the secondary financial information that are affected by a prior period error are restated accordingly. When it is impracticable to determine the cumulative effect, at the beginning of the current period, of an error on all prior periods, the Department restates the comparative information to correct the error prospectively from the earliest date practicable. The Department discloses the following, distinguishing clearly between primary and secondary financial information: (a) the nature of the prior period error; (b) for each prior period presented, to the extent practicable, the amount of the correction for each line item affected; (c) the amount of the correction at the beginning of the earliest prior period presented; (d) the impact on unauthorised expenditure and voted funds to be surrendered (where applicable); and (e) If retrospective restatement is impracticable for a particular prior period, the circumstances that led to the existence of that condition and a description of how and from when the error has been corrected.
23	**Non-adjusting events after the reporting date** The amounts recognised or recorded in its financial statements are not adjusted to reflect non-adjusting events after the reporting date. The Department discloses the following for each material category of non-adjusting event after the reporting date: (a) The nature of the event. (b) An estimate of its financial effect or a statement that such an estimate cannot be made.

Annual Appropriation

1.1 Annual Appropriation

Included are funds appropriated in terms of the Appropriation Act (and the Adjustment Appropriation Act) for Provincial Departments:

Programme	Final Appropriation	Actual Funds Received	Funds not received/ not requested	Appropriation Received
	2013/14		2012/2013	
	R'000	R'000	R'000	R'000
Administration	696,543	696,543	-	683,447
District Health Services	8,676,899	8,676,899	-	8,782,484
Emergency Medical Services	941,765	941,765	-	1,059,284
Provincial Hospital Services	5,297,849	5,297,849	-	6,546,896
Central Hospitals	10,311,967	10,311,967	-	7,566,859
Health Sciences and Training	901,319	901,319	-	841,924
Health Care Support Service	284,520	284,520	-	199,821
Health Facilities Management	1,659,923	1,659,923	-	1,510,879
Total	**28,770,785**	**28,770,785**	**-**	**27,191,594**

1.2 Conditional grants

	Note	2013/14	2012/13
		R'000	R'000
Total grants received	38	7,108,499	6,654,022

2. Departmental revenue

	Note	2013/14	2012/13
		R'000	R'000
Sales of goods and services other than capital assets	2.1	471,332	474,156
Fines, penalties and forfeits	2.2	47	3
Interest, dividends and rent on land	2.3	6,188	1,255
Transactions in financial assets and liabilities	2.5	50,142	31,525
Departmental revenue collected		**527,709**	**506,939**

Sales of goods and services other than capital assets represent mainly patient fees.

2.1 Sales of goods and services other than capital assets

	Note	2013/14	2012/13
		R'000	R'000
Sales of goods and services produced by the Department		**469,176**	**472,533**
Sales by market establishment		19,281	13,080
Administrative fees		3,689	2,966
Other sales		446,206	456,487
Sales of scrap, waste and other used current goods		2,156	1,623
Total		**471,332**	**474,156**

Other Sales represents Patient Fees.

2.2 Fines, penalties and forfeits

Fines		47	3
Total		**47**	**3**

2.3 Interest, dividends and rent on land

Interest		6,188	1,255
Total		**6,188**	**1,255**

Interest represents interest received on debt accounts.

2.5 Transactions in financial assets and liabilities

Loans and advances		-	6
Receivables		28,790	22,001
Stale cheques written back		214	421
Other Receipts including Recoverable Revenue		21,138	9,097
Total		**50,142**	**31,525**

Transactions in financial assets and liabilities represents revenue collected in the current financial year relating to debts of the previous financial years.

3 Aid assistance

3.1 Aid assistance received in cash from RDP

Opening Balance	-	676
Surrendered to the RDP	-	(676)
Closing Balance	-	-

4 Compensation of employees

4.1 Salaries and Wages

	Note	2013/14	2012/13
		R'000	R'000
Basic salary		11,039,779	9,928,941
Performance award		330,967	636
Service Based		16,969	766,271
Compensative/circumstantial		1,377,669	1,293,297
Periodic payments		128,281	144,191
Other non-pensionable allowances		2,224,001	1,313,285
Total		**15,117,666**	**13,446,621**

Other non-pensionable allowances represent amongst others service bonuses and housing allowances.
Compensative/circumstantial represents mainly overtime paid to health professionals.

4.2 Social contributions

Employer contributions			
Pension		1,321,698	1,203,417
Medical		655,110	627,789
UIF		146	172
Bargaining council		2,210	1,851
Insurance		24	60
Total		1,979,188	1,833,289
Total compensation of employees		**17,096,854**	**15,279,910**
Average number of employees		63,258	63,360

5. Goods and services

Administrative fees		4,082	3,178
Advertising		6,461	13,672
Minor Assets	*5.1*	33,422	25,791
Bursaries (employees)		3,700	9,503
Catering		3,457	3,354
Communication		84,765	79,537
Computer services	*5.2*	71,411	75,807
Consultants, contractors and agency/outsourced services	*5.3*	1,366,748	1,993,616
Entertainment		107	242

	Note	2013/14	2012/13
		R'000	R'000
Audit cost – external	*5.4*	21,883	28,583
Fleet services		140,829	95,535
Inventory	*5.5*	4,124,538	4,051,416
Consumables	*5.6*	452,968	422,310
Housing		10	11
Operating leases		64,963	81,277
Property payments	*5.7*	1,408,915	1,312,556
Rental and hiring		563	1,537
Transport provided as part of the Departmental activities		70,963	157,191
Travel and subsistence	*5.8*	30,521	194,475
Venues and facilities		11,885	5,146
Training and development		20,653	28,484
Other operating expenditure	*5.9*	136,445	6,538
Total		**8,059,289**	**8,589,759**

Consultants, contractors and agency/outsourced services included amongst others laboratory costs, settlement of litigation for medico legal cases and medical waste.
Property payments mainly relates to maintenance and repairs to buildings, security and cleaning services.
Transport provided as part of the Departmental activities mainly relates to transport of patients and corpses.
Inventory mainly relates to medical supplies and medicine.
Other operating expenditure, includes payments to volunteer counsellors, courier services and laundry services.
Other operating expenditure and periodic payments (Compensation of Employees) have been reclassified due to SCOA changes.

5.1 Minor Assets

Tangible assets	*5*		
Machinery and equipment		33,422	25,791
Total		**33,422**	**25,791**

5.2 Computer services

SITA computer services		-	46
External computer service providers		71,411	75,761
Total		**71,411**	**75,807**

External computer service providers include software licences for operating systems and specialised computer services.

5.3 Consultants, contractors and agency/outsourced services

	Note	2013/14	2012/13
		R'000	R'000
Business and advisory services		43,169	50,701
Infrastructure and planning		-	132,828
Laboratory services		592,761	1,249,751
Legal costs		178,845	144,460
Contractors		71,792	189,182
Agency and support/outsourced services		480,181	226,694
Total		**1,366,748**	**1,993,616**

Agency and support /outsourced services include payments for medical waste, patients catering and maintenance.

5.4 Audit cost – External

Regularity audits		17,748	17,499
Investigations		4,135	11,084
Total		**21,883**	**28,583**

Regularity audits mainly relates to payment of audit fees to the Auditor-General.

5.5 Inventory

Clothing material and accessories		25,911	-
Learning and teaching support material		785	1,330
Food and food supplies		169,433	184,748
Fuel, oil and gas		79,528	85,450
Materials and supplies		27,803	20,506
Medical supplies		1,607,522	1,766,582
Medicine		2,213,556	1,992,800
Total		**4,124,538**	**4,051,416**

5.6 Consumables

Consumable supplies		375,103	340,309
Uniform and clothing		58,476	68,279
Household supplies		273,581	265,226
Building material and supplies		2,647	1,600
Communication accessories		618	122
IT consumables		5,558	-
Other consumables		34,223	5,082
Stationery, printing and office supplies		77,865	82,001
Total		**452,968**	**422,310**

Other consumables mainly represent fuel supplies and laboratory consumables.

5.7 Property payments

	Note	2013/14	2012/13
		R'000	R'000
Municipal services		13,849	499,009
Property maintenance and repairs		584,408	578,279
Other		810,658	235,268
Total		**1,408,915**	**1,312,556**

Other property payments include cleaning, security, water and electricity.

5.8 Travel and subsistence

Local		26,319	193,656
Foreign		4,202	819
Total		**30,521**	**194,475**

5.9 Other operating expenditure

Professional bodies, membership and subscription fees		316	171
Resettlement costs		1,034	1,148
Other		135,095	5,219
Total		**136,445**	**6,538**

Other operating expenditure, includes payments to volunteer counsellors, courier services and laundry.

6. Interest and rent on land

Interest paid		1,523	981
Total		**1,523**	**981**

7. Payments for financial assets

Debts written off		2,926	5,723
Total		**2,926**	**5,723**

8. Transfers and Subsidies

Provinces and municipalities	Annex 1A	607,676	1,083,525
Departmental agencies and accounts	Annex 1B	16,118	28,267
Higher education institutions	Annex 1C	958	500
Non-profit institutions	Annex 1D	640,454	817,504
Households	Annex 1H	157,840	86,714
Total		**1,423,046**	**2,016,510**

9. Expenditure for capital assets

	Note	2013/14	2012/13
		R'000	R'000
Tangible assets		831,974	941,464
Buildings and other fixed structures	*36*	415,136	528,282
Machinery and equipment	*34*	416,838	413,182
Intangible assets		189	-
Software	*35*	189	-
Total		**832,163**	**941,464**

9.1 Analysis of funds utilised to acquire capital assets – 2013/14

	Voted funds	Total
	R'000	R'000
Tangible assets	**831,974**	**831,974**
Buildings and other fixed structures	415,136	415,136
Machinery and equipment	416,838	416,838

Intangible assets		
Software	189	189
Total	**832,163**	**832,163**

9.2 Analysis of funds utilised to acquire capital assets – 2012/13

	Voted funds	Total
	R'000	R'000
Tangible assets	**941,464**	**941,464**
Buildings and other fixed structures	528,282	528,282
Machinery and equipment	413,182	413,182
Intangible assets		
Software		
Total	**941,464**	**941,464**

9.3 Finance lease expenditure included in Expenditure for capital assets

Tangible assets			
Machinery and equipment		-	84,520
Total		-	**84,520**

10. Unauthorised expenditure

10.1 Reconciliation of unauthorised expenditure

	Note	2013/14	2012/13
		R'000	R'000
Opening balance		6,095,207	5,770,734
Unauthorised expenditure – discovered in current year (as restated)		-	324,474
Less: Amounts approved by Parliament/Legislature with funding		(4,496,522)	(1)
Unauthorised expenditure awaiting authorisation / written off		**1,598,685**	**6,095,207**

An amount of R4.5 billion represents unauthorised expenditure which was condoned in 2012/2013 but deposited in the bank account of Health in 2013/2014. The unauthorised expenditure relates to the 2007/2008, 2008/2009, 2009/2010 and 2010/2011 financial years. An amount of R1.6 billion is still awaiting condonation.

10.2 Analysis of unauthorised expenditure awaiting authorisation per economic classification

Current		**1,598,685**	**6,095.207**
Total		**1,598,685**	**6,095,207**

10.3 Analysis of unauthorised expenditure awaiting authorisation per type

Unauthorised expenditure relating to overspending of the vote or a main division within a vote		**1,598,685**	**6,095,207**
Total		**1,598,685**	**6,095,207**

11. Cash and cash equivalents

Consolidated Paymaster General Account	332,983	24,361
Bank related accounts	29,521	-
Cash receipts	386	20
Disbursements	-	3
Cash on hand	1,055	1,026
Total	**363,945**	**25,410**

12. Prepayments and advances

Travel and subsistence		260	56
Advances paid to other entities	*12.1*	-	53
Total		**260**	**109**

12.1 Advances paid

Other entities	*12*	-	53
Total		**-**	**53**

13 Receivables

		2013/14				2012/13
		R'000	R'000	R'000	R'000	R'000
	Note	Less than one year	One to three years	Older than three years	Total	Total
Claims recoverable	*13.1 Annex 4*	7,459	-	-	7,459	6,671
Recoverable expenditure	*13.2*	1,080	-	-	1,080	11,211
Staff debt	*13.3*	11,141	12,390	842	24,373	38,508
Other debtors	*13.4*	14,084	-	-	14,084	7,827
Total		**33,764**	**12,390**	**842**	**46,996**	**64,217**

Other debtors mainly represent salary related debts as well as debts with credit balances.

13.1 Claims recoverable

	Note	2013/14	2012/13
	13	R'000	R'000
Provincial Departments		7,459	6,671
Total		**7,459**	**6,671**

13.2 Recoverable expenditure (disallowance accounts)

Disallowance Damages and Losses		994	1,223
Disallowance Miscellaneous		-	9,883
Disallowance Payment Fraud: CA		86	105
Total		**1,080**	**11,211**

13.3 Staff debt

Breach of Contract		5,866	7,191
Employee		5,399	5,037
Ex-Employee		10,915	51,146
Supplier		1,273	3,935
State Guarantee		21	138
Fraud		38	44
Other		861	(28,983)
Total		**24,373**	**38,508**

The amount of R861 000 represents debtors with credit balances.

13.4 Other debtors

	Note	2013/14	2012/13
	13	R'000	R'000
Salary Disallowance Account		20	1
Salary Deduction Disallowance		530	204
Sal: Recoverable		52	687
Salary: Tax Debt		254	62
Salary Bargaining Council		-	2
Salary Reversal Control Account		13,227	6,769
Telephone Erroneous Interface Account		-	93
Sal: Fin Other Institutions		-	7
Sal: Deduction Parking		1	1
Sal: Official Unions		-	1
Total		**14,084**	**7,827**

14. Investments

Non-Current			
Shares and other equity			
Investment in Medical Supplies Depot		54,000	54,000
Total		**54,000**	**54,000**
Total non-current		**54,000**	**54,000**
Analysis of non-current investments			
Opening balance		54,000	54,000
Closing balance		**54,000**	**54,000**

The difference of R50,377 million between the capital amount as disclosed by the Medical Supplies Depot and the Department as reflected in the financial statements of the Department is as a result of a cash injection to increase stock holdings. The transaction was funded from the depot's own proceedings. The investment of R54 million is the initial capital outlay to the depot, no additional funds were transferred by the Department.

15. Voted funds to be surrendered to the Revenue Fund

Opening balance		2,113,891	2,092,553
Transfer from statement of financial performance (as restated)		1,354,984	357,247
Add: Unauthorised expenditure for current year	*11*	-	324,474
Paid during the year		(1,769,244)	(660,383)
Closing balance		**1,699,631**	**2,113,891**

Included in the amount of R1.7 billion disclosed as paid during the year is an amount relating to funds surrender of under expenditure for previous financial years.

16. Departmental revenue to be surrendered to the Revenue Fund

	2013/14	2012/13
	R'000	R'000
Opening balance	76,770	74,700
Transfer from Statement of Financial Performance	527,709	506,939
Paid during the year	(530,565)	(504,869)
Closing balance	**73,914**	**76,770**

17. Bank Overdraft

Consolidated Paymaster General Account	49,913	3,777,932
Total	**49,913**	**3,777,932**

18. Payables – current

Amounts owing to other entities	147,155	202,649
Other payables	39,273	13,701
Total	**186,428**	**216,350**

The amount of R147 million disclosed as amounts owing to other entities represents monies owed to the Medical Supplies Depot as at 31 March 2014. A further amount of R148 million relating to the financial year 2013/2014 only interfaced in April 2014.

The amount of R268 million was paid to the Medical Supplies Depot during the first quarter of 2014/2015.

19 . Other payables

Description		
Salary ACB Recalls	4,273	3,482
Private Telephone	-	77
Salary: Garnishee Orders	33	13
Salary: Income Tax	11,962	1,426
Salary: Pension Fund	1,626	7
Housing Loan Guarantees	535	551
Other Payables	11,955	8,145
Telephone Control Account	8,889	-
Total	**39,273**	**13,701**

The telephone control account represents an amount owed to Telkom as at 31 March 2014. This amount was paid to Telkom during the first quarter of the financial year. Other represents salary related payments.

