

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2011

The Vote (Department) consists of the following programmes described in brief

Programme 1: Administration

The Ministry, head office, district- and sub-structure offices.

Programme 2: District Health Services

Primary health care services and district hospital services.

Programme 3: Emergency Medical Services

Pre-hospital emergency medical services and inter-hospital transfers.

Programme 4: Provincial Hospital Services

General specialist, psychiatric, TB, chronic, dental hospitals and the secondary component of the three central hospitals.

Programme 5: Central Hospital Services

The tertiary component of the three central hospitals.

Programme 6: Health Sciences and Training

Training, mainly that of nurses.

Programme 7: Healthcare Support Services

Minor building maintenance, engineering installations and the Cape Medical Depot Capital Augmentation account.

Programme 8: Health Facility Management

Construction, upgrading and maintenance of facilities including the hospital revitalisation and provincial infrastructure conditional grants.

Actual Expenditure per programme		R'000	%
1	Administration	321 481	3%
2	District Health Services	4 367 380	35%
3	Emergency Medical Services	596 110	5%
4	Provincial Hospital Services	2 935 241	24%
5	Central Hospital Services	2 681 739	22%
6	Health Sciences and Training	241 374	2%
7	Health Care Support Services	282 869	2%
8	Health Facility Management	918 434	7%
Total for Department		12 344 628	100%

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Expenditure per Economic Classification

	R'000	%
- Compensation of employees	6 808 175	56%
- Goods and services	3 826 487	31%
- Interest (financial leases)	16	0%
- Financial transaction in assets and liabilities	12 046	0%
- Transfers to municipalities	263 107	2%
- Transfers to departmental agencies (CMD and SITA)	55 341	0%
- Transfers to universities and technikons	1 400	0%
- Transfers to non-profit institutions	281 488	2%
- Transfers to households	118 599	1%
- Gifts and donations	4 624	0%
- Buildings and other fixed structures	740 528	6%
- Machinery and equipment	232 674	2%
- Software and other intangible assets	143	0%
Total for Department	12 344 628	100%

Revenue

The Department's revenue budget of R 423 590 000 was exceeded by R 21 842 000. An amount of R 445 432 000 was collected for the period under review of which R 313 466 000 can be attributed to hospital fee accounts paid.

Actions planned to avoid a re-occurrence of under and over-expenditure in the Department

All vacancies will be filled according to a process where the posts to be filled are identified beforehand to ensure that the posts to be filled are funded in the budget. A vetting and expenditure monitoring process has also been introduced on goods and services expenditure to ensure that expenditure does not exceed the budgets as allocated to the respective SCOA items at institutional level.

In respect of the under-expenditure on the capital building projects and capital maintenance the following actions are planned:

- Both the Department of Health and the Department of Transport and Public Works are implementing the Infrastructure Development Improvement Programme (IDIP). The Department of Transport and Public Works is the implementing agent for the Department of Health and an SLA has been developed to regulate these functions.

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- As part of the IDIP an infrastructure management component will be established in Health. This will ensure timeous and comprehensive briefing of Public Works.

Any other material matter

No other material matters are of note.

2. Services rendered by the Department

The services rendered by the Department are indicated in the Programme Performance section of the Annual Report.

Tariff Policy

The fees charged for services rendered at the institutions under the control of this Department have been determined and calculated according to the principles of the Uniformed Patient Fee Schedule (UPFS) as formulated by the National Department of Health.

The Department has adopted and implemented the UPFS in respect of both the externally funded patients (previously known as private and private hospital patients) and the subsidised hospital patients. Due to the size of the document setting out the UPFS tariffs, the detail is not included as part of this report, but is available on request.

Certain sundry tariffs are also charged. The basis of these tariffs is market related. These sundry tariffs apply to:

- Meals
- Laundry
- Incineration of medical waste
- Lecture notes
- Day care fees
- Accommodation

Free Services

Certain free services are rendered at institutions that fall under the control of this Department. In certain instances patients treated by private practitioners and externally funded patients are excluded from the benefit of the free services. The criteria that apply are in line with policies as determined by the National Department of Health in this regard and include the following:

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- Children under the age of six years
- Pregnant women
- Family planning
- Infectious diseases
- Involuntary (certified) psychiatric patients
- Termination-of-pregnancy patients
- Children attending school who are referred to hospital
- Medico-legal services
- Oral health services (scholars and mobile clinics only)
- Immunisations
- Hospital personnel employed before 1976
- Committed children
- Boarders, live-in children and babies, relatives and donors
- Primary health care services
- Social grantees/pensioners
- Formally unemployed
- Anti-retroviral (ARV) services

It is not possible to quantify the cost of these free services since it is dependent on the operational costs, which varies across the institutions where these services are rendered.

3. Capacity constraints

One of the objectives of human resource planning is to assist in the establishment of an effective workforce that will deliver maximum health outcomes to the people of the Western Cape.

A review of the key labour market trends revealed the following:

- A scarcity of skilled resources in the open labour market, particularly in respect of medical and health related professions.
- The Department is unable to match the remuneration packages of similar occupations in the private sector, such as medical technologists, pharmacists and engineering technicians.
- Young graduates recruited into administrative and support positions leave the service once they have gained the necessary skills and experience either for the private sector other government departments or the international labour markets for higher remuneration packages.
- A large number of young medical graduates are leaving the country to gain international experience.
- Skilled managers in administration and finance are not readily available in the open labour market.

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Although relative stability exists when analysing staff turnover, the occupations with the highest turnover rates are medical, health related professions and administrative staff (supervisory levels). This has an enormous effect on continuity of service delivery and cost of the service. The inability to replace HR and Finance administrative staff, especially in rural areas, negatively impacts on service delivery. The turnover indicated for interns, registrars and community service nurses at the end of their contract periods is not a concern for the Department as they are replaced annually by new contract staff. It is anticipated that the occupation specific dispensation for pharmacist and allied health staff will have a positive impact on the retention and recruitment of these occupational groups.

The following retention and recruitment initiatives have been identified to address the Department's turnover rate, critical scarce skills and vacancy rate:

- Establish a more competency based recruitment and selection process.
- Design strategies to increase employment and retention of desired groups / occupations.
- Deliver an IMOCOMP (Improvement and maintenance of competence) framework that tests the levels of competence of the health professionals against the packages of care at the various levels of service and the consequent design of practical based IMOCOMP courses.
- Address scarce skills within occupational categories through the allocation of bursaries and learnerships.
- Establish a core group of skilled financial and supply chain managers especially in the field of budgetary control, accounts management, financial forecasting, financial audits and functional business unit management.
- Establish a core group of skilled HR managers at district, regional and institutional level.
- Establish a service provider for the National Diploma in Orthotics and Prosthetics.
- Increase the number of basic pharmacist's assistants to address critical shortages in the Department and the accelerated ARV roll-out.
- Establish a service provider for the National Diploma in Forensic Pathology Support.
- Develop a competent emergency medical services supervisory and management cadre.
- Develop competent emergency medical services communications staff.
- Addressing shortfalls as a result of the application of the OSD for nurses as well as skilling professional nurses in specialty areas to meet the demands of service delivery needs.

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4. Utilisation of donor funds

The following donor funding was made available to the Department during the 2010/11 financial year:

		R'000
TB / HIV Global Fund	Fight against TB, AIDS and malaria	3
European Union Funds	Home based care	440
Belgium funding	Reproductive health project	39
France funding	Upgrading of Grabouw CDC	4 819
Total		5 301

Donor funding received has been accounted for in donor accounts within the financial system of the Department.

An amount of R 107 139 000 was donated by the Global Fund towards HIV and AIDS prevention. Global funding has not been accounted for separately as the case with the donations mentioned above. The donation in this regard has been incorporated into the main accounting structure of the Department as a separate sub-programme as approved by the Provincial Treasury.

The TB / HIV Global Fund Donation of R 3 000 is the balance of a specific project not linked to the Global Fund contribution towards HIV and AIDS prevention as depicted in sub-programme 2.10.

5. Trading entities

The Cape Medical Depot has been established as a trading entity in terms of National Treasury Regulations as from 1 April 2005.

The Cape Medical Depot is responsible for procuring pharmaceutical, medical and surgical, and other related supplies. Bulk buying results in cost effectiveness as well as standardisation on products. A further advantage of maintaining a depot is to minimise stockholding on products at institutional level.

The trading entity charges a levy of 8% on store stock and 5% on direct delivery purchases to fund its operational costs.

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A separate set of financial statements on the Cape Medical Depot have been included in this report. The financial statements of the Department and the Cape Medical Depot have not been consolidated. The statements of the Department have been prepared on a modified cash basis of accounting whilst the Cape Medical Depot statements have been prepared in accordance with SA GAAP.

6. Organisations to whom transfer payments have been made

During the 2010/11 financial year transfers to households were made in the form of bursaries allocated, medico-legal claims paid, leave payouts, etc.

The City of Cape Town received transfer payments for the rendering of personal primary health care services in the Cape Town Metropolitan area as well as certain rural municipalities for HIV and AIDS prevention.

Transfer payments were also made to non-governmental organisations from Global Fund contributions and the HIV and AIDS conditional grant.

Global funding was used towards the community based response programmes and AIDS funding was provided to fund lay counsellors for home based care.

SETA administration costs contributions, payments made to the SA Red Cross Air Mercy Services and the augmentation of the Cape Medical Depot capital account were also funded as transfer payments.

For more detailed information in this regard please refer to Note 8 of the Notes to the Statement of Financial Performance.

7. Public private partnerships (PPP)

The status of public private partnership in the Department is as follows:

Western Cape Rehabilitation Centre (WCRC) PPP Project

The 2007/08 year was the first year of the twelve year concession period of the agreement concluded between the Department and the Mplisweni Consortium. The services provided by the consortium are hard and soft facilities management, the refreshment, maintenance and replacement of medical equipment on the site of the Western Cape Rehabilitation Centre and the soft facilities management on the Lentegeur Hospital site for an annual unitary fee.

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Assets to the value of R 1 400 000 were transferred to the Mpilisweni Consortium from the Department, in accordance with the PPP agreement, for the concession period. At the end of the concession period, assets to the same value (escalated by CPIX) will be returned to the Department.

An amount of R 43 342 000 was paid as unitary fees for the 2010/11 financial year. (Note 30 refers).

8. Corporate governance arrangements

Enterprise Risk Management (ERM)

Typically ERM programmes have four objectives. What makes an organisation's ERM strategy unique is the relative priority given to each of these objectives. The objectives, ranging from the reactive to the proactive, are:

- Compliance: Reacting to externally imposed corporate governance guidelines that concern risk identification, disclosure, management, and monitoring.
- Defence: Anticipating problems before they threaten the organisation's strategic objectives, largely a matter of avoiding the "land mines".
- Co-ordination/integration: collapsing internal silos by co-ordinating various pockets of risk management activity for efficiency's sake.
- Exploiting opportunities and creating value: Appreciating how risks interact across the enterprise and exploiting natural hedges among them.

In its attempt to get the fundamentals of ERM right, the Western Cape Provincial Government embarked on a modernisation process. Whilst the first part of the financial year focused on the modernisation process and activities it remained sensitive to specific situations that influences the ERM culture such as specific departmental histories, cultures, ERM maturity levels and management styles. For this reason, ERM was rolled out through a basic five point plan to address the fundamentals of departmental ERM plans, risk orientation, risk profiles, risk mitigations and risk reporting. This was supported by a corporate service level agreement and monitored through an ERM dashboard and a customer satisfaction survey. The PGWC ERM maturity journey will consistently be addressed and aligned.

The Department has in the year under review developed the following with regard to Enterprise Risk Management:

- Signed a service level agreement with the Centralised Enterprise Risk Management Directorate with the Department of the Premier.
- Approved a six month implementation plan.
- A revised risk strategy and coverage plan was approved and issued under circular H150 of 2010.

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- The work plans consisted of all eight (8) programmes within the Department for APP purposes.
- Furthermore the work plan consisted of 28 critical components within the Department.
- A maximum of five key risks were identified and assessed per programme for inclusion into the Annual Performance Plan for 2011/12.
- There are risk registers for all eight (8) programmes.
- A maximum of ten (10) risks were identified and assessed per critical component.
- Risk registers consist for at least 24 of the 28 critical components.
- A risk champion for the Department was officially appointed in writing.

Audit Committee

The Department has an Audit Committee consisting of four independent members. The Audit Committee meets on a regular basis (at least quarterly), operates in terms of an approved Audit Committee Charter, has an oversight responsibility relating to the internal audit activity and forms an integral component of the risk management process.

Internal Audit

This is the first year that internal audit formed part of the shared internal audit function that was also corporatised to the Corporate Services Centre in the Department of the Premier. The engagement between the Department and Internal Audit has grown during the year under review.

A 3-year rolling Strategic Internal Audit and Annual Operational Internal Audit Plan was approved by the Audit Committee, and the Audit Committee monitored the execution of the operational plan. An area of concern is the low level of risk coverage in the Department on the internal audit plans, which necessitates significant prioritisation of internal audit resources on an on-going basis. It is envisaged that in the near future the increased maturity in the risk management processes will further improve value-added services from Internal Audit, allowing Internal Audit to focus and apply its scarce resources on critical risks.

9. Discontinued activities / activities to be discontinued

The Department did not discontinue any activities during 2010/11.

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10. New / proposed activities

Although no new services have been implemented, new procedures and technologies are being introduced and existing services improved.

The Mitchells Plain Community Health Centre has extended its day-time services to accommodate working women on weekdays from 16:00 to 21:00. This nurse-driven service provides the following services: immunisation of children, treatment of sexually transmitted diseases, pap smears, family planning and the treatment of minor ailments. All other patients, including emergencies, are treated by the trauma unit.

11. Events after year end

Medico Legal Claims

At the end of the 2009/10 financial year medico legal claims lodged as at 31 March 2010 were regarded as liabilities incurred during the year. This resulted in an overstatement of medico legal outstanding claims by an amount of R 18 572 000.

This overstatement was corrected on Annexure 3B as reduced liabilities in the 2010/11 financial year.

Ex Gratia Payments

As in the case of medico legal claims, ex gratia payments were also overstated.

The overstatement of R 156 000 was also corrected on Annexure 3B as reduced liabilities for the 2010/11 financial year.

Operating Leases

PABX Systems leased from Telkom was always regarded as Finance Leases. In discussion with Telkom after obtaining the various lease agreements, it was determined that telephone switchboards are Operating Leases and not Finance Leases. Note No 24 in the AFS has been amended accordingly.

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12. Performance information

Processes to deliver performance information

Service delivery performance data is collected from 468 PHC facilities, 56 hospitals, 50 ambulance stations and 18 forensic pathology laboratories in the province. In addition, performance data is also collected from several non-profit organisations that render home-based and step-down care, and private facilities such as general practitioners, pharmacies, clinics and hospitals that render HCT, family planning and immunisation services from stock provided by government.

Due to the dispersed nature of the organisation and the fact that data is collected daily, when health services are rendered to clients, the systems and processes to collect and verify performance data are complex. Pre-determined data elements are collected at the point of service delivery by medical and administrative staff working in health facilities. The collection processes range from manual tick sheets and registers to automated transaction processing systems where such systems have been implemented.

The pre-determined data that is collected is based on the reporting requirements from National and Provincial Treasury, specific reports such as the National Service Delivery Agreement (NSDA), datasets prescribed by the National Department of Health and datasets required by managers in the Western Cape Department of Health. Based on the reporting requirements, data collection tools and systems are developed and implemented throughout the Department.

The data collected on a routine basis is collated at the end of the reporting period, which is usually a month, and then aggregated into facility, sub-district, district and provincial totals. During the processing of performance data at each level, several data quality checks are performed to ensure good quality and reliable performance data. The data flow policy describes the functions that must be performed at each level whilst the standard operating procedures provide the detailed processes that must be performed.

Data capturing takes place at the hospital or, in the case of primary health care facilities, at sub-district level. Information officers have been appointed at different levels in the organisation to take responsibility for managing the information functions and ensure that data is captured and verified within the prescribed time-frames.

At the provincial level, the Directorate: Information Management is responsible for providing management with the performance information that is required for statutory reporting.

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Processes adopted to achieve requirements

Progress on the measurable objectives, indicators and targets specified in the Annual Performance Plan (APP) is monitored on a quarterly basis by means of the Monitoring and Evaluation (M & E) Committee. The committee is chaired by the Head of Department and consists of the budget programme managers and support staff as well as representatives from the Chief Directorate: Strategy and Health Support. The discussions at the meetings focus on the identification and explanation of variances between the actual performance and the targets that were set in the Annual Performance Plan (APP).

Several internal policies and standard operating procedures have been formally documented to ensure data collection and processing is standardised across the organisation. These policies and standards include:

- Data element and indicator definitions.
- Standard operating procedures (SOPs) for data collection and processing at facility, sub-district and district levels. An SOP has been implemented for hospitals using the Delta-9 software but the SOP for HIS hospitals must still be finalised.
- Provincial data flow policy.
- Data quality standards related to completeness, accuracy and timeliness.

An information management supervisory visit tool has been developed to ensure compliance with policies and standard operating procedures at facility, sub-district and district level.

A Joint Information Management Initiative (JIMI) process is being established with each one of the eight budget programmes. The aim of the project is to establish sound information management practices in each programme and to ensure that the necessary data collection tools and documents are implemented that will provide the required audit trail for performance information. The JIMI projects have been established for district health services, emergency medical services, forensic pathology services, provincial hospital services and central hospital services.

The Department is also in the process of incorporating all performance information into a central repository housed with the Directorate: Information Management. Historically datasets were implemented and managed by various health programmes within the Department and this led to unnecessary duplication and limited control over data quality processes and standards. Although a concerted effort has been invested in this project over the last two years, as yet not all datasets have been incorporated into the central repository. The process of incorporating the data is complex and time-consuming as it involves the documentation of system descriptions, data sources, data flow outlines, data element definitions, indicator definitions, calculated field definitions and validation rules in the standardised formats. After the necessary documentation has been completed, the software is updated and training is provided prior to implementation.

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One of the audit risks identified by the Department is the vast amount of data that is currently being collected. The Department is busy reviewing the national and provincial datasets in order to reduce the number of indicators that are being monitored and in the process decrease the burden on staff working at health facilities.

Data sign-off procedures and tools have been developed to ensure that managers authorise the data submitted from their area of responsibility. The procedures include data quality checks, in line with the data quality standards mentioned above, that must be performed and reviewed before the data can be signed off.

In response to the audit findings for the 2009/10 financial year, a Compliance Monitoring Instrument (CMI) for predetermined objectives was developed for facility, sub-district, district and programme managers. The aim of the CMI is to monitor the implementation of existing and new prescripts that have been developed in response to audit findings.

Progress made on reporting of performance information

A detailed action plan was developed in response to the audit findings for the 2009/10 financial year. The action plan included the development and implementation of the following tools mentioned above:

- Information management supervisory visit tool.
- Data sign-off procedures.
- Data quality reports on the SINJANI software required for sign-off procedures.
- Compliance Monitoring Instrument for predetermined objectives.

Through the implementation of these tools, and workshops conducted during December 2010 with information staff from across the province, the awareness of staff and managers on data quality issues and the audit in general has increased significantly.

As the custodian of performance information, the Directorate: Information Management now takes responsibility for providing the performance information reported in all statutory and internal reports. This facilitates better control over the information that is reported in the Quarterly Performance Reports and Annual Report and ensures that, where available, only information from the central repository is used. By using information from the central repository, a certain level of data quality is guaranteed.

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Electronic systems used by the Western Cape Department of Health

Some of the electronic systems used by the Department to generate performance information are listed below:

- Hospital Information System (HIS): Patient based information system used at hospitals. The system is implemented at 37 hospitals in the province.
- Delta-9: Patient based information system used at hospitals. This software is being phased out with the implementation of the HIS software.
- Primary Health Care Information System (PHCIS): Patient based information system that is being developed for PHC facilities. The patient registration module has been rolled out to 85 PHC facilities and the RMR-module (that is used to generate performance data) is being piloted at 11 sites.
- Patient Record and Health Management Information System (PREHMIS): Patient based information system used by the City of Cape Town Metropolitan Municipality.
- eKapa: Patient based information systems for the clinical management of patients treated for HIV and AIDS.
- e-Register: Patient based information system for the registration and management of patients treated for HIV and AIDS.
- Electronic Tuberculosis Register (ETR.net): Patient based information system for the registration and management of patients treated for tuberculosis.
- Central Reporting of All Delivery data on Local Establishment (CRADLE): Patient based information system for the clinical management of obstetric and neonatal patients.
- Perinatal Problem Identification Program (PIPP): Tool for auditing peri-natal deaths and determining the cause of death and specific avoidable factors (i.e. actions of the mother, health personnel or health system).
- GEMC 3: Computer Aided Dispatch System for emergency medical services.
- HealthNET booking system: Booking system for patient transport in emergency medical services.
- Fleetman: Fleet management system used by emergency medical services.
- C-Track: Vehicle tracking system used by emergency medical services.
- Forensic Pathology Information System (FPS): Management of forensic pathology services.
- Standard Information Jointly Assembled by Networked Infrastructure (SINJANI): Software used to record aggregated performance information for various health programmes and services.
- Basic Accounting System (BAS): Financial management system.
- Logistics Information System (LOGIS): Supply chain management system.
- Personnel and Salary System (PERSAL): Human resource management system.

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13. SCOPA resolutions

In terms of the Departmental Reporting Framework Guide for 2010/11, Chapter 2, par 15, SCOPA resolutions and progress made must be reported on.

The SCOPA resolutions for the 2009/10 SCOPA hearings have been completed but not yet tabled to the Committee.

In view of the above the 2009/10 SCOPA resolutions cannot be addressed in this report.

14. Other

Occupational Specific Dispensation for nurses

The Occupational Specific Dispensation (OSD) for nurses was implemented in the Western Cape Department of Health with effect from 1 July 2007 and was completed by 30 March 2008. The OSD was implemented in terms of Resolution 3 of 2007 and various departmental circulars indicating policy decisions to be applied with the translation. The Directorate: Human Resource Management as well as Directorate: Nursing conducted audits on the implementation process at the various institutions. Over and above this investigation a further investigation was also conducted by the Auditor-General of South Africa (AGSA) on request of the National Department of Health. This investigation revealed overpayments amounting to R 43 244 000 and underpayments amounting to R 23 034 000. The Department differed with the outcome of the AGSA investigation.

These differences were taken up with the National Department of Health in collaboration with the other provincial departments of health and the matter must still be addressed by National Health and the AGSA.

However, overpayments of R 2 177 000 and underpayments of R 907 853 have been identified by the Department. These overpayments / underpayments as already indicated differ with the calculations of the AGSA as the Department has not been afforded the opportunity to engage with the AGSA on their findings. The Department was in the process of rectifying the discrepancies but was interdicted and restrained by a Labour Court Ruling during November 2008. In terms of a Labour Court Order on 24 April 2009 no salary deductions of any alleged overpayment, increase or decrease of salary notches and corrections of any kind in respect of the translation of nursing staff to the new OSD salary structures could be made in the three following months. It was envisaged that during the aforesaid three months, conclusion would be reached on the permanency of the aforesaid court order. The Department disclosed the relevant overpayments as Contingent Assets and the underpayments as Contingent Liabilities in the disclosure notes of the Annual Financial Statements. To date no further response despite numerous requests have been forthcoming from the National Department of Health.

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Environmental Rehabilitation Liability

The following activities of the Department have an impact on the environment according to the Sustainable Development Implementation Plan of the Department of Environmental Affairs in terms of NEMA:

- Medical Waste Management
- Industrial Waste Management
- Nuclear Waste Management
- Industrial effluent
- Electricity
- General
-

Medical and Industrial Waste Management

The Department contracted service providers to collect and dispose medical and industrial waste at all institutions. The risk is therefore transferred to the contractor.

Nuclear Waste Management

Nuclear waste is removed from hospitals and shipped to the Nuclear Energy Corporation for further disposal.

Industrial Effluent

Municipalities are contracted to process industrial effluent generated by laundries and laboratories to ensure the degradation of the effluent. To curtail the usage of water the Department has, for example, purchased continuous batch washers at the Tygerberg Laundry that uses as little as 6 litres of water per kg of linen compared to the 24 litres used by the traditional washers. Given the fact that 8 million kg of linen is washed the potential water saving is 144 million litres per year if this technology is applied throughout the laundry service. Over and above the saving of water there is also a saving in steam that reduces carbon emissions and air pollution.

Electricity (Energy efficiency)

The Department is constantly reviewing the use of electricity to minimise usage to reduce the carbon emissions into the atmosphere. An example is the installation of heat pumps to produce hot water for hospitals. These machines uses one third of the electricity required to produce the same amount of hot water.

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General

The above examples indicate that the Department is committed to minimise the impact of its activities on the environment. The Department has outsourced its responsibility to restore the environment and it is therefore not necessary to provide for a contingent liability in the Annual Financial Statements.

Related Party Transactions

During the year under review the following related parties provided services to the Department:

The Department of Transport and Public Works

The Department occupied office buildings, hospitals, clinics etc provided by the Department of Transport and Public Works free of charge.

The Department of the Premier

The Department used IT related infrastructure provided by the Department of the Premier free of charge.

Cape Medical Depot

The Department was supplied with medical and surgical sundries by the Cape Medical Depot and the Oudtshoorn Sub Depot. These transactions are at arm's length.

Cape Medical Depot

Amounts pertaining to the Cape Medical Depot have been removed from the Trial Balance of the Department. Separate Annual Financial Statements have been compiled on the activities of the Cape Medical Depot. The difference on the Trial Balance has been indicated as a receivable in the books of the Department and a payable in the books of the Cape Medical Depot.

Irregular Expenditure

Detail of irregular expenditure has been disclosed in Note 26 of the Annual Financial Statements.

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15. Prior modifications of Audit Reports

Although the Department received unmodified audit opinions for the past five years the matters reported by the AGSA in the Management Reports and the Audit Reports for the 2009/10 and prior financial years was extrapolated and collated in a reporting template. This template contains issues to be addressed at head office level, monitoring mechanisms to be applied at district level and actions to be taken by all institutions to ensure compliance to the various issues highlighted by the AGSA. Institutions are required to report on compliance via district offices to head office on a monthly basis. This process has been applied since 1 October 2006 and provides the Accounting Officer with regular information regarding compliance to date.

16. Infrastructure matters

The following is the true reflection of the meeting as confirmed by the Provincial Accountant-General on 17 July 2009 per e-mail which the Department of Health did not attend.

The report, commissioned by the Head of the Department of Transport and Public Works, from an independent advisor expressed views with regard to alleged fruitless and wasteful expenditure on infrastructure projects, namely Western Cape Nurses College, Valkenberg High Care Nurses Admission Unit and schools. The recommendations made by the advisor relating to business processes and controls have been addressed, final accounts have been compiled and the State Attorney has been mandated to recall guarantees. The process forward is to recover any fruitless and wasteful expenditure and to consider the write-off of any irrecoverable fruitless and wasteful expenditure. It was agreed with the Provincial Accountant-General on 16 July 2009, that the transactions will only be recorded in the books of account once the irrecoverable amount is quantified. It was further confirmed that any write-off will be recorded in the books of account of the client department as the provisions for infrastructure delivery in terms of the Division of Revenue Act is vested in the votes of the client departments, namely Health and Education. Notwithstanding the afore-mentioned, the accounting treatment for fruitless and wasteful expenditure and losses that may arise will be provided by the Provincial Accountant-General.

Although it is required that the Department accounts for the fruitless and wasteful expenditure, the Department is not in agreement that it can be held accountable for fruitless and wasteful expenditure of this nature. The Department is not in a position to influence the procurement processes, the adjudication of bids, the final award of contracts or the quality control processes applied by the Department of Transport and Public Works. This Department is therefore of the opinion that fruitless and wasteful expenditure be recorded in the books of the Department of Transport and Public Works.

**WESTERN CAPE – DEPARTMENT OF HEALTH
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**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2011**

The under mentioned has been reported in the Accounting Officer's Report of the Department of Transport and Public Works for the 2010/11 financial year on these projects:

Western Cape Nurses College and Valkenberg High Care Admission Unit

Project	Guarantee	Claim against contractor
Western Cape Nursing College	Called up and paid out	State Attorney to advise whether the claim against the contractor should be pursued
Valkenberg High Care Unit	Claim with State Attorney Court date 2012	Claim with State Attorney. Court date 2012

17. Soccer World Cup 2010

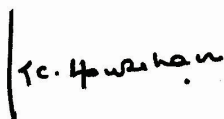
The Auditor-General of South Africa reviewed the books of the Department to determine whether tickets for the World Cup were purchased. The results indicated that no purchases were made from state funding on the suppliers selected. The Department has also requested all staff from level 13 upward to sign a declaration that no purchases of tickets, T-shirts and memorabilia were made utilising state funding. The declarations indicated that no state funding was used by senior management towards this event.

18. Declaration

Given the general tenor of the findings as regards internal controls and matters associated with non-compliance, the assurance is given that the Department will devise an action plan, approved by the Accounting Officer and its top management and forwarded to the Provincial Treasury, to systematically deal with these so as to prevent a repetition of similar findings during the next audit cycle.

Approval

The Annual Financial Statements set out on pages 273 to 360 have been approved by the Accounting Officer.



**PROFESSOR KC HOUSEHAM
ACCOUNTING OFFICER**

DATE: 29 July 2011

**WESTERN CAPE – DEPARTMENT OF HEALTH
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**REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2011**

**REPORT OF THE AUDITOR-GENERAL TO THE WESTERN CAPE PROVINCIAL PARLIAMENT ON
VOTE NO. 6: WESTERN CAPE DEPARTMENT OF HEALTH**

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of the Western Cape Department of Health, which comprise the statement of financial position as at 31 March 2011, and the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 273 to 339.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation of these financial statements in accordance with the Departmental Financial Reporting Framework prescribed by the National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No.1 of 1999)(PFMA) and the Division of Revenue Act of South Africa, 2010 (Act No. 1 of 2010)(DoRA), and for such internal control as management determines 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. As required by section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), section 4 of the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and section 40(2) of the PFMA, my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with International Standards on Auditing and *General Notice 1111 of 2010* issued in *Government Gazette 33872 of 15 December 2010*. 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.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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

WESTERN CAPE – DEPARTMENT OF HEALTH
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REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2011

policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

7. In my opinion the financial statements present fairly, in all material respects, the financial position of the Western Cape Department of Health as at 31 March 2011 and its financial performance and cash flows for the year then ended, in accordance with the Departmental Financial Reporting Framework prescribed by the National Treasury and the requirements of the PFMA and DoRA.

Emphasis of matters

8. I draw attention to the matters below. My opinion is not modified in respect of these matters:

Significant uncertainties

9. Enquiries of management and the state legal advisor confirmed that the department is a defendant in the following legal claims against the department:
- Medico legal claims : New cases totalling R 25,5 million during the financial year, with a closing balance of R 52,1 million
 - Civil and legal claims, including labour relations claims : New cases totalling R 5,8 million during the financial year, with a closing balance of R 44,3 million
10. The outcome of these legal claims cannot be determined, but based on best estimate judgement by management, these amounts have been disclosed as a contingent liability in note 20 to the financial statements.

Additional matters

11. I draw attention to the matters below. My opinion is not modified in respect of these matters:

Unaudited supplementary schedules

12. The supplementary information set out on pages 340 to 360 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.

**WESTERN CAPE – DEPARTMENT OF HEALTH
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**REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2011**

Financial reporting framework

13. The financial reporting framework prescribed by the National Treasury and applied by the department is a compliance framework. Thus my opinion would have reflected that the financial statements had been properly prepared instead of fairly presented as required by section 20(2)(a) of the PAA, which requires me to express an opinion on the fair presentation of the financial statements of the department.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

14. In accordance with the PAA and in terms of *General Notice 1111 of 2010*, issued in *Government Gazette 33872 of 15 December 2010*, I include below my findings on the annual performance report as set out on pages 57 to 230 and material non-compliance with laws and regulations applicable to the department.

Predetermined objectives

15. There are no material findings on the annual performance report.

Compliance with laws and regulations

Procurement and contract management

16. Awards were made to suppliers who failed to provide written proof from the South African Revenue Service that their tax matters are in order as required by the Preferential Procurement Regulations 16 and Treasury Regulation 16A9.1(d).
17. Goods and services with a transaction value of over R500 000 were not procured by means of a competitive bidding process as required by Treasury Regulations 16A6.1 and 16A6.4 and National Treasury Practice Note 6 and 8 of 2007-08.
18. Awards were made to suppliers who did not submit a declaration of past supply chain practices such as fraud, abuse and non-performance as required by Treasury Regulation 16A9.1(a) and National Treasury Practice Note 4 of 2006.
19. Awards were made to suppliers who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state as required by Treasury Regulation 16A8.3 and National Treasury Practice Note 7 of 2009-10.
20. Employees performed remunerative work outside their employment in the department without written permission from the relevant authority as required by section 30 of the Public Service Act, 1994 (Act No. 103 of 1994).

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21. Awards were made to suppliers that are listed on the National Treasury's database as persons prohibited from doing business with the public sector in contravention of Treasury Regulations 16A9.1(c).

Human resource management and compensation

22. The executive authority did not appoint selection committees to make recommendations on appointments as required by Public Service Regulation 1/VII/D.1. Furthermore, the required verifications to confirm that candidates qualify in all respects for posts and that their claims in applications for posts have been confirmed, were either not performed or not documented as required by Public Service Regulation 1/VII/D.8.
23. Contrary to the requirements of Public Service Regulation 1/VII/B.5.3, employees acted in higher vacant posts for an uninterrupted period exceeding 12 months.
24. The accounting officer did not implement adequate processes of monitoring to ensure that employees do not abuse sick leave, as required by Public Service Regulation 1/V/F(c).
25. The accounting officer did not implement adequate processes to ensure that all leave taken by an employee was recorded accurately and in full as required by Public Service Regulation 1/V/F(b).

Asset management

26. The accounting officer did not ensure that adequate processes, whether manual or electronic, and procedures were in place for the effective, efficient, economical and transparent management of and accounting for the department's movable tangible assets, and that proper control systems existed for assets to eliminate the risk of theft, losses, wastage and misuse as required by Treasury Regulation 10.1, especially at the central hospitals.

Expenditure management

27. The accounting officer did not take effective and appropriate steps to prevent and detect irregular expenditure as required by section 38(1)(c)(ii) of the PFMA and Treasury Regulation 9.1.1. As disclosed in notes 26.2 and 26.4 to the financial statements irregular expenditure totalling R119,2 million was discovered and/or incurred during the year under review as result of non-compliance with laws and regulations relating to procurement and contract management and human resource management and compensation.

**WESTERN CAPE – DEPARTMENT OF HEALTH
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**REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2011**

Financial statements

28. The accounting officer submitted financial statements for auditing that were not prepared in all material aspects in accordance with the Departmental Financial Reporting Framework prescribed by the National Treasury as required by section 40(1)(b) of the PFMA. The material misstatements identified with regards to irregular expenditure were subsequently corrected.

INTERNAL CONTROL

29. In accordance with the PAA and in terms of *General Notice 1111 of 2010*, issued in *Government Gazette 33872 of 15 December 2010*, I considered internal control relevant to my audit, but not for the purpose of expressing an opinion on the effectiveness of internal control. The matters reported below are limited to the significant deficiencies that resulted in the findings on compliance with laws and regulations included in this report.

Leadership

30. The accounting officer did not adequately exercise oversight responsibility over compliance with laws and regulations by ensuring that senior management has met their responsibilities. This is evidenced by the extent of non-compliance reported in relation to procurement and contract management and human resource management and compensation which were not adequately addressed in the development and monitoring of the action plan to address the internal control deficiencies.

Financial and performance management

31. The financial management improvement plan prepared by the department on the findings of the audit of the 2008-09 financial year should have been prepared in such a manner that it would ensure improvement towards the latter six months of the 2009-10 financial year and institutionalise such improvements during the 2010-11 financial year. That improvement plan, however, proved to be insufficient to address the internal control deficiencies identified and was redrafted for implementation in November 2010, resulting in insufficient monitoring and review during the first six months of the 2010-11 financial year and thereby resulting in significant non-compliance with laws and regulations.
32. A significant number of findings were reported on leave administration at the department due to a lack of adequate monitoring and review to ensure compliance with laws, regulations and departmental policy relating to leave and leave administration, as well as to prevent abuse of leave. Emerging risks relating to sick leave have not been adequately addressed to ensure that manual controls are implemented where system controls are inadequate. The overall deterioration in human resource management is also partly attributed to the high vacancy rate of up to 30% in the human resource management section of the department.

**WESTERN CAPE – DEPARTMENT OF HEALTH
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**REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2011**

33. There was a lack of review and monitoring by management at the central hospitals to ensure that controls over monthly reconciling of transactions are implemented. During the 2009-10 financial year we reported that management did not take decisive action to mitigate emerging risks arising from the fact that consultants were no longer reconciling the assets registers of central hospitals and to implement timely corrective measures to address non-performance in this regard. The lack of performing monthly reconciliations between the asset registers and the financial accounting system continued throughout the 2010-11 financial year at the central hospitals and left the department in a situation where, at year-end, the differences between the asset registers and the financial accounting system had not been adequately reconciled and/or supported by sufficient appropriate evidence, resulting in extensive effort after year-end to update such reconciliations. This situation is, however, undesirable and unsustainable. Furthermore, processes relating to asset management have not yet been fully institutionalised throughout the department as various findings were again raised on the completeness of asset registers, the existence of assets, unique identification of assets and processes relating to the disposal of assets.

Governance

34. Although internal audit substantially completed their internal audit plan for the year, which included work on compliance with laws and regulations, due to capacity constraints and a backlog from the prior year's internal audit plan, the bulk of the internal audit reports were issued only from October 2010 onwards, leaving the department with little time to implement internal audit's recommendations to ensure that the internal controls of the department are placed on a sound footing.
35. Although management addressed the prior year findings on procurement and contract management in the fraud prevention plan, they omitted to include specific measures for preventing and detecting fraud in the procurement process to ensure that SCM fraud risks were pro-actively addressed.

OTHER REPORTS

Investigations

36. Twenty-eight investigations relating to corruption, financial irregularities, procurement fraud and theft were still in progress at year-end. These investigations relate mainly to non-compliance with SCM regulations and performing remunerative work outside employment in the public service without the necessary approval. Eleven investigations relating to corruption, financial irregularities, procurement fraud, theft, human resources and nepotism were completed during the financial year. These investigations relate mainly to non-compliance with SCM and Public Service Regulations and performing remunerative work outside employment in the public service without the necessary approval. Four of these investigations have been referred to the South African Police Services.

**WESTERN CAPE – DEPARTMENT OF HEALTH
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**REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2011**

Performance audits

37. A performance audit was conducted during the year under review on the department's use of consultants, contractors and agency services. The management report was issued on 10 September 2010.
38. A performance audit is being conducted on the readiness of government to report on its performance. The focus of the audit is on how government institutions are guided and assisted to report on their performance, as well as the systems and processes that they have put in place. The findings will be reported on in a separate report.

Agreed-upon procedures engagement

39. As requested by the department, an engagement was conducted during the year under review concerning the expenditure incurred on the four predetermined broad objectives of programme 2.10, Global Fund of the Western Cape Department of Health. The report covered the period 1 April 2009 to 31 March 2010 and confirmed that the conditions of the grant agreement were adhered to in all material respects. A similar engagement for the period 1 April 2010 to 31 March 2011 will commence in September 2011.

Auditor - General

Cape Town

31 July 2011



**AUDITOR - GENERAL
SOUTH AFRICA**

Auditing to build public confidence

WESTERN CAPE – DEPARTMENT OF HEALTH
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APPROPRIATION STATEMENT
for the year ended 31 March 2011

Appropriation per Programme									
	2010/11							2009/10	
	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	329 056	-	(29 968)	299 088	298 717	371	99.9%	256 595	247 171
Transfers and subsidies	17 511	-	(6 579)	10 932	10 929	3	100.0%	14 358	10 561
Payment for capital assets	3 276	-	2 827	6 103	6 102	1	100.0%	11 540	8 960
Payment for financial assets	-	-	5 733	5 733	5 733	-	100.0%	18	18
	349 843	-	(27 987)	321 856	321 481	375		282 511	266 710
2. District Health Services									
Current payment	3 863 518	-	(27 880)	3 835 638	3 831 320	4 318	99.9%	3 225 798	3 235 936
Transfers and subsidies	481 299	-	4 373	485 672	471 234	14 438	97.0%	405 345	404 255
Payment for capital assets	67 191	-	(4 527)	62 664	60 376	2 288	96.3%	96 448	81 570
Payment for financial assets	-	-	4 454	4 454	4 450	4	99.9%	768	769
	4 412 008	-	(23 580)	4 388 428	4 367 380	21 048		3 728 359	3 722 530
3. Emergency Medical Services									
Current payment	535 580	-	10 244	545 824	545 823	1	100.0%	475 767	470 719
Transfers and subsidies	37 128	-	318	37 446	37 446	-	100.0%	29 256	29 264
Payment for capital assets	9 287	-	2 764	12 051	12 050	1	100.0%	27 078	27 950
Payment for financial assets	-	-	792	792	791	1	99.9%	2 197	2 197
	581 995	-	14 118	596 113	596 110	3		534 298	530 130
4. Provincial Hospital Services									
Current payment	2 928 782	-	(29 376)	2 899 406	2 899 341	65	100.0%	2 473 688	2 478 921
Transfers and subsidies	4 132	-	(992)	3 140	3 055	85	97.3%	4 174	4 116
Payment for capital assets	33 385	-	(607)	32 778	32 492	286	99.1%	23 117	17 914
Payment for financial assets	-	-	354	354	353	1	99.7%	137	137
	2 966 299	-	(30 621)	2 935 678	2 935 241	437		2 501 116	2 501 088
5. Central Hospital Services									
Current payment	2 598 196	-	(11 771)	2 586 425	2 584 066	2 359	99.9%	2 190 005	2 256 659
Transfers and subsidies	11 445	-	2 070	13 515	13 515	-	100.0%	10 433	10 588
Payment for capital assets	73 625	-	10 370	83 995	83 761	234	99.7%	76 062	79 726
Payment of financial assets	-	-	398	398	397	1	99.7%	372	372
	2 683 266	-	1 067	2 684 333	2 681 739	2 594		2 276 872	2 347 345

WESTERN CAPE – DEPARTMENT OF HEALTH
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APPROPRIATION STATEMENT
for the year ended 31 March 2011

Appropriation per Programme									
	2010/11							2009/10	
	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 Science and Training									
Current payment	115 467	-	(3 060)	112 407	108 645	3 762	96.7%	104 754	105 113
Transfers and subsidies	102 196	-	29 210	131 406	131 406	-	100.0%	89 205	89 198
Payment for capital assets	621	-	378	999	1 322	(323)	132.3%	584	131
Payment of financial assets	-	-	1	1	1	-	100.0%	182	182
	218 284	-	26 529	244 813	241 374	3 439		194 725	194 624
7. Health Care Support Services									
Current payment	219 689	-	(1 911)	217 778	217 654	124	99.9%	179 153	179 506
Transfers and subsidies	12 219	-	40 224	52 443	52 416	27	99.9%	2 949	2 881
Payment for capital assets	11 785	-	1 840	13 625	12 478	1 147	91.6%	23 579	15 164
Payment of financial assets	-	-	321	321	321	-	100.0%	55	54
	243 693	-	40 474	284 167	282 869	1 298		205 736	197 605
8. Health Facilities Management									
Current payment	163 020	-	-	163 020	149 112	13 908	91.5%	150 965	137 659
Transfers and subsidies	9 900	-	-	9 900	4 559	5 341	46.1%	-	-
Payment for capital assets	780 075	-	-	780 075	764 763	15 312	98.0%	589 134	473 343
	952 995	-	-	952 995	918 434	34 561		740 099	611 002
Sub-total	12 408 383	-	-	12 408 383	12 344 628	63 755	99.5%	10 463 716	10 371 034
Total	12 408 383	-	-	12 408 383	12 344 628	63 755	99.5%	10 463 716	10 371 034
Reconciliation with statement of financial performance									
Add:									
Departmental receipts				21 842				22 973	
Aid assistance				4 819				10 769	
Actual amounts per statement of financial performance (total revenue)				12 435 044				10 497 458	
Add:									
Aid assistance					1 890				10 287
Actual amounts per statement of financial performance (total expenditure)					12 346 518				10 381 321

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

APPROPRIATION STATEMENT
for the year ended 31 March 2011

Appropriation per economic classification									
	2010/11							2009/10	
	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	6 937 042	-	(97 949)	6 839 093	6 808 175	30 918	99.5%	5 748 102	5 780 151
Goods and services	3 816 266	-	4 211	3 820 477	3 826 487	(6 010)	100.2%	3 308 286	3 331 196
Interest and rent on land	-	-	16	16	16	-	100.0%	337	337
Transfers and subsidies									
Provinces and municipalities	271 087	-	-	271 087	263 107	7 980	97.1%	229 551	228 424
Departmental agencies and accounts	15 014	-	40 474	55 488	55 341	147	99.7%	4 712	4 712
Universities and technikons	1 817	-	(295)	1 522	1 400	122	92.0%	-	-
Non-profit institutions	287 662	-	-	287 662	281 488	6 174	97.9%	241 990	239 925
Households	90 137	-	28 443	118 580	118 599	(19)	100.0%	79 462	77 797
Gifts and donations	10 113	-	2	10 115	4 624	5 491	45.7%	5	5
Payment for capital assets									
Buildings and other fixed structures	754 522	-	1 851	756 373	740 528	15 845	97.9%	613 435	493 617
Machinery and equipment	224 381	-	11 176	235 557	232 674	2 883	98.8%	233 874	210 361
Software and other intangible assets	342	-	18	360	143	217	39.7%	233	780
Payment for financial assets	-	-	12 053	12 053	12 046	7	99.9%	3 729	3 729
Total	12 408 383	-	-	12 408 383	12 344 628	63 755	99.5%	10 463 716	10 371 034

WESTERN CAPE – DEPARTMENT OF HEALTH
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Detail of Programme 1 - ADMINISTRATION
for the year ended 31 March 2011