20. Net cash flow available from operating activities

	Note	2013/14	2012/13
		R'000	R'000
Net surplus as per Statement of Financial Performance		1,882,693	864,186
Add back non cash/cash movements not deemed operating activities		3,016,024	(1,015,874)
decrease in receivables – current		17,221	3,459
decrease in prepayments and advances		(151)	112
decrease in other current assets		4,496,522	1
(decrease) in payables – current		(29,922)	(794,982)
Expenditure on Capital Assets		832,163	941,464
Surrenders to Revenue Fund		(2,299,809)	(1,165,928)
Net cash flow generated by operating activities		**4,898,717**	**(151,688)**

21. Reconciliation of cash and cash equivalents for cash flow purposes

Consolidated Paymaster General Account		312,591	(3,753,571)
Cash receipts		386	20
Disbursements		-	3
Cash on hand		1,055	1,026
Total		**314,032**	**(3,752,522)**

22. Contingent liabilities and contingent assets

22.1 Contingent liabilities

		Note	2013/14	2012/13
			R'000	R'000
Liable to	**Nature**			
Housing loan guarantees	Employees	*Annex 3A*	929	1,857
Claims against the Department		*Annex 3B*	8,943,172	4,143,145
Intergovernmental payables (unconfirmed balances)		*Annex 5*	128	94
Total			**8,944,229**	**4,145,096**

Claims against the Department represent mainly litigation claims relating to medico legal matters as well as the premature termination of contracts. The comparative for premature termination of contracts is disclosed under Provisions.

Included in the amount of R8, 944 billion as claims against the Department is an amount of R606 million relating to National Health Laboratory Services. An investigation into the billing processes is currently underway through the National Treasury and National Department of Health. Subsequent to year end an amount of R43.276 million was received as settlement of certain litigation cases on medico legal. Of the amount of R43.276 million an amount of R41.778 was paid during April and May 2014. The amount of R1.498 million was still payments in progress. Contingent liabilities were re-evaluated and led to an adjustment of the closing balance and an amount of R1,4 billion was re-classified as a contingent liability not a provision (Note 37).

22.4 Contingent assets

Claim against employees (Negative Leave Credits)		29,114	24,652
Claim Against National Health Laboratory Services		1,599,392	-
Total		**1,628,506**	**24,652**

An amount of R1.6 billion disclosed as a contingent asset relates to the National Health Laboratory Services. This amount has been identified as a result of an investigation into the billing systems of NHLS against the Department. The investigation into the billing system is on-going in 2014/2015.

23. Commitments

Current expenditure			
Approved and contracted		352,560	103,526
Sub-Total		**352,560**	**103,526**
Capital expenditure			
Approved and contracted		742,516	1,603,575
Approved but not yet contracted		35,689	210,278
Sub-Total		**778,205**	**1,813,853**
Total Commitments		**1,130,765**	**1,917,379**

Commitments include amounts committed by Gauteng Department of Infrastructure on behalf of Health.
Commitments of R17 million were older than a year.

24. Accruals

Listed by Economic Classification				
			2013/14	2012/13
	30 Days	30+ Days	Total	Total
Goods and services	353,100	820,548	1,173,648	1,533,422
Transfers and subsidies	5,094	4,905	9,999	9,764
Capital assets	24,268	97,071	121,339	20,317
Other	-	-	-	13,661
Total	**382,462**	**922,524**	**1,304,986**	**1,577,164**

Listed Per Programme					
1. Administration			135,203		238,672
2. District Health Services			180,108		282,888
3. Emergency Medical Services			19,031		63,669
4. Provincial Hospitals			339,365		387,017
5. Central Hospital Services			493,698		564,362
6. Health Training and Sciences			10,851		28,668
7. Health Care Support Services			5,391		4,207
8. Health Facilities Management			121,339		7,681
Total			**1,304,986**		**1,577,164**
Confirmed balances with other Departments		*Annex 5*	32,097		117,897
Confirmed balances with other government entities		*Annex 5*	268,472		285,762
Total			**300,569**		**403,659**

An amount of R22 million for software licenses included in the accruals disclosed was paid in 2014/2015.
An amount of R520 million disclosed as accruals was paid in the first quarter of the 2014/2015 financial year.
Amounts owing to National Health Laboratory Services are disclosed under other Disclosure Notes and are therefore not included in the accruals disclosure of the Department.

25. Employee benefits

Leave entitlement		618,752	596,908
Service bonus (Thirteenth cheque)		428,921	391,925
Performance awards		254,981	229,182
Capped leave commitments		453,407	458,451
Total		**1,756,061**	**1,676,466**

The leave entitlement has been reduced by an amount of R6 million relating to leave taken during the financial year 2013/2014 but not captured on Persal as at 31 March 2014.

26. Lease commitments

26.1 Operating leases expenditure

2013/14	Buildings and other fixed structures	Total
Not later than 1 year	25,224	25,224
Later than 1 year and not later than 5 years	21,510	21,510
Later than five years	-	-
Total lease Commitments	**46,734**	**46,734**

2012/13	Buildings and other fixed structures	Total
Not later than 1 year	23,588	23,588
Later than 1 year and not later than 5 years	33,200	33,200
Later than five years	-	-
Total lease commitments	**56,788**	**56,788**

26.2 Finance leases expenditure**

2013/14	Machinery and equipment	Total
Not later than 1 year	26,669	26,669
Later than 1 year and not later than 5 years	38,089	38,089
Total lease commitments	**64,748**	**64,748**

2012/13	Machinery and equipment	Total
Not later than 1 year	27,887	27,887
Later than 1 year and not later than 5 years	22,479	22,479
Total lease commitments	**50,366**	**50,366**

27. Accrued Departmental revenue

	Note	2013/14	2012/13
		R'000	R'000
Sales of goods and services other than capital assets		625,535	1,543,710
Total		**625,535**	**1,543,710**

The amount of R6.5 million represents Patient fees.
The opening balance was adjusted by an amout of R249,807 to correct previous years' understatement (Note 37).

27.1 Analysis of accrued Departmental revenue

	Note	2013/14	2012/13
		R'000	R'000
Opening balance		1,543,710	2,025,279
Less: amounts received		387,384	324,173
Add: amounts recognised		1,204,188	1,185,829
Less: amounts written-off/reversed as irrecoverable		1,734,979	1,343,225
Closing balance		**625,535**	**1,543,710**

27.2 Accrued Department revenue written off

Patient Fees written off on the stand alone systems		223,465	198,434
Total		**223,465**	**198,434**

An amount of R49 million was received but not allocated on the Stand Alone Systems of Medicom and PAAB as at 31 March 2014.

Included in the opening balance of 2013/2014 is an amount of R249 million which was an understatement.

27.3 Impairment of accrued Departmental revenue

Estimate of impairment of accrued Departmental revenue		1,511,514	1,144,791
Total		**1,511,514**	**1,144,791**

An amount of R1.5 billion was provided for as Patient Debts that are older than 90 days excluding debts relating to the Road Accident Fund, other Departments, other provinces and medical aid, the impairment amount disclosed during 2012/2013 has been restated in 2013/2014. (2012/2013: R1.1 billion).

28. Irregular expenditure

28.1 Reconciliation of irregular expenditure

Opening balance		5,748,235	4,473,257
Add: Irregular expenditure – relating to prior year		-	372,633
Add: Irregular expenditure – relating to current year		233,903	1,141,557
Less: Current year amounts condoned		-	(239,212)
Irregular expenditure awaiting condonation		**5,982,138**	**5,748,235**
Analysis of awaiting condonation per age classification			
Current year		233,903	902,345
Prior years		5,748,235	4,845,890
Total		**5,982,138**	**5,748,235**

28.2 Details of irregular expenditure – current year

Incident	Disciplinary steps taken/criminal proceedings	2013/14 R'000
BAC approvals of deviations from normal tender procedure in terms of section 16A6.4 of the treasury regulations (Procurement above R500 000 without competitive bids)	Pending National Treasury Condonement	57,466
Deviation from normal procurement procedures up to R500 000 and normal tender procedures (Above R500 000 on quotation basis)	Pending National Treasury Condonement	174,706
Overtime exceeding 30%	Pending DPSA condonement	1,469
Expired operating lease contracts	Pending National Treasury Condonement	262
Total		**233,903**

29. Fruitless and wasteful expenditure

29.1 Reconciliation of fruitless and wasteful expenditure

	Note	2013/14	2012/13
		R'000	R'000
Opening balance		408,050	387,293
Fruitless and wasteful expenditure – relating to prior year		-	41,345
Fruitless and wasteful expenditure – relating to current year		161,620	145,967
Less: Amounts resolved		(155,060)	(166,555)
Fruitless and wasteful expenditure awaiting resolution		**414,610**	**408,050**

29.2 Analysis of awaiting resolution per economic classification

Current		414,620	408,050
Total		**414,620**	**408,050**

29.3 Analysis of Current year's fruitless and wasteful expenditure

Incident	Disciplinary steps taken/criminal proceedings	2013/14 R'000
Expired medication	None	4,898
Interest on late payments	None	1,523
Disposal of other inventory	None	61
Litigation settlements relating to Medico Legal	None	155,060
Other	Disclosed under Human Resource disciplinary processes	78
Total		**161,620**

30. Related party transactions

	Note	2013/14	2012/13
		R'000	R'000
Goods and services		2,927,567	3,493,235
Total		**2,927,567**	**3,493,235**

Year end balances arising from revenue/payments			
Payables to related parties		268,472	202,649
Total		**268,472**	**202,649**

The related party transactions relates to the Medical Supplies Depot, a trading entity of the Department. Included in the amount of R2.9 billion paid to the Depot during the financial year 2013/2014 is an amount of R286 million relating to the previous financial year.

Other related Parties include Gauteng Departments:

- *Office of the Premier;*
- *Legislature;*
- *Economic Development and Trading Entities;*
- *Education;*
- *Social Development;*
- *Local Government and Housing;*
- *Roads and Transport;*
- *G-Fleet;*
- *Community safety;*
- *Agriculture and Rural Development;*
- *Sports, Arts Culture and Recreation;*
- *Finance;*
- *Provincial Treasury and*
- *Infrastructure Development.*

An amount of R9 414 million has been disclosed as amounts paid to the Department of Infrastructure Development a related party of the Department.

31. Key management personnel

	No. of Individuals	2013/14	2012/13
		R'000	R'000
Political office bearers (provide detail below)	1	1,735	1,737
Officials:			
Level 15 to 16	5	5,353	3,906
Level 14 (incl. CFO if at a lower level)	19	17,479	17,730
Family members of key management personnel	3	674	1,579
Total	**28**	**25,241**	**24,952**

The Chief Financial Officer acted as the Head of Department until the Head of Department assumed duty in September 2013.

32. Impairment: other

	Note	2013/14	2012/13
		R'000	R'000
Provision for staff debt		-	29,109
Provision for patient debt		1,511,514	1,049,534
Total		**1,511,514**	**1,078,643**

There is no provision for staff debt older than 3 years since these debts were written off during 2013/2014.

An amount of R1.5 billion was provided for as Patient Debts that are older than 90 days excluding debts relating to the Road Accident Fund, other Departments, other provinces and medical aids. The impairment amount disclosed during 2012/2013 has been restated in 2013/2014. (2012/2013: R1.1 billion), (Note 37).

33. Provisions

Litigation Claims against the Department		43,185	42,764
Performance Bonuses for 2008/2009, 2009/2010 and 2010/2011		413,000	413,000
National Health Laboratory Services		328,513	-
OSD to Engineers		9,274	-
Total		**793,972**	**455,764**

An amount of R329 million paid to the National Health Laboratory Services during 2014/2015 has been disclosed as a provision. Premature termination of contracts has been reclassified under contingent liabilities, (Note 37).

33.1 Reconciliation of movement in provisions – 2013/14

	Legal	Bonuses & OSD	NHLS	Total provisions
	R'000	R'000	R'000	R'000
Opening balance	42,764	413,000	-	455,764
Provisions raised	421	9,274	328,513	338,208
Closing balance	**43,185**	**422,274**	**328,513**	**793,972**

34. Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014

	Opening balance	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	**3,245,270**	**341,164**	**24,818**	**3,561,616**
Transport assets	267,878	80,592	1,489	346,981
Computer equipment	142,932	25,133	749	167,316
Furniture and office equipment	93,541	8,290	337	101,494
Other machinery and equipment	2,740,920	227,149	22,243	2,945,826
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	**3,245,270**	**341,164**	**24,818**	**3,561,616**

34.1 Additions

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014

	Cash	Non-cash	(Capital Work in Progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	**416,795**	**(5,929)**	**(84,520)**	**14,818**	**341,164**
Transport assets	116,264	81	(49,287)	13,534	80,592
Computer equipment	20,834	2,109	-	2,190	25,133
Furniture and office equipment	7,686	403	-	201	8,290
Other machinery and equipment	272,011	(8,522)	(35,233)	(1,107)	227,149
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	**416,795**	**(5,929)**	**(84,520)**	**14,818**	**341,164**

34.2 Disposals

DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014

	Sold for cash	Transfer out or destroyed or scrapped	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	**159**	**24,659**	**24,818**	**108**
Transport assets	159	1,330	1,489	108
Computer equipment	-	749	749	-
Furniture and office equipment	-	337	337	-
Other machinery and equipment	-	22,243	22,243	-
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	**159**	**24,659**	**24,818**	**108**

The amount of R159 000 disclosed as sold for cash, transport assets, is the value of the asset in the Asset Register.

The actual cash received for this sale was R108 000 which is disclosed on Departmental Revenue: Sale of Scrap.

34.3 Movement for 2012/2013

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013

	Opening balance	Curr Year Adjust-ments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	**3,236,671**	**(267,793)**	**382,295**	**105,903**	**3,245,270**
Transport assets	267,186	(7,439)	12,525	4,394	267,878
Computer equipment	177,120	(12,824)	35,442	56,806	142,932
Furniture and office equipment	365,071	(260,270)	6,223	17,483	93,541
Other machinery and equipment	2,427,294	12,740	328,106	27,220	2,740,920
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	**3,236,671**	**(267,793)**	**382,295**	**105,903**	**3,245,270**

34.4 Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014

	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Opening balance	4	595,781	595,785
Additions	-	34,582	34,582
Disposals	-	2,726	2,726
TOTAL MINOR ASSETS	**4**	**627,637**	**627,641**

Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013

	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Opening balance	4	448 530	448 534
Curr Year Adjustments to Prior Yr Balances	-	189 027	189 027
Additions	-	33 477	33 477
Disposals	-	75 253	75 253
TOTAL MINOR ASSETS	**4**	**595 781**	**595 785**

	Machinery and equipment	Total
Number of minor assets at cost	640	640
TOTAL NUMBER OF MINOR ASSETS	640	640

34.5 Movable assets written off

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2014

	Machinery and equipment	Total
	R'000	R'000
Assets written off	69	69
TOTAL MOVABLE ASSETS WRITTEN OFF	**69**	**69**

35. Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014

	Opening balance	Additions	Closing Balance
	R'000	R'000	R'000
SOFTWARE	207,721	189	207,910
TOTAL INTANGIBLE CAPITAL ASSETS	**207,721**	**189**	**207,910**

35.1 Additions

ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014

	Cash	Closing Balance
	R'000	R'000
SOFTWARE	189	189
TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS	**189**	**189**

Movement for 2012/2013

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013

	Opening balance	Disposals	Closing Balance
	R'000		
SOFTWARE	236,637	28,916	207,721
TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS	**236,637**	**28,916**	**207,721**

36. Immovable Tangible Capital Assets

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014

	Opening balance	Curr Year Adjustments to prior year balances	Additions	Closing Balance
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	4,006,508	(4,006,508)	3,284	3,284
Non-residential buildings	1,851,011	(1,851,011)	-	-
Other fixed structures	2,155,497	(2,155,497)	3,284	3,284
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	**4,006,508**	**(4,006,508)**	**3,284**	**3,284**

During 2013/14 the Department completed a process to unbundle all immovable assets to GDID in line with the GPG custodian framework in order to align the Gauteng Province with the requirements of GIAMA. Such immovable assets were transferred to GDID by means of a PFMA s.42 transfer and are reflected in the immovable asset registers/AFS of 2013/14 of defined custodians and in GDID in line with the prescripts of the National Treasury Sector Specific Guide. This necessitated certain adjustments to the carrying value of the Department's immovable asset register which are reflected in the Note above.

227 Immovable Assets were revalued at R1 and transferred to the Department of Infrastructure Development.

36. 1 Additions

ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014

	Cash	(Capital Work in Progress current costs and finance lease payments)	Total
	R'000	R'000	R'000
BUILDING AND OTHER FIXED STRUCTURES	289,041	(285,757)	3,284
Other fixed structures	289,041	(285,757)	3,284
TOTAL ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS	**289,041**	**(285,757)**	**3,284**

36.2 Movement for 2012/13

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013

	Opening balance	Closing Balance
	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	4,006,508	4,006,508
Non-residential buildings	1,851,011	1,851,011
Other fixed structures	2,155,497	2,155,497
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	**4,006,508**	**4,006,508**

36.3 Additions

Immovable assets value at R1

IMMOVABLE ASSETS VALUED AT R1 IN THE ASSET REGISTER AS AT 31 MARCH 2014

	Closing Balance
	R'000
R1 Immovable assets	1
TOTAL	**1**

37. Prior period errors

37.1 Correction of Prior period error for secondary information

The comparative amounts in Note 27 were restated as follows:	
Closing Balance Adjusted	799,727
Sales of goods and services	438,015
Net effect on the note	**1,237,742**

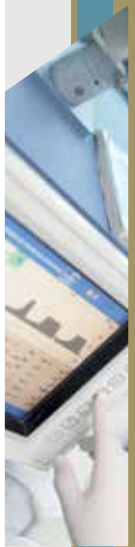
Opening balance of revenue was restated to adjust for understatement in the previous years.
A amount of R1,5 billion represents a Provision for Patient Debts older that 90 days excluding Debts relating to Road Accident Fund.
The Impairment amount disclosed during 2012/2013 has been restated in 2013/2014. (2012/2013: R1.1 billion, Note 32).