Detail per sub-programme	2010/11							2009/10	
	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 Provincial Minister	-	-	-	-	-	-	-	-	-
Current payment	6 407	-	473	6 880	6 878	2	100.0%	6 551	5 781
Transfers and subsidies	3	-	2	5	5	-	100.0%	5	5
Payment for capital assets	50	-	(18)	32	32	-	100.0%	58	58
Payment for financial assets	-	-	3	3	3	-	100.0%	-	-
1.2 Management									
Current payment	322 649	-	(30 441)	292 208	291 839	369	99.9%	250 044	241 390
Transfers and subsidies	17 508	-	(6 581)	10 927	10 924	3	100.0%	14 353	10 556
Payment for capital assets	3 226	-	2 845	6 071	6 070	1	100.0%	11 482	8 902
Payment for financial assets	-	-	5 730	5 730	5 730	-	100.0%	18	18
Total	349 843		(27 987)	321 856	321 481	375	99.9%	282 511	266 710

Programme 1 per Economic classification	2010/11							2009/10	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	131 540	-	(7 325)	124 215	123 843	372	99.7%	111 397	110 116
Goods and services	197 516	-	(22 643)	174 873	174 874	(1)	100.0%	145 198	137 055
Transfers and subsidies to:									
Households	17 508	-	(6 581)	10 927	10 924	3	100.0%	14 353	10 556
Gifts and donations	3	-	2	5	5	-	100.0%	5	5
Payment for capital assets									
Machinery and equipment	3 276	-	2 809	6 085	6 084	1	100.0%	11 540	8 960
Software and other intangible assets	-	-	18	18	18	-	100.0%	-	-
Payment for financial assets									
	-	-	5 733	5 733	5 733	-	100.0%	18	18
Total	349 843		(27 987)	321 856	321 481	375	99.9%	282 511	266 710

WESTERN CAPE – DEPARTMENT OF HEALTH
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Detail of Programme 2 - DISTRICT HEALTH SERVICES
for the year ended 31 March 2011

Detail per sub-programme	2010/11							2009/10	
	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	253 428	-	(26 718)	226 710	226 709	1	100.0%	206 132	204 709
Transfers and subsidies	124	-	2 899	3 023	3 023	-	100.0%	118	1 218
Payment for capital assets	6 740	-	-	6 740	5 559	1 181	82.5%	5 503	5 827
Payment for financial assets	-	-	3 039	3 039	3 038	1	100.0%	327	326
2.2 Community Health Clinics									
Current payment	688 576	-	3 300	691 876	690 388	1 488	99.8%	587 804	590 495
Transfers and subsidies	188 729	-	-	188 729	187 594	1 135	99.4%	163 566	163 323
Payment for capital assets	10 787	-	-	10 787	13 411	(2 624)	124.3%	8 710	6 261
Payment for financial assets	-	-	42	42	41	1	97.6%	135	136
2.3 Community Health Centres									
Current payment	932 168	-	(2 508)	929 660	925 529	4 131	99.6%	806 884	807 917
Transfer of subsidies	740	-	-	740	864	(124)	116.8%	696	1 225
Payment for capital assets	13 059	-	(4 527)	8 532	8 205	327	96.2%	5 973	4 411
Payment for financial assets	-	-	709	709	708	1	99.9%	159	159
2.4 Community Based Services									
Current payment	34 000	-	-	34 000	32 946	1 054	96.9%	28 920	29 090
Transfer of subsidies	93 720	-	-	93 720	95 446	(1 726)	101.8%	92 187	90 102
Payment for capital assets	17	-	-	17	90	(73)	529.4%	15	142
Payment for financial assets	-	-	18	18	17	1	94.4%	-	-
2.5 Other Community Services									
Current payment	1	-	-	1	-	1	-	1	-
2.6 HIV and AIDS									
Current payment	410 807	-	-	410 807	415 578	(4 771)	101.2%	282 939	282 123
Transfer of subsidies	140 277	-	-	140 277	137 262	3 015	97.9%	100 406	101 192
Payment for capital assets	3 970	-	-	3 970	2 131	1 839	53.7%	193	214
Payment for financial assets	-	-	-	-	-	-	-	-	2

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

Detail of Programme 2 - DISTRICT HEALTH SERVICES
for the year ended 31 March 2011

Detail per sub-programme	2010/11							2009/10	
	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
2.7 Nutrition									
Current payment	17 890	-	(2 879)	15 011	15 011	-	100.0%	13 559	13 486
Transfer of subsidies	5 668	-	-	5 668	4 759	909	84.0%	5 326	5 378
Payment for capital assets	-	-	-	-	-	-	-	-	21
Payment for financial assets	-	-	84	84	84	-	100.0%	-	-
2.8 Coroner Services									
Current payment	1	-	-	1	-	1	-	1	-
2.9 District Hospitals									
Current payment	1 474 161	-	1 084	1 475 245	1 477 102	(1 857)	100.1%	1 272 046	1 280 758
Transfer of subsidies	3 466	-	1 474	4 940	4 938	2	100.0%	6 901	7 340
Payment for capital assets	26 540	-	-	26 540	24 526	2 014	92.4%	31 283	23 923
Payment for financial assets	-	-	403	403	403	-	100.0%	146	146
2.10 Global Fund									
Current payment	52 486	-	(159)	52 327	48 057	4 270	91.8%	27 512	27 358
Transfer of subsidies	48 575	-	-	48 575	37 348	11 227	76.9%	36 145	34 477
Payment for capital assets	6 078	-	-	6 078	6 454	(376)	106.2%	44 771	40 771
Payment for financial assets	-	-	159	159	159	-	100.0%	-	-
TOTAL	4 412 008	-	(23 580)	4 388 428	4 367 380	21 048	99.5%	3 728 359	3 722 530

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

Detail of Programme 2 - DISTRICT HEALTH SERVICES
for the year ended 31 March 2011

Programme 2 per Economic classification	2010/11							2009/10	
	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	2 400 869	-	(23 350)	2 377 519	2 354 906	22 613	99.0%	1 999 248	2 005 421
Goods and services	1 462 649	-	(4 546)	1 458 103	1 476 398	(18 295)	101.3%	1 226 235	1 230 200
Interest and rent on land	-	-	16	16	16	-	100.0%	315	315
Transfers and subsidies to:									
Provinces and Municipalities	271 087	-	-	271 087	263 107	7 980	97.1%	229 551	228 424
Non-profit institutions	206 721	-	-	206 721	200 252	6 469	96.9%	172 568	170 521
Households	3 281	-	4 373	7 654	7 814	(160)	102.1%	3 226	5 310
Gifts and donations	210	-	-	210	60	150	28.6%	-	-
Payment for capital assets									
Buildings & other fixed structures	5 405	-	18	5 423	6 482	(1 059)	119.5%	42 816	40 314
Machinery and equipment	61 786	-	(4 545)	57 241	53 895	3 346	94.2%	53 632	41 037
Software and other intangible assets	-	-	-	-	-	-	-	-	219
Payment for financial assets	-	-	4 454	4 454	4 450	4	99.9%	768	769
Total	4 412 008	-	(23 580)	4 388 428	4 367 380	21 048	99.5%	3 728 359	3 722 530

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

Detail of Programme 3 - EMERGENCY MEDICAL SERVICES
for the year ended 31 March 2011

Detail per sub-programme	2010/11							2009/10	
	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	493 095	-	8 238	501 333	501 332	1	100.0%	438 489	433 476
Transfers and subsidies	37 128	-	318	37 446	37 446	-	100.0%	29 256	29 264
Payment for capital assets	9 287	-	2 764	12 051	12 050	1	100.0%	27 078	27 950
Payment for financial assets	-	-	792	792	791	1	99.9%	2 197	2 197
3.2 Planned Patient Transport									
Current payment	42 485	-	2 006	44 491	44 491	-	100.0%	37 278	37 243
Total	581 995	-	14 118	596 113	596 110	3	100.0%	534 298	530 130

Programme 3 per Economic classification	2010/11							2009/10	
	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	360 064	-	9 127	369 191	369 212	(21)	100.0%	317 345	315 071
Goods and services	175 516	-	1 117	176 633	176 611	22	100.0%	158 400	155 626
Interest and rent on land	-	-	-	-	-	-	-	22	22
Transfers and subsidies to:									
Non-profit institutions	37 058	-	-	37 058	37 058	-	100.0%	29 190	29 172
Households	70	-	318	388	388	-	100.0%	66	92
Payment for capital assets									
Machinery and equipment	9 287	-	2 764	12 051	12 050	1	100.0%	27 078	27 780
Software and other intangible assets	-	-	-	-	-	-	-	-	170
Payment for financial assets									
	-	-	792	792	791	1	99.9%	2 197	2 197
Total	581 995	-	14 118	596 113	596 110	3	100.0%	534 298	530 130

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

Detail of Programme 4 - PROVINCIAL HOSPITAL SERVICES
for the year ended 31 March 2011

Detail per sub-programme	2010/11							2009/10	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
4.1 General Hospitals									
Current payment	2 000 085	-	(4 145)	1 995 940	1 995 884	56	100.0%	1 679 716	1 685 090
Transfers and subsidies	2 695	-	(992)	1 703	1 703	-	100.0%	2 823	2 209
Payment for capital assets	23 957	-	(1 176)	22 781	22 635	146	99.4%	14 805	11 260
Payment for financial assets	-	-	145	145	145	-	100.0%	60	60
4.2 Tuberculosis Hospital									
Current payment	180 176	-	(5 192)	174 984	174 983	1	100.0%	156 661	155 492
Transfers and subsidies	217	-	-	217	205	12	94.5%	204	123
Payment for capital assets	3 823	-	(579)	3 244	3 182	62	98.1%	3 532	1 990
Payment for financial assets	-	-	58	58	57	1	98.3%	22	22
4.3 Psychiatric/Mental Hospitals									
Current payment	527 711	-	(15 092)	512 619	512 618	1	100.0%	444 391	445 290
Transfers and subsidies	909	-	(32)	877	854	23	97.4%	855	1 377
Payment for capital assets	2 165	-	579	2 744	2 743	1	100.0%	1 620	1 698
Payment for financial assets	-	-	136	136	136	-	100.0%	36	36
4.4 Chronic Medical Hospitals									
Current payment	125 318	-	(4 094)	121 224	121 223	1	100.0%	113 097	109 457
Transfers and subsidies	197	-	32	229	229	-	100.0%	185	128
Payment for capital assets	1 063	-	(607)	456	436	20	95.6%	980	861
Payment for financial assets	-	-	13	13	13	-	100.0%	15	15
4.5 Dental Training Hospitals									
Current payment	95 492	-	(853)	94 639	94 633	6	100.0%	79 823	83 592
Transfers and subsidies	114	-	-	114	64	50	56.1%	107	279
Payment for capital assets	2 377	-	1 176	3 553	3 496	57	98.4%	2 180	2 105
Payment for financial assets	-	-	2	2	2	-	100.0%	4	4
Total	2 966 299	-	(30 621)	2 935 678	2 935 241	437	100.0%	2 501 116	2 501 088

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

Detail of Programme 4 - PROVINCIAL HOSPITAL SERVICES
for the year ended 31 March 2011

Programme 4 per Economic classification	2010/11							2009/10	
	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	2 048 220	-	(31 066)	2 017 154	2 016 945	209	100.0%	1 668 183	1 746 601
Goods and services	880 562	-	1 690	882 252	882 396	(144)	100.0%	805 505	732 320
Transfers and subsidies to:									
Households	4 132	-	(992)	3 140	3 055	85	97.3%	4 174	4 116
Payment for capital assets									
Buildings & other fixed structures	-	-	173	173	173	-	100.0%	70	69
Machinery and equipment	33 385	-	(780)	32 605	32 319	286	99.1%	23 041	17 839
Software and other intangible assets	-	-	-	-	-	-	-	6	6
Payment for financial assets	-	-	354	354	353	1	99.7%	137	137
Total	2 966 299	-	(30 621)	2 935 678	2 935 241	437	100.0%	2 501 116	2 501 088

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

Detail of Programme 5 - CENTRAL HOSPITAL SERVICES
for the year ended 31 March 2011

Detail per sub-programme	2010/11							2009/10	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
5.1 Central Hospitals Services									
Current payment	2 598 196	-	(11 771)	2 586 425	2 584 066	2 359	99.9%	2 190 005	2 256 659
Transfers and subsidies	11 445	-	2 070	13 515	13 515	-	100.0%	10 433	10 588
Payment for capital assets	73 625	-	10 370	83 995	83 761	234	99.7%	76 062	79 726
Payment for financial assets	-	-	398	398	397	1	99.7%	372	372
Total	2 683 266	-	1 067	2 684 333	2 681 739	2 594	99.9%	2 276 872	2 347 345

Programme 5 per Economic classification	2010/11							2009/10	
	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	1 797 836	-	(35 229)	1 762 607	1 759 828	2 779	99.8%	1 494 207	1 453 200
Goods and services	800 360	-	23 458	823 818	824 238	(420)	100.1%	695 798	803 459
Transfers and subsidies to:									
Non-profit institutions	7 695	-	-	7 695	7 695	-	100.0%	7 232	7 232
Households	3 750	-	2 070	5 820	5 820	-	100.0%	3 201	3 356
Payment for capital assets									
Machinery and equipment	73 283	-	10 370	83 653	83 658	(5)	100.0%	75 835	79 341
Software and other intangible assets	342	-	-	342	103	239	30.1%	227	385
Payment for financial assets									
	-	-	398	398	397	1	99.7%	372	372
Total	2 683 266	-	1 067	2 684 333	2 681 739	2 594	99.9%	2 276 872	2 347 345

**WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6**

**Detail of Programme 6 - HEALTH SCIENCES AND TRAINING
for the year ended 31 March 2011**

Detail per sub-programme	2010/11							2009/10	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
6.1 Nursing Training College									
Current payment	47 460	-	(1 212)	46 248	46 247	1	100.0%	38 703	38 480
Transfers and subsidies	2 446	-	(645)	1 801	1 659	142	92.1%	591	590
Payment for capital assets	621	-	(99)	522	521	1	99.8%	584	118
Payment for financial assets	-	-	1	1	1	-	100.0%	3	3
6.2 Emergency Medical Services Training College									
Current payment	9 287	-	508	9 795	9 725	70	99.3%	7 725	7 631
Transfers and subsidies	5	-	-	5	-	5	-	5	-
Payment for capital assets	-	-	477	477	801	(324)	167.9%	-	-
6.3 Bursaries									
Current payment	7 218	-	1 506	8 724	8 724	-	100.0%	7 365	7 365
Transfers and subsidies	60 368	-	29 855	90 223	90 222	1	100.0%	52 612	52 611
Payment for financial assets	-	-	-	-	-	-	-	179	179
6.4 Primary Health Care Training									
Current payment	1	-	-	1	-	1	-	1	-
6.5 Training Other									
Current payment	51 501	-	(3 862)	47 639	43 949	3 690	92.3%	50 960	51 637
Transfers and subsidies	39 377	-	-	39 377	39 525	(148)	100.4%	35 997	35 997
Payment for capital assets	-	-	-	-	-	-	-	-	13
Total	218 284	-	26 529	244 813	241 374	3 439	98.6%	194 725	194 624

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

Detail of Programme 6 - HEALTH SCIENCES AND TRAINING
for the year ended 31 March 2011

Programme 6 per Economic classification	2010/11							2009/10	
	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	45 672	-	(1 503)	44 169	43 309	860	98.1%	36 878	36 096
Goods and services	69 795	-	(1 557)	68 238	65 336	2 902	95.7%	67 876	69 017
Transfers and subsidies to:									
Departmental agencies & accounts	3 189	-	-	3 189	3 042	147	95.4%	2 997	2 997
Universities & technikons	1 817	-	(295)	1 522	1 400	122	92.0%	-	-
Non profit institutions	36 188	-	-	36 188	36 483	(295)	100.8%	33 000	33 000
Households	61 002	-	29 505	90 507	90 481	26	100.0%	53 208	53 201
Payment for capital assets									
Machinery and equipment	621	-	378	999	1 322	(323)	132.3%	584	131
Payment for financial assets									
	-	-	1	1	1	-	100.0%	182	182
Total	218 284	-	26 529	244 813	241 374	3 439	98.6%	194 725	194 624

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

Detail of Programme 7 - HEALTH CARE SUPPORT SERVICES
for the year ended 31 March 2011

Detail per sub-programme	2010/11							2009/10	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
7.1 Laundry Services									
Current payment	59 719	-	(305)	59 414	59 665	(251)	100.4%	53 060	53 059
Transfers and subsidies	256	-	(250)	6	5	1	83.3%	228	21
Payment for capital assets	12	-	240	252	252	-	100.0%	16	16
Payment for financial assets	-	-	315	315	315	-	100.0%	13	13
7.2 Engineering Services									
Current payment	73 051	-	(1 606)	71 445	69 786	1 659	97.7%	51 385	50 060
Transfers and subsidies	138	-	-	138	112	26	81.2%	1 006	1 114
Payment for capital assets	3 327	-	1 600	4 927	4 926	1	100.0%	6 748	7 320
Payment for financial assets	-	-	6	6	6	-	100.0%	42	41
7.3 Forensic Services									
Current payment	86 918	-	-	86 918	88 203	(1 285)	101.5%	74 707	76 387
Transfers and subsidies	-	-	-	-	-	-	-	-	31
Payment for capital assets	8 446	-	-	8 446	7 300	1 146	86.4%	16 815	7 828
7.4 Orthotic and Prosthetic Services									
Current payment	1	-	-	1	-	1	-	1	-
7.5 Medicine Trading Account									
Transfers and subsidies	11 825	-	40 474	52 299	52 299	-	100.0%	1 715	1 715
Total	243 693	-	40 474	284 167	282 869	1 298	99.5%	205 736	197 605

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

Detail of Programme 7 - HEALTH CARE SUPPORT SERVICES
for the year ended 31 March 2011

Programme 7 per Economic classification	2010/11							2009/10	
	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	133 315	-	(8 603)	124 712	123 811	901	99.3%	108 784	104 448
Goods and services	86 374	-	6 692	93 066	93 843	(777)	100.8%	70 369	75 058
Transfers and subsidies to:									
Departmental agencies & accounts	11 825	-	40 474	52 299	52 299	-	100.0%	1 715	1 715
Households	394	-	(250)	144	117	27	81.3%	1 234	1 166
Payment for capital assets									
Buildings & other fixed structures	8 702	-	1 660	10 362	8 157	2 205	78.7%	17 851	12 486
Machinery and equipment	3 083	-	180	3 263	4 321	(1 058)	132.4%	5 728	2 678
Payment for financial assets	-	-	321	321	321	-	100.0%	55	54
Total	243 693	-	40 474	284 167	282 869	1 298	99.5%	205 736	197 605

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

Detail of Programme 8 - HEALTH FACILITIES MANAGEMENT
for the year ended 31 March 2011

Detail per sub-programme	2010/11							2009/10	
	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	13 361	-	-	13 361	19 341	(5 980)	144.8%	21 200	14 188
Payment for capital assets	82 223	-	-	82 223	86 381	(4 158)	105.1%	42 906	10 048
8.2 Emergency Medical Rescue Services									
Current payment	-	-	-	-	1 653	(1 653)	-	900	2 047
Payment for capital assets	24 266	-	-	24 266	22 648	1 618	93.3%	23 805	8 938
8.3 District Hospital Services									
Current payment	22 702	-	-	22 702	32 222	(9 520)	141.9%	19 794	21 982
Payment for capital assets	405 020	-	-	405 020	400 518	4 502	98.9%	227 312	188 023
8.4 Provincial Hospital Services									
Current payment	50 886	-	-	50 886	32 898	17 988	64.7%	32 671	39 012
Payment for capital assets	209 006	-	-	209 006	204 070	4 936	97.6%	255 229	235 386
8.5 Central Hospital Service									
Current payment	59 162	-	-	59 162	49 122	10 040	83.0%	63 100	49 118
Transfers and subsidies	9 900	-	-	9 900	4 559	5 341	46.1%	-	-
Payment for capital assets	24 130	-	-	24 130	24 134	(4)	100.0%	39 882	30 841
8.6 Other Facilities									
Current payment	16 909	-	-	16 909	13 876	3 033	82.1%	13 300	11 312
Payment for capital assets	35 430	-	-	35 430	27 012	8 418	76.2%	-	107
Total	952 995	-	-	952 995	918 434	34 561	96.4%	740 099	611 002

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

Detail of Programme 8 - HEALTH FACILITIES MANAGEMENT
for the year ended 31 March 2011

Programme 8 per Economic classification	2010/11							2009/10	
	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	19 526	-	-	19 526	16 321	3 205	83.6%	12 060	9 198
Goods and services	143 494	-	-	143 494	132 791	10 703	92.5%	138 905	128 461
Transfers and subsidies to:									
Gifts and donations	9 900	-	-	9 900	4 559	5 341	46.1%	-	-
Payment for capital assets									
Buildings & other fixed structures	740 415	-	-	740 415	725 716	14 699	98.0%	552 698	440 748
Machinery and equipment	39 660	-	-	39 660	39 025	635	98.4%	36 436	32 595
Software & other intangible assets	-	-	-	-	22	(22)	-	-	-
Total	952 995	-	-	952 995	918 434	34 561	96.4%	740 099	611 002

**WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6**

**NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2011**

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-H) to the Annual Financial Statements.

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

Detail of these transactions can be viewed in note 1 (Annual Appropriation) to the Annual Financial Statements.

3. Detail on payment for financial assets

Detail of these transactions per programme can be viewed in the note on Payment for financial assets to the Annual Financial Statements.

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

Per programme	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Appropriation
Administration	321 856	321 481	375	0%
This programme is in budget after the application of virements.				

District Health Services	4 388 428	4 367 380	21 048	0%
<p>The under-spending can be attributed to the delay of the Global Fund Rolling Continuation Channel (RCC)-I agreement only being signed in September 2010. This resulted in a delay of the administrative processes necessary for the contracting of services at the start of the RCC-I Programme.</p> <p>The under-spending can also be attributed to an audit that was done by DPSA before implementation of the Occupation Specific Dispensation (OSD): Allied Health, in mid March 2011. Some institutions could not finalise these payments timeously. The non-filling of posts also impacted on this under-spending.</p>				

Emergency Medical Services	596 113	596 110	3	0%
This programme is in budget after the application of virements.				

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2011

Per programme	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Appropriation
Provincial Hospital Services	2 935 678	2 935 241	437	0%
This programme is in budget after the application of virements.				

Central Hospital Services	2 684 333	2 681 739	2 594	0%
The under-spending can also be attributed to an audit that was done by DPSA before implementation of the Occupation Specific Dispensation (OSD): Allied Health, in mid March 2011. Some institutions could not finalise these payments timeously. The non-filling of posts also impacted on this under-spending				

Health Science and Training	244 813	241 374	3 439	1%
The under-spending is mainly due to a lesser intake of learners than projected resulting in under-spending on logistical costs and stipends.				

Health Care and Support Services	284 167	282 869	1 298	0%
The under-spending is mainly due to the inability to recruit clinical engineering staff on the engineering establishment as well as OSD not fully implemented.				