The comparative amounts in Note 22 were restated as follows:	
Closing Balance Adjusted	1,417,489
Net effect on the note	**1,417,489**

Contingent liabilities were re-evaluated and led to an adjustment of the closing balance and an amount of R1.4 billion was reclassified as a contingent liability not a provision (Note 33).

38. STATEMENT OF CONDITIONAL GRANTS RECEIVED

NAME OF GRANT	GRANT ALLOCATION						SPENT			2012/13	
	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 Department	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
Division of Revenue Act											
National Tertiary Services Grant	3,305,931	-	-	-	3,305,931	3,305,931	3,305,810	121	100	3,044,567	3,044,526
Health Professional Training and Development Grant	765,202	-	-	-	765,202	765,202	765,202	-	100	725,310	725,310
Comprehensive HIV and AIDS	2,258,483	-	-	-	2,258,483	2,258,483	2,258,483	-	100	1,901,293	1,901,293
Hospital Revitalization Grant	677,371	66,365	-	-	743,736	677,371	412,083	331,653	61	795,439	572,080
Health Infrastructure Grant	86,816	5,112	-	-	91,928	86,816	55,413	36,515	64	110,361	98,513
Nursing Colleges Grant	6,846	1,728	-	-	8,574	6,846	6,303	2,271	92	12,480	7,701
EPWP Incentive Grant for the Social Sector (Health)	-	-	-	-	-	-	-	-	-	29,072	28,727
National Health Insurance Grant	4,850	12,026	-	-	16,876	4,850	13,559	3,317	280	31,500	8,062
AFCON Grant	-	-	-	-	-	-	-	-	-	3,000	3,000
EPWP Public Works (EPWP Integrated Grant)	3,000	-	-	-	3,000	3,000	3,000	-	100	1,000	-
Total	**7,108,499**	**85,231**	-	-	**7,193,730**	**7,108,499**	**6,819,853**	**373,877**		**6,654,022**	**6,389,212**

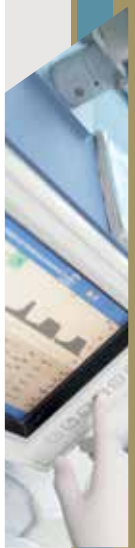


ANNEXURE 1A
STATEMENT OF CASH SUBSIDY PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT			2012/13
	Divisionof 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
Primary Health Care Category A											
City of Johannesburg	97,303	-	-	97,303	97,303	-	-	97,303	97,303	-	95,312
City of Tshwane Metro	35,837	-	-	35,837	35,837	-	-	35,837	35,837	-	33,773
Ekurhuleni Metro	104,395	-	-	104,395	104,394	-	-	104,395	104,394	-	96,067
Category A											
City of Johannesburg Metro	100,334	-	-	100,334	100,334	-	-	100,334	100,334	-	92,728
City of Tshwane Metro	53,750	-	-	53,750	53,750	-	-	53,750	53,750	-	49,676
Ekurhuleni Metro	129,001	-	-	129,001	129,001	-	-	129,001	129,001	-	119,220
HIV and AIDS (Provincial)	-	-	-	-	-	-	-	-	-	-	-
City of Johannesburg	17,889	-	-	17,889	17,889	-	-	17,889	17,889	-	46,031
City of Tshwane Metro	10,403	-	-	10,403	10,403	-	-	10,403	10,403	-	-
Ekurhuleni Metro	10,487	-	-	10,487	10,487	-	-	10,487	10,487	-	-
West Rand District Council	6,072	-	-	6,072	6,072	-	-	6,072	6,072	-	-
Sedibeng District Council	6,372	-	-	6,372	6,372	-	-	6,372	6,372	-	-
Category C											
West Rand District Council	35,834	-	-	35,834	35,834	-		35,834	35,834	-	33,117
Sedibeng District Council	-	-	-	-	-	-	-	-	-	-	36,429
Total	**607,677**	**-**	**-**	**607,677**	**607,676**	**-**	**-**	**607,677**	**607,676**		**602,353**

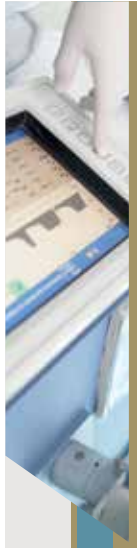
ANNEXURE 1B
STATEMENT OF TRANSFERS TO DepartmentAL AGENCIES AND ACCOUNTS

Department/ AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2012/13
	Adjusted Appropriation	Roll Overs	Adjust-ments	Total Available	Actual Transfer	% of Available funds Transferred	Appro-priation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Health and Welfare Seta	16,085	-	-	16,085	16,085	100%	28,238
SABC	124	-	-	124	33	27%	-
Total	**16,209**	**-**	**-**	**16,209**	**16,118**	**-**	**28,238**



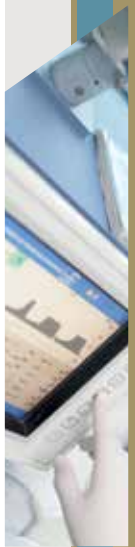
ANNEXURE 1C
STATEMENT OF TRANSFERS TO HIGHER EDUCATION INSTITUTIONS

NAME OF HIGHER EDUCATION INSTITUTION	TRANSFER ALLOCATION				TRANSFER			2012/13
	Adjusted Appropriation	Roll Overs	Adjust-ments	Total Available	Actual Transfer	Amount not transferred	% of Available funds Transferred	Appro-priation Act
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
University of Witwatersrand	478	-	-	478	296	182	61%	434
University of Johannesburg	590	-	-	590	406	184	45%	540
University of Limpopo	202	-	-	202	63	139	221%	181
University of Pretoria	380	-	-	380	193	187	97%	345
Total	**1,650**	**-**	**-**	**1,650**	**958**	**692**	**-**	**1,500**



ANNEXURE 1D
STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2012/13
	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							
Mental Health	234,948	-	-	234,948	218,536	93	285,519
Community Based Services	86,905		-	86,905	68,701	79	266,498
HIV and AIDS (Provincial)	247,022	-	-	247,022	213,183	86	196,153
Nutrition	47,238	-	-	47,238	26,323	56	49,379
Community Health Clinics (Alexandra Health Care Centre)	8,000	-	-	8,000	7,313	91	8,125
Community Health Clinics(Phillip Moyo)	48,315	-	-	48,315	37,076	77	45,580
Community Health Clinics (Witkoppen)	13,150	-	-	13,150	11,161	85	24,110
District Management	11,994	-	-	11,994	10,220	85	41,421
Community Based Services (EPWP NPOs)	88,485	-	-	88,485	46,103	52	-
Community Based Services (Specialised services, NPOs and rehabilitation)	1,300	-	-	1,300	1,300	100	-
NHI District Management	-	333	-	333	333	100	-
Oral prevention/promotion/counselling (CBS)	400	-	-	400	205	51	-
Total	**787,757**	**333**	-	**788,090**	**640,454**	**81**	**916,785**

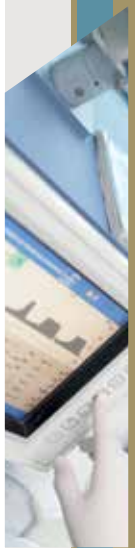


ANNEXURE 1E
STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2012/13
	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 Benefit	24,668	-	-	24,668	72,635	294	47,439
Bursaries non-employee	30,486	-	-	30,486	82,608	271	36,114
Claims against state households	-	-	-	-	2,597	-	178
Total	**55,154**	**-**	**-**	**55,154**	**157,840**	**-**	**83,731**

ANNEXURE 1F
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2013/14	2012/13
		R'000	R'000
Received in cash			
	Various individual donors	17	203
Subtotal		**17**	**203**
Received in kind			
Various individual donors	Various individual donors	2,392	1,210
The Aurum Institute	Vehicles (2)	-	164
Various Donors	Computer Equipment	2,181	307
Various Donors	Furniture and Office Equipment	170	371
Various Donors	Other Machinery and Equipment	2,651	1,159
Various Donors	Pharmaceutical supplies	71,690	
Subtotal		**79,084**	**3,211**
TOTAL		**79,101**	**3,414**



ANNEXURE 3A
STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2014

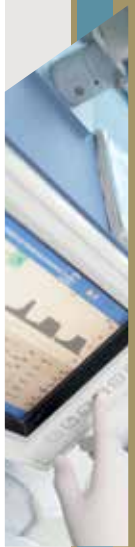
Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2013	Guarantees draw downs during the year	Guarantees repayments/ cancelled/ reduced/ released during the year	Revaluations	Closing balance 31 March 2014	Guaranteed interest for year ended 31 March 2014	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
Housing									
ABSA	5	163	163	(65)	(98)	-	-	-	-
FIRST RAND BANK (FNB)	22	1,050	1,050	(473)	(17)	-	560	-	-
FIRST NATIONAL BANK LIMITED (FNB)	-	14	14	(14)	-	-	-	-	-
NEDBANK LIMITED	3	130	130	(63)	-	-	67	-	-
OLD MUTUAL (NEDB/PERM)	1	110	110	(94)	-	-	16	-	-
STANDARD BANK	11	451	451	(165)	-	-	286	-	-
VBS MUTUAL BANK	-	13	13	(13)	-	-	-		-
STD BUILDING SOCIETY	-	(74)	(74)	74	-	-	-	-	-
Total	-	**1,857**	**1,857**	**(813)**	**(115)**	**-**	**929**	**-**	-

ANNEXURE 3B
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2014

Nature of Liabilities recoverable	Opening Balance 1 April 2013	Liability incurred during the year	Liability reduced during the year	Closing Balance 31 March 2014
	R'000		R'000	R'000
Claims against the Department				
Medico-Legal	3,025,722	3,724,404	(183,774)	6,566,352
Civil Claims	204,462	651,728	(1,256)	854,934
Vehicle Liability	9,247	475	(312)	9,410
Premature termination of contracts	1,508,092	-	-	1,508,092
OSD to Nurses	-	4,384	-	4,384
TOTAL	**4,747,523**	**4,380,991**	**(185,342)**	**8,943,172**

An opening balance of R32,580 (Accruals) was adjusted in the current year; this amount is included in the settled Medico Legal cases.

Subsequent to year end an amount of R43,276 million was received as settlement of certain litigation cases on medico legal, of this amount R41,778 million was paid during April and May 2014.

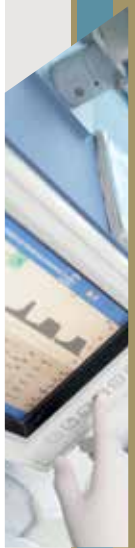


ANNEXURE 4
CLAIMS RECOVERABLE

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2014	31/03/2013	31/03/2014	31/03/2013	31/03/2014	31/03/2013
	R'000	R'000	R'000	R'000	R'000	R'000
Department						
Mpumalanga: Department of Health (C5)	-	-	4	171	4	171
Eastern Cape: Department of Health (D2)	-	-	-	11	-	11
Gazankhulu (G1)	-	-	(606)	-	(606)	-
Government Printing (37)	-	-	11	11	11	11
Government Pension Administration Agency (53)	-	-	24	-	24	-
Limpopo Department of Health and Social Development (P4)	-	-	94	94	94	94
Western Cape: Department of Health (U3)	-		80	-	80	-
West Cape Provincial Parliament (U4)	-	-	34	34	34	34
SA National Defence Force (W1)	-	-	94	-	94	-
Gauteng Agriculture and Rural Development (G4)	-	13	-	-	-	13
North West Health (3Y)	-	-	208	75	208	75
Gauteng Treasury (4G)	26	-	-	-	26	-
National Department of Correctional Services(95)	-	-	34	34	34	34
KZN Department of Health (3K)	-	-	-	193	-	193
Northern Cape Department of Health (H5)	-	-	50	50	50	50
Mpumalanga Department of Health & Social Services(Patient fees)	-	-	35,659	44,986	35,659	44,986
Department of Correctional Services (Patient fees)	-	-	33,549	34,667	33,549	34,667
South African Police Services (Patient fees)	-	-	17,387	26,105	17,387	26,105

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2014	31/03/2013	31/03/2014	31/03/2013	31/03/2014	31/03/2013
	R'000	R'000	R'000	R'000	R'000	R'000
Limpopo Department of Health and Social Development (Patient fees)	-	-	64,689	39,077	64,689	39,077
North West Department of Health and Social Development(Patient fees)	-	-	363,861	316,065	363,861	316,065
SA National Defence Force (Patient fees)	-	-	2,157	3,725	2,157	3,725
National Department of Justice (Patient Fees)	-	-	9,877	18,346	9,877	18,346
Gauteng Department of Infrastructure	17,862	-	-	-	17,862	-
TOTAL	**17,888**	**13**	**527,206**	**483,644**	**545,094**	**483,657**

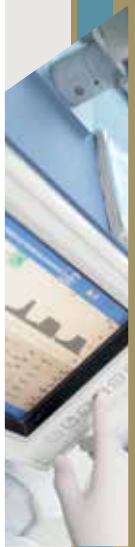
Patient Fees to the value of R 527 180 million is included on Annexure 4 but not reflecting on BAS.



ANNEXURE 5
INTER-GOVERNMENTAL PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2014	31/03/2013	31/03/2014	31/03/2013	31/03/2014	31/03/2013
	R'000	R'000	R'000	R'000	R'000	R'000
DepartmentS						
Current						
Gauteng: Department of Finance(GSSC) (L8)	3,416	6,805	-	-	3,416	6,805
Western Cape: Department of Health	48	8	8		56	8
Gauteng Department of Education	165	-	-	-	165	-
Free State: Department of Health (V5)	58	75	-	-	58	75
Gauteng Department of Social Development	43	213	-	-	43	213
South African Police Services (90)	-	-	6	6	6	6
North West: Department of Health	72	-	-	-	72	-
Gauteng: Department of Transport G-Fleet (K8)	25,811	20,630	-	-	25,811	20,630
Western Cape: Department of Social Development (U3)	-	148	-	-	-	148
Limpopo: Department of Health (Q7)	322	631	-	-	322	631
Limpopo: Department of Social Development	18	-	-	-	18	-
National Department of Correctional Services	29	21	-	-	29	21
Statistics SA	-	56	-	-	-	56
National Department of Human Settlement	60	-	-	-	60	-
National Department of Social Development	4	-	-	-	4	-
National Department of Water Affairs & Forestry(36)	17	17	-	-	17	17
Gauteng: Department of Infrastructure Development	-	87,610	-	-	-	87,610
Mpumalanga: Department of Health	307	1,500	88	88	395	1,588
National Department of Health	244	183	-	-	244	183
Gauteng Office of the Premier	910	-	-	-	910	-
Eastern Cape Department of Health (D2)	299	-	-	-	299	-
National Department of Rural Development and Land reform	3	-	-	-	3	-

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2014	31/03/2013	31/03/2014	31/03/2013	31/03/2014	31/03/2013
	R'000	R'000	R'000	R'000	R'000	R'000
National Department of Defence Force	58	-	-	-	58	-
National Department of Justice	68	-	-	-	68	-
National Treasury	15	-	-	-	15	-
Kwazulu-Natal: Department of Health	103	-	-	-	103	-
National Department of Public Works	19	-	-	-	19	-
National Department of Labour	8	-	23	-	31	-
Government Printing	-	-	3	-	3	-
Total Departments	**32,097**	**117,897**	**128**	**94**	**32,225**	**117,991**
OTHER GOVERNMENT ENTITY						
Current						
Medical Supplies Depot (K7)	268,472	285,762	-	-	268,472	285,762
Subtotal	**268,472**	**285,762**	-	**-**	**268,472**	**285,762**
TOTAL INTERGOVERNMENTAL	**300,569**	**403,659**	**128**	**94**	**300,697**	**403,753**



ANNEXURE 6
INVENTORY

Inventory	2013/14	2012/13
	R'000	R'000
Opening balance	506,302	564,126
Add: Additions/Purchases - Cash	2,049,163	4,473,726
(Less): Disposals	(4,533)	(8,394)
(Less): Issues	(1,680,868)	(4,523,156)
Closing balance	**870,064**	**506,302**

ANNEXURE 7A
MOVEMENT IN CAPITAL WORK IN PROGRESS

MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2014				
	Opening balance	Current Year Capital WIP	Completed Assets	Closing balance
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	1,096,995	285,757	3,284	1,379,468
Other fixed structures	1,096,995	285,757	3,284	1,379,468
TOTAL	**1,096,995**	**285,757**	**3,284**	**1,379,468**

Part F: MSD Financial Information

Gauteng Department of Health
Financial Statements of Gauteng Medical Supplies Depot
For The Year Ended 31 March 2014

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Report of the Accounting Officer

The Accounting Officer of the Gauteng Department of Health hereby submits the annual report for the Gauteng Medical Supplies Depot (MSD), to the Executive Authority of the Gauteng Department of Health, and the Gauteng Provincial Legislature of the Republic of South Africa.