Health Facility Management	952 995	918 434	34 561	4%
The under-spending can be attributed to the following:				
Hospital Revitalisation Grant - slow progress on site by various contractors, slow planning for new phases on projects and delays in the approval of the PIP for Tygerberg PPP.				
Infrastructure Grant to Provinces - late acceptance of tenders before holiday period with subsequent delay with handing over of sites; delay on site in terms of design considerations; delay with decanting and delays in site handover.				
Own Funds - late acceptance of tenders before holiday period with subsequent delay with handing over of site; delay on site in terms of design considerations; delay with decanting and delays in site handover.				
Maintenance - slower than anticipated construction progress due to problems with materials supply and/or capacity of contractors. In one case the contractor defaulted and the contract was cancelled. A new contract has been awarded for the service. Capacity problems within Health and Public Works also resulted in slower than anticipated planning, design work, documentation and procurement.				

**WESTERN CAPE – DEPARTMENT OF HEALTH
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**NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2011**

4.2 Per Economic classification

4.2 Per economic classification	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Current payments				
Compensation of employees	6 839 093	6 808 175	30 918	0%
Goods and services	3 820 477	3 826 487	(6 010)	0%
Interest and rent on land	16	16	-	0%
Transfers and subsidies				
Provinces and municipalities	271 087	263 107	7 980	3%
Departmental agencies and accounts	55 488	55 341	147	0%
Universities and technikons	1 522	1 400	122	8%
Non-profit institutions	287 662	281 488	6 174	2%
Households	128 695	123 223	5 472	4%
Payments for capital assets				
Buildings and other fixed structures	756 373	740 528	15 845	2%
Machinery and equipment	235 557	232 674	2 883	1%
Software and other intangible assets	360	143	217	60%
Payment for financial assets	12 053	12 046	7	0%

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2011

	<i>Note</i>	2010/11 R'000	2009/10 R'000
REVENUE			
Annual appropriation	1	12 408 383	10 463 716
Departmental revenue	2	21 842	22 973
Aid assistance	3	4 819	10 769
TOTAL REVENUE		12 435 044	10 497 458
EXPENDITURE			
Current expenditure			
Compensation of employees	4	6 808 175	5 780 151
Goods and services	5	3 826 487	3 331 196
Interest and rent on land	6	16	337
Aid assistance	3	86	2 563
Total current expenditure		10 634 764	9 114 247
Transfers and subsidies			
Transfers and subsidies	8	724 559	550 863
Aid assistance	3	392	7 724
Total transfers and subsidies		724 951	558 587
Expenditure for capital assets			
Tangible capital assets	9	974 614	703 978
Software and other intangible assets	9	143	780
Total expenditure for capital assets		974 757	704 758
Payment for financial assets	7	12 046	3 729
TOTAL EXPENDITURE		12 346 518	10 381 321
SURPLUS FOR THE YEAR		88 526	116 137
Reconciliation of Net Surplus for the year			
Voted funds		63 755	92 682
Annual appropriation		31 656	(35 325)
Conditional grants		16 978	122 185
Global Fund		15 121	5 822
Departmental revenue	15	21 842	22 973
Aid assistance	3	2 929	482
SURPLUS FOR THE YEAR		88 526	116 137

**WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6**

**STATEMENT OF FINANCIAL POSITION
as at 31 March 2011**

	<i>Note</i>	2010/11 R'000	2009/10 R'000
ASSETS			
Current assets		287 441	394 811
Unauthorised expenditure (previous year)	10	70 473	159 652
Cash and cash equivalents	11	105 824	95 163
Prepayments and advances	12	1 884	2 690
Receivables	13	109 260	137 306
TOTAL ASSETS		287 441	394 811
LIABILITIES			
Current liabilities		271 930	374 504
Voted funds to be surrendered to the Revenue Fund	14	63 755	92 682
Departmental revenue to be surrendered to the Revenue Fund	15	11 763	19 496
Bank overdraft	16	76 103	128 738
Payables	17	116 898	133 106
Aid assistance unutilised	3	3 411	482
TOTAL LIABILITIES		271 930	374 504
NET ASSETS		15 511	20 307
Represented by:			
Recoverable revenue		15 511	20 307
TOTAL		15 511	20 307

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

STATEMENT OF CHANGES IN NET ASSETS
for the year ended 31 March 2011

	<i>Note</i>	2010/11 R'000	2009/10 R'000
Recoverable revenue			
Opening balance		20 307	15 117
Transfers		(4 796)	5 190
Irrecoverable amounts written off	7.3	(11 333)	(1 255)
Debt movement		6 537	6 445
Closing balance		15 511	20 307
TOTAL		15 511	20 307

**WESTERN CAPE – DEPARTMENT OF HEALTH
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**CASH FLOW STATEMENT
for the year ended 31 March 2011**

	<i>Note</i>	2010/11 R'000	2009/10 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		12 858 631	10 888 291
Annual appropriated funds received	1.1	12 408 383	10 463 716
Departmental revenue received	2	445 429	413 806
Aid assistance received	3	4 819	10 769
Net decrease in working capital		101 823	155 461
Surrendered to Revenue Fund		(545 847)	(707 615)
Surrendered to Donor fund		-	(7 090)
Current payments		(10 634 764)	(9 114 247)
Payment for financial assets		(12 046)	(3 729)
Transfers and subsidies paid		(724 951)	(558 587)
Net cash flow available from operating activities	18	1 042 846	652 484
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	9	(974 757)	(704 758)
Proceeds from sale of capital assets	2	3	7
Net cash flows from investing activities		(974 754)	(704 751)
CASH FLOWS FROM FINANCING ACTIVITIES			
(Decrease)/increase in net assets		(4 796)	5 190
Net cash flows from financing activities		(4 796)	5 190
Net increase/(decrease) in cash and cash equivalents		63 296	(47 077)
Cash and cash equivalents at beginning of period		(33 575)	13 502
Cash and cash equivalents at end of period	19	29 721	(33 575)

WESTERN CAPE – DEPARTMENT OF HEALTH
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ACCOUNTING POLICIES
for the year ended 31 March 2011

The Financial Statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the Financial Statements and to comply with the statutory requirements of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the Act and the Division of Revenue Act, Act 1 of 2010.

1. Presentation of the Financial Statements

1.1 Basis of preparation

The Financial Statements have been prepared on a modified cash basis of accounting, except where stated otherwise. The modified cash basis constitutes the cash basis of accounting supplemented with additional disclosure items. Under the cash basis of accounting transactions and other events are recognised when cash is received or paid.

1.2 Presentation currency

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

1.3 Rounding

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

1.4 Comparative figures

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

1.5 Comparative figures - Appropriation Statement

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

**WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6**

**ACCOUNTING POLICIES
for the year ended 31 March 2011**

2. Revenue

2.1 Appropriated funds

Appropriated funds comprises of departmental allocations as well as direct charges against revenue fund (i.e. statutory appropriation).

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

Unexpended appropriated funds are surrendered to the National/Provincial Revenue Fund. Any amounts owing to the National/Provincial Revenue Fund at the end of the financial year are recognised as payable in the statement of financial position.

Any amount due from the National/Provincial Revenue Fund at the end of the financial year is recognised as a receivable in the statement of financial position.

2.2 Departmental revenue

All departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the National/Provincial Revenue Fund, unless stated otherwise.

Any amount owing to the National/Provincial Revenue Fund is recognised as a payable in the statement of financial position.

No accrual is made for amounts receivable from the last receipt date to the end of the reporting period. These amounts are however disclosed in the disclosure note to the annual financial statements.

2.3 Direct Exchequer receipts

All direct exchequer receipts are recognised in the statement of financial performance when the cash is received and is subsequently paid into the National/Provincial Revenue Fund, unless stated otherwise.

Any amount owing to the National/Provincial Revenue Funds at the end of the financial year is recognised as a payable in the statement of financial position.

**WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6**

**ACCOUNTING POLICIES
for the year ended 31 March 2011**

2.4 Direct Exchequer payments

All direct exchequer payments are recognised in the statement of financial performance when final authorisation for payment is effected on the system (by no later than 31 March of each year).

2.5 Aid assistance

Aids assistance is recognised as revenue when received.

All in-kind aid assistance is disclosed at fair value on the date of receipt in the annexures to the Annual Financial Statements.

The cash payments made during the year relating to aid assistance projects are recognised as expenditure in the statement of financial performance when final authorisation for payments is effected on the system (by no later than 31 March of each year).

The value of the assistance expensed prior to the receipt of funds is recognised as a receivable in the statement of financial position.

Inappropriately expensed amounts using aid assistance and any unutilised amounts are recognised as payables in the statement of financial position.

All CARA funds received must be recorded as revenue when funds are received. The cash payments made during the year relating to CARA earmarked projects are recognised as expenditure in the statement of financial performance when final authorisation for payments effected on the system (by no later than 31 March of each year).

Inappropriately expensed amounts using CARA funds are recognised as payables in the statement of financial position. Any unutilised amounts are transferred to retained funds as they are not surrendered to the revenue fund.

3. Expenditure

3.1 Compensation of employees

3.1.1 Salaries and wages

Salaries and wages are expensed in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

**WESTERN CAPE – DEPARTMENT OF HEALTH
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**ACCOUNTING POLICIES
for the year ended 31 March 2011**

Other employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the financial statements at its face value and are not recognised in the statement of financial performance or position.

Employee costs are capitalised to the cost of a capital project when an employee spends more than 50% of his/her time on the project. These payments form part of expenditure for capital assets in the statement of financial performance.

3.1.2 Social contributions

Employer contributions to post employment benefit plans in respect of current employees are expensed in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

No provision is made for retirement benefits in the financial statements of the department. Any potential liabilities are disclosed in the financial statements of the National Revenue Fund and not in the financial statements of the employer department.

Employer contributions made by the department for certain of its ex-employees (such as medical benefits) are classified as transfers to households in the statement of financial performance.

3.2 Goods and services

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

The expense is classified as capital if the goods and/or services were acquired for a capital project or if the total purchase price exceeds the capitalisation threshold (currently R 5 000). All other expenditures are classified as current.

Rental paid for the use of buildings or other fixed structures is classified as goods and services and not as *rent on land*.

3.3 Interest and rent on land

Interest and rental payments are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year). This item excludes rental for the use of buildings or other fixed structures. If it is not possible to distinguish between payment for the use of land and the fixed structures on it, the whole amount should be recorded under goods and services.

**WESTERN CAPE – DEPARTMENT OF HEALTH
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**ACCOUNTING POLICIES
for the year ended 31 March 2011**

3.4 Payment for financial assets

Debts are written off when identified as irrecoverable. Debts written-off are limited to the amount of savings and/or under-spending of appropriated funds. The write off occurs at year-end or when funds are available. No provision is made for irrecoverable amounts but an estimate is included in the disclosure notes to the financial statements amounts.

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

3.5 Transfers and subsidies

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

3.6 Unauthorised expenditure

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

Unauthorised expenditure approved with funding is derecognised from the statement of financial position when the unauthorised expenditure is approved and the related funds are received.

Where the amount is approved without funding it is recognised as expenditure in the statement of financial performance on the date of approval.

3.7 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is recognised as expenditure in the statement of financial performance according to the nature of the payment and not as a separate line item on the face of the statement. If the expenditure is recoverable it is treated as an asset until it is recovered from the responsible person or written off as irrecoverable in the statement of financial performance.

3.8 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 it is recovered or written off as irrecoverable.

**WESTERN CAPE – DEPARTMENT OF HEALTH
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**ACCOUNTING POLICIES
for the year ended 31 March 2011**

4. Assets

4.1 Cash and cash equivalents

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

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.

4.2 Other financial assets

Other financial assets are carried in the statement of financial position at cost.

4.3 Prepayments and advances

Amounts prepaid or advanced are recognised in the statement of financial position when the payments are made and are derecognised as and when the goods/services are received or the funds are utilised.

Prepayments and advances outstanding at the end of the year are carried in the statement of financial position at cost.

4.4 Receivables

Receivables included in the statement of financial position arise from cash payments made that are recoverable from another party (including departmental employees) and are derecognised upon recovery or write-off.

Receivables outstanding at year-end are carried in the statement of financial position at cost plus any accrued interest. Amounts that are potentials irrecoverable are included in the disclosure notes.

4.5 Investments

Capitalised investments are shown at cost in the statement of financial position.

Investments are tested for an impairment loss whenever events or changes in circumstances indicate that the investment may be impaired. Any impairment loss is included in the disclosure notes.

**WESTERN CAPE – DEPARTMENT OF HEALTH
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**ACCOUNTING POLICIES
for the year ended 31 March 2011**

4.6 Loans

Loans are recognised in the statement of financial position when the cash is paid to the beneficiary. Loans that are outstanding at year-end are carried in the statement of financial position at cost plus accrued interest.

Amounts that are potentially irrecoverable are included in the disclosure notes.

4.7 Inventory

Inventories that qualify for recognition must be initially reflected 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 reflected using the weighted average cost or FIFO cost formula.

4.8 Capital assets

4.8.1 Movable assets

Initial recognition

A capital asset is recorded in the asset register on receipt of the item at cost. Cost of an asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the movable capital asset is stated at fair value. Where fair value cannot be determined, the capital asset is included in the asset register at R1.

All assets acquired prior to 1 April 2002 are included in the register R1.

Subsequent recognition

Subsequent expenditure of a capital nature is recorded in the statement of financial performance as "expenditure for capital assets" and is capitalised in the asset register of the department on completion of the project.

Repairs and maintenance is expensed as current "goods and services" in the statement of financial performance.

**WESTERN CAPE – DEPARTMENT OF HEALTH
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**ACCOUNTING POLICIES
for the year ended 31 March 2011**

4.8.2 Immovable assets

Initial recognition

A capital asset is recorded on receipt of the item at cost. Cost of an asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the immovable capital asset is stated at R1 unless the fair value for the asset has been reliably estimated.

Subsequent recognition

Work-in-progress of a capital nature is recorded in the statement of financial performance as "expenditure for capital assets". On completion, the total cost of the project is included in the asset register of the department that is accountable for the asset.

Repairs and maintenance is expensed as current "goods and services" in the statement of financial performance.

5. Liabilities

5.1 Payables

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

5.2 Contingent liabilities

Contingent liabilities are included in the disclosure notes to the financial statements when it is possible that economic benefits will flow from the department, or when an outflow of economic benefits or service potential is probable but cannot be measured reliably.

5.3 Contingent assets

Contingent assets are included in the disclosure notes to the financial statements when it is probable that an inflow of economic benefits will flow to the entity.

5.4 Commitments

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

WESTERN CAPE – DEPARTMENT OF HEALTH
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ACCOUNTING POLICIES
for the year ended 31 March 2011

5.5 Accruals

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

5.6 Employee benefits

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

5.7 Lease commitments

Finance lease

Finance leases are not recognised as assets and liabilities in the statement of financial position. Finance lease payments are recognised as an expense in the statement of financial performance and are apportioned between the capital and interest portions. The finance lease liability is disclosed in the disclosure notes to the financial statements.

Operating lease

Operating lease payments are recognised as an expense in the statement of financial performance. The operating lease commitments are disclosed in the disclosure notes to the financial statement.

5.8 Impairment and other provisions

The department tests for impairment where there is an indication that a receivable, loan or investment may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. An estimate is made for doubtful loans and receivables based on a review of all outstanding amounts at year-end. Impairments on investments are calculated as being the difference between the carrying amount and the present value of the expected future cash flows / service potential flowing from the instrument.

Provisions are disclosed 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 will be required to settle the obligation and a reliable estimate of the obligation can be made.

**WESTERN CAPE – DEPARTMENT OF HEALTH
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**ACCOUNTING POLICIES
for the year ended 31 March 2011**

6. Receivables for departmental revenue

Receivables for departmental revenue are disclosed in the disclosure notes to the annual financial statements.

7. Net Assets

7.1 Capitalisation reserve

The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the National/Provincial Revenue Fund when the underlining asset is disposed and the related funds are received.

7.2 Recoverable revenue

Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.

8. Related party transactions

Specific information with regards to related party transactions is included in the disclosure notes.

9. Key management personnel

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

10. Public private partnerships

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

WESTERN CAPE – DEPARTMENT OF HEALTH
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2011

1. Annual Appropriation**1.1 Annual Appropriation**

Programmes	2010/11		Funds not requested/ not received R'000	2009/10
	Final Appropriation R'000	Actual Funds Received R'000		Appropriation received R'000
Administration	321 856	321 856	-	282 511
District Health Services	4 388 428	4 388 428	-	3 728 359
Emergency Medical Services	596 113	596 113	-	534 298
Provincial Hospital Services	2 935 678	2 935 678	-	2 501 116
Central Hospital Services	2 684 333	2 684 333	-	2 276 872
Health Sciences and Training	244 813	244 813	-	194 725
Health Care Support Services	284 167	284 167	-	205 736
Health Facilities Management	952 995	952 995	-	740 099
Total	12 408 383	12 408 383	-	10 463 716

1.2 Conditional grants

	Note	2010/11 R'000	2009/10 R'000
Total grants received	<i>Annex 1A</i>	3 604 673	2 973 939
Provincial grants included in total grants received		3 604 673	2 973 939

2. Departmental revenue

Sales of goods and services other than capital assets	2.1	313 466	295 275
Fines, penalties and forfeits	2.2	-	2
Interest, dividends and rent on land	2.3	2 429	1 382
Sales of capital assets	2.4	3	7
Transactions in financial assets and liabilities	2.5	16 558	23 269
Transfer received	2.6	112 976	93 878
Total revenue collected		445 432	413 813
Less: Own revenue included in appropriation		423 590	390 840
Departmental revenue over collected		21 842	22 973

**WESTERN CAPE – DEPARTMENT OF HEALTH
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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2011**

	<i>Note</i>	2010/11 R'000	2009/10 R'000
2.1 Sales of goods and services other than capital assets			
Sales of goods and services produced by the department		312 369	294 353
Administrative fees		6 627	4 472
Other sales		305 742	289 881
Sales of scrap, waste and other used current goods		1 097	922
Total	2	313 466	295 275
2.2 Fines, penalties and forfeits			
Fines		-	2
Total	2	-	2
2.3 Interest, dividends and rent on land			
Interest		2 429	1 382
Total	2	2 429	1 382
2.4 Sale of capital assets			
Tangible assets		3	7
Machinery and equipment	32.2	3	7
Total	2	3	7
2.5 Transactions in financial assets and liabilities			
Receivables		15 733	22 672
Other Receipts including Recoverable Revenue		825	597
Total	2	16 558	23 269

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2011

	<i>Note</i>	2010/11 R'000	2009/10 R'000
2.6 Transfers received			
Universities and technikons		15 927	15 302
International organisations		97 049	78 568
Public corporations and private enterprises		-	8
Total	2	112 976	93 878
3. Aid Assistance			
3.1 Aid assistance received in cash from other sources			
Local			
Opening Balance		-	(2 139)
Surrendered to the donor		-	2 139
Closing Balance		-	-
Foreign			
Opening Balance		482	9 229
Revenue		4 819	10 769
Expenditure		(1 890)	(10 287)
Current		(86)	(2 563)
Capital		(1 412)	-
Transfers		(392)	(7 724)
Surrendered to the donor		-	(9 229)
Closing Balance		3 411	482
3.2 Total assistance			
Opening Balance		482	7 090
Revenue		4 819	10 769
Expenditure		(1 890)	(10 287)
Current		(86)	(2 563)
Capital		(1 412)	-
Transfers		(392)	(7 724)
Surrendered / Transferred to retained funds		-	(7 090)
Closing Balance		3 411	482

**WESTERN CAPE – DEPARTMENT OF HEALTH
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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2011**

	<i>Note</i>	2010/11 R'000	2009/10 R'000
3.3 Analysis of balance			
Aid assistance unutilised		3 411	482
Other sources		3 411	482
Closing balance		3 411	482
 4. Compensation of Employees			
4.1 Salaries and Wages			
Basic salary		4 439 548	3 802 998
Performance award		81 638	68 804
Service Based		13 438	11 138
Compensative/circumstantial		619 930	509 164
Periodic payments		15 513	12 808
Other non-pensionable allowances		896 777	740 233
Total		6 066 844	5 145 145
 4.2 Social contributions			
4.2.1 Employer contributions			
Pension		482 139	415 359
Medical		258 253	218 303
Bargaining council		881	836
Insurance		58	508
Total		741 331	635 006
 Total compensation of employees		6 808 175	5 780 151
 Average number of employees		28 261	27 610

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	<i>Note</i>	2010/11 R'000	2009/10 R'000
5. Goods and services			
Administrative fees		950	836
Advertising		17 574	11 087
Assets less than R 5,000	5.1	43 625	32 240
Bursaries (employees)		8 724	7 365
Catering		5 366	4 735
Communication		66 298	60 160
Computer services	5.2	64 875	44 114
Consultants, contractors and agency/outsourced services	5.3	939 409	923 328
Entertainment		217	100
Audit cost – external	5.4	14 755	16 907
Inventory	5.5	1 897 713	1 599 397
Operating leases		79 396	66 276
Owned and leasehold property expenditure	5.6	464 130	357 415
Transport provided as part of the departmental activities		1 456	1 297
Travel and subsistence	5.7	164 511	147 095
Venues and facilities		3 645	2 764
Training and staff development		43 401	50 391
Other operating expenditure	5.8	10 442	5 689
Total		3 826 487	3 331 196
5.1 Assets less than R 5,000			
Tangible assets		43 389	31 069
Buildings and other fixed structures		4	63
Machinery and equipment		43 385	31 006
Intangible assets		236	1 171
Total	5	43 625	32 240
5.2 Computer services			
SITA computer services		18 790	3 275
External computer service providers		46 085	40 839
Total	5	64 875	44 114

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	<i>Note</i>	2010/11 R'000	2009/10 R'000
5.3 Consultants, contractors and agency/outsourced services			
Business and advisory services		100 506	101 619
Infrastructure and planning		990	2 915
Laboratory services		407 390	395 711
Legal costs		4 839	3 603
Contractors		136 715	115 450
Agency and support/outsourced services		288 969	304 030
Total	5	939 409	923 328
5.4 Audit cost – External			
Regularity audits		13 931	16 342
Performance audits		692	565
Other audits		132	-
Total	5	14 755	16 907
5.5 Inventory			
Food and food supplies		96 024	85 056
Fuel, oil and gas		31 833	26 619
Other consumable materials		111 359	97 356
Maintenance material		40 278	39 782
Stationery and printing		53 232	41 360
Medical supplies		778 418	1 309 224
Medicine		786 569	-
Total	5	1 897 713	1 599 397
5.6 Property payments			
Municipal services		137 040	98 675
Property management fees		161 228	130 324
Property maintenance and repairs		165 862	128 416
Total	5	464 130	357 415

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	<i>Note</i>	2010/11 R'000	2009/10 R'000
5.7 Travel and subsistence			
Local		164 266	146 904
Foreign		245	191
Total	5	164 511	147 095
5.8 Other operating expenditure			
Learnerships		4 142	71
Professional bodies, membership and subscription fees		544	553
Resettlement costs		2 978	3 284
Other		2 778	1 781
Total	5	10 442	5 689
6. Interest and rent on land			
Interest paid		16	337
Total		16	337
7. Payment for financial assets			
Material losses through criminal conduct		28	390
Theft	7.4	25	390
Other material losses	7.1	3	-
Other material losses written off	7.2	685	2 084
Debts written off	7.3	11 333	1 255
Total		12 046	3 729

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	<i>Note</i>	2010/11 R'000	2009/10 R'000
7.1 Other material losses			
Nature of other material losses			
Other loss		3	-
Total	7	3	-
7.2 Other material losses written off			
Nature of losses			
Government vehicle losses		685	2 084
Total	7	685	2 084
7.3 Debts written off			
Nature of debts written off			
Salary overpayments		1 585	590
Guarantees		125	23
Tax		156	93
Bursaries		3 481	179
Accommodation		54	28
Telephone account		4	3
Stock loss		-	177
Services rendered		939	92
NGO Advance Payments		2 205	-
Nutrition Programme Debt		420	-
Dishonoured Cheques Debt		17	-
Insolvent Debt Collector		2 249	-
Other		98	70
Total	7	11 333	1 255
7.4 Detail of theft			
Nature of theft			
GG Vehicles		20	386
GG Vehicles Accessories		5	4
Total	7	25	390

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	<i>Note</i>	2010/11 R'000	2009/10 R'000
8. Transfers and subsidies			
Provinces and municipalities	<i>Annex 1B</i>	263 107	228 424
Departmental agencies and accounts	<i>Annex 1C</i>	55 341	4 712
Universities and technikons	<i>Annex 1D</i>	1 400	-
Non-profit institutions	<i>Annex 1G</i>	281 488	239 925
Households	<i>Annex 1H</i>	118 599	77 797
Gifts, donations and sponsorships made	<i>Annex 1K</i>	4 624	5
Total		724 559	550 863

9. Expenditure for capital assets

Tangible assets		974 614	703 978
Buildings and other fixed structures	33	741 940	493 617
Machinery and equipment	32.1	232 674	210 361
Software and other intangible assets		143	780
Intangibles	33.1	143	780
Total		974 757	704 758

9.1 Analysis of funds utilised to acquire capital assets – 2010/11

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	973 202	1 412	974 614
Buildings and other fixed structures	740 528	1 412	741 940
Machinery and equipment	232 674	-	232 674
Software and other intangible assets	143	-	143
Intangibles	143	-	143
Total	973 345	1 412	974 757

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	<i>Note</i>	2010/11 R'000	2009/10 R'000
9.2 Analysis of funds utilised to acquire capital assets – 2009/10			
		Voted funds R'000	Aid assistance R'000
			Total R'000
Tangible assets		703 978	-
Buildings and other fixed structures		493 617	-
Machinery and Equipment		210 361	-
Software and other intangible assets		780	-
Intangibles		780	-
Total		704 758	-

10. Unauthorised expenditure**10.1 Reconciliation of unauthorised expenditure**

Opening balance	159 652	216 936
Unauthorised expenditure – discovered in current year	-	70 473
Less: Amounts approved by Parliament/Legislature with funding	(89 179)	(127 757)
Unauthorised expenditure awaiting authorisation	70 473	159 652

10.2 Analysis of unauthorised expenditure awaiting authorisation per economic classification

Previous year	70 473	159 652
Total	70 473	159 652

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	70 473	159 652
Total	70 473	159 652

WESTERN CAPE – DEPARTMENT OF HEALTH
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	<i>Note</i>	2010/11 R'000	2009/10 R'000
11. Cash and cash equivalents			
Cash receipts		40	13
Cash on hand		50	215
Cash with commercial banks (Local)		105 734	94 935
Total		105 824	95 163

12. Prepayments and advances

Prepayments	210	153
Advances paid to other entities	1 674	2 537
Total	1 884	2 690

13. Receivables

		2010/11			2009/10
		R'000	R'000	R'000	R'000
		Less than one year	One to three years	Older than three years	Total
	<i>Note</i>				
Claims recoverable	13.1	68 478	216	-	68 694
Staff debt	13.2	9 233	8 060	9 457	26 750
Other debtors	13.3	800	12 887	129	13 816
Total		78 511	21 163	9 586	109 260
					137 306

13.1 Claims recoverable

National departments	66 001	1 529
Provincial departments	318	270
Public entities	2 375	83 585
Total	68 694	85 384

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	<i>Note</i>	2010/11 R'000	2009/10 R'000
13.2 Staff debt			
Housing Loan Guarantees		-	(13)
Salary Reversal Control		1 366	953
Sal: Deduction Disallowance Account		31	52
Sal: Tax Debt		54	147
Debt Account		25 299	33 736
Total	<i>13</i>	26 750	34 875
13.3 Other debtors			
Disallowance Miscellaneous		12 972	13 864
Disallowance Dishonoured cheques		-	9
Disallowance Damage and losses		178	885
Damage Vehicles: CA		666	305
Medsas Claims Recoverable		-	1 984
Total	<i>13</i>	13 816	17 047
14. Voted funds to be surrendered to the Revenue Fund			
Opening balance		92 682	214 996
Transfer from statement of financial performance		63 755	92 682
Paid during the year		(92 682)	(214 996)
Closing balance		63 755	92 682
15. Departmental revenue to be surrendered to the Revenue Fund			
Opening balance		19 496	98 302
Transfer from Statement of Financial Performance		21 842	22 973
Own revenue included in appropriation		423 590	390 840
Paid during the year		(453 165)	(492 619)
Closing balance		11 763	19 496

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	<i>Note</i>	2010/11 R'000	2009/10 R'000
16. Bank Overdraft			
Consolidated Paymaster General Account		76 103	128 738
Total		76 103	128 738
17. Payables – current			
Advances received	17.1	-	70 473
Clearing accounts	17.2	104 424	62 633
Other payables	17.3	12 474	-
Total		116 898	133 106
17.1 Advances received			
Description			
Unauthorised expenditure		-	70 473
Total	17	-	70 473
17.2 Clearing accounts			
Description			
Patient fee deposits		1 969	2 041
Sal: Pension fund		4 805	248
Sal: Income tax		8 814	4 120
Sal: Bargaining councils		5	6
Advances from Western Cape		70 473	53 939
Advances from public entities		(3 014)	49
Advances from public corporations and private entities		21 375	2 240
Sal: Finance other institutions		1	-
Sal: Insurance deductions		-	2
Sal: Medical Aid		(4)	(12)
Total	17	104 424	62 633

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	<i>Note</i>	2010/11 R'000	2009/10 R'000
17.3 Other payables			
CMD loss		12 474	-
Total	<i>17</i>	12 474	-
18. Net cash flow available from operating activities			
Net surplus as per Statement of Financial Performance		88 526	116 137
Add back non cash/cash movements not deemed operating activities		954 320	536 347
Decrease in receivables – current		28 046	126 493
Decrease in prepayments and advances		806	1 033
Decrease in other current assets		89 179	57 284
(Decrease) in payables – current		(16 208)	(29 349)
Proceeds from sale of capital assets		(3)	(7)
Expenditure on capital assets		974 757	704 758
Surrenders to Revenue Fund		(545 847)	(707 615)
Own revenue included in appropriation		423 590	383 750
Net cash flow generated by operating activities		1 042 846	652 484
19. Reconciliation of cash and cash equivalents for cash flow purposes			
Consolidated Paymaster General account		(76 103)	(128 738)
Cash receipts		40	13
Cash on hand		50	215
Cash with commercial banks (Local)		105 734	94 935
Total		29 721	(33 575)

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These amounts are not recognised in the Annual Financial Statements and are disclosed to enhance the usefulness of the Annual Financial Statements.

	<i>Note</i>	2010/11 R'000	2009/10 R'000
20. Contingent liabilities and contingent assets			
20.1 Contingent liabilities			
Liable to	Nature		
Housing loan guarantees	Employees	<i>Annex 3A</i> 978	1,569
Claims against the department		<i>Annex 3B</i> 96 365	99.960
Other departments (interdepartmental unconfirmed balances)		<i>Annex 5</i> 17	6,410
OSD payments		<i>Annex 3B</i> 908	1,064
Total		98 268	109,003
20.2 Contingent assets			
Nature of contingent asset			
OSD payments (awaiting approval)		2 177	2 177
Total		2 177	2 177
21. Commitments			
Current expenditure		383 878	220 365
Approved and contracted		382 381	216 696
Approved but not yet contracted		1 497	3 669
Capital expenditure		657 536	591 608
Approved and contracted		655 156	585 615
Approved but not yet contracted		2 380	5 993
Total Commitments		1 041 414	811 973

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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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	<i>Note</i>	2010/11 R'000	2009/10 R'000
22. Accruals			
		30 Days	30+ Days
		Total	Total
Goods and services		100 086	15 785
Transfers and subsidies		20 381	21 487
Capital Assets		12 575	1 649
Other		11 157	2 810
Total		144 199	41 731
		115 871	13 967
		41 868	10 791
		14 224	5 368
		13 967	295 064
		185 930	295 064
Listed by programme level			
Administration		6 234	18 366
District Health Services		80 532	117 754
Emergency Medical Services		916	5 011
Provincial Hospital Services		12 431	29 967
Central Hospital Services		79 620	112 337
Health Sciences and Training		1 762	5 260
Health Care Support Service		519	4 055
Health Facility Management		3 916	2 314
Total		185 930	295 064
Confirmed balances with other departments	<i>Annex 5</i>	-	9 422
Total		-	9 422
23. Employee benefits			
Leave entitlement		150 549	132 846
Service bonus (Thirteenth cheque)		158 636	140 107
Performance awards		83 484	68 330
Capped leave commitments		265 921	266 915
Total		658 590	608 198

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<u>Leave Entitlement</u>	
PERSAL Report	(R 136 890 823.50)
Negative Leave Credits Included	(R 24 638 360.37)
Leave Captured after 1 April 2011	R 10 980 393.94
Recalculated Leave Entitlement	R 150 548 789.93
<u>Capped Leave Commitments</u>	
PERSAL Report	(R 265 914 620.47)
Negative Leave Credits Included	(R 6 259.34)
Recalculated Capped Leave Entitlement	R 265 920 879.81
Negative balances mostly result from an over grant of leave which is discovered when leave files are audited.	

24. Lease commitments

24.1 Operating leases expenditure

2010/11	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	76 496	76 496
Later than 1 year and not later than 5 years	-	156 565	156 565
Later than 5 years	-	19 042	19 042
Total lease commitments	-	252 103	252 103

2009/10	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	60 421	60 421
Later than 1 year and not later than 5 years	-	131 975	131 975
Later than 5 years	-	6 506	6 506
Total lease commitments	-	198 902	198 902

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24.2 Finance leases expenditure

2010/11	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	116	116
Later than 1 year and not later than 5 years	-	155	155
Total lease commitments	-	271	271
LESS: finance costs	-	16	16
Total present value of lease liabilities	-	255	255

2009/10	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	3 108	3 108
Later than 1 year and not later than 5 years	-	3 506	3 506
Total lease commitments	-	6 614	6 614
LESS: finance costs	-	760	760
Total present value of lease liabilities	-	5 854	5 854

25. Receivables for departmental revenue

	<i>Note</i>	2010/11 R'000	2009/10 R'000
Sales of goods and services other than capital assets		492 669	397 369
Total		492 669	397 369

The receivables for departmental revenue amounts to R493 000 000 comprising of:

	2010/11	2009/10
Road Accident Fund (RAF)	R 334 000 000	R 251 000 000
Other	R 159 000 000	R 146 000 000
Total	R 493 000 000	R 397 000 000

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The amount of R 493 000 000 must be reduced by the following:

2010/2011 RAF payments received, but not credited to the billing systems = R 18 000 000

Debt older than 3 years and debt to be removed from the system according to departmental policy = R 12 000 000

Remaining valid debt = R 463 000 000

Of this amount, R 334 000 000 (68%) consists of RAF debt.

The department estimates that a quarter of the RAF debt is irrecoverable due to the rules for shared accountability. The recovery cost of RAF debt is 17% of amounts recovered which is considerably high.

The department therefore considers 50% of the RAF debt as recoverable on a nett basis. However, despite ongoing payments, it may take years to recover this debt.

The remaining valid debt = R 296 000 000.

Of this amount, R 86 000 000 relates to debt owed by individuals of which only 57% is deemed recoverable due to the low income of the department's clients.

The remaining valid debt = R 259 000,000.

Of this amount, R 34 000 000 relates to medical aid debt, of which 89% is estimated to be recoverable since medical aids, on average, pay according to the benefits available. The balance is therefore the individuals' share of the cost, and is more difficult to recover.

The total recoverable debt is therefore estimated at R 255 000 000.

The above debt includes a credit balance of R 18 977 000 due to the incorrect allocation of payments to invoices within the same account holder, simultaneous write off and payment, and duplicate payments.

Patient Fees debt written off during the year = R 129 952 000

25.1 Analysis of receivables for departmental revenue

	<i>Note</i>	2010/11	2009/10
		R'000	R'000
Less: amounts written-off/reversed as irrecoverable		(11 333)	(1 255)
Closing balance		(11 333)	(1 255)

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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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	Note	2010/11 R'000	2009/10 R'000
26. Irregular expenditure			
26.1 Reconciliation of irregular expenditure			
Opening balance		33 151	10 118
Add: Irregular expenditure – relating to prior year		22 786	-
Add: Irregular expenditure – relating to current year		95 321	27 168
Less: Amounts condoned		(33 122)	(4 135)
Irregular expenditure awaiting condonation		118 136	33 151
Analysis of awaiting condonation per age classification			
Current year		94 263	27 168
Prior years		23 873	5 983
Total		118 136	33 151

Irregular expenditure amounting to **R89 420 000** has been declared in respect of Supply Chain Management irregularities. Instances of irregular expenditure reported are clarified as follows:

BID Documentation

An amount of R 3 633 000 has been recorded as irregular; in certain cases no tender documentation could be provided and in other instances quotes were used instead of a formal bidding process.

Competitive Bidding

No contracts were in place to procure the services of professional agency staff. To this extent an amount of R30 166 000 has been recorded as irregular. Contracts for nursing agency staff are now in place and the Department was in the process of finalising contracts for professionals other than nursing at the time.

Tax Clearance Certificates

Tax Clearance Certificates could not be produced for items procured to the value of R45 885 000 on approximately 13 contracts concluded since 2006.

In order to prevent or mitigate against fraud and corruption/abuse of Supply Chain Management the following controls have been implemented:

- Check ownership with Registrar of Companies for purposes of preferential points (CIPRO).
- Check that no officials in the Department dealing with the matter are part of any company's shareholding (CIPRO).
- To establish whether supplier is in good standing with the Receiver of Revenue (SARS).
- To verify the validity of Tax Clearance provided by the company (SARS).
- Double check against Western Cape Supplier Database for all the above information (WCSDDB).

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26.2 Details of irregular expenditure – current year

Incident	Disciplinary steps taken / criminal proceedings	2010/11 R'000
Non compliance with delegations (MDHS)	Condoned	13
No valid contract for services rendered and paid (HO)	Condoned	252
No valid contract for services rendered and paid (Paarl)	Matter is being investigated	120
Non compliance with delegations (EMS)	Matter is being investigated	196
No valid contract for services rendered and paid (MDHS)	Matter is being investigated	18
Non compliance with delegations (Somerset)	Matter is being investigated	12
Non compliance with delegations (Somerset)	Matter is being investigated	605
Non compliance with delegations (Somerset)	Matter is being investigated	36
Non compliance with delegations (Somerset)	Matter is being investigated	512
Non compliance with delegations (Somerset)	Matter is being investigated	220
Non compliance with delegations (Somerset)	Matter is being investigated	589
Non compliance with delegations (Somerset)	Matter is being investigated	1 677
Procured outside valid contract (Knysna)	Matter is being investigated	118
Procured outside valid contract (Allan Blyth)	Matter is being investigated	40
Procured outside valid contract (Allan Blyth)	Matter is being investigated	16
Non compliance with delegations (Somerset)	Condoned	794
Non compliance with delegations (Overberg)	Matter is being investigated	2
Non compliance with delegations (George)	Matter is being investigated	227
Non compliance with delegations (George)	Matter is being investigated	778
Procured outside valid contract (GF Jooste)	Matter is being investigated	12
Non-compliance with delegations (Khayelitsha)	Matter is being investigated	368
Non-compliance with delegations (Paarl)	Matter is being investigated	145
Non-compliance with delegations (DP Marais)	Matter is being investigated	3 080
Non compliance with delegations (Helderberg)	Matter is being investigated	1 521
Bid Documentation (See page 326)	Matter to be investigated	3 633
Competitive Bidding (See page 326)	Matter to be investigated	30 166
Formal bidding process not followed (See page 326)	Matter to be investigated	3 908
Tax Clearance Certificate (See page 326)	Matter to be investigated	23 099
Other (See page 326)	Matter to be investigated	5 828
Non compliance to PSA	Matter to be investigated	121
Acting Allowance remuneration more than 12 months	Matter to be investigated	474
No selection committees appointed	Matter to be investigated	16 740
Total		95 321

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26.3 Details of irregular expenditure condoned

Incident	Condoned by (condoning authority)	2010/11 R'000
Non compliance with delegations (MDHS)	Accounting Officer	13
No valid contract for services rendered and paid (HO)	Accounting Officer	251
Non compliance with delegations (Somerset)	Accounting Officer	794
Radie Kotze PAH	Accounting Officer	1 685
CSIR	Accounting Officer	147
O'Brien Personnel	Accounting Officer	107
Clanwilliam PAH	Accounting Officer	2 922
Werkomed	Accounting Officer	2
SM Nel	Accounting Officer	33
Non Compliance with Delegations (Laundry)	Accounting Officer	886
Non Compliance with Delegations (Somerset)	Accounting Officer	376
Non Compliance with Delegations (Somerset)	Accounting Officer	18
Non Compliance with Delegations (Somerset)	Accounting Officer	1 422
Non Compliance with Delegations (Somerset)	Accounting Officer	1 268
Non Compliance with Delegations (Somerset)	Accounting Officer	673
Non Compliance with Delegations (Somerset)	Accounting Officer	41
Non Compliance with Delegations (Somerset)	Accounting Officer	2 462
Non Compliance with Delegations (Somerset)	Accounting Officer	305
Non Compliance with Delegations (Somerset)	Accounting Officer	39
Non Compliance with Delegations (Mowbray Hospital)	Accounting Officer	1 711
Non Compliance with Delegations (George Hospital)	Accounting Officer	684
Non Compliance with Delegations (George Hospital)	Accounting Officer	536
Non Compliance with Delegations (George Hospital)	Accounting Officer	154
Non Compliance with Delegations (Vredendal)	Accounting Officer	266
Non Compliance with Delegations (Victoria)	Accounting Officer	1 078
Non Compliance with Delegations (Victoria)	Accounting Officer	1 008
Non Compliance with Delegations (RXH)	Accounting Officer	439
Non Compliance with Delegations (GF Jooste)	Accounting Officer	12
Non Compliance with Delegations (Paarl)	Accounting Officer	1 034
Non Compliance with Delegations (Paarl)	Accounting Officer	1 733
Non Compliance with Delegations (Paarl)	Accounting Officer	1 218
Non Compliance with Delegations (Paarl)	Accounting Officer	463
Non Compliance with Delegations (Paarl)	Accounting Officer	1 067
Non Compliance with Delegations (Paarl)	Accounting Officer	1 757
Non Compliance with Delegations (Paarl)	Accounting Officer	511
Non Compliance with Delegations (B-West)	Accounting Officer	243
Non Compliance with Delegations (B-West)	Accounting Officer	118
Non Compliance with Delegations (Somerset)	Accounting Officer	143
Non Compliance with Delegations (Stellenbosch)	Accounting Officer	59

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Incident	Condoned by (condoning authority)	2010/11 R'000
Non Compliance with Delegations (Somerset)	Accounting Officer	116
Non Compliance with Delegations (Somerset)	Accounting Officer	250
Non Compliance with Delegations (Caledon)	Accounting Officer	100
Non Compliance with Delegations (Dental)	Accounting Officer	110
Non Compliance with Delegations (Stellenbosch)	Accounting Officer	112
Non Compliance with Delegations (Dental)	Accounting Officer	84
Non Compliance with Delegations (Stellenbosch)	Accounting Officer	953
Non Compliance with Delegations (Tygerberg)	Accounting Officer	6
Non Compliance with Delegations (Caledon)	Accounting Officer	171
Non Compliance with Delegations (Somerset)	Accounting Officer	3 542
Total		33 122

26.4 Details of irregular expenditures under investigation

Incident	2010/11 R'000
Kenza Health PTY Suds Laundry (RXH Ultra sound machine)	154
Lady Hamilton Hotel	11
George Lodge International	1
Out n About Catering	1
Henry Williams Plantscape	2
African Equation	9
Monas Supplies	168
Pine Lodge Chalets	45
Nathan Maalie	3
Social Development UCT	48
Z-Card	100
Microzone	1
Multilayer Trading	98
Secureforce Security Service	4
Food and beverage services	1
Food and beverage services	1
Columbus Cleaning System	1
Pronto Kleen	4
Metro Hospital Service	2
Nadia Mason Consulting	88
Riverside Printers	13
Air Mercy Services	30
Charisma Nursing Agency	144
Non Compliance with Delegations (Eerste River Hospital)	158
2006/07 Irregular Expenditure (See page 87)	18 494

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Incident	2010/11 R'000
2007/08 Irregular Expenditure (See page 326)	927
2008/09 Irregular Expenditure (See page 326)	348
2009/10 Irregular Expenditure (See page 326)	3 017
Total	23 873

27. Fruitless and wasteful expenditure

27.1 Reconciliation of fruitless and wasteful expenditure

	<i>Note</i>	2010/11 R'000	2009/10 R'000
Opening balance		251	-
Fruitless and wasteful expenditure – relating to current year		1	251
Fruitless and wasteful expenditure awaiting condonement		252	251

27.2 Analysis of awaiting condonation per economic classification

Current	252	251
Total	252	251

27.3 Analysis of Current year's fruitless and wasteful expenditure

Incident	Disciplinary steps taken/criminal proceedings	2010/11 R'000
Legal cost paid to (EMS)	Matter is being investigated	1
Total		1

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	<i>Note</i>	2010/11 R'000	2009/10 R'000
28. Related party transactions			
Goods and Services			
GG vehicle expenditure		194 603	168 727
		194 603	168 727

Cape Medical Depot

Transactions concluded by the Cape Medical Depot are at arm's length and reflect in a separate set of Financial Statements included in the Annual Report of the Department of Health. The report of the Accounting Officer, paragraph 14 provides more detail on this issue.

Government Motor Transport

The Department of Health makes use of 1492 GG vehicles (2009/10: 1370 GG vehicles) of the Government Motor Transport based on the daily tariffs as approved by the Provincial Treasury.

The Department of Transport and Public Works

The Department occupied office buildings, hospitals, clinics etc provided by the Department of Transport and Public Works free of charge.

The Department of the Premier

The Department of Health received corporate services from the Corporate Services Centre of the Department of the Premier in the Western Cape Province free of charge with effect from 1 April 2010 in respect of the following service areas:

- Information and Communication Technology
- Organisation Development
- Provincial Training
- Enterprise Risk Management
- Internal Audit
- Forensic Investigations
- Legal Services

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29. Key management personnel

	No. of Individuals	2010/11 R'000	2009/10 R'000
Political office bearers	1	1 493	1 305
Officials:			
Level 15 to 16	4	4 962	4 453
Level 14	9	7 718	6 583
Family members of key management personnel	3	955	720
Total		15 128	13 061

30. Public Private Partnership

Contract fee paid	43 342	41 390
Fixed component	43 342	41 390
Total	43 342	41 390

The Report of the Accounting Officer, paragraph 7 provides more detail on this issue.