1. General review of the state of affairs

The MSD is responsible for the supply of essential medicines and medically related items to Provincial Health Care Facilities in Gauteng. The Depot operates as a trading entity and charges a levy of 5% on stock issued to the Provincial Health Care Facilities.

The Depot procures essential medicines and medically related items on contract or quotations and either store these items at the Depot or orders are placed with suppliers on behalf of institutions for direct delivery to the various institutions. Accurate usage of items, as well as money spent by hospitals, can be obtained from the Medical Stock Administration System (MEDSAS). The Economic Order Quantity (EOQ) together with the First-Entry-Expiry-First-Out, (FEEFO) system is applied to ensure that correct stock levels are maintained.

The Depot prepares financial statements for each financial year in accordance with the prescribed practice (Statements of South African Generally Recognised Accounting Practice-GRAP). The financial statements are prepared and reported on accordingly.

The MSD has a re-packing function, where bulk medicine is repacked into patient-ready packs. The re-packing expenses are recovered from the normal levy charged. Managers for each cost centre were identified, and procedures to ensure the completeness of stock requisitioning and receiving were designed. Cost centre implementation was further enhanced for the financial year ending 31 March 2014 where various implementation concerns were addressed and is frequently reviewed. It is possible to reconcile the relevant cost centres with the records of the finance section. This will further enhance the monitoring of some expense items through a budget process.

1.1 Significant events that have taken place during the year

Re-engineering the Depot's Processes

In line with the Turnaround Strategy, the Depot's people, systems and processes in the procurement and warehousing functional areas have been assessed by the re-engineering team of consultants from Supply Chain Management Services (SCMS) funded by the USAID. Phase one: situation analysis completed; phase two: solution development completed; phase three: implementation of solutions is ongoing and phase four: handover was completed in October 2013.

A key position already identified by reengineering team is that of quality assurance manager who will ensure that processes and procedures are monitored. Management is pleased to report that this critical post was filled and the manager reported for duty on 1 May 2013.

Revival of the Provincial Pharmacy and Therapeutics Committee (PPTC)

The Provincial Pharmacy and Therapeutics Committee has been revived. Through its subcommittees (Formulary, Rational Medicine Use, Safety and Quality and Procurement advisory subcommittees), it will assist in:

- The standardisation of medicines used in accordance with the Essential Drugs Programme.
- The rational utilisation of medicines aligned to evidence-based medicine principles.
- Improved medicine procurement through the tender system and determination of pack sizes to be re-packed or purchase.
- Refining the provincial medicine formulary such that non-EDL medicines allowed for use are not greater than 20% of the total medicines used.
- Monitoring of expenditure on medicines using the ABC analysis where A medicines are those that consume 80% of the budget, B medicines 15% of the budget and C medicines 5% of the budget. On a quarterly basis, medicine utilisation review is done focussing primarily on the A medicines.

It is, therefore, expected that the cost of medicines used will be reduced.

Capitalisation of G-Fleet motor vehicles

The Depot had a total of 5 G-Fleet motor vehicles during the year under review of which 4 met the criteria for finance lease and 1 motor vehicle continued to be treated as an operating lease. The capitalisation of these vehicles result in finance charges amounting to R139 390 (2013: R237 417), refer to note 13 to the financial statements.

Spending Trends

A summary of major spending trends indicates that medicines price increased at a rate higher than the consumer price index (CPI). This has the effect that revenue increases at a higher rate and has a favourable influence on the net profit of the Depot. Cost containment measures were implemented which further improved the net profit, unfortunately non-delivery by suppliers due to non-payment still occurred but frequent timely payment occurred from November 2012. This also had an impact on the priority objective of the Depot in ensuring the availability of essential medicines and medically related items. Items not on the Essential Drug List that used to be procured through the Gauteng Department of Finance (GDF) are procured via the Depot's buy-out function since July 2009 and has dramatically increased the turnover of the Depot.

Major accounts

Description	31 March 2014 Amount R	Variance From Prior Year	31 March 2013 Amount R	Variance From Prior Year	2012 Amount R	Variance From Prior Year	2011 Amount R
Revenue	2 908 789 812	(0.52)%	2 928 979 725	22.09%	2 399 029 813	(10.03)%	2 666 262 368
Cost of sales	2 763 338 474	(0.14)%	2 803 521 784	17.70%	2 381 948 004	(6.27)%	2 541 391 755
Expenditure: Personnel	52 496 147	7.80%	48 684 146	4.07%	46 778 513	5.86%	44 188 916
Expenditure: General	45 798 889	22.25%	37 463 148	8.99%	34 094 761	(18.03)%	41 590 596
Net profit / (loss)	47 099 000	33.41%	35 302 769	>100%	(65 738 035)	(246.8)%	44 761 981

Personnel expenses increased as more scarce skills posts on the staff establishment were filled. A general moratorium on the filling of posts were in place for other posts.

The Depot management has, however, identified areas where career development constraints exist and where risks identified need to be addressed. The proposed organisational structure that was forwarded to our Head Office has been reviewed, amended and approved. The vacancies were not filled due to space limitations and other restrictions. This exercise will continue after the re-engineering processes project has been completed. Unfilled posts were frozen by the Department of Public Service and Administration during the year under review.

2. Services rendered

The Medical Supplies Depot is responsible for the efficient procurement, quality testing, storage and distribution of essential medicines and medically related items to all the Provincial Health Care Facilities in Gauteng. The Depot ensures that Essential Medicine List (EML) medicine and medically related items are available to our clients at all times. This involves the evaluation of medicine and surgical sundry items for tender purposes, participation in tender adjudication meetings, procurement and distribution of these items, as well as quality control of medicines distributed to our institutions.

Quality control is carried out in a fully equipped laboratory, where samples are tested from each batch of medicines received. The Depot's laboratory is the only laboratory in South-Africa where the findings on quality tests performed are also communicated to other provinces.

Tariff policy

The tariff policy for the trading account was approved on 1 April 1992 as per the Exchequer Act, Act No. 66 of 1975. Approval was granted for a five percent (5%) levy on the average carrying value of stock issued to customer hospitals.

Free Service

The Depot does not provide any free service. The quality control of the medicines performed by the laboratory on site is part of the administrative expenses of the Depot, which are recovered as part of the five percent levy charge.

3. Capacity constraints

The Medical Supplies Depot delivers a vital service to all the Health Care Institutions in Gauteng.

Currently, the Depot has 263 posts on the approved staff establishment, with 46 vacant. In addition to the 46 vacant posts, there are 3 Senior Managers that are currently on suspension and 1 Senior Manager is on study leave for a period of two years. The high vacancy rate is as a result of compliance with cost saving measures implemented in the Department. Measures have been taken to strengthen the operations of the Depot and its management.

The service level was also measured based on availability of stock at institutional level which ranged between 85% – 90% for the same period.

Systems for measuring the indicator "% of orders supplied to institutions on first requests" were strengthened, and the actual performance is calculated according to the following definition: "If an order/request (which could consist of multiple different items) is fulfilled 100% within 24 hours, then that order counts towards the achieving of the target. If even one item is not captured as part of the request within 24 hours, the order does not count as being fulfilled". This is an extremely high standard to meet, but it is specific, measurable and time-bound. Also, it holds the Depot to higher standards – meeting orders within 24 hours could have a life-saving impact at the level of institutions. However, the more rigorous monitoring system makes it appear that performance is lower than planned.

A constraint to ensure effective, economical and efficient reporting exists in that information from various systems needs to be manually collated. Information from the following systems is used and involves time-consuming reconciliation procedures to enable compliance with Statements of SA GRAP for disclosure purposes:

- Basic Accounting System (BAS).
- Personnel and Salary Administration System (PERSAL).
- Medical Stock Administration System (MEDSAS).
- Asset Management System (ASSETWARE).
- Manual systems to perform reconciliation procedures and accrual based accounting.

4. Utilisation of donor funds

The MSD receives a donation of Nevirapine Solution and Tablets from Boehringer Ingelheim for the Prevention of Mother-to-Child Transmission of HIV, and a further donation of Fluconazole from Pfizer Laboratories for use by AIDS patients with Oesophageal Candidiasis and Cryptococcal Meningitis. This type of donor funding is received on a continuous basis.

The Depot does not account for the economic benefit received in the Statement of Financial Performance, as the Depot is considered to be only a conduit for hospitals and to control the receipt of donations for the Department. The donation is reflected in the financial statements of the Department.

The current market value of donations issued and charged at a value of one-hundredth of one cent (R0.0001) to all clients of the Depot. The total charge to health institutions for donations received amounted to under R10.

Below is the breakdown of donations received during the financial period.

ITEM DESCRITION	Supplied by/ Arranged by	QUANTITY RECEIVED	Current Market Value per Unit Single Exit Price – (SEP)	Total SEP Value
Fluconazole Powder for oral suspension 50mg /5ml 35ml	NDoH	1112	R189.21	R 210 401.52
Fluconazole Injection 2mg/ml, 100ml	NDoH	4700	R 182.40	R 857 280.00
Fluconazole tablets 200mg 28's	NDoH	30000	R 2 188.14	R 65 644
TOTAL				**R 66 711 881.52**

US-Aid funding for re-engineering the Depot's processes

The re-engineering of the Depot processes was funded by US-Aid (Implementation partner of Presidents Emergency Plan For Aids Relief - PEPFAR). In April 2012, SCMS completed a month-long survey of the Auckland Park-based MSD. Procurement was identified as an area of weakness within the GDoH supply chain, and the SCMS Survey Report indicated that Contract Compliance could conservatively achieve R30 million savings for GDoH with regard to improved contract compliance (the total project target for all improvements was set at R116 million in the SCMS Survey Report).

Subsequently, the SCMS project was given the green light and the projects' phase two started in August 2012. The project procurement stream was established with senior managers at MSD and facilitated by SCMS Technical advisors. This project became known as "Kenako Kitima". Please note that the cost of the project is unknown.

One of the key benefits from the project was the fact that a contract database was developed to assist in ensuring compliance to national and provincial contracts. The contract compliance database developed by SCMS and implemented with MSD support to improve contract compliance for National (HP) contracts has resulted in undiscounted savings amounting to R95million in the financial year. Back orders were reduced. Warehouse management practices were improved with the introduction of trolley consolidations, streamlining of schedules for supervisors that assists in effective staff utilisation. Quality assurance processes were improved with a complete overhaul of the standard operating procedures coupled with it. Internal audits were done and a process to allow for interim contracts are was implemented which brought savings in cost and management time. Training was provided to both Depot personnel and to procurement managers of health institutions on stock management to enhance sustainability of the implemented processes.

5. Trading entities

The Depot operates as a trading entity, known as "The Central Medical Trading Account" since 1 April 1992. The trading entity acts as a shared supply chain for the procurement and provisioning of pharmaceutical to the Department's Health Care Institutions in Gauteng.

Comparative information

A four year comparative analysis of major accounts is disclosed under paragraph 1 above.

6. Organisation to whom transfer payments have been made

No transfer payment has been made by the Depot in this financial year.

7. Public/Private Partnership (PPP)

No Public Private Partnership has been entered into by the Depot in this financial year.

The following non-core services have been outsourced to the private sector which consist mostly of Black Economic Empowerment companies:

- Maintenance and support of the MEDSAS computer system.
- Distribution of stock to health care institutions.
- Security of the property and vehicle access control.

- Maintenance, pest control and minor landscaping of the garden at the Depot.
- General maintenance contracts, such as lifts, air conditioners, stand-by generator, fire equipment and access control mechanisms.

Refer to note 21 of the financial statements for operating lease and commitments detail.

8. Corporate governance arrangements

Management, with the objective of safeguarding the assets of the Depot and ensuring a high quality of service delivery, performs an annual risk assessment. The following financial risks were prioritised:

- A system was developed to reconcile creditors and to ensure recovery and payment of over- or under- payments made.
- Debtors control was introduced to ensure that revenue is collected timeously and outstanding orders are cleared.
- A reconciliation procedure was implemented whereby hospitals reconcile stock received, with charges on their accounting system (BAS) and MEDSAS (Budget Expenditure Report).
- The asset management system (ASSETWARE) was implemented and all assets are recorded and capitalised.
- The Depot's controls and operations are evaluated together with the Audit Committee of the Department of Health and Social Development.
- The Depot utilises and follows the Fraud Prevention Plan of the Department of Health.

Management uses risk assessments and reports of both internal and external audit on a monthly basis to identify areas for improvement of the operations of the MSD. Updated reports made available are being used to strengthen the implementation of risk management and fraud prevention plans at the Depot. An updated risk assessment for all operations at the Depot was completed in March 2012.

9. Discontinued activities

During the year under review, a decision was taken by management to discontinue the procurement of non-pharmaceutical products at the Depot. The procurement of non-pharmaceutical products has moved to the Department of Health from February 2014.

10. Inventories

The valuation method used by the MSD is the moving weighted average as per the MEDSAS:

Medicine and medically related items

	31 March 2014 R	31 March 2013 R	2012 R	2011 R
Closing stock	239 434 577	164 252 270	104 130 374	147 332 339

Medicine and medically related items

	31 March 2014 R	31 March 2013 R	2012 R	2011 R
Breakages	15 646	27 584	24 753	114 107
Expired stock	5 254 573	2 648 327	2 332 284	3 290 151

The reason for expired stock in the year under review is attributable mainly to expired female condoms. In the prior years it was mainly due to the Depot receiving late communication regarding regimen changes, for instance TB treatment, resulting in doctors not prescribing the already stocked medicines.

Control measures in place

Whilst the long term solutions for ensuring efficient and effective stock management at the depot require an appropriate infrastructure (new warehouse), an integrated information system and adequate workforce in terms of numbers and skills, the following short term controls have been instituted:

- Shelf marshals have been appointed to monitor expiry dates and identifying items expiring in 6 months.
- Stock on hand is first issued before replacement items are issued when regimens (treatment protocols) are changed.
- Reviewing the list of items to be kept at the Depot.
- Discuss regimen changes with National Department of Health to align with current stock levels

11. Events after the reporting date

There were no significant events identified by management that may have a significant impact on the entities financial position, its financial performance or its cash flows for the year 31 March 2014.

12. Information on predetermined objectives

The Gauteng Department of Health and Social Development's Strategic Plan, 2009 to 2014 was used as a basis for developing the Depot's Operational Plan. This approach ensured that the Depot's predetermined objectives are clearly aligned to those of the Department as far as the Depot's relevance to the Department is concerned.

For the year under review, the Depot had a total of seven (7) predetermined objectives which were reported on quarterly. Each of the seven objectives had at least one indicator whose measurement variable inputs were collected either through the current IT Systems in use such as MEDSAS or collected manually or a combination of IT and manual systems.

The key performance indicators per the strategic plan based on measurable objectives and our actual achievement are reflected in the table below:

No.	Key Performance Indicator	Target for the financial year ending 31 March 2014	Percentage achieved in the financial year ending 31 March 2014	Details on achievement of target
1	Percentage of Essential Medicines List (EML) items available at the depot.	90%	82%	Great improvement in payment of ARV suppliers National Department of Health's intervention on following up with non-performance suppliers Consequently, we have noted improvements in cash flows resulting in stock levels continuing to improve slowly.
2	% of EML orders supplied to institutions on first request.	90%	82%	The service level and how fast the MSD provides EML items to institutions is also in many ways dependent on the EML availability hence linked to indicator No 1 above.
3	Number of staff trained per annum on: MEDSAS (Drug Supply Management System) and Supply Chain Management (SCM).	10	154	The target has been exceeded to address additional training needs of staff during the year.
	Number of staff trained per annum on: Risk management, financial management and performance management.	10	24	The target has been exceeded to address additional training needs of staff during the year.

No.	Key Performance Indicator	Target for the financial year ending 31 March 2014	Percentage achieved in the financial year ending 31 March 2014	Details on achievement of target
4	% expired stock on average stock holding.	<2%	1.13%	% Expiring is below target based on improved inventory management.
5	Laboratory Testing Turnaround time not to exceed 48 hours of working days.	95%	98%	This target has been exceeded as resources was available to perform testing within stipulated timeframes.
6	Number of Pre-packed stock units.	4 000 000 units	1 024 048 units	The target is demand driven.
7	% completion of timely reports of and review of identified Key Control Accounts.	70%	80%	The target was exceeded as reports were complete timeously and accurately.