31. Impairment and other provisions

Impairment		
Irrecoverable staff debt	701	370
Total	701	370

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32. Movable Tangible Capital Assets**MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011**

	Opening balance	Current year adjustments to prior year balances	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	1 384 812	(23 578)	270 588	98 904	1 532 918
Transport assets	1 959	(1 122)	13 880	12 722	1 995
Computer equipment	110 002	(3 168)	40 037	6 315	140 556
Furniture and office equipment	21 835	(6 236)	18 951	1 831	32 719
Other machinery and equipment	1 251 016	(13 052)	197 720	78 036	1 357 648
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	1 384 812	(23 578)	270 588	98 904	1 532 918

32.1 Additions**ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011**

	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	232 674	29 743	-	8 171	270 588
Transport assets	13 879	56	-	(55)	13 880
Computer equipment	39 463	409	-	165	40 037
Furniture and office equipment	6 817	3 478	-	8 656	18 951
Other machinery and equipment	172 515	25 800	-	(595)	197 720
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	232 674	29 743	-	8 171	270 588

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32.2 Disposals

DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011

	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	3	98 901	98 904	3
Transport assets	-	12 722	12 722	-
Computer equipment	-	6 315	6 315	-
Furniture and office equipment	3	1 828	1 831	3
Other machinery and equipment	-	78 036	78 036	-
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	3	98 901	98 904	3

32.3 Movement for 2009/10

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2010

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	1 231 080	235 535	81 803	1 384 812
Transport assets	1 607	18 627	18 275	1.959
Computer equipment	89 913	25 105	5 016	110 002
Furniture and office equipment	16 219	7 836	2 220	21 835
Other machinery and equipment	1 123 341	183 967	56 292	1 251 016
TOTAL MOVABLE TANGIBLE ASSETS	1 231 080	235 535	81 803	1 384 812

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32.4 Minor assets

	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Opening balance	1 777	425 030	426 807
Prior year balances	(151)	(6 055)	(6 206)
Additions	237	45 612	45 849
Disposals	4	23 615	23 619
TOTAL	1 859	440 972	442 831

	Intangible assets	Machinery and equipment	Total
Number of minor assets at cost	660	429 991	430 651
TOTAL NUMBER OF MINOR ASSETS	660	429 991	430 651

MINOR ASSETS OF THE DEPARTMENT AS AT 31 MARCH 2010

	Intangible assets	Machinery and equipment	Total
Minor assets	1 777	425 030	426 807
TOTAL	1 777	425 030	426 807

	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Number of minor assets at cost	555	434 259	434 814
TOTAL	555	434 259	434 814

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33. Intangible Capital Assets**MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011**

	Opening balance	Current year adjustments to prior year balances	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
Computer Software	1 110	67	364	-	1 541
TOTAL INTANGIBLE CAPITAL ASSETS	1 110	67	364	-	1 541

33.1 Additions**ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011**

	Cash	Non-Cash	(Development work in progress – current costs)	Received current year, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
Computer Software	143	199	-	22	364
TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS	143	199	-	22	364

33.2 Movement for 2009/10**MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2010**

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
Computer Software	330	780	-	1 110
TOTAL INTANGIBLE CAPITAL ASSETS	330	780	-	1 110

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34. Immovable Tangible Capital Assets**MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011**

	Opening balance	Current year adjustments to prior year balances	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	3 072	(652 321)	741 940	88 655	4 036
Non-residential building	-	(652 321)	740 890	88 569	-
Other fixed structures	3 072	-	1 050	86	4 036
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	3 072	(652 321)	741 940	88 655	4 036

34.1 Additions**ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011**

	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
BUILDING AND OTHER FIXED STRUCTURES	741 940	-	-	-	741 940
Non-residential buildings	740 890	-	-	-	740 890
Other fixed structures	1 050	-	-	-	1 050
TOTAL ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS	741 940	-	-	-	741 940

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34.2 Disposals

DISPOSALS OF IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011

	Sold for cash	Transfer out or destroyed or scrapped	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	86	88 569	88 655	-
Non-residential buildings	-	88 569	88 569	-
Other fixed structures	86	-	86	-
TOTAL DISPOSALS OF IMMOVABLE TANGIBLE CAPITAL ASSETS	86	88 569	88 655	-

34.3 Movement for 2009/10

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2010

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	(415 228)	493 616	75 316	3 072
Non-residential buildings	(417 808)	493 113	75 305	-
Other fixed structures	2 580	503	11	3 072
TOTAL IMMOVABLE TANGIBLE ASSETS	(415 228)	493 616	75 316	3 072

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35. Transfer of functions

As a result of the modernisation programme the Department of the Premier, the Internal Audit and the Enterprise Risk Units that were part of the Department of Health was moved to the Department of the Premier on 1 April 2010. Budgets amounting to R 3 933 000 and R 595 000 respectively were transferred during the 2010/11 adjustment estimates process from the Department of Health to the Department of the Premier.

35.1 Statement of Financial Position

<i>Note</i>	Bal per dept 2010/11 AFS before transfer 2010/11 R'000	Functions per dept (transferred) / received 2010/11 R'000	Functions per dept (transferred) / received 2010/11 R'000	Functions per dept (transferred) / received 2010/11 R'000	2010/11 Bal after transfer 2010/11 R'000
ASSETS	4 528	(4 528)	-	-	-
Current Assets					
Cash and cash equivalents	4 528	(4 528)	-	-	-
TOTAL ASSETS	4 528	(4 528)	-	-	-
NET ASSETS	4 528	(4 528)	-	-	-

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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**Annexure 1 A
STATEMENT OF CONDITIONAL GRANTS RECEIVED**

NAME OF DEPARTMENT	GRANT ALLOCATION					SPENT			2009/10	
	Division of Revenue Act/ Provincial Grants	Roll Overs	DORA Adjustments	Other Adjustments	Total Available	Amount received by department	Amount spent by department	% 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
National Tertiary Services Grant	1 763 234	-	-	-	1 763 234	1 763 234	1 763 234	100%	1 583 991	1 583 991
Health Professions Training and Development Grant	384 711	-	-	-	384 711	384 711	384 711	100%	362 935	362 935
Comprehensive HIV and Aids Grant	554 054	-	1 000	-	555 054	555 054	554 971	100%	383 538	383 531
Forensic Pathology Services Grant	66 251	7 402	-	-	73 653	73 653	73 753	100%	74 543	67 141
Hospital Revitalisation Grant	580 554	42 774	-	-	623 328	623 328	614 071	99%	420 060	377 286
Infrastructure Grant to Provinces	131 529	42 506	-	29 470	203 505	203 505	195 904	96%	145 634	73 658
Expanded Public Works Programme Grant for the Social Sector	1 188	-	-	-	1 188	1 188	1 051	88%	-	-
2010 World Cup Health Preparation Strategy Grant	-	-	-	-	-	-	-	-	3 238	3 212
	3 481 521	92 682	1 000	29 470	3 604 673	3 604 673	3 587 695		2 973 939	2 851 754

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**Annexure 1B
STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES**

NAME OF DEPARTMENT	GRANT ALLOCATION				TRANSFER		SPENT			2009/10
	Amount	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Amount received by Municipality	Amount spent by municipality	% of available funds spent by municipality	Total Available
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000
City of Cape Town	240 191	-	27 747	267 938	259 951	97%	259 951	259 951	100%	222 470
Overberg District	-	-	493	493	492	100%	492	492	100%	1 549
West Coast District	-	-	450	450	450	100%	450	450	100%	1 909
Central Karoo District	-	-	1 438	1 438	1 179	82%	1 179	1 179	100%	1 190
Eden District	-	-	768	768	1 035	135%	1 035	1 035	100%	2 433
	240 191	-	30 896	271 087	263 107		263 107	263 107		229 551

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**ANNEXURE 1C
STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS**

DEPARTMENT/ AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2009/10
	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Cape Medical Depot	11 825	-	40 474	52 299	52 299	100%	1 715
SETA	3 189	-	-	3 189	3 042	95%	2 997
	15 014	-	40 474	55 488	55 341		4 712

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**ANNEXURE 1D
STATEMENT OF TRANSFERS TO UNIVERSITIES AND TECHNIKONS**

UNIVERSITY/TECHNIKON	TRANSFER ALLOCATION				TRANSFER			2009/10
	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	Amount not transferred	% of Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
Cape Peninsula University of Technology	1 817	-	(295)	1 522	1 400	122	92%	-
	1 817	-	(295)	1 522	1 400	122		-

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**ANNEXURE 1G
STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS**

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				TRANSFER		2009/10
	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
Community Health Clinics	285	-	-	285	-	-	-
Tuberculosis	1 490	-	-	1 490	817	55%	1 400
St Josephs	8 816	-	-	8 816	8 816	100%	8 286
Sarah Fox	5 763	-	-	5 763	5 893	102%	5 416
Booth Memorial	11 409	-	-	11 409	11 409	100%	10 723
Lifecare Centre	31 531	-	-	31 531	31 273	99%	33 738
Health Committees	10 143	-	-	10 143	10 293	101%	10 088
Home Base Care	4 010	-	-	4 010	4 135	103%	174
Mental Health	21 863	-	-	21 863	23 616	108%	19 993
HIV and Aids	84 066	-	-	84 066	80 929	96%	54 042
Nutrition	1 832	-	-	1 832	1 575	86%	1 722
Radie Kotze	1 620	-	-	1 620	1 620	100%	5 167
Vredendal Hospital (Step-down care)	160	-	-	160	158	99%	150
Global Fund	23 733	-	-	23 733	19 718	83%	18 074
SA Red Cross Air Mercy	37 058	-	-	37 058	37 058	100%	29 190

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NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				TRANSFER		2009/10
	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Maitland Cottage	7 695	-	-	7 695	7 695	100%	7 232
EPWP	36 188	-	-	36 188	36 483	101%	33 000
Community Outreach/Social Capital	-	-	-	-	-	-	3 595
Total	287 662	-	-	287 662	281 488		241 990

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**ANNEXURE 1H
STATEMENT OF TRANSFERS TO HOUSEHOLDS**

HOUSEHOLDS	TRANSFER ALLOCATION				TRANSFER		2009/10
	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
Employee social benefits-cash residents	16 183	-	8 196	24 379	24 399	100%	17 156
Claims against the state: households	13 511	-	(9 616)	3 895	3 895	100%	9 644
Bursaries	60 368	-	29 855	90 223	90 222	100%	52 612
PMT/Refund & Rem-Act/Grace	75	-	8	83	83	100%	50
Total	90 137	-	28 443	118 580	118 599		79 462

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**ANNEXURE 11
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED**

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2010/11	2009/10
		R'000	R'000
Received in kind			
Gifts & Donations and sponsorships received for the year ending 31 March 2009		-	19 616
Brewelskloof Hospital	Domestic Equipment	1	-
Brooklyn Chest Hospital	Audio Visual Equipment	2	-
Brooklyn Chest Hospital	Consumables	8	-
Brooklyn Chest Hospital	Domestic Equipment	5	-
Brooklyn Chest Hospital	Medical & Surgical Items	35	-
Brooklyn Chest Hospital	Office Equipment	3	-
Ceres Hospital	Medical & Surgical Items	2	-
DP Marais Hospital	Audio Visual Equipment	2	-
DP Marais Hospital	Domestic Equipment	2	-
DP Marais Hospital	Medical & Surgical Items	2	-
Drakenstein	Buildings & Other Fixed Structures	35	-
Drakenstein	Domestic Equipment	13	-
Drakenstein	Medical & Surgical Items	38	-
Drakenstein	Telecommunications Equipment	7	-
Eerste River Hospital	Audio Visual Equipment	9	-
Eerste River Hospital	Domestic Equipment	4	-

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2010/11	2009/10
		R'000	R'000
Eerste River Hospital	Office Equipment	7	-
False Bay Hospital	Audio Visual Equipment	7	-
False Bay Hospital	Consumables	6	-
False Bay Hospital	Domestic Equipment	56	-
False Bay Hospital	Medical & Surgical Items	71	-
False Bay Hospital	Office Equipment	44	-
George Hospital	Medical & Surgical Items	846	-
George Hospital	Office Equipment	56	-
GF Jooste	Audio Visual Equipment	11	-
GF Jooste	Medical & Surgical Items	1 026	-
Groote Schuur Hospital	Audio Visual Equipment	74	-
Groote Schuur Hospital	Domestic Equipment	1 170	-
Groote Schuur Hospital	Medical & Surgical Items	3 127	-
Groote Schuur Hospital	Office Equipment	31	-
Harry Comay Hospital	Domestic Equipment	5	-
Harry Comay Hospital	Medical & Surgical Items	7	-
Head Office	Medical & Surgical Items	15 027	-
Helderberg Hospital	Medical & Surgical Items	71	-
Hermanus Hospital	Medical & Surgical Items	21	-
Karl Bremer Hospital	Audio Visual Equipment	20	-
Karl Bremer Hospital	Domestic Equipment	36	-
Karl Bremer Hospital	Medical & Surgical Items	211	-
Karl Bremer Hospital	Office Equipment	147	-

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NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2010/11	2009/10
		R'000	R'000
Lentegeur Hospital	Consumables	9	-
Lentegeur Hospital	Office Equipment	3	-
Mosselbay Hospital	Audio Visual Equipment	1	-
Mosselbay Hospital	Domestic Equipment	9	-
Mosselbay Hospital	Office Equipment	8	-
Paarl Hospital	Audio Visual Equipment	6	-
Paarl Hospital	Consumables	11	-
Paarl Hospital	Office Equipment	19	-
Red Cross Children's Hospital	Audio Visual Equipment	145	-
Red Cross Children's Hospital	Domestic Equipment	67	-
Red Cross Children's Hospital	Medical & Surgical Items	611	-
Red Cross Children's Hospital	Office Equipment	33	-
Riversdale Hospital	Medical & Surgical Items	2	-
Somerset Hospital	Consumables	3	-
Somerset Hospital	Domestic Equipment	460	-
Somerset Hospital	Medical & Surgical Items	5 348	-
Somerset Hospital	Office Equipment	116	-
Stellenbosch Hospital	Medical & Surgical Items	23	-
Stikland Hospital	Audio Visual Equipment	2	-
Stikland Hospital	Domestic Equipment	6	-
Stikland Hospital	Transport Equipment	56	-
Swartland Hospital	Telecommunications Equipment	1	-
Swellendam Hospital	Consumables	1	-

**WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2011**

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2010/11	2009/10
		R'000	R'000
Swellendam Hospital	Domestic Equipment	2	-
Swellendam Hospital	Linen	2	-
Swellendam Hospital	Medical & Surgical Items	6	-
Swellendam Hospital	Office Equipment	5	-
Tygerberg Hospital	Audio Visual Equipment	4	-
Tygerberg Hospital	Domestic Equipment	63	-
Tygerberg Hospital	Medical & Surgical Items	17 081	-
Tygerberg Hospital	Office Equipment	199	-
Tygerberg Oral Health Care	Medical & Surgical Items	56	-
Valkenberg Hospital	Audio Visual Equipment	18	-
Valkenberg Hospital	Domestic Equipment	32	-
Valkenberg Hospital	Medical & Surgical Items	26	-
Valkenberg Hospital	Office Equipment	4	-
Victoria Hospital	Medical & Surgical Items	3	-
Vredendal Hospital	Medical & Surgical Items	93	-
WCRC	Audio Visual Equipment	1	-
WCRC	Domestic Equipment	32	-
Wesfleur Hospital	Audio Visual Equipment	1	-
Worcester Hospital	Computer Equipment	1	-
Worcester Hospital	Domestic Equipment	5	-
Worcester Hospital	Office Equipment	68	-
TOTAL		46 887	19 616

**WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2011**

**ANNEXURE 1J
STATEMENT OF AID ASSISTANCE RECEIVED**

NAME OF DONOR	PURPOSE	OPENING BALANCE R'000	REVENUE R'000	EXPENDITURE R'000	CLOSING BALANCE R'000
Received in cash					
TB HIV Global Fund	Fight against TB, AIDS and Malaria	3	-	2	1
European Union Funds	Home Based Care	440	-	437	3
Belgium Fund	Reproductive Health Project	39	-	39	-
France Fund	Upgrading of Grabouw CDC	-	4 819	1 412	3 407
TOTAL		482	4 819	1 890	3 411

**WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2011**

ANNEXURE 1K**STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE AND REMISSIONS, REFUNDS AND PAYMENTS MADE AS AN ACT OF GRACE**

NATURE OF GIFT, DONATION OR SPONSORSHIP	2010/11	2009/10
	R'000	R'000
Paid in cash		
Support to the National Institution for the Deaf (NID) towards a fund raising event	-	5
Donation towards Woman's Manyano Choir	5	-
Donation for Western Cape Provincial Pharmacy Services Conference 2010	60	-
Donation to The Children's Hospital Fund	4 559	-
Subtotal	4 624	5
Remissions, refunds, and payments made as an act of grace		
Payment made as an act of grace	83	68
Subtotal	83	68
TOTAL	4 707	73

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2011

ANNEXURE 3A
STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2011 – LOCAL

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2010	Guarantees draw downs during the year	Guarantees repayments/ cancelled/ reduced/ released during the year	Revaluations	Closing balance 31 March 2011	Guaranteed interest for year ended 31 March 2011	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
Standard Bank	Housing	72	72	70	16	-	126	-	-
Nedbank (Cape of Good Hope)	Housing	37	37	-	13	-	24	-	-
First Rand	Housing	317	317	12	117	-	212	-	-
Nedbank (Inc BOE)	Housing	55	55	-	-	-	55	-	-
Absa	Housing	675	675	66	407	-	334	-	-
Old Mutual Fin Ltd	Housing	52	52	-	-	-	52	-	-
Peoples Bank FBC Fid	Housing	89	89	-	15	-	74	-	-
NedBank Ltd (NBS)	Housing	24	24	18	24	-	18	-	-
FNB (Former Saambou)	Housing	185	185	-	113	-	72	-	-
Old Mutual (Nedbank/Perm)	Housing	27	27	-	27	-	-	-	-
Community Bank	Housing	11	11	-	-	-	11	-	-
NHFC (Masikeni)	Housing	25	25	-	25	-	-	-	-
Subtotal		1 569	1 569	166	757	-	978	-	-
Total		1 569	1 569	166	757	-	978	-	-

**WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2011**

**ANNEXURE 3B
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2011**

Nature of Liability	Opening balance 1 April 2010	Liabilities incurred during the year	Liabilities paid / cancelled / reduced during the year	Liabilities recoverable (provide details hereunder)	Closing balance 31 March 2011
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
Medico Legal	61 493	25 535	34 948	-	52 080
Civil & Legal claims including Labour Relations claims	38 467	5 818	-	-	44 285
Subtotal	99 960	31 353	34 948	-	96 365
Other					
Ex-gratia payments	156	83	239	-	-
Occupational Specific Dispensation (OSD) for nurses	908	-	-	-	908
Subtotal	1 064	83	239	-	908
TOTAL	101 024	31 436	35 187	-	97 273

**WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2011**

**ANNEXURE 4
CLAIMS RECOVERABLE**

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2011	31/03/2010	31/03/2011	31/03/2010	31/03/2011	31/03/2010
	R'000	R'000	R'000	R'000	R'000	R'000

Department

PROVINCE OF THE WESTERN CAPE

Department of Social Development	-	-	2	-	2	-
Department of the Premier	19	-	-	5	19	5
Department of Local Government and Housing	-	-	-	68	-	68

PROVINCE OF THE EASTERN CAPE

Department of Health	35	169	52	-	87	169
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GAUTENG PROVINCE

Department of Health	139	7	-	-	139	7
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NORTHERN CAPE PROVINCE

Department of Health	-	-	53	21	53	21
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KWAZULU-NATAL PROVINCE

Department of Health	-	-	3	-	3	-
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**WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2011**

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2011	31/03/2010	31/03/2011	31/03/2010	31/03/2011	31/03/2010
	R'000	R'000	R'000	R'000	R'000	R'000
PROVINCE OF MPUMALANGA						
Department of Health	-	-	15	-	15	-
NATIONAL DEPARTMENTS						
Department of Health	-	-	62,610	-	62,610	-
Department of Correctional Services	-	-	197	696	197	696
Department of Defence	-	-	-	308	-	308
South African Social Security Agency	939	-	2 164	506	3 103	506
Limpopo Province: Department of Health	7	-	15	-	22	-
Department of Justice	-	-	21	-	21	-
Parliament	-	18	13	-	13	18
South African Police Services	25	-	10	1	35	1
Subtotal	1 164	194	65 155	1 605	66 319	1 799
Other Government Entities						
Pension Recoverable	-	-	(1,066)	(98)	(1,066)	(98)
Agency Service	-	-	(259)	(230)	(259)	(230)
Rec:Dom:Clms:Pub Ent:Claim Reco- VAT Refunds	-	-	1,116	-	1,116	-
Subtotal	-	-	(209)	(328)	(209)	(328)
TOTAL	1 164	194	64 946	1 277	66 110	1 471

**WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2011**

**ANNEXURE 5
INTER-GOVERNMENT PAYABLES**

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2011	31/03/2010	31/03/2011	31/03/2010	31/03/2011	31/03/2010
	R'000	R'000	R'000	R'000	R'000	R'000

DEPARTMENTS

Current

WESTERN CAPE PROVINCE

Government Motor Transport	-	6 039	-	4 292	-	10 331
Department of Cultural Affairs & Sport	-	-	-	4	-	4
Department of Transport & Public Works	-	906	-	212	-	1 118
Department of Premier	-	2 477	-	1 093	-	3 570
Department of Education	-	-	-	-	-	-
Department of Community Safety	-	-	-	10	-	10
Provincial Treasury	-	-	-	13	-	13

NATIONAL DEPARTMENTS

Department of Justice and Constitutional Development	-	-	-	39	-	39
South African Police Services	-	-	-	688	-	688

EASTERN CAPE PROVINCE

Department of Health	-	-	-	48	-	48
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**WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2011**

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2011	31/03/2010	31/03/2011	31/03/2010	31/03/2011	31/03/2010
	R'000	R'000	R'000	R'000	R'000	R'000
GAUTENG PROVINCE						
Department of Health	-	-	-	6	-	6
NOTHERN CAPE PROVINCE						
Department of Health	-	-	17	-	17	-
LIMPOPO PROVINCE						
Department of Health	-	-	-	5	-	5
Subtotal	-	9 422	17	6 410	17	15 832
Total	-	9 422	17	6 410	17	15 832

**WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2011**

**ANNEXURE 6
INVENTORY**

Inventory	2010/11	
	Quantity	R'000
Opening balance	12 236 379	121 535
Add/(Less): Adjustments to prior year balance	(31 930)	(187 716 830)
Add: Additions/Purchases - Cash	85 761 617	1 105 885
Add: Additions - Non-cash	22 748 760	49 363
(Less): Disposals	(78 577)	(1 562)
(Less): Issues	(107 961 321)	(1 259 579)
Add/(Less): Adjustments	12 187 618	187 893 352
Closing balance	24 862 546	192 163

	2009/10	
	Quantity	R'000
Opening balance	23 981 871	119 216
Add/(Less): Adjustments to prior year balance	(116 584)	9 260
Add: Additions/Purchases - Cash	44 255 603	900 439
Add: Additions - Non-cash	27 173 773	124 909
(Less): Disposals	(16 047)	(401)
(Less): Issues	(84 393 704)	(188 622 945)
Add/(Less): Adjustments	1 351 467	187 591 057
Closing balance	12 236 379	121 535

**WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2011**

ARV Depot and Pharmaceutical movements on Logis and JAC was not provided as only the closing balances were available. Increase in inventory value can be ascribed to the inclusion of the medicines held in the pharmacies of the 3 central hospitals. Previously only inventory held in bulk stores were disclosed.

**WESTERN CAPE – DEPARTMENT OF HEALTH
CAPE MEDICAL DEPOT**

**ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2011**

3.2 Cape Medical Depot

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**WESTERN CAPE – DEPARTMENT OF HEALTH
CAPE MEDICAL DEPOT**

**ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2011**

3.2.1 General information

Domicile	South Africa
Nature of business and principle activities	The Cape Medical Depot is responsible for the supply of essential medicines and disposable surgical sundry items to provincial health care facilities in the Western Cape. The Depot operates as a trading entity and charges levies of 5 to 8 percent on stock issues to the provincial health care facilities.
Legal form of entity	Trading entity (as defined by the Public Finance Management Act (Act No. 1 of 1999) as amended by Act No. 25 of 1999).
Ultimate parent / Controlling entity	Western Cape Department of Health
Registered office	PO Box 2060 Cape Town 8000
Business address	16 Chiappini Street Cape Town 8001
Postal address	Private Bag X 9036 Cape Town 8000
Auditor	Auditor-General of South Africa

**WESTERN CAPE – DEPARTMENT OF HEALTH
CAPE MEDICAL DEPOT**

**ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2011**

3.2.2 Statement of Responsibility

The Public Finance Management Act, 1999 (Act No. 1 of 1999), as amended, requires the accounting officer to ensure that the Cape Medical Depot keeps full and proper records of its financial affairs. The annual financial statements should fairly present the state of affairs of the Depot, its financial results, its performance against predetermined objectives and its financial position at the end of the year in terms of the basis of accounting as set out in note 1 to the financial statements.

The annual financial statements are the responsibility of the accounting officer. The Auditor-General is responsible for independently auditing and reporting on the financial statements. The Auditor-General has audited the entity's financial statements and the Auditor-General's report appears on page 368.

The annual financial statements have been prepared in accordance with the basis of accounting as set out in note 1 to the financial statements. These annual financial statements are based on appropriate accounting policies, supported by reasonable judgments and estimates.

The accounting officer has reviewed the entity's budgets and cash flow forecasts for the year ended 31 March 2011. On the basis of this review, and in view of the current financial position, the accounting officer has every reason to believe that the entity will be a going concern in the year ahead and has continued to adopt the going concern basis in preparing the financial statements.

The accounting officer sets standards to enable management to meet the above responsibilities by implementing systems of internal control and risk management that are designed to provide reasonable, but not absolute assurance against material misstatements and losses. The entity maintains internal financial controls to provide assurance regarding:

- The safeguarding of assets against unauthorised use or disposition.
- The maintenance of proper accounting records and the reliability of financial information used within the business or for publication.

The controls contain self-monitoring mechanisms, and actions are taken to correct deficiencies as they are identified. Even an effective system of internal control, no matter how well designed, has inherent limitations, including the possibility of circumvention or the overriding of controls. An effective system of internal control therefore aims to provide reasonable assurance with respect to the reliability of financial information and, in particular, financial statement presentation. Furthermore, because of changes in conditions, the effectiveness of internal financial controls may vary over time.

The accounting officer has reviewed the entity's systems of internal control and risk management for the period from 1 April 2010 to 31 March 2011. The accounting officer is of the opinion that the entity's systems of internal control and risk management were effective for the period under review.

**WESTERN CAPE – DEPARTMENT OF HEALTH
CAPE MEDICAL DEPOT**

**ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2011**

The accounting officer has reviewed the entity's systems of internal control and risk management for the period from 1 April 2009 to 31 March 2010. The accounting officer is of the opinion that the entity's systems of internal control and risk management were effective for the period under review.

In the opinion of the accounting officer, based on the information available to date, the annual financial statements fairly present the financial position of the Cape Medical Depot at 31 March 2010 and the financial performance and cash flow information for the year then ended and that the Code of Corporate Practices and Conduct has been adhered to.

The annual financial statements for the year ended 31 March 2011, set out on pages 373 to 400, were submitted for auditing on 31 May 2011 and approved by the Accounting Officer in terms of section 40(1) (c) of the PFMA, 1999 (Act No. 1 of 1999), as amended and are signed on its behalf by:



ACCOUNTING OFFICER
PGWC: DEPARTMENT OF HEALTH
Date: 29 July 2011

**WESTERN CAPE – DEPARTMENT OF HEALTH
CAPE MEDICAL DEPOT**

**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2011**

Report by the Accounting Officer to the Executive Authority and to the Provincial Legislature:

1. General review of the state of financial affairs

The operational expenditure of the Cape Medical Depot (CMD), which includes compensation of employees, goods and services and payments for capital assets, is recovered from institutions by means of a levy charged for goods supplied. Only augmentation of the CMD's capital is included in the Budget Statement of the Department of Health. The CMD surrenders any cash surplus (to be distinguished from a GAAP surplus) to the Department, but the Department has to fund any cash deficits. The cash surpluses and deficits are disclosed in the Statement of Changes in Equity.

The levy is determined such that the CMD should always show a profit on an accrual basis. However, the CMD had a cash loss in the year under review due to stock losses of previous years written off in this year.

During the year under review the CMD's capital was significantly augmented by about R 40 million due to the need to better manage the departmental cash flow, as the under-funding of the CMD creates cash flow problems for the Department. The CMD capital now stands at about R 88 million.

Operational expenditure increased by 14%. This is higher than inflation, and driven by an increase of 27% in staff costs, due to an increase in the staff establishment of the CMD as well as the OSD requirements.

The closing stock is 5% less than at the end of the previous year due to improved stock management.

2. Services rendered by the Trading Entity

The CMD provides pharmaceutical and non-pharmaceutical supplies to health institutions after bulk buying from suppliers, thereby enabling health institutions to keep lower stock levels and rely on shorter delivery lead-times. Better control is exercised over purchases and the advantage of bulk-buying results in lower costs. The CMD is responsible for the storage and management of this stock, to service provincial hospitals, provincial-aided hospitals, old age homes, day hospitals, local authorities and clinics.

The warehouse operationally consists of 4 sections, namely Pharmaceutical Depot, Non-pharmaceutical Depot, DDV (Direct Delivery Voucher) Pharmaceutical Depot and Oudtshoorn Medical Depot. The Oudtshoorn Medical Depot is a sub-depot of the CMD and supplies pharmaceuticals to the Eden and Central Karoo Districts.

**WESTERN CAPE – DEPARTMENT OF HEALTH
CAPE MEDICAL DEPOT**

**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2011**

The CMD also manages a pre-packing unit where bulk items of stock are packed into smaller patient ready quantities.

3. Tariff policy

A levy is charged and added to the ledger price of goods purchased to determine the costs of goods supplied to clients. These levies are evaluated by Treasury and are reviewed annually and adjusted if required. The levies mentioned below have not been adjusted since 1994:

Pharmaceutical and Non-pharmaceutical depot stock	8 % levy on average prices
Direct Delivery items	5 % levy on average prices

Levies are not intended to result in a profit or loss accruing, but should fully fund the operating expenditure.

4. Capacity constraints

The working capital has to be increased annually in order to meet the increasing demands for particularly stock holding, which is driven by the relatively high medical inflation.

The warehouse is a multi-level facility with no surrounding vacant land for expansion. It has a central shaft system with two old goods lifts. The relocation of the CMD to a more suitable location or its significant refurbishment is therefore deemed as a priority.

The CMD uses the MEDSAS procurement system that interfaces into the Basic Accounting System (BAS). In terms of Treasury Regulations, trading entities must compile Annual Financial Statements in terms of GAAP. The conversion of the MEDSAS information to comply with GAAP is extremely time consuming and complex. The development of an accrual based accounting system or the incorporation of the CMD back into the Department should be considered.

The Depot has continued attempts to recruit pharmacists, but even subsequent to the implementation of the Occupational Specific Dispensation for pharmacists this has proved challenging.

5. Utilisation of donor funds

No donor funding was received at the CMD.

**WESTERN CAPE – DEPARTMENT OF HEALTH
CAPE MEDICAL DEPOT**

**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2011**

6. Business address

16 Chiappini Street	Private Bag x9036
Cape Town	Cape Town
8001	8000

7. New/Proposed Activities

No new activities are proposed.

8. Events after the Balance Sheet date

No material events have taken place between the balance sheet date and the reporting date.

9. Performance Information

The following Performance Indicators are available as standard reports on the MEDSAS system:

	2010/11	2009/10	2008/9
Inventory turnover	5.1	4.2	3.6
Dues out	3.8%	6.52%	10.4%
Service level (orders satisfied within 48 hours of receipt)	88%	86%	85%

Inventory turnover target is set at 8 by National Treasury. To compensate for erratic supplier performance, inventory holding was increased significantly, resulting in a reduced inventory turnover.

10. SCOPA Resolutions

There were no SCOPA resolutions with respect to the CMD for the 2009/10 financial year.

**WESTERN CAPE – DEPARTMENT OF HEALTH
CAPE MEDICAL DEPOT**

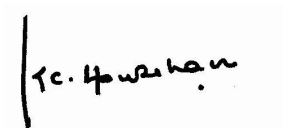
**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2011**

11. Other

The financial statements have been compiled in line with the South African Statements of Generally Accepted Accounting Practice.

Approval

The Annual Financial Statements set out on pages 374 to 403 have been approved by the Accounting Officer.

A handwritten signature in black ink, appearing to read 'K.C. Househam', is enclosed within a simple rectangular box.

**PROFESSOR KC HOUSEHAM
ACCOUNTING OFFICER**

DATE: 29 July 2011

**WESTERN CAPE – DEPARTMENT OF HEALTH
CAPE MEDICAL DEPOT**

**REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2011**

**REPORT OF THE AUDITOR-GENERAL TO WESTERN CAPE PROVINCIAL PARLIAMENT ON THE
FINANCIAL STATEMENTS OF THE CAPE MEDICAL DEPOT**

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the financial statements of the Cape Medical Depot, which comprise the statement of financial position as at 31 March 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory information as set out on pages 374 to 403.

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 Statements of Generally Accepted Accounting Practice (SA Statements of GAAP) and the requirements of the Public Finance Management Act, 1999 (Act No. 1 of 1999)(PFMA), and for such internal control as management determines 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. As required by section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), section 4 of the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004)(PAA) and section 40(2) of the PFMA, my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with International Standards on Auditing and *General Notice 1111 of 2010* issued in *Government Gazette 33872 of 15 December 2010*. 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.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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.

**WESTERN CAPE – DEPARTMENT OF HEALTH
CAPE MEDICAL DEPOT**

**REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2011**

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

Opinion

7. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Cape Medical Depot as at 31 March 2011, and its financial performance and cash flows for the year then ended in accordance with SA Statements of GAAP and the requirements of the PFMA.

Emphasis of matter

8. I draw attention to the matter below. My opinion is not modified in respect of this matter:

Restatement of corresponding figures

9. As disclosed in note 14 to the financial statements, the corresponding figures for 31 March 2009 and 2010 have been restated as a result of errors discovered during the 2010-11 financial year in the financial statements of the Cape Medical Depot at, and for the year ended, 31 March 2009 and 31 March 2010.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

10. In accordance with the PAA and in terms of *General notice 1111 of 2010*, issued in *Government Gazette 33872 of 15 December 2010*, I include below my findings on the annual performance report as set out on pages 57 and 230 and material non-compliance with laws and regulations applicable to the Cape Medical Depot.

Predetermined objectives

11. There are no material findings on the annual performance report.

Compliance with laws and regulations

Financial statements

12. The accounting officer submitted financial statements for auditing that were not prepared in all material aspects in accordance with Statements of Generally Accepted Accounting Practice as required by section 40(1)(b) of the PFMA, resulting in material adjustments to inventory, payables, cost of sales and employee costs.

**WESTERN CAPE – DEPARTMENT OF HEALTH
CAPE MEDICAL DEPOT**

**REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2011**

Procurement and contract management

13. Sole source bidding was utilised, but adequate documentation did not exist to substantiate such a bidding process, as required by paragraph 9.3.3 of the Western Cape Department of Health Accounting Officer's System for Procurement, Supply Chain and Asset Management, issued in terms of section 38(1)(a)(iii) of the PFMA.

Expenditure management

14. The accounting officer did not take effective and appropriate steps to prevent and detect irregular expenditure as required by section 38(1)(c)(ii) of the PFMA and Treasury Regulation 9.1.1. As disclosed in notes 25 to the financial statements irregular expenditure totalling R 2,5 million was incurred during the year under review as result of non-compliance with laws and regulations relating to procurement and contract management.

Inventory management

15. Management did not ensure that adequate processes and procedures are in place for the effective, efficient, economical and transparent management of and accounting for the entity's inventory and that proper control systems exist for inventory to eliminate the risk of theft, losses, wastage and misuse as required by chapter 16 of the Western Cape Department of Health Accounting Officer's System for Procurement, Supply Chain and Asset Management, issued in terms of Section 38(1)(a)(iii) of the PFMA.

INTERNAL CONTROL

16. In accordance with the PAA and in terms of *General notice 1111 of 2010*, issued in *Government Gazette 33872 of 15 December 2010*, I considered internal control relevant to my audit, but not for the purpose of expressing an opinion on the effectiveness of internal control. The matters reported below are limited to the significant deficiencies that resulted in the basis the findings on compliance with laws and regulations included in this report.

**WESTERN CAPE – DEPARTMENT OF HEALTH
CAPE MEDICAL DEPOT**

**REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2011**

Leadership

17. The accounting officer did not adequately exercise oversight responsibility throughout the financial year to ensure accurate and complete financial information and financial statements. This is evidenced by the extent of sufficient appropriate evidence that could not be timeously presented for audit purposes, the material misstatements included in the financial statements as well as non-compliance with procurement and contract management regulations. Towards the latter part of the financial year leadership identified that there were significant deficiencies in the policies, procedures and processes and internal controls of the entity and therefore appointed a management team to ensure that the administration of the entity is placed on a sound footing. This management team embarked on an exercise to redraft all critical policies, procedures and processes relating to the entity, resulting in insufficient monitoring and review during the 2010-11 financial year and leading to significant internal control deficiencies at the entity.

Financial and performance management

18. As consultants were used in the past to convert the financial records of the entity from a cash basis of accounting to accrual accounting, there is a general lack of understanding of the accounting treatment of the purchases and sales of inventory. The amounts included for purchases, sales and balances of inventory are not well understood by the entity's staff and therefore financial consultants are used to perform weekly reconciliations between the MEDSAS and BAS systems after the interface between the two systems. This contributes to a lack of monitoring and review of the work performed by such consultants.
19. Adequate processes were also not implemented to ensure that inventory management was in all respects compliant with the requirements set out in the Western Cape Department of Health Accounting Officer's System for Procurement, Supply Chain and Asset Management.

Governance

20. Only one internal audit was performed at the entity during the financial year under review and the internal audit report was issued on 31 March 2011, leaving the entity with no time to implement internal audit's recommendations to ensure that the internal controls of the entity are placed on a sound footing.

**WESTERN CAPE – DEPARTMENT OF HEALTH
CAPE MEDICAL DEPOT**

**REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2011**

OTHER REPORTS

Investigations

21. Two investigations were conducted at the entity relating to preference being given to a particular supplier during procurement processes and inventory theft, respectively.

Auditor - General

Cape Town

31 July 2011



**A U D I T O R - G E N E R A L
S O U T H A F R I C A**

Auditing to build public confidence

**WESTERN CAPE – DEPARTMENT OF HEALTH
CAPE MEDICAL DEPOT**

**STATEMENT OF FINANCIAL POSITION
for the year ended 31 March 2011**

	<i>Note</i>	2010/11 R'000	Restated 2009/10 R'000	Restated 2008/09 R'000
ASSETS				
Non-current assets		2 810	3 420	4 288
Property, plant and equipment	2	2 810	3 420	4 288
Current assets		126 338	163 221	147 290
Inventories	3	104 590	110 613	113 012
Trade and other receivables	4	12 490	52 608	34 278
Other financial liabilities	8	9 257	-	-
Total assets		129 148	166 640	151 578
EQUITY AND LIABILITIES				
Funds and reserves		98 740	52 851	60 590
Trading fund	5	88 332	48 507	46 792
Accumulated surplus/(deficit)		10 408	4 344	13 798
Non-Current liabilities		549	531	620
Provisions	6	549	531	620
Current liabilities		29 860	113 258	90 369
Provisions	6	383	211	159
Trade and other payables	7	29 477	45 737	30 947
Other financial liabilities	8	-	67 309	59 263
Total equity and liabilities		129 148	166 640	151 578

**WESTERN CAPE – DEPARTMENT OF HEALTH
CAPE MEDICAL DEPOT**

**STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 March 2011**

	<i>Note</i>	2010/11 R'000	Restated 2009/10 R'000
Revenue	9a	551 855	492 032
Cost of Sales	10	(528 249)	(464 296)
Gross Profit		23 606	27 736
Other Income	9b	22	55
Operating expenditure	11	(30 024)	(26 434)
Administrative Expenses	11a	(1 225)	(2 131)
Staff Costs	11b	(21 353)	(17 103)
Audit Fees	11c	(1 496)	(1 961)
Depreciation	11d	(1 162)	(1 004)
Other Operating Expenses	11e	(4 788)	(4 234)
Operating profit/(loss)		(6 396)	1 357
Other expenses	12	(14)	-
Profit/(loss) before tax		(6 410)	1 357
Income tax expense	13	-	-
PROFIT/(LOSS) FOR THE YEAR		(6 410)	1 357
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		(6 410)	1 357

**WESTERN CAPE – DEPARTMENT OF HEALTH
CAPE MEDICAL DEPOT**

**STATEMENT OF CHANGES IN EQUITY
for the year ended 31 March 2011**

	<i>Note</i>	Trading fund R'000	Accumulated surplus R'000	Total R'000
Balance at 1 April 2009		46 792	7 347	54 139
Prior period error adjustment	14	-	6 451	6 451
Restated balance at 1 April 2009		46 792	13 798	60 590
Changes in equity for 2009/10				
Total profit for the year (restated)		-	1 357	1 357
Transfers from /(to) Department of Health	5	1 715	(10 810)	(9 095)
Restated balance at 31 March 2010		48 507	4 344	52 851
Changes in equity for 2010/11				
Total profit/(loss) for the year		-	(6 410)	(6 410)
Transfers from /(to) Department of Health	5	39 825	12 474	52 299
Balance at 31 March 2011		88 332	10 408	98 740

**WESTERN CAPE – DEPARTMENT OF HEALTH
CAPE MEDICAL DEPOT**

**STATEMENT OF CASH FLOWS
for the year ended 31 March 2011**

	<i>Note</i>	2010/11 R'000	Restated 2009/10 R'000
Cash flows from operating activities			
Cash generated from/(utilised in) operations	15	24 834	1 184
<i>Net Cash from Operating Activities</i>		<u>24 834</u>	<u>1 184</u>
Cash flows from investing activities			
Acquisition of property, plant and equipment	2	(566)	(136)
<i>Net cash used in investing activities</i>		<u>(566)</u>	<u>(136)</u>
Cash flows from financing activities			
Transfers from /(to) Provincial Department of Health		52 299	(9 095)
Increase/(decrease) in Other financial liabilities		(76 566)	8 046
<i>Net cash used in financing activities</i>		<u>(24 268)</u>	<u>(1 049)</u>
Net (decrease)/increase in Cash and Cash Equivalents		-	-
Cash Equivalents at beginning of the year		-	-
Cash Equivalents at end of the year		<u>-</u>	<u>-</u>

**WESTERN CAPE – DEPARTMENT OF HEALTH
CAPE MEDICAL DEPOT**

**ACCOUNTING POLICIES
for the year ended 31 March 2011**

1. Accounting policies

The annual financial statements were prepared in accordance with Statements of Generally Accepted Accounting Practice and the Public Finance Management Act (Act No. 1 of 1999) as amended by the Public Finance Management Amendment Act (Act No. 29 of 1999).

In the process of applying the Cape Medical Depot's accounting policies, management has made the following significant accounting judgements, estimates and assumptions, which have the most significant effect on the amounts recognised in the financial statements:

- **Property, Plant and Equipment**

In assessing the remaining useful lives and residual values of PPE, management has made judgement based on historical evidence as well as the current condition of PPE under its control.

- **Trade and other receivables**

Trade and other receivables are evaluated at year-end, and based on the evaluation and past experience; an estimate is made of the provision for impairment of debtors (bad debts), to bring trade and other receivables in line with its fair value.

The following are the principle accounting policies of the Depot which are, in all material respects, consistent with those applied in the previous year, except as otherwise indicated:

1.1 Basis of preparation

The financial statements were prepared on the historical cost basis.

1.2 Presentation currency

These financial statements are presented in South African Rand, rounded off to the nearest thousand rand.

1.3 Revenue recognition

Revenue from the sale of goods is recognised when significant risks and rewards of ownership of the goods have been transferred to the buyer. Revenue is measured at the fair value of the consideration received or receivable.

**WESTERN CAPE – DEPARTMENT OF HEALTH
CAPE MEDICAL DEPOT**

**ACCOUNTING POLICIES
for the year ended 31 March 2011**

1.4 Expenditure

1.4.1 Compensation of employees

Salaries and wages comprise payments to employees. Salaries and wages are recognised as an expense in the Statement of Comprehensive Income when the final authorisation for payment is effected on the system.

Social contributions include the entity's contribution to social insurance schemes paid on behalf of the employee.

1.4.2 Short-term employee benefits

The cost of short-term employee benefits is expensed in the Income Statement in the reporting period when the final authorisation for payment is effected on the system.

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably. Liabilities recognised in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

1.5 Retirement Benefit Cost

All post retirement benefits are for the account of the Chief Directorate: Pension Administration in Pretoria, i.e. the National Department of Treasury. The Cape Medical Depot therefore has no obligation towards post retirement benefits.

1.6 Irregular, fruitless and wasteful expenditure

Irregular expenditure means expenditure incurred in contravention of, or not in accordance with, a requirement of any applicable legislation, including:

- The PFMA, or
- Any provincial legislation providing for procurement procedures in that provincial government.

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

All irregular, fruitless and wasteful expenditure is charged against income in the period in which they are incurred.

**WESTERN CAPE – DEPARTMENT OF HEALTH
CAPE MEDICAL DEPOT**

**ACCOUNTING POLICIES
for the year ended 31 March 2011**

1.7 Unusual items

All items of income and expense arising in the ordinary course of business are taken into account in arriving at income. Where items of income and expense are of such size, nature or incidence that their disclosure is relevant to explain the performance of the Cape Medical Depot, they are separately disclosed and appropriate explanations are provided.

1.8 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation.

Depreciation is charged so as to write off the cost or valuation of assets over their estimated useful lives, using the straight-line method, on the following bases:

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, with the effect of any changes recognised on a prospective basis.