13. SCOPA Resolutions

There were no adopted resolutions for the MSD for the year ended 31 March 2014.

14. Investigation

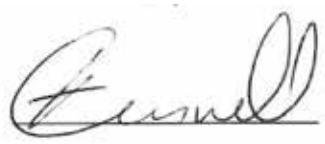
A forensic investigation was requested by the Head of Department: Health and Social Development with regards to irregularities at the MSD and the investigation commenced on Monday, 7 May 2012. This investigation was completed in the 2012/2013 financial year and the report was provided to the relevant authorities who are taking the necessary steps as per the senior managers and one manager being suspended with pay on 4 June 2013. The Department has promised a speedy finalisation of due processes.

15. Other

The Depot was still incurring a cost relating to price increases not recovered from demanders. This is mostly attributable to the back dated approval of contract price increases by the Gauteng Department of Finance.

16. Approval

The financial statements set out on pages 253 to 282 have been approved by the Accounting Officer.



DR H D GOSNELL
Head of Department: HEALTH
31 March 2014

REPORT OF THE AUDITOR-GENERAL TO THE GAUTENG PROVINCIAL LEGISLATURE ON GAUTENG MEDICAL SUPPLIES DEPOT

Report on the financial statements

Introduction

1. I have audited the financial statements of the Gauteng Medical Supplies Depot, set out on pages 253 to 282, which comprise the statement of financial position as at 31 March 2014, the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements 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 (Act No.1 of 1999) (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.

Auditor-general's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the general notice issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Gauteng Medical Supplies Depot as at 31 March 2014, and its financial performance, statement of changes in net assets and cash flows for the year then ended in accordance with the SA Standards of GRAP and the requirements of the PFMA.

Emphasis of matters

7. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Restatement of corresponding figures

8. As disclosed in note 24 to the financial statements, the corresponding figures for the 31 March 2013 were restated as a result of an error discovered during 31 March 2014 financial statements of the trading entity at, and for the year ended, 31 March 2013.

Report on other legal and regulatory requirements

9. In accordance with the PAA and the general notice issued in terms thereof, I report the following findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report, non-compliance with legislation as well as internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

Predetermined objectives

10. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected programme presented in the annual performance report of the Entity for the year ended 31 March 2014.

Programme: Medical Supplies Depot

11. I evaluated the reported performance information against the overall criteria of usefulness and reliability.

12. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned programmes. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the *National Treasury's Framework for managing programme performance information (FMPPI)*.

13. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete. The material findings in respect of the selected programme are as follows:

Usefulness of reported performance information

14. I did not raise any material findings on the usefulness of the reported performance information for the selected programme.

Programme: Medical Supplies Depot

Reliability of reported performance information

15. The FMPPI requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets. The reported performance information was not valid, accurate and complete when compared to the source information or evidence provided. This was due to a lack of recording and monitoring of performance and monitoring of the completeness of source documentation in support of actual achievements and frequent review of the validity of reported achievements against source documentation.

Additional matter

16. We draw attention to the following matters. Our conclusions are not modified in respect of these matters:

Achievement of planned targets

17. Refer to the annual performance report on page 248 to 249 for information on the achievement of planned targets for the year. This information should be considered in the context of the material finding on the reliability of the reported performance information in paragraphs 10; 14 and 15 of this report.

Adjustment of material misstatements

18. I identified material misstatements in the annual performance report submitted for auditing on the reported performance information for Medical Supplies Depot. As management subsequently corrected only some of the misstatements, I raised material findings on the reliability of the reported performance information.

Compliance with laws and regulations

19. I performed procedures to obtain evidence that the Entity had complied with applicable legislation regarding financial matters, financial management and other related matters.

20. My findings on material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA, are as follows:

Human resource management

21. Employees were appointed without following a proper process to verify the claims made in their applications in contravention of Public Service Regulation 1/VII/D.8.

22. A human resource plan was not in place as required by Public Service Regulation 1/III/B.2(d).

Expenditure management

23. Effective steps were not always taken to prevent irregular and fruitless and wasteful expenditure, as required by section 38(1)(c)(ii) of the Public Finance Management Act and Treasury Regulation (TR) 9.1.1.

24. Contractual obligations and money owed by the Department to the value of R75 926 412 as disclosed in note number 10, were not settled within 30 days or an agreed period, as required by section 38(1)(f) of the PFMA and TR 8.2.3.

Procurement and contract management

25. Goods and services above the R500 000 threshold were procured without inviting competitive bids as required by TR 16A6.1. Deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of TR 16A6.4.

Internal control

26. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with legislation. The findings on the annual performance report and the findings on non-compliance with legislation are included in this report.

Leadership

27. A lack of effective oversight to ensure that a human resource plan was in place, that key laws and regulations were complied with and that the annual performance reports was free from material misstatements.

Financial and performance management

28. A lack of effective oversight to ensure that a human resource plan was in place, that key laws and regulations were complied with and the annual performance report was free from material misstatements.

29. A lack of implementation of proper record keeping in a timely manner to ensure that complete, relevant and accurate information was accessible and available to support financial and performance reporting.

30. A lack of implementation of controls over daily and monthly processing and reconciling of transactions.

31. Proper accounting system relevant to the entity's operation is not in place to ensure complete and accurate financial information.

Other reports

Investigations

32. Investigations based on the allegations of procurement irregularities, fraud, theft and negligence are being performed by the entity. These investigations were in progress at the reporting date.

Johannesburg
31 July 2014

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

	Note	31 March 2014 R	31 March 2013* R
ASSETS			
Non-current assets		**8 741 913**	**8 890 213**
Property, plant and equipment	2	8 725 599	8 890 213
Intangible Assets	3	16 314	-
Current assets		**525 976 662**	**470 421 319**
Inventories	4	239 434 577	164 252 270
Trade and other receivables from exchange transactions	5	269 665 898	305 118 256
Cash and cash equivalents	6	16 876 187	1 050 793
Total assets		**534 718 575**	**479 311 532**
NET ASSETS AND LIABILITIES			
Net assets			
Capital and reserves		**242 302 852**	**194 273 659**
Medsas capital account	7	104 376 790	104 376 790
Accumulated surplus		137 926 062	89 896 869
Non-current liabilities		**321 337**	**728 291**
Finance lease obligation	8	321 337	728 291
Current liabilities		**292 094 386**	**284 309 582**
Leave accruals	9	3 161 078	2 966 266
Trade and other payables from exchange transactions	10	288 395 137	280 777 721
Finance lease obligation	8	538 171	565 595
Total net assets and liabilities		**534 718 575**	**479 311 532**

*Restated – refer note 24

	Note	31 March 2014 R		31 March 2013* R
Revenue from exchange transactions	11	2 908 789 812		2 928 979 725
Cost of sales	23	(2 763 338 474)		(2 803 521 784)
Gross profit		**145 451 338**		**125 457 941**
Other income	11	82 088		66 781
Operating expenditure	12	**(98 295 036)**		**(86 147 294)**
Distribution cost		(14 477 634)		(11 876 523)
Administrative expenses		(71 704 183)		(66 246 334)
Other expenses		(12 113 219)		(8 024 437)
Operating surplus		**47 238 390**		**39 377 428**
Finance income	13	-		(79 080 816)
Finance cost	13	(139 390)		75 006 157
Surplus before taxation		**47 099 000**		**35 302 769**
Taxation	14	-		-
Surplus for the year		**47 099 000**		**35 302 769**
Other comprehensive income, net of tax:		-		-
Total comprehensive income attributable to:				
Gauteng Department of Health		**47 099 000**		**35 302 769**

*Restated – refer note 24

	Note	MEDSAS capital account R	Accumulated Surplus R	Total R
Balance at 31 March 2012 (as previously stated)	7	**104 376 790**	**54 246 512**	**158 623 302**
Correction of error	24	-	(1 470 606)	(1 470 606)
Balance at 31 March 2012 (restated)		**104 376 790**	**52 775 906**	**157 152 696**
Surplus for the year (As previously stated)		-	35 205 211	35 205 211
Correction of error		-	1 915 752	1 915 752
Balance at 31 March 2013 (restated)		**104 376 790**	**89 896 869**	**194 273 659**
Surplus for the year		-	47 099 000	47 099 000
Fair value adjustment on Property, plant and equipment		-	930 193	930 193
Balance at 31 March 2014		**104 376 790**	**137 926 062**	**242 302 852**

	Note	31 March 2014 R	31 March 2013* R
Cash flows from operating activities			
	15	18 764 073	(4 692 135)
Cash generated from/(utilized in) operations			
Interest income	13	-	-
Finance costs	13	(139 390)	(237 417)
Net cash generated from/(utilised in) operating activities		**18 624 683**	**(4 929 552)**
Cash flows from investing activities			
Purchase of property, plant and equipment	2	**(2 364 911)**	**(1 714 131)**
Proceeds on disposal of property, plant and equipment		-	41 464
Net cash outflow from investing activities		**(2 364 911)**	**(1 672 667)**
Cash flows from financing activities			
Repayment of finance lease obligation	8	(434 379)	(237 417)
Net cash outflow from financing activities		**(434 379)**	**(237 417)**
Net increase/(decrease) in cash and cash equivalents		**15 825 394**	**(6 839 636)**
Cash and cash equivalents at the beginning of the year	6	1 050 793	7 890 429
Cash and cash equivalents at the end of the year	6	**16 876 187**	**1 050 793**

*Restated. Refer note 24

1. Basis of preparation of annual financial statements

These financial statements were prepared in accordance with the standards of Generally Recognised Accounting Practices (GRAP) issued by the Accounting Standards Board in accordance with the Public Finance Management Act, 1999 (Act No.1 of 1999) as amended by the Public Finance Management Amendment Act (Act No. 29 of 1999).

The effective standards of GRAP replace the South African Statements of Generally Accepted Accounting Practices (SA GAAP) including any interpretations of such Statements issued by the Accounting Practices Board as the basis of preparation in the prior year as follows:

Standard of GRAP	Replaced Statement of SA GAAP
GRAP 1: Presentation of financial statements	AC 101: Presentation of financial statements
GRAP 2: Cash Flow statements	AC 118: Cash flow statements
GRAP 3: Accounting policies, changes in accounting estimates and errors	AC 103: Accounting policies, changes in accounting estimates and errors

For the year under review and comparative financial year, the recognition and the measurement principles in the above GRAP and SA GAAP Statements do not differ or result in material differences in items presented and disclosed in the financial statements. The implementation of GRAP 1, 2 and 3 has resulted in the following changes in the presentation of the annual financial statements:

Terminology differences:

Standard of GRAP	Replaced Statement of SA GAAP
Statement of Financial Performance	Statement of Comprehensive income
Statement of changes in net assets	Statement of Changes in Equity
Net Assets	Equity
Surplus/deficit	Profit/loss
Accumulated surplus/deficit	Retained Earnings
Contributions from Owners	Share Capital
Distribution to owners	Dividends

However, there are material differences between the principles of GRAP and SA GAAP on the following items applicable to the entity:

- **Financial Instruments: Classification**
  SA GAAP classifies financial assets as financial assets at fair value through profit or loss; financial instruments at cost and financial liabilities at fair value through profit or loss and those at amortised cost.

  GRAP classifies financial instrument as financial instruments at fair value including financial assets/liabilities designated at fair value and financial instruments at cost.

- **Derecognition of financial assets**
  GRAP does not require "Pass through" testing and the recognition and derecognition of assets based on a continuing involvement approach is not allowed.

  The annual financial statements were prepared on an accrual basis of accounting and in accordance with historical cost convention unless otherwise stated.

  In the absence of an issued and effective Standard of GRAP, accounting policies for material transactions, events or conditions were developed in accordance with paragraphs 8, 10 and 11 of GRAP 3 as read with Directive 5.

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

The principal accounting policies, applied in the preparation of these annual financial statements, are set out below. These accounting policies are in line with the requirements of GRAP.

1.2. Presentation currency

The annual financial statements are presented in South African Rand, the functional currency of the entity.

1.3. Going concern assumption

The annual financial statements were prepared on a going concern basis which assumes that the entity will continue to operate as a going concern for at least the next 12 months.

1.4. Comparative information

1.4.1 Current year comparatives (Budget)

Budget information in accordance with GRAP 1 and 24, has been provided in a separate Annexure to these annual financial statements.

1.4.2 Prior year comparatives

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year

1.5. Significant judgements and estimates

The use of judgment, estimates and assumptions is inherent to the process of preparing annual financial statements. These judgements, estimates and assumptions affect the amounts presented in the annual financial statements. Uncertainties about these estimates and assumptions could result in outcomes that require a material adjustment to the carrying amount of the relevant asset or liability in future periods.

Provisions

Provisions are measured as the present value of the estimated future outflows required to settle the obligation. In the process of determining the best estimate of the amounts that will be required in future to settle the provision management considers the weighted average probability of the potential outcomes of the provisions raised. This measurement entails determining what the different potential outcomes are for a provision as well as the financial impact of each of those potential outcomes. Management then assigns a weighting factor to each of these outcomes based on the probability that the outcome will materialise in future. The factor is then applied to each of the potential outcomes and the factored outcomes are then added together to arrive at the weighted average value of the provisions.

Depreciation and amortisation

Depreciation and amortisation recognised on property, plant and equipment is determined with reference to the useful lives and residual values of the underlying items. The useful lives and residual values of assets are based on management's estimation of the asset's condition, expected condition at the end of the period of use, its current use, expected future use and the entity's expectations about the availability of finance to replace the asset at the end of its useful life. In evaluating the how, the condition, and use of the asset informs the useful life and residual value management considers the impact of technology and minimum service requirements of the assets.

Fair value determination of property, plant and equipment (excluding heritage assets)
In determining the fair value of property, plant and equipment the entity applies a valuation methodology to determine the fair value based on any one of, or a combination of the following factors:

- The market related selling price of the item; or
- The material composition of the item; or
- The item's special features which include design, appendages and improvements; or
- The item's condition with regards to whether it is broken, in a poor, fair, good or excellent condition.

Inventory
Inventories that qualify for recognition must initially be stated at cost. Where inventories are acquired at no cost, or for nominal consideration, their cost shall be their fair value at the date of acquisition. All inventory items at year end are stated using the weighted average cost.

Impairments of non-financial assets
In testing for and determining the value-in-use of non-financial assets, management is required to rely on the use of estimates about the asset's ability to continue to generate cash flows (in the case of cash-generating assets). For non-cash-generating assets, estimates are made regarding the depreciated replacement cost, restoration cost, or service units of the asset, depending on the nature of the impairment and the availability of information.

1.6. Financial instruments

Initial recognition
The entity recognises a financial asset or a financial liability in its Statement of Financial Position only when the entity becomes a party to the contractual provisions of the instrument. This is achieved through the application of trade date accounting.

Upon initial recognition the entity classifies financial instruments or their component parts as financial liabilities or financial assets in conformity with the substance of the contractual arrangement and to the extent that the instrument satisfies the definitions of a financial liability or a financial asset.

Trade and other receivables
Trade and other receivables are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition and subsequently stated at amortised cost, using the effective interest rate method.

Cash and cash equivalents
Cash and cash equivalents are measured at amortised cost using the effective interest rate method. Cash includes cash on hand and cash with banks. Cash equivalents are short-term highly liquid investments that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value. For the purposes of the Cash Flow Statement, cash and cash equivalents comprise cash on hand and deposits held on call with banks.

Trade and other payables
Trade payables are initially measured at fair value plus transaction costs that are directly attributable to the acquisition and are subsequently measured at amortised cost using the effective interest rate method.

Gains and losses
A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired or through the amortisation process.

Off-setting
The entity does not offset financial assets and financial liabilities in the Statement of Financial Position unless a legal right of set-off exists and the parties intend to settle on a net basis.

Impairments
All financial assets measured at amortised cost are subject to an impairment review. The entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (that is, the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

1.7. Inventories

Initial recognition and measurement
Inventories are initially recognised at cost. Cost refers to the purchase price, plus taxes, transport costs and any other costs in bringing the inventories to their current location and condition.

Subsequent measurement
Inventories will be measured at the lower of cost and the net realisable value. Inventories are stated on a weighted average moving basis with the same cost formula being used for all inventories having a similar nature and use at the entity.

Redundant and slow-moving inventories are identified and written down from cost to net realisable value with regard to their estimated economic or realisable values. The amount of any reversal of any write-down of inventories arising from an increase in net realisable value or net realisable value is recognised as a reduction of inventories recognised as an expense in the period in which the reversal occurs.

Derecognition
The carrying amount of inventories is recognised as an expense in the period that the inventory was sold, distributed, written off or consumed, unless that cost qualifies for capitalisation to the cost of another asset.

1.8. Property, plant and equipment

Initial recognition and measurement
The cost of an item of property, plant and equipment is the purchase price and other costs directly attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the entity. Trade discounts and rebates are deducted in arriving at the cost at which the asset is recognised. The cost also includes the estimated costs of dismantling and removing the asset.

Items of property, plant and equipment are initially recognised as assets on acquisition date and are initially recorded at cost where acquired through exchange transactions. However, when items of property, plant and equipment are acquired through non-exchange transactions, those items are initially measured at their fair values as at the date of acquisition.

Subsequent measurement
Subsequent to initial recognition, items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Deprecation
Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The depreciable amount is determined after taking into account an assets' residual value, where applicable.

The assets' residual values, useful lives and depreciation methods are reviewed at each financial year-end and adjusted prospectively, if appropriate.

The annual depreciation rates are based on the following estimated asset useful lives:

Asset classification	Average useful lives (Years)
Fixtures and fittings	
System alarm	*3-5*
Lifts and escalators	*5-10*
Motor vehicles	
Cars, minibuses, trucks	*3-5*
Plant and equipment	
Air-conditioning	*5-10*
Laundry equipment	*5-10*
Medical equipment	*5-10*
Parking equipment	*5-10*
Radio equipment	*5-10*
Telephone system	*5-10*
Workshop and tools	*5-10*
Office furniture	
Bed	*5-10*
Kitchen equipment	*5-10*
Office equipment	*3-5*

Impairment

The entity tests for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable amount (or recoverable service amount), it is written down immediately to its recoverable amount (or recoverable service amount) and an impairment loss is charged to the Statement of Financial Performance.

Where items of property, plant and equipment have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the Statement of Financial Performance in the period that the impairment is identified.

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of the impairment is recognised in the Statement of Financial Performance.

Derecognition

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

1.9. Intangible Assets

Initial recognition and measurement
An intangible asset is an identifiable non-monetary asset without physical substance. The entity recognises an intangible asset in its Statement of Financial Position only when it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the entity and the cost or fair value of the asset can be measured reliably.

Intangible assets are initially recognised at cost.
Where an intangible asset is acquired by the entity for no or nominal consideration (that is, a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

Where an intangible asset is acquired in exchange for a non-monetary asset or monetary assets or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value is not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

Subsequent measurement
Intangible assets are subsequently carried at cost less accumulated amortisation and impairments.

The cost of an intangible asset is amortised over the useful life where that useful life is finite. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Financial Performance in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life assumption continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Amortisation and impairment
Amortisation is charged to write off the cost of intangible assets over their estimated useful lives using the straight-line method.

The annual amortisation rates are based on the following estimated average asset lives:

Intangible Asset	Average Useful Life
Computer Software	3-5 years

The amortisation period, the amortisation method and residual value for intangible assets with finite useful lives are reviewed at each reporting date and any changes are recognised as a change in accounting estimate in the Statement of Financial Performance.

Impairments
The entity tests intangible assets with finite useful lives for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is performed at each reporting date. Where the carrying amount of an item of an intangible asset is greater than the estimated recoverable amount (or recoverable service amount), it is written down immediately to its recoverable amount (or recoverable service amount) and an impairment loss is charged to the Statement of Financial Performance.

Derecognition
Intangible assets are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the asset. The gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

1.10 Leases

The entity as lessee in an operating lease

Assets subject to operating leases, that is those leases where substantially all of the risks and rewards of ownership are not transferred to the lessee through the lease, are not recognised in the Statement of Financial Position. The operating lease expense is recognised over the course of the lease arrangement.

The lease expense recognised for operating leases is charged to the Statement of Financial Performance on a straight-line basis over the term of the relevant lease. To the extent that the straight-lined lease payments differ from the actual lease payments the difference is recognised in the Statement of Financial Position as either lease payments in advance (operating lease asset) or lease payments payable (operating lease liability) as the case may be. This resulting asset and/or liability is measured as the undiscounted difference between the straight-line lease payments and the contractual lease payments.

The operating lease liability is derecognised when the entity's obligation to settle the liability is extinguished. The operating lease asset is derecognised when the entity no longer anticipates economic benefits to flow from the asset.

The entity as lessee in a finance lease

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the entity through the lease agreement. Assets subject to finance leases are recognised in the Statement of Financial Position at the inception of the lease, as is the corresponding finance lease liability.

Assets subject to a finance lease, as recognised in the Statement of Financial Position, are measured (at initial recognition) at the lower of the fair value of the assets and the present value of the future minimum lease payments. Subsequent to initial recognition these capitalised assets are depreciated over the contract term. The finance lease liability recognised at initial recognition is measured at the present value of the future minimum lease payments. Subsequent to initial recognition this liability is carried at amortised cost, with the lease payments being set off against the capital and accrued interest. The allocation of the lease payments between the capital and interest portion of the liability is effected through the application of the effective interest method.

The finance charges resulting from the finance lease are expensed, through the Statement of Financial Performance, as they accrue. The finance cost accrual is determined using the effective interest method.

The finance lease liabilities are derecognised when the entity's obligation to settle the liability is extinguished. The assets capitalised under the finance lease are derecognised when the entity no longer expects any economic benefits or service potential to flow from the asset.

1.11. Revenue from exchange transactions

Revenue is recognised by the entity for goods sold, the value of which approximates the consideration received or receivable, excluding indirect taxes, rebates and discounts.

Revenue is only recognised when all of the following criteria are satisfied:

- The entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably; and
- It is probable that the economic benefits or service potential associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.12. Revenue from non-exchange transactions gifts and donations, including goods in-kind

Gifts and donations, including goods in kind, shall be recognised as income in the period it is received provided that all of the following conditions have been satisfied:

- The statutory board obtains control of the donation or the right to receive the donation;

- It is probable that the economic benefits comprising of the donation will flow to the entity; and
- The amount of the donation can be measured reliably

Gauteng Medical Supplies does not account for the economic benefit received in the Statement of Financial Performance, as the depot is considered to be only a conduit for hospitals and to control the receipt of donations for the Department.

1.13 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised to the cost of that asset unless it is inappropriate to do so. The entity ceases the capitalisation of borrowing costs when substantially all the activities to prepare the asset for its intended use or sale are complete. It is considered inappropriate to capitalise borrowing costs where the link between the funds borrowed and the capitals asset acquired cannot be adequately established. Borrowing costs incurred other than on qualifying assets are recognised as an expense in the Statement of Financial Performance when incurred.

1.14. Irregular expenditure

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

1.15 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance. Due to nature of business at the MSD where expired stock and stock breakages is inherent to the business of MSD. Expired and stock breakages will only be recognised as fruitless and wasteful expenditure if the value is high than 2% of average stock holding. Qualitative consideration would also be considered to disclose fruitless and wasteful expenditure.

1.16 Recovery of Irregular and fruitless and wasteful expenditure

The recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, and is recognised when the recovery thereof from the responsible officials is probable. The recovery of unauthorised, irregular, fruitless and wasteful expenditure is treated as other income.

1.17 Employee Benefits

Short term employee benefits
Short term employee benefits encompasses all those benefits that become payable in the short term, i.e. within a financial year or within 12 months after the financial year. Therefore, short term employee benefits include remuneration, compensated absences and bonuses. Short term employee benefits are recognised in the Statement of Financial Performance as services are rendered, except for non-accumulating benefits, which are recognised when the specific event occurs. These short term employee benefits are measured at their undiscounted costs in the period the employee renders the related service or the specific event occurs.

Retirement benefit costs
The Depot provides retirement benefits for its employees through a defined benefit plan for government employees. These benefits are funded by both employer and employee contributions. Employer contributions to the fund are expensed when money is paid to the fund. No provision or benefit accounting is disclosed for retirement benefits in the financial statements as the obligation and plan assets is the responsibility of the multi-employer Government Employee Pension Fund resorting under the control of National Treasury.

1.18 Post-reporting date events

Events after the reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue.

Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that is indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The entity will adjust the amounts recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The entity will disclose the nature of the event and an estimate its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

1.19 Related Parties

The entity has processes and controls in place to aid in the identification of related parties. A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control. Related party relationships where control exists are disclosed regardless of whether any transactions took place between the parties during the reporting period.

Where transactions occurred between the entity any one or more related parties, and those transactions were not within:

- normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the entity to have adopted if dealing with that individual entity or person in the same circumstances; and
- terms and conditions within the normal operating parameters established by the reporting entity's legal mandate.

Further details about those transactions are disclosed in the notes to the financial statements. Information about such transactions is disclosed in the financial statements.

1.20 Standards, amendments to standards and interpretations issued not yet effective

The following Standards of GRAP and/or amendments thereto have been issued by the Accounting Standards Board, but will only become effective in future periods or have not been given an effective date by the Minister of Finance. The entity has not only adopted any of these new standards or amendments, but has referred to them for guidance in the development of accounting policies in accordance with GRAP 3 as read with Directive 5:

Standard number	Standard name	Effective date (if applicable)
	Preface to Interpretations of the Standards of GRAP	*No effective date*
IGRAP7	*The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their interaction*	*No effective date*
GRAP 18	*Segment Reporting*	*No effective date*

2. PROPERTY, PLANT AND EQUIPMENT

	2014			2013		
	Cost	Accumulated depreciation	Carrying value at end of the year	Cost*	Accumulated depreciation*	Carrying value at end of the year*
Owned assets						
Computer equipment	4 494 823	(3 371 522)	1 123 301	5 646 033	(4 381 537)	1 264 496
Fixtures and fittings	10 625	(10 625)	-	3 795 472	(3 628 046)	167 426
Office furniture	6 627 884	(4 407 664)	2 220 219	5 654 214	(3 286 204)	2 368 010
Plant and equipment	13 380 500	(8 703 574)	4 676 927	7 188 140	(2 997 999)	4 190 141
	24 513 832	**(16 493 385)**	**8 020 447**	**22 283 859**	**(14 293 786)**	**7 990 073**
Leased assets						
Motor vehicles - GFleet	946 416	(882 080)	64 336	946 416	(585 913)	360 503
Office equipment	996 091	(420 244)	575 847	845 926	(474 995)	370 931
Cell phones	373 570	(308 601)	64 969	378 256	(209 550)	168 706
	2 316 077	**(1 610 925)**	**705 152**	**2 170 598**	**(1 270 458)**	**900 140**
	26 829 909	**(18 104 310)**	**8 725 599**	**24 454 457**	**(15 564 244)**	**8 890 213**

2014

	Carrying value at beginning of the year*	Reclassification**	Additions	Recognition of assets at fair value***	Disposals / Impairment	Accumulated depreciation on disposals / impairment	Depreciation charge	Carrying value at end of the year
Owned assets								
Computer equipment	1 264 496	(76 980)	461 350	171 991	(219 005)	189 981	(668 532)	1 123 301
Fixtures and fittings	167 426	(167 426)	-	-	-	-	-	-
Office furniture	2 368 010	26 843	247 992	331 339	(122 786)	97 236	(728 415)	2 220 219
Plant and equipment	4 190 141	167 642	1 211 029	426 863	(177 600)	89 620	(1 230 768)	4 676 927
	7 990 073	(49 921)	1 920 371	930 193	(519 391)	376 837	(2 627 715)	8 020 447
Leased assets								
Motor vehicles - GFleet	360 502	-	-	-	-	-	(296 166)	64 336
Office equipment	370 931	2 987	422 324	-	(275 146)	275 146	(220 395)	575 847
Cell phones	168 707	-	22 216	-	(26 902)	11 498	(110 550)	64 969
	900 140	2 987	444 540	-	(302 048)	286 644	(627 111)	705 152
	8 890 213	(46 934)	2 364 911	930 193	(821 439)	663 481	(3 254 826)	8 725 599

* Restated – refer to note 24.

**There was a reclassification of some items of Property, plant and equipment in the year under review to ensure that classification of assets per category was consistent.
*** During the physical verification of fixed assets conducted in the year under review, certain assets still in use could not be traced to the fixed asset register. They were recognised at their fair value on initial recognition.

2. PROPERTY, PLANT AND EQUIPMENT (continued)

2013	Carrying value at beginning of the year	Additions	Disposals / Impairment	Accumulated depreciation on disposals / impairment	Depreciation charge	Carrying value at end of the year*
Owned assets						
Computer equipment	1 655 045	154 450	(534)	204	(544 669)	1 264 496
Fixtures and fittings	189 719	24 852	-	-	(47 145)	167 426
Office furniture	3 081 539	24 766	(26 828)	16 049	(727 516)	2 368 010
Plant and equipment	4 220 007	883 974	(25 892)	14 501	(902 449)	4 190 141
	9 146 310	**1 088 042**	**(53 254)**	**30 754**	**(2 221 779)**	**7 990 073**
Leased assets						
Motor vehicles - GFleet	680 871	-	-	-	(320 369)	360 502
Office equipment	69 157	532 477	-	-	(230 703)	370 931
Cell phones	36 290	219 360	-	-	(86 943)	168 707
	786 318	**751 837**	**-**	**-**	**(638 015)**	**900 140**
	9 932 628	**1 839 879**	**(53 254)**	**30 754**	**(2 859 794)**	**8 890 213**

* Restated – refer to note 24.

3. INTANGIBLE ASSETS

	31 March 2014	31 March 2013
	R	R
Computer software		
Carrying value at the beginning of the year	-	-
Reclassification from Property, plant and equipment	46 934	-
Amortisation charge for the period	(30 620)	-
	16 314	**-**

4. INVENTORIES

	31 March 2014	31 March 2013
	R	R
Trading stock	81 224 231	115 142 050
Pre-pack stock	2 222 447	6 411 962
ARV	155 482 199	42 109 286
Operational stock	505 700	588 972
	239 434 577	**164 252 270**

The valuation method used by the Depot was the weighted average moving basis based on cost price. There was no impairment of inventory raised at 31 March 2014 (2013: Nil). Management has assessed impairment at year end individually and based on this assessment no impairment of inventory has been raised.

	2014	2013
	R	R
Breakages	15 646	27 584
Expired stock	5 254 573	2 648 327
	5 270 219	**2 675 911**

Damaged and obsolete stock is excluded from the total inventory value shown above. No write down of inventory to net realizable value was required during the year under review (2013: Nil).

5 . TRADE AND OTHER RECEIVABLES FROM EXCHANGE TRANSACTIONS

	2014	2013
	R	R
Trade receivables	268 471 514	302 782 324
Other receivables	1 194 384	2 335 932
(Refer to note 16 for fair values)	**269 665 898**	**305 118 256**

Trade receivables are non-interest bearing and are generally repayable between 30 and 90 days. There were no amounts older than 90 days as at year end, management has assessed trade receivables individually and collectively and has come to the conclusion that there is no reason to believe that these amounts will not be recovered within 90 days after year end hence no impairment of trade receivables was recognised for the year ended 31 March 2014 (2013: R Nil). These accounts have not been discounted due to the fact that normal trading terms had not been violated during the year under review.

As at 31 March 2014, the age analysis of trade receivables that were due but not impaired is as follows:

	Total	< 30 days	> 30 days
	R	R	R
31 March 2014	268 471 514	263 573 573	4 897 941
31 March 2013	302 782 324	302 782 324	-

6. CASH AND CASH EQUIVALENTS

	2014	2013
	R	R
Bank balance	16 874 681	1 049 293
Petty cash	1 506	1 500
(Refer to note 16 for fair values)	**16 876 187**	**1 050 793**

Cash and cash equivalents earn interest at floating rates based on daily bank deposit rates.
The finance income is however recognised in the Department of Health's financial statements.

7. MEDSAS CAPITAL ACCOUNT

	2014		2013
	R		R
MEDSAS capital account	**(104 376 790)**		**(104 376 790)**

Capital is used for the operating expenses of the Depot and for the purchasing of inventory. The Gauteng Department of Health and Social Development provided the initial capital of R54 000 000 after Treasury approval was obtained. The capital was increased by R26 000 000 in 2007, after obtaining Treasury approval, by transferring from the accumulated surplus and an additional transfer of R 24 376 790 in 2009.

8. FINANCE LEASE OBLIGATIONS

x	Present value of minimum lease payments		Minimum lease payments		Future finance charges
31 March 2014	R		R		R
Amount payable under finance lease					
Within one year	538 171		505 903		32 268
In the second to fifth year inclusive	321 337		248 891		72 446
After five years	-		-		-
	859 508		**754 794**		**104 714**
Less: Amount due for settlement within 12 months	(538 171)				
	321 337				
Finance Charges	**(139 390)**				

*Restated- refer note 24.

8. FINANCE LEASE OBLIGATIONS (continued)

31 March 2014	R		R		R
Amount payable under finance lease:					
Within one year	565 595		489 451		76 144
In the second to fifth year inclusive	728 291		610 460		117 831
After five years	-		-		-
	1 293 886		**1 099 911**		**193 975**
Less: Amount due for settlement within 12 months	(565 595)				
	728 291				

Obligations under finance leases are secured by the lessor's title to the leased asset.
Finance leases bear interest at an average rate of 9%.

9. LEAVE ACCRUALS

	31 March 2014		31 March 2013
	R		R
Balance at beginning of the year	2 966 266		2 607 150
Net accrual raised during the year	194 812		359 116
Balance at end of the year	**3 161 078**		**2 966 266**

A leave accrual is recognised for leave due to employees at year end. The accrual for leave is calculated by multiplying the number of leave days due to each employee by a daily rate based on the total cost to the company. The accrual is expected to be realised within 12 months of the reporting date.

10. TRADE AND OTHER PAYABLES FROM EXCHANGES TRANSACTIONS

	31 March 2014		31 March 2013
	R		R
Trade payables	282 029 724		275 900 473
Sundry creditors	6 365 413		4 877 248
(Refer to note 16 for fair values)	**288 395 137**		**280 777 721**

Trade payables are non-interest bearing and are generally repayable within 30 days. These accounts have not been discounted due to the fact that the effect of discounting would not be significant.

10. TRADE AND OTHER PAYABLES FROM EXCHANGES TRANSACTIONS (continued)

As at 31 March 2014, the age analysis of trade payables that were due but not impaired is as follows:

	Total	< 30 days		> 30 days
	R	R		R
31 March 2014	282 029 724	206 103 312		75 926 412
31 March 2013	275 900 473	275 900 473		-

11. REVENUE AND OTHER INCOME

	2014		2013
	R		R
Revenue from exchange transactions - sales of medical supplies	2 908 789 812		2 928 979 725
Other income	82 088		66 781
	2 908 871 900		2 929 046 506

The procurement and supply of non-pharmaceutical inventory items was discontinued in the year under review.

12. OPERATING EXPENDITURE

	31 March 2014 R	31 March 2013 R
Distribution cost:	**14 477 634**	**11 876 523**
Fees for distribution costs	14 333 066	11 787 925
Rental of vehicles	144 568	88 598
Administrative expenses	**71 704 183**	**66 246 334**
Staff Costs	48 175 823	44 628 080
Contribution to defined benefit plan	4 320 324	4 056 066
Communication	481 841	661 591
Maintenance and repairs	3 151 838	2 465 879
Stationery and printing	979 618	916 069
Other administrative expenses	7 202 604	6 926 880
Fees for services:		
Lease rentals of equipment	205 513	388 445
Audit fees	1 592 186	1 107 819
Technical	472 001	356 499
Security	5 122 435	4 739 006
Other expenses:	**12 113 219**	**8 024 437***
Depreciation owned assets	2 627 715	2 221 780
Depreciation leased assets	627 111	638 015
Amortisation of intangible assets	30 620	-
External training	47 976	205 580
Scrapping of property, plant and equipment	157 958	-
Stock price adjustments not recovered	3 351 620	2 283 151
Write-off of inventory	5 270 219	2 675 911
Total operating expenditure	**98 295 036**	**86 147 294**

13. FINANCE COST AND FINANCE INCOME

	31 March 2014 R	31 March 2013 R
Finance cost:		
Interest expense - finance lease	139 390	237 417
Interest on discounting of trade payables	-	(75 243 574)
	139 390	**(75 006 157)**
Finance income:		
Interest on discounting of trade receivables	**-**	**79 080 816**

14. TAXATION

No provision has been made for taxation as the Depot is exempt from income taxation in terms of section 10 (1) of the South African Income Tax Act No. 58 of 1962.

15. CASH GENERATED FROM / (UTILIZED IN) OPERATIONS

	31 March 2014 R	31 March 2013 R
Operating surplus	47 238 390	39 377 428
Adjusted for:		
Depreciation on property, plant and equipment and amortization of intangible assets	3 285 446	2 859 794
Net movement in leave pay accrual	194 812	359 116
Profit on the disposal of property, plant and equipment	-	(18 963)
Property, plant and equipment scrapped	157 958	-
Inventory written off	5 270 219	2 675 911
Finance income	-	(79 080 816)
Finance costs	-	75 243 574
Operating surplus before changes in working capital	**56 146 825**	**41 416 044**
Movement in working capital		
Increase in inventories	(80 452 526)	(62 797 807)
Decrease in trade and other receivables	35 452 358	639 099 921
Increase/(decrease) in trade and other payables	7 617 416	(622 410 293)
	(37 382 752)	**(46 108 179)**
	18 764 073	**(4 692 135)**

*Restated. Refer note 24.

16. RISK MANAGEMENT

General

The main risks faced by the trading entity are interest rate risk, credit risks, liquidity risks and currency risk. The Depot has developed a comprehensive risk strategy in terms of Treasury Regulation 28.1 in order to monitor and control these risks. The risk management process relating to each of these risks is discussed under the headings below.

The entity is not exposed to significant interest rate risk as there is no internal funding other than cash and finance leases. The following table set out the carrying amount, by maturity, of the entity's financial instruments exposed to interest rate risk:

31 March 2014	Within 1 year	Within 2-5 years		Total
	R	R		R
Cash and cash equivalents	16 876 187	-		16 876 187
Finance lease obligations	538 171	321 337		859 508
Trade receivables	268 471 514	-		268 471 514
Trade payables	282 029 724	-		282 029 724

31 March 2013	Within 1 year	Within 2-5 years		Total
	R	R		R
Cash and cash equivalents	1 050 793	-		1 050 793
Finance lease obligations	565 595	728 291		1 293 886
Trade receivables	302 782 324	-		302 782 324
Trade payables	275 900 473	-		275 900 473

The entity's financial instruments are linked to the South African prime rate.

The following table demonstrates the sensitivity to a reasonable possible change in interest rates, with all other variables held constant of the entity's surplus before taxation.

31 March 2014	Increase in interest rate by		Effects on surplus before taxation
Cash and cash equivalents	1%		168 762
Finance lease obligations	1%		(8 595)
Trade receivables	1%		2 684 715
Trade payables	1%		(2 820 297)

31 March 2013	Increase in interest rate by		Effects on surplus before taxation
Cash and cash equivalents	1%		10 508
Finance lease obligations	1%		(12 939)
Trade receivables	1%		3 027 823
Trade payables	1%		(2 759 005)

Credit risk

Financial assets, which potentially subject the Depot to the risk of non-performance by counter parties, consist mainly of cash and accounts receivable, consisting of trade receivables and staff debtors. Trade accounts receivable consist of a small consumer base. The Depot limits its treasury counter-party exposure by only dealing with well-established financial institutions approved by National Treasury. Trade debtors – The Gauteng Department of Health and Social Development is effectively the only client of the Depot, although deliveries occur to various health institutions

Credit risk with regards to receivables is managed as follows:

Trade debtors – A monthly claim is compiled of all issues from the Depot to health institutions and of payments affected to suppliers for direct deliveries. This claim is normally paid within a week by Central Office as the Depot follows-up strongly on outstanding monies to ensure that there is money available to release a weekly run of payments to suppliers.

Staff debtors – Section 17, 30 and 38 of the Public Service Act indicate that any overpayment or wrongly granted remuneration to staff irrespective of whose fault it is may be recovered from the employee. There are built-in control measures in Persal to limit overpayments and adjustments have a three-tier approval process. The employee applies or provides approved documents, a practitioner records the transaction on Persal, a senior reviews the transaction on Persal and a third person is required to approve the transaction. With death, retirement or resignation there is a prescribed debt form that needs to be completed and is forwarded with the pension withdrawal form (Z102) to the National Department of Finance (Pension Office) where the staff debt is recovered before payment to the employee or employee beneficiaries occur. Where the debt recovered is inadequate the Gauteng Shared Service Center's debt recovery section recovers outstanding monies.

Financial assets and liabilities exposed to credit risk at the reporting date were as follows:

	31 March 2014		31 March 2013
	R		R
Trade and other receivables (less than 3 months)	269 665 898		305 118 256
Cash and cash equivalents (less than 3 months)	16 876 187		1 050 793
Finance lease obligation - long term (2 to 5 years)	321 337		728 291
Finance lease obligation - short term (less than 1 year)	538 171		565 595
Trade and other payables (less than 3 months)	288 395 137		280 777 721

Liquidity risk

The Depot maintains a large amount of inventory, the maximum turnover period for the inventory kept however is twelve weeks or three months.

Liquidity risk is managed as follows

Proper stock management processes are in place where stock is ordered based on economic order quantities. The maximum turnover period of stock kept at the Depot is three months. At least a monthly exercise is done to identify slow moving items and a memo is issued to health institutions every six months with an inventory list of the items as a reminder of available stock.

Currency risk

The Depot does not transact with any supplier or customer outside the South African borders and this risk is therefore not directly applicable. However, this risk arises as suppliers purchase raw material from international suppliers which is subject to foreign exchange rate fluctuations. Suppliers therefore request, through an application to either National Treasury (State Tender Board) or the GSSC, for a price adjustment based on the fluctuation of foreign exchange rates.

Fair values

At 31 March 2014, the carrying values of cash and cash equivalents, trade and other receivables and trade and other payables approximate the fair values due to short term maturities of these assets and liabilities as disclosed below:-

	Carrying amount		Fair value	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
	R	R	R	R
Financial assets:				
Cash and cash equivalents	16 876 187	1 050 793	16 876 187	1 050 793
Trade and other receivables	269 665 898	305 118 256	269 665 898	305 118 256
Financial liabilities:				
Trade and other payables	288 395 137	280 777 721	288 395 137	280 777 721
Finance lease obligations	859 508	1 293 886	859 508	1 293 886

Capital management

The primary objective of the entity's capital management is to ensure that it maintains a strong credit rating and healthy ratio's in order to support its business and maximise value.

	31 March 2014	31 March 2013
	R	R
Trade and other payables	288 395 137	280 777 721
Finance obligations	859 508	1 293 886
Less: cash and cash equivalents	(16 876 187)	(1 050 793)
Net debt	**272 378 458**	**281 020 814**
Equity/capital	242 302 852	194 273 659
Capital and net debt	**30 075 606**	**86 747 155**
Gearing ratio	**11.04%**	**30.87%**

17. CONTINGENT LIABILITIES

There were no contingent liabilities as at 31 March 2014 (2013: R Nil).

18. FRUITLESS AND WASTEFUL EXPENDITURE

	31 March 2014	31 March 2013
	R	R
Opening Balance	21 053 572	-
Prior year expenditure identified in current year	-	18 377 661
Current year fruitless and wasteful expenditure (*)	4 688 753	2 675 911
Closing Balance	**25 742 325**	**21 053 572**

*The fruitless and wasteful expenditure relates to expired female condoms. The disciplinary process is underway.

19. IRREGULAR EXPENDITURE

	31 March 2014	31 March 2013
	R	R
Opening Balance	1 126 537 953	129 960
Irregular from prior year identified in current year	-	367 811 127
Current year Irregular expenditure (**)	106 693 926	758 596 866
Closing Balance	**1 233 231 879**	**1 126 537 953**

**The above irregular expenditure relates to non-compliance with supply chain management policies for a number of national, provincial and Departmental Bid Adjudication Committee (BAC) contracts. Also included in the irregular expenditure amount is an amount of R 6 337 which relates to overtime that is greater than 30% of basic salaries.

20. KEY MANAGEMENT PERSONNEL

The key performance areas of the post of a Depot manager was reviewed when the Medicines and Related Substances Control Act came into effect on 1 July 2005. In an attempt to strengthen pharmaceutical services in the province and the key performance areas of the Depot manager, a decision was made to use the post of Chief Director: Clinical Support Services on a pro-rata basis with the post of the Depot manager.

This split is a time basis of 50:50. The expense related to the compensation of this post is not part of the Depot but funded in full by the Gauteng Department of Health and Social Development. No loan, profit sharing or schemes available to key personnel and all personnel of the Depot are not considered as office holders as defined in the Public Service Act.

2014	Salary	Bonuses and performance payments	Expense allowance
	R	R	R
Director Administration : Mr JM Smidt	460 199	38 565	189 353
Director Pharmaceutical Services : Mr S Choma	460 199	38 565	208 623
	920 398	**77 130**	**397 976**

2013	Salary	Bonuses and performance payments	Expense allowance
	R	R	R
Director Administration : Mr JM Smidt	431 589	35 981	163 272
Director Pharmaceutical Services : Mr S Choma	431 589	35 981	163 272
	863 178	**71 962**	**326 544**

21. OPERATING LEASE/CONTRACT ARRANGEMENTS

At the reporting date the Depot had outstanding commitments under non-cancellable operating leases and/or contracts, which fall due as follows:

	31 March 2014	31 March 2013
	R	R
Operating leases - maintenance contracts and motor vehicle		
Up to 1 year	137 728	76 144
1 to 5 years	-	117 831
	137 728	**193 975**

The lease agreements are not renewable at the end of the lease term and the Depot does not have the option to acquire the equipment. The lease agreements do not impose any restrictions. The lease agreements' escalation rate is 0%.

22. RELATED PARTY TRANSACTIONS

Name of Related Party	Relationship
Gauteng Department of Health	Controlling entity
G-Fleet	Fellow Department

The Medical Supplies Depot is a trading entity under the control of the Gauteng Department of Health. All transactions with the Department of Health are considered to be related party transactions and are at arm's length.

Related party/ balances at year end

	31 March 2014	31 March 2013
	R	R
Gauteng Department of Health – Receivables	268 471 514	284 854 703
Sales to related parties		
Gauteng Department of Health	2 908 789 812	2 832 878 596
Other related party transactions		

The building currently occupied by the Depot is owned by the Department of Infrastructure Development (DID). Market-related rentals for the buildings occupied amounts to R9 300 000 per year.

23. COST OF SALES

In the previous financial year the following corrections were made to cost of sales. Due to the corrections made, the gross profit margin of the entity is not 5 % as the adjustments are not related to normal terms of trade.

	31 March 2014	31 March 2013
	R	R
Actual cost of sales prior to adjustments	2 763 350 321	2 782 530 739
Adjustments	(11 847)	20 991 045
Cost of sales	2 763 338 474	2 803 521 784

24. PRIOR PERIOD ERROR

24.1 CORRECTION OF ERRORS – PROPERTY, PLANT AND EQUIPMENT AND FINANCE LEASE OBLIGATION

During the year ended 31 March 2014, the entity's management noted that leased assets amounting to R125 749 and the related depreciation charge of R5 958 relating to the prior year were not recognised in the statement of financial position and statement of financial performance respectively. This occurred due to an erroneous omission of these account balances when the financial statements for the year ended 31 March 2013 were prepared.

Secondly, management noted that there was an error relating to the overstatement of the depreciation charge as a result of an omission in reviewing the useful lives of items of property, plant and equipment in the prior years. An assessment was performed and the financial statement impact was an overstatement of the depreciation charge by an amount of R1 818 194 relating to prior years.

Furthermore, management noted that there was another prior period error relating to building renovations and LAN upgrades effected in year ended 31 March 2012 that were capitalized instead of being expensed in surplus or deficit. The costs incurred did not meet the recognition criteria to be disclosed as assets in the statement of financial position. The total amount of the building renovations and LAN upgrade that should have been expensed is R1 553 406 and the depreciation charge recognised in respect of these in the year ended 31 March 2013 amounted to R 103 516. A further amount of R82 800 was recognised as a depreciation charge in the year ended 31 March 2012 as per year ends prior to that.

The impact on the financial statements is as follows for correction of the error:

Statement of Changes in Net Assets at 31 March 2013

	Accumulated surplus
Balance at 31 March 2012 (As previously stated)	***54 246 512***
Correction of error - Depreciation on LAN and Building renovations	82 800
Correction of error - Cost of LAN and building renovations	(1, 553,406)
Balance at 31 March 2012 (Restated)	***52 775 906***
Surplus for the year - as previously stated	35 205 211
Correction of error - Depreciation charge on leased assets	(5,958)
Correction of error - Depreciation charge LAN and Building renovations	103 516
Correction of error - review of useful lives of assets	1 818 194
Balance at 31 March 2013 (Restated)	***89 896 869***

Statement of Financial Position at 31 March 2013

	As previously stated	Correction of error	Restated
Assets			
Property, plant and equipment	8 319 318	570 895	**8 890 213**
Liabilities			
Finance lease obligation-short term	439 846	125 749	**565 595**

Statement of Financial Performance for year ended 31 March 2013

Other expenses	8 121 995	(97,558)	**8 024 437**
Correction of error - Depreciation charge on leased assets		5,958	
Correction of error -Depreciation charge LAN and Building renovations		(103,516)	

24.2 CORRECTION OF PRIOR PERIOD DISCLOSURE ERROR

During the year ended 31 March 2014, the entity's management noted that there was an error in the presentation of the statement of cash flows and the cash generated from operations note. The error in presentation and the restatement is noted below.

Statement Of Cash Flow For The Year Ended 31 March 2013

	Note	As previously stated	Restated
Cash flow from operating activities			
Cash generated from operations	15	(5 006 123)	**(4 692 135)**
Interest income	13	-	**-**
Finance costs	13	-	**(237 417)**
Cash inflow (Outflow) from operating activities		(5 006 123)	**(4 929 552)**
Cash flow from investing activities			
Purchase of PPE		(1 088 042)	**(1 714 131)**
Proceeds on disposal of PPE		18 963	**41 464**
		(1 069 079)	**(1 672 667)**
Cash flow from financing activities			
Repayment of finance lease obligation	8	(764 434)	**(237 417)**
		(764 434)	**(237 417)**
Net decrease in cash and cash equivalents		(6 839 636)	**(6 839 636)**
Cash and cash equivalents at the beginning of the year		7 890 429	**7 890 429**
Cash and cash equivalents at the end of the year		1 050 793	**1 050 793**

CASH GENERATED FROM OPERATIONS		
Operating surplus	35 205 211	**39 377 428**
Adjusted for:		
Depreciation	2 957 352	**2 859 794**
Net movement in leave pay accrual	359 116	**359 116**
Profit on sale of PPE	(18 963)	**(18 963)**
Interest income	79 080 816	**(79 080 816)**
Finance costs	(75 006 157)	**75 243 574**
Discounting journals	(6 827 141)	-
Inventory write-off	2 675 911	**2 675 911**
Cash generated from operations before working capital movement	**38 426 145**	**741 416 044**
Increase in inventories	(60 121 896)	**(62 797 807)**
Decrease in trade and other receivables	639 099 921	**639 099 921**
Decrease in trade and other payables	(622 410 293)	**(622 410 293)**
	(43 432 268)	**(46 108 179)**
	(5 006 123)	**(4 692 135)**

25. CHANGE IN ACCOUNTING ESTIMATE

Depreciable assets' original remaining useful lives have been changed during the year under review. This review of useful lives was undertaken so as to align it to the actual pattern of service potential expected to be derived from the assets.

The effect on the current period is a decrease in the depreciation charge by R210 266. In future periods, the effect will be an overall decrease in the depreciation charge per financial year as a result of the useful lives of assets being increased generally.

26. COMMITMENTS

The entity has a commitment in respect of accounting services to be performed by an accounting firm. The services will terminate in December 2015.

	31 March 2014	31 March 2013
Approved, contracted and not provided for in the statement of financial position	**4 082 400**	-

27. SUBSEQUENT EVENTS

There have been no subsequent events identified after 31 March 2014 that may have a material impact on the entity's financial position, financial performance or its cash flows for the year then ended.

ANNEXURE A

DESCRIPTION	TOTAL APPROPRIATED	ACTUAL SPENDING	VARIANCE	% (SPENT)
	R' 000	R' 000	R' 000	
COMPENSATION OF EMPLOYESS	67 478	52 603	14 875	78
GOODS AND SERVICES	47 160	31 956	15 204	68
CAPITAL PAYMENTS	15 295	1 897	13 398	12
TOTAL	**129 933**	**86 456**	**43 477**	

Statement of Responsibility and Confirmation of Accuracy

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 of any omissions.
The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.

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

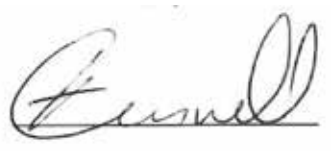
The Accounting Officer is responsible for the preparation of the annual financial statements and for the judgements made in this information.

The Accounting Officer is responsible for establishing, and implementing a system of internal control designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.

The external auditors are engaged to express an independent opinion on the annual financial statements.

In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the Department for the financial year ended 31 March 2014.

Yours faithfully,



DR H D GOSNELL
Head of Department: HEALTH
31 March 2014

Report of the Audit Committee
Medical Supplies Depot

We are pleased to present our report for the financial year ended 31 March 2014.

Audit Committee and Attendance:
The Audit Committee consists of the external Members listed hereunder and is required to meet a minimum of at least two times per annum as per provisions of the Public Finance Management Act (PFMA). In terms of the approved Terms of Reference (GPG Audit Committee Charter), six meetings were held during the current year, i.e. four meetings for Quarterly Performance Reporting (financial and non-financial) and two meetings to review and discuss the Annual Financial Statements and the Auditor-General Report.

Non-Executive Members:

Name of Member	Number of meetings attended
Ms Lungelwa Sonqishe (Chairperson)	6
Ms Nkateko Mabaso (Member)	6
Mr Mandla Ncube (Member)	6

Executive Members:
In terms of the GPG Audit Committee Charter, officials listed hereunder are obliged to attend meetings of the Audit Committee:

Compulsory Attendees	Number of meetings attended
Ms Nocawe Thipa (Acting Chief Executive Officer)	3
Mr Mohammed Kasumba (Acting Chief Financial Officer)	1
Mr Johann Strauss (Acting Chief Financial Officer)	4

The Audit Committee noted that the Acting Chief Executive Officer did not attend three meetings and letters of apology were not tendered with any duly authorised representatives attending on her behalf. As much as the Audit Committee is satisfied that the Department adhered to the provisions of the GPG Audit Committee Charter, attendance by the Acting Chief Executive Officer is strongly encouraged.

The Members of the Audit Committee met with the Senior Management of the Department and Internal Audit, collectively to address risks and challenges facing the Entity. A number of in-committee meetings were held to address control weaknesses and conflicts with the Entity.

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

The effectiveness of internal control and Information and Communication Technology (ICT) Governance

The Audit Committee has observed that the overall control environment of the Entity has continued to improve during the year under review. Several deficiencies in the system of internal control and deviations were reported in the Internal Audit Reports.

The Audit Committee also reviewed progress with respect to the ICT Governance in line with the ICT Framework issued by the Department of Public Services and Administration. Although there were some significant progress on the ICT internal control, the Audit Committee report its dissatisfaction with minimal progress made with the implementation of the Disaster Recovery Plan and the Business Continuity Plan. This continued to be a high risk for the Entity.

Internal Audit
The Audit Committee is satisfied that Internal Audit plans addresses a clear alignment with the major risks, adequate information systems coverage, a good balance between different categories of audits, i.e. risk-based, mandatory, performance and follow-up audits.

The Audit Committee has noted considerable improvement in the communication between the Executive Management, the Auditor-General and the Internal Audit Function, which has strengthened the Corporate Governance initiatives.

The Audit Committee wishes to stress that in order for the Internal Audit Function to operate at optimal level as expected by the Audit Committee, it requires additional human resources and skills. This is being addressed and corrective action is being implemented.

Risk Management
Progress on Departmental risk management was reported to the Audit Committee on a quarterly basis. The Audit Committee is satisfied that the actual management of risk is receiving attention, although there are areas that still require improvement.

Forensic Investigations
Investigations relating to fraud which led to the suspension of officials were completed and disciplinary processes are underway.

The quality of quarterly reports submitted in terms of the PFMA and the Division of Revenue Act
The Audit Committee is satisfied with the content and quality of financial and non-financial quarterly reports prepared and issued by the Accounting Officer of the Department during the year under review and that the reports were in compliance with the statutory reporting framework.

Evaluation of Annual Financial Statements
The Audit Committee has:

- Reviewed and discussed the audited Annual Financial Statements to be included in the Annual Report, with the Auditor-General and the Accounting Officer;
- Reviewed the Auditor-General's Management Report and Management's response thereto;
- Reviewed the Department's compliance with legal and regulatory provisions; and
- Reviewed significant adjustments resulting from the audit.

The Audit Committee concurs with and accepts the Auditor-General's conclusions 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.

One-on-One Meeting with the Accounting Officer
The Audit Committee has met with the Accounting Officer for the Entity to address unresolved issues.

One-on-One Meetings with the Executive Authority
The Audit Committee has met with the Executive Authority for the Entity to apprise the MEC on the performance of the Entity.

Auditor-General South Africa
The Audit Committee has met with the Office of the Auditor-General South Africa to ensure that there are no unresolved issues.

Ms. Lungelwa Sonqishe
Chairperson of the Audit Committee
Date: 4 August 2014

- **Merchandise Marks Act, 17 of 1941**
  Provides for the covering and marking of merchandise, and incidental matters.

- **State Liability Act, 20 of 1957**
  Provides for the circumstances under which the state attracts legal liability.

- **Conventional Penalties Act, 15 of 1962**
  Provides for the enforceability of penal provisions in contracts.

- **Medicines and Related Substances Act, 101 of 1965 (as amended in 1997)**
  Provides for the registration of medicines and other medicinal products to ensure their safety. The Act also provides for transparency in the pricing of medicines.

- **Foodstuffs, Cosmetics and Disinfectants Act, 54 of 1972**
  Provides for the regulation of foodstuffs, cosmetics and disinfectants, in relation to safety and quality standards that must be complied with by manufacturers, importers and persons selling the products concerned.

- **Occupational Diseases in Mines and Works Act, 78 of 1973**
  Provides for medical examinations on persons suspected of having contracted occupational diseases in the mining industry for compensation in respect of those diseases.

- **Hazardous Substances Act, 15 of 1973**
  Provides for the control of hazardous substances, in particular those emitting radiation.

- **International Health Regulations Act, 28 of 1974**
  Provides for the adoption of resolutions adopted at the World Health Assembly.

- **Pharmacy Act, 53 of 1974**
  Provides for the regulation of the pharmacy profession, including community service by pharmacists.

- **Health Professions Act, 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.

- **Nursing Act, 33 of 2005**
  Provides for the regulation of the nursing profession.

- **Patents Act, 57 of 1978**
  Provides for the protection of inventions including gadgets and chemical processes.

- **Dental Technicians Act, 19 of 1979**
  Provides for the regulation of dental technicians and for the establishment of a council to regulate the profession.

- **Allied Health Professions Act, 63 of 1982**
  Provides for the regulation of health practitioners, like chiropractors and homeopaths, and for the establishment of a council to regulate these professions.

- **Child Care Act, 74 of 1983**
  Provides for the protection of the rights and wellbeing of children.
- **Control of Access to Public Premises and Vehicles Act, 53 of 1985**
  Provides for the regulation of individuals entering government premises, and incidental matters.

- **SA Medical Research Council Act, 58 of 1991**
  Provides for the establishment of the South African Medical Research Council and its role in relation to research, in particular, health research.

- **Occupational Health and Safety Act, 85 of 1993**
  Provides requirements that employers must comply with in order to create a safe working environment for employees in the workplace.

- **Trade Marks Act, 194 of 1993**
  Provides for the registration, certification and a collective of trademarks and matters incidental thereto.

- **Designs Act, 195 of 1993**
  Provides for the registration of designs and matters incidental thereto.

- **Public Service Act, Proclamation 103 of 1994**
  Provides for the administration of the public service in its national and provincial spheres, and empowers the Minister to appoint and dismiss officials.

- **Choice on Termination of Pregnancy Act, 92 of 1996**
  Provides a legal framework for termination of pregnancies based on choice under certain circumstances.

- **Public Service Commission Act, 46 of 1997**
  Provides for the amplification of the constitutional principle of accountable governance, and incidental matters.

- **Basic Conditions of Employment Act, 75 of 1997**
  Provides for the minimum conditions of employment that employers must comply with in their workplaces.

- **Intergovernmental Fiscal Relations Act, 97 of 1997**
  Provides for the harmonisation of financial relations between the various spheres of Government, and incidental matters.

- **State Information Technology Act, 88 of 1998**
  Provides for the creation and administration of an institution responsible for the state's information technology system.

- **Competition Act, 89 of 1998**
  Provides for the regulation of permissible competitive behaviour, regulation of mergers of companies and matters related thereto.

- **Copyright Act, 98 of 1998**
  Provides for the protection of intellectual property of a literary, artistic or musical nature that is reduced to writing.

- **Sterilisation Act, 44 of 1998**
  Provides for the right to sterilisation; to determine the circumstances under which sterilisation may be performed and, in particular, the circumstances under which sterilisation may be performed on persons incapable of consenting or incompetent to consent due to mental disability.

- **Employment Equity Act, 55 of 1998**
  Provides for the measures that must be put into operation in the workplace to eliminate discrimination and promote affirmative action.

- **Skills Development Act, 97 of 1998**
  Provides for the measures that employers are required to take to improve the levels of skill of employees in workplaces.

- **Medical Schemes Act, 131 of 1998**
  Provides for the regulation of the medical schemes industry to ensure consonance with national health objectives.

- **Public Finance Management Act, 1 of 1999**
  Provides for the administration of State funds by functionaries, their responsibilities and incidental matters.

- **Tobacco Products Control Amendment Act, 12 of 1999**
  Provides for the control of tobacco products, prohibition of smoking in public places and regulation of advertisements of tobacco products as well as sponsoring of events by the tobacco industry.

- **Promotion of Access to Information Act, 2 of 2000**
  Amplifies the constitutional provision pertaining to accessing information under the control of various bodies.

- **Promotion of Administrative Justice Act, 3 of 2000**
  Amplifies the constitutional provisions pertaining to administrative law by codifying it.

- **Promotion of Equality and the Prevention of Unfair Discrimination Act, 4 of 2000**
  Provides for the further amplification of the constitutional principles of equality and elimination of unfair discrimination.

- **Preferential Procurement Policy Framework Act, 5 of 2000**
  Provides for the implementation of the policy on preferential procurement pertaining to historically disadvantaged entrepreneurs.

- **Protected Disclosures Act, 26 of 2000**
  Provides for the protection of whistle-blowers in the fight against corruption.

- **National Health Laboratory Service Act, 37 of 2000**
  Provides for a statutory body that provides laboratory services to the public health sector.

- **Council for Medical Schemes Levy Act, 58 of 2000**
  Provides for a legal framework for the council to charge medical schemes certain fees.

- **Mental Health Care Act, 17 of 2002**
  Provides a legal framework for mental health and in particular the admission and discharge of patients in mental health institutions with emphasis on the human rights of mental patients.

- **Unemployment Insurance Contributions Act, 4 of 2002**
  Provides for the statutory deductions that employers are required to make on the salaries of employees.

- **The Division of Revenue Act, 7 of 2003**
  Provides for the manner in which revenue generated may be disbursed.

- **Broad-Based Black Economic Empowerment Act, 53 of 2003**
  Provides for the promotion of black economic empowerment in the manner that the state awards contracts for services to be rendered, and incidental matters.

- **The National Health Act, 61 of 2003**
  Provides for regulation of national health and promotes uniformity in respect of health services across the nation.

- **Intergovernmental Relations Framework Act, 13 of 2005**
  Provides for formalisation of relations between (and within) the three spheres of government through facilitating coordination in the implementation of policy and the establishment of intergovernmental structures.

- **Specific provincial health legislation**
  - National legislation and policy are further supported by the following provincial legislation:
  - The Hospital Ordinance Act, 1958 (as amended in 1999).
  - The Gauteng District Health Services Act, 2000.
  - The Gauteng Ambulance Services Act, 2002.

- **Other policy imperatives guiding the work of the Department:**
  - Strategic priorities for the National Health System.
  - Provincial Government's five-year strategic programme of action.
  - Gauteng five-year strategic plan for health.
  - The Provincial Growth and Development Strategy.
  - The Gauteng Global City Region Strategy.

Legislation governing Human Resource Management in the Public service

The following legislation guides Human Resources Management in the Department:

- The Constitution of the Republic of South Africa 108 of 1996.
- Public Service Regulation Act, 2001 as amended.
- Employment Equity Act 55, 1998.
- Treasury Regulations Act, 2001.
- Public Service Act 103, 1994 as Amended.
- Skills Development Act, 97 of 1998.
- Basic Conditions of Employment Act, 75 of 1997.
- Labour Relations Act, 66 of 1995.
- All Collective Bargaining Resolutions agreed upon at the Public Service Coordinating Bargaining council and Public Health and Social Development Sector Bargaining Council.

Other key strategic and policy documents that inform the management of HR in the health sector

- The National Ten Point Plan.
- 12 National Outcomes.
- NHI Green Paper.
- National Human Resources for Health Strategic Plan.
- DPSA Manual on Organisational Design.
- Negotiated Service Delivery Agreement: Four Health Outcomes.
- Re-engineering of Primary Health-Care.
- Modernisation of Tertiary Services.
- Directive specifying which changes to organisational structure must be consulted with the Minister for Public Service and Administration prior to the approval by executive authority.
- Policy approved by the Minister of Public Service and Administration.
- National Strategic Plan For Nursing Education, Training and Practice.

GAUTENG PROVINCE
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