Depreciation is charged so as to write off the cost or valuation of assets, over their estimated useful lives, using the straight-line method, on the following basis:

Classification of Assets	Depreciation Rates
Plant and equipment	20% p.a.
Furniture and fittings	20% p.a.
Office equipment	20% p.a.
Workshop equipment and tools	20% p.a.
Kitchen appliances	20% p.a.
Domestic equipment	20% p.a.
Medical Allied Equipment	10% p.a.
Computer Equipment	33$\frac{1}{3}$% p.a.

1.9 Impairment of Property, plant and equipment

At each reporting date, the Cape Medical Depot reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets may be impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

**WESTERN CAPE – DEPARTMENT OF HEALTH
CAPE MEDICAL DEPOT**

**ACCOUNTING POLICIES
for the year ended 31 March 2011**

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are immediately recognised as an expense. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

1.10 Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value represents the estimated selling price in the ordinary course of business less any costs of completion and costs to be incurred in marketing, selling and distribution. Costs are assigned to inventory on hand by the method most appropriate to each particular class of inventory, with all classes of inventories currently being valued at weighted average cost.

1.11 Financial instruments

Financial assets

The Cape Medical Depot's principal financial assets are accounts receivable and cash and cash equivalents.

- Trade receivables

Trade receivables are initially measured at cost, which represents its fair value and subsequently measured at amortised cost, stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

Financial liabilities

The Cape Medical Depot's principal financial liabilities are accounts payable, cash and cash equivalents, and the financial liability arising from the amount owed to the Department of Health.

All financial liabilities are initially measured at cost, which represents its fair value and subsequently measured at amortised cost, comprising original debt less principle payments and amortisations.

- Trade payables

Trade and other payables are stated at their normal value.

**WESTERN CAPE – DEPARTMENT OF HEALTH
CAPE MEDICAL DEPOT**

**ACCOUNTING POLICIES
for the year ended 31 March 2011**

1.12 Cash and cash equivalents

Cash and cash equivalents comprises of money owing by the Cape Medical Depot to the Department of Health and is represented by the financial liability note as included in the Annual Financial Statements. Where applicable, bank overdrafts are shown in current liabilities in the statement of financial position. There were however, no bank overdrafts for the current or prior year financial periods.

1.13 Provisions

Provisions are recognised when the Cape Medical Depot has a present obligation as a result of a past event and it is probable that this will result in an outflow of economic benefits that can be estimated reliably. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

1.14 Changes in accounting estimates and errors

When an entity has not applied a new Standard or Interpretation that has been issued but is not yet effective, the entity discloses:

- (a) this fact; and
- (b) known or reasonably estimated information relevant to assessing the possible impact that application of the new Standard or Interpretation will have on the entity's financial statements in the period of initial application.

1.15 Lease Commitments

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the entity. Assets subject to finance lease agreements are capitalised at their cash cost equivalent. Corresponding liabilities are included in the Statement of Financial Position as finance lease obligations. The cost of the item of property, plant and equipment is depreciated at appropriate rates on the straight-line basis over its estimated useful life. Lease payments are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are recognised on the straight-line basis over the term of the relevant lease.

Lease commitments for the period remaining from the reporting date until the end of the lease contract are disclosed as part of the disclosure notes to the Annual Financial Statements.

**WESTERN CAPE – DEPARTMENT OF HEALTH
CAPE MEDICAL DEPOT**

**ACCOUNTING POLICIES
for the year ended 31 March 2011**

1.16 Contingent liabilities

A contingent liability is defined as a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity, or a present obligation that arises from past events but is not recognised because:

- (a) it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, or
- (b) the amount of the obligation cannot be measured with sufficient reliability.

The entity discloses, for each class of contingent liability at the reporting date, a brief description of the nature of the contingent liability and, where practicable –

- (a) an estimate of its financial effect;
- (b) an indication of the uncertainties relating to the amount or timing of any outflow, and
- (c) the possibility of any reimbursement.

1.17 Events after reporting date

The Cape Medical Depot considers events that occur after the reporting date for inclusion in the Annual Financial Statements. Events that occur between the reporting date and the date on which the audit of the financial statements is completed are considered for inclusion in the Annual Financial Statements.

The entity considers two types of events that can occur after the reporting date, namely those that–

- (a) provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date), and
- (b) Were indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

All adjusting events are taken into account in the financial statements as the necessary adjustments are made to the financial statements. Where non-adjusting events after the reporting date are of such importance that non-disclosure would affect the ability of the users of the financial statements to make proper evaluations and decisions, the entity discloses the following information for each significant 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.

**WESTERN CAPE – DEPARTMENT OF HEALTH
CAPE MEDICAL DEPOT**

**ACCOUNTING POLICIES
for the year ended 31 March 2011**

1.18 Related parties

The Depot operates in an economic environment currently dominated by entities directly or indirectly owned by the South African Government. All national departments of government and state-controlled entities are regarded as related parties in accordance with Circular 4 of 2005: Guidance on the term "state controlled entities" in context of IAS 24 (AC 126) - Related Parties, issued by the South African Institute of Chartered Accountants. Other related party transactions are also disclosed in terms of the requirements of the accounting standard.

**WESTERN CAPE – DEPARTMENT OF HEALTH
CAPE MEDICAL DEPOT**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2011**

2. Property, plant and equipment

	2010/11			2009/10		
	Cost	Account Dep	Carrying value at end of year	Cost	Account Dep	Carrying value at end of year
	R'000	R'000	R'000	R'000	R'000	R'000
<i>Owned equipment</i>						
Machinery & Equipment	5 944	(3 783)	2 161	5 562	(2 915)	2 647
Office furniture and fittings	1 458	(808)	650	1 292	(520)	773
	7 402	(4 592)	2 810	6 855	(3 435)	3 420

Reconciliation of carrying amount

2010/11	Carrying value at beginning of year	Additions	Disposals	Depreciation	Carrying value at end of year
	R'000	R'000	R'000	R'000	R'000
<i>Owned equipment</i>					
Machinery & Equipment	2 647	401	(14)	(873)	2 161
Office furniture and fittings	773	165	-	(288)	650
	3 420	566	(14)	(1 162)	2 810

Restated 2009/10	Carrying value at beginning of year	Additions	Disposals	Depreciation	Carrying value at end of year
	R'000	R'000	R'000	R'000	R'000
<i>Owned equipment</i>					
Machinery & Equipment	3 342	54	-	(749)	2 647
Office furniture and fittings	946	82	-	(255)	773
	4 288	136	-	(1 004)	3 420

Restated 2008/09	Carrying value at beginning of year	Additions	Disposals	Recognition of fair values of previously unrecognised assets	Depreciation	Carrying value at end of year
	R'000	R'000	R'000	R'000	R'000	R'000
<i>Owned equipment</i>						
Machinery & Equipment	2 538	165	(101)	989	(249)	3 342
Office furniture and fittings	1 511	36	-	-	(601)	946
	4 049	201	(101)	989	(850)	4 288

**WESTERN CAPE – DEPARTMENT OF HEALTH
CAPE MEDICAL DEPOT**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2011**

	2010/11 R'000	Restated 2009/10 R'000	Restated 2008/09 R'000
3. Inventories			
Work in progress	995	1 866	3 439
Packaging material	26	93	134
Finished goods	103 569	108 654	106 605
Goods to be returned to supplier	-	-	2 834
Net stock losses to be written off	2 304	18 230	5 982
Provision for inventory losses	(2 304)	(18 230)	(5 982)
Total	104 590	110 613	113 012
4. Trade and other receivables			
Trade receivables	7 493	46 106	34 297
Other receivables	5 837	6 593	66
Less: Provision for impairment of doubtful debts	(839)	(91)	(85)
Total	12 490	52 608	34 278

4.1 Credit quality of trade and other receivables

Credit risk with respect to trade receivables is limited due to the majority of receivables being owed by state entities. Trade receivables are non-interest bearing and are generally on 30 day collection terms. The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The Depot does not hold any collateral as security.

In determining the recoverability of a receivable, management considers any change in the credit quality of the debtor. Any provision for impairment on receivables (loans and receivables) exists predominantly due to the possibility that these debts will not be recovered. Management assesses these debtors individually for impairment and group them together in the Statement of Financial Position as financial assets with similar credit risk characteristics.

**WESTERN CAPE – DEPARTMENT OF HEALTH
CAPE MEDICAL DEPOT**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2011**

4.2 Fair value of trade and other receivables

The fair value of receivables (upon initial recognition) is stated at amortised cost, comprising original debt according to the invoice amounts less principle payments and amortisations.

Management considers the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements to approximate their fair values on 31 March 2011, as a result of the short-term maturity of these assets and liabilities.

4.3 Trade and other receivables past due but not impaired

Trade and other receivables which are past due are not necessarily considered to be impaired. At 31 March 2011, R 2 660 148 of trade receivables were past due but not impaired.

4.4 Classification of financial assets

In accordance with IAS 39.09 the financial assets of the depot is classified as follows:

<u>Financial Assets</u>	<u>Classification</u>
Trade and other receivables	Loans and receivables

4.5 Reconciliation of provision for impairment of financial assets

	2010/11	Restated 2009/10	Restated 2008/09
	R'000	R'000	R'000
Balance at beginning of year	91	85	26
Impairment Losses recognised	748	6	59
Impairment Losses reversed	-	-	-
Amounts recovered	<u>839</u>	<u>91</u>	<u>85</u>

Where a supplier is not able to supply goods in terms of a contract, the Department has the right to buy the goods from other suppliers and claim the additional cost from the contracted suppliers. The CMD started to apply this process actively in the year under review. The increase in the provision relates to amounts claimed from such suppliers.

5. Trading fund

The Cape Medical Depot's trading fund account was increased by R 39 825 000 (2010: R 1 715 000) from R 48 507 000 to R 88 332 000.

Capital is used for operating expenses and the purchasing of inventory. The Western Cape Department of Health provided the capital after Treasury approval.

**WESTERN CAPE – DEPARTMENT OF HEALTH
CAPE MEDICAL DEPOT**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2011**

	2010/11	Restated 2009/10	Restated 2008/09
	R'000	R'000	R'000
Opening balance	48 507	46 792	45 219
Transfer from Department of Health	39 825	1 715	1 573
Closing balance	<u>88 332</u>	<u>48 507</u>	<u>46 792</u>

6. Provisions

Provision for performance bonuses

Opening amount	211	159	168
Provisions made during the year	383	211	159
Amount used during the year	(211)	(159)	(117)
Unused amounts reversed during the year	-	-	(51)
Closing amount	<u>383</u>	<u>211</u>	<u>159</u>
Transferred to current	(383)	(211)	(159)
Carrying amount of non-current	<u>-</u>	<u>-</u>	<u>-</u>

Provision for capped leave

Opening carrying amount	531	620	666
Provisions made during the year	71	-	-
Amount used during the year	(53)	(89)	(46)
Closing carrying amount	<u>549</u>	<u>531</u>	<u>620</u>
Carrying amount of non-current	<u>549</u>	<u>531</u>	<u>620</u>

Total provisions

Transferred to current	383	211	159
Carrying amount of non-current	<u>549</u>	<u>531</u>	<u>620</u>

7. Trade and other payables

Trade payables	26 177	43 172	24 644
Accruals	1 663	1 576	5 607
Staff creditors	937	983	686
Other	700	6	10
Total	<u>29 477</u>	<u>45 737</u>	<u>30 947</u>

**WESTERN CAPE – DEPARTMENT OF HEALTH
CAPE MEDICAL DEPOT**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2011**

	2010/11	Restated 2009/10	Restated 2008/09
	R'000	R'000	R'000

7.1 Credit quality of trade and other payables

Trade payables are non-interest bearing and are generally on 30 day payment terms. The Cape Medica Depot does not pledge any of its assets as security for the payables. The Depot has internal operating procedures and controls in place to ensure that all payables are paid within the credit timeframe.

7.2 Fair value of trade and other payables

The fair value of the trade and other payables (upon initial recognition) are equal to the invoice amounts related to these payables.

7.3 Classification of financial liabilities

In accordance with IAS 39.09 the Financial Liabilities of the depot is classified as follows:

<u>Financial Liabilities</u>	<u>Classification</u>
Trade and other payables	
Trade payable	Financial liabilities at amortised cost
Other accruals	Financial liabilities at amortised cost
Staff creditors	Financial liabilities at amortised cost
Other	Financial liabilities at amortised cost

8. Other financial liabilities / (Assets)

Owing to (owed)/ by the Western Cape Department of Health	(9 257)	67 309	59 263
Total	(9 257)	67 309	59 263

The carrying amount of this balance is considered to be equal to its fair value.

Classification of financial liabilities / (assets)

In accordance with IAS 39.09 the Financial Liabilities of the depot is classified as follows:

**WESTERN CAPE – DEPARTMENT OF HEALTH
CAPE MEDICAL DEPOT**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2011**

	2010/11 R'000	2009/10 R'000
<u>Financial Liabilities</u>		
	<u>Classification</u>	
Amount owing to the Department	Financial liabilities at amortised cost	
<u>Financial Assets</u>		
	<u>Classification</u>	
Amount owed by the Department	Loans and receivables	

9. Revenue

a. Sales of medical supplies to Hospitals, NGO's, Provincially aided Hospitals and Local Authorities	551 855	492 032
b. Other income	22	55
Total revenue	551 877	492 087

There were no discontinued operations for the period under review.

Sales stated above constitute revenue from exchange transactions.

10. Cost of sales

Freight service	7 112	5 533
Packaging	1 917	1 307
Purchases	519 220	457 456
Total cost of sales	528 249	464 296

11. Operating expenditure

An analysis of the Depot's expense is as follows:

a. Administrative expenses	1 225	2 131
General administrative expenses	664	1 700
Stationery and printing	472	415
Training and staff development	89	16

**WESTERN CAPE – DEPARTMENT OF HEALTH
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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2011**

	2010/11 R'000	2009/10 R'000
b. Staff costs	21 353	17 103
Wages and salaries	17 223	13 906
<i>Basic salaries</i>	14 329	11 175
<i>Performance bonuses</i>	475	281
<i>Periodic payments</i>	88	38
<i>Other non-pensionable allowance</i>	1 976	1 851
<i>Leave payments</i>	36	10
<i>Overtime pay</i>	319	551
Defined Pension Contribution Plan Expense	1 583	1 281
<i>Defined pension contribution plan expense</i>	1 583	1 281
Employer's contribution	2 547	1 916
<i>Medical</i>	1 029	837
<i>Official Unions and Associations</i>	4	3
<i>Other salary-related costs</i>	1 513	1 076
c. Audit fees	1 496	1 961
Auditor's remuneration	1 496	1 961
d. Depreciation	1 162	1 004
e. Other operating expenses	4 788	4 234
Consultants, Contractors and Special Services	453	2 699
Maintenance, Repairs and Running costs	421	65
<i>Property and buildings</i>	70	-
<i>Machinery and equipment</i>	350	65
Impairment/ (write back of impairment) of disallowance accounts	833	6
Stores / consumables	-	362
Travel and subsistence	208	151
Communication costs	363	600
Other	2 131	74
Rentals in respect of operating leases	379	277
<i>Plant, Machinery and Equipment</i>	379	277
Total	30 024	26 434

The Cape Medical Depot occupies a building owned by the Department of Transport and Public Works for which no rental is paid. The Depot utilises the Human Resource Services as well as the Internal Audit and Audit Committee Services provided by the Department of Health free of charge.

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	2010/11 R'000	2009/10 R'000
12. Other expenses		
Losses on asset disposals (PC transferred to Department)	14	-
Total	14	-

13. Income tax expense

No provision has been made for taxation as the Depot is exempt from income tax in terms of section 10(1) of the Income Tax Act, 1962 (Act No 58 of 1962).

14. Prior period errors and reclassifications**Depreciation**

During the financial period the method of calculating depreciation of assets was changed. Depreciation for the year was previously calculated on a per-month basis (12 periods per year) and is now being calculated on a per-day basis (365 periods per year). In addition, during the financial period it was discovered that an error occurred in the amount of additions of PPE reported in the AFS of 2008/09. The effects of these corrections were applied retrospectively and the comparative amounts have been restated.

	Increase / (Decrease) R'000	Restated 2009/10 R'000	Restated 2008/09 R'000
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Effect of corrections on the Statement of Comprehensive Income

Accumulated surplus opening balance	(38)	13 798	-
Surplus for the year	131	1 357	-
Depreciation for the year	(131)	1 004	-

Effect of corrections on the Statement of Financial Position

Property, Plant and equipment cost	2	6 855	6 719
Accumulated depreciation	(91)	3 435	2 431
Accumulated surplus or (deficit)	(93)	4 344	13 798
Property, Plant and equipment carrying value	93	3 420	4 288

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Increase / (Decrease)	Restated 2009/10	Restated 2008/09
R'000	R'000	R'000

Operating Leases; GMT Vehicles

In previous financial years GMT expenses were classified as Travel and Subsistence. As from the current year the daily tariffs of vehicles permanently allocated to the CMD has been treated as Operating Leases. This reclassification of expenses does not affect the Income for the prior year.

Valuation of Inventories at the lower of Cost or Net Realisable Value

Inventories are valued at the lower of Cost or Net Realisable Value. In previous financial years this calculation was done erroneously, and has been adjusted retrospectively. This had a minimal effect on the Income, but the values of Inventories and Accumulated Surplus increased by approximately R 6 million as from 1 April 2009.

Effect of corrections on the Statement of Comprehensive Income

Accumulated surplus opening balance	6 488	13 798	-
Inventory write-down/reversal	(58)	1 357	-
Operating profit/loss	(58)	-	-

Effect of corrections on the Statement of Financial Position

Inventory	6 430	110 613	113 012
Accumulated surplus (deficit)	6 430	4 344	13 798

Effect of all corrections on the Statement of Comprehensive Income

Accumulated surplus opening balance	6 450	13 798	-
Depreciation for the year	(131)	1 004	-
Inventory write-down/reversal	(58)	-	-
Surplus for the year	73	1 357	-

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	Increase / (Decrease) R'000	Restated 2009/10 R'000	Restated 2008/09 R'000
Effect of all corrections on the Statement of Financial Position			
Property, Plant and equipment cost	2	6 855	6 719
Accumulated depreciation	(91)	3 435	2 431
Accumulated surplus / (deficit)	6 521	4 344	13 798
Property, Plant and equipment carrying value	93	3 420	4 288
Inventory	6 430	110 613	113 012

Reclassification of PPE

During the financial period the PPE classes were reviewed and certain groups of assets reclassified. During previous periods, assets classified in the asset register as 'Computer equipment' were grouped under 'Computer equipment', while all other assets were grouped under 'Office equipment, furniture and fittings'.

Assets have now being re-grouped into more appropriate classes, namely 'Machinery and Equipment' (including Computer hardware and systems, Domestic equipment, Kitchen appliances, Medical and allied equipment, Workshop equipment and tools) and 'Office equipment and furniture' (including assets classified in the asset register as either Office equipment or Furniture). The effect of these reclassifications was applied retrospectively and the comparative amounts have been restated in the PPE note.

	2010/11 R'000	2009/10 R'000
15. Cash generated from / (utilised in) operations		
Reconciliation of profit for the year to cash generated from operations:		
Net profit per Statement of Comprehensive Income	(6 410)	1 357
Adjusted for:		
Depreciation on property, plant and equipment	1 162	1 004
Loss on disposal of assets	14	-
Increase/(decrease) in accrual raised for goods & services received	87	(4 031)
Increase/(decrease) in provision for doubtful debts	748	6
Increase/(decrease) in provisions	189	(37)
Operating cash flows before working capital changes	(4 210)	(1 702)

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Working capital changes	29 044	2 886
(Increase)/decrease in inventories	6 023	2 399
(Increase)/decrease in receivables	39 368	(18 333)
Increase/(decrease) in payables	(16 347)	18 821
Cash generated from / (utilised in) operations	24 834	1 184

16. Risk Management

The Cape Medical Depot monitors and manages the financial risks relating to the operations through internal policies and procedures. These risks include interest rate risk, credit risk and liquidity risk. The risk management process relating to each of these risks is discussed under the headings below. Compliance with policies and procedures review was done in 2010/11 by internal and external auditors on a continuous basis. The entity does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Price risk

This risk becomes applicable when suppliers purchase raw material from international suppliers and is subject to foreign exchange rate fluctuations.

Price risk is managed as follows:

This is an external factor that cannot be managed by the Cape Medical Depot. Where a price adjustment is identified the additional amounts are paid based on approval and an invoice. This is a journal transaction and must be approved by senior personnel before payment, both on manual documents and electronically. The additional amount paid is expensed and recovered in the year it is paid.

Interest rate risk

The Cape Medical Depot is not directly exposed to interest rate risk as it does not hold any interest bearing financial instruments. No formal policy exists to hedge volatilities in the interest rate market.

Market risk

No significant fluctuations in the market occurred during the year that management is aware of.

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Credit risk

Credit risk refers to the risk that counterparties will default on contractual obligations resulting in financial loss to the entity. Potential concentrations of credit risk consist principally of trade accounts receivable.

Financial assets, which potentially subject the Cape Medical Depot to the risk of non-performance by counter parties, consist of accounts receivable, comprising trade receivables and other receivables.

Credit risk with regards to receivables is managed as follows:

Trade receivables consist of a small number of customers, comprising clinics and hospitals spread across the Western Cape. A debtors' policy has been adopted as a means of mitigating the risk of financial loss from defaults. An allowance for impairment is established based on management's estimate of any identified potential losses in respect of trade receivables. Bad debts identified are written off as they occur. The entity does not have any significant credit risk exposure to any single counterparty.

At 31 March 2011 the Depot did not consider there to be any significant concentration of credit risk that had not been adequately provided for.

Financial assets exposed to credit risk at the reporting date were as follows:

	2010/11	2009/10
	R'000	R'000
Trade and other receivables	12 490	52 608
	12 490	52 608

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments.

Liquidity risk is managed as follows:

The Department of Health ensures the trading fund is maintained at an adequate level.

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Currency risk

The Cape Medical Depot does not transact with any supplier or customer that is not within the South African borders and this risk is therefore not directly applicable. However, this risk becomes applicable as suppliers purchase raw material from international suppliers and is subject to foreign exchange rate fluctuations.

Currency risk is managed as follows:

This is an external factor that cannot be managed by the Cape Medical Depot. Where a price adjustment is identified the additional amounts are paid based on approval and an invoice. This is a journal transaction and must be approved by senior personnel before payment, both on manual documents and electronically. The additional amount paid is expensed and recovered in the year it is paid.

17. Contingencies

	2010/11	2009/10
	R'000	R'000
Housing Loan guarantees (Employees)	-	11
	-	11

Housing loan guarantees amounts to R Nil (2010: R 11 080) for the 2010/11 financial year. Housing loan guarantees to the value of R 11 080 were terminated during the financial year.

A supplier instituted a claim in the Pretoria High Court against the Cape Medical Depot, arising from monies recovered in terms of State Tender Board regulations during the period 1999/2000. If successful the Depot will be liable for the costs of suit and damages. It is impossible to quantify the claim at this stage.

A contingent liability exists, but a liability has not been raised in the financial statements as the existence of this obligation will only be confirmed pending the outcome of the court case.

18. Material losses through criminal conduct, irregular, fruitless and wasteful expenditure

No material losses through criminal conduct or irregular, fruitless and wasteful expenditure were incurred during the year ended 31 March 2011.

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19. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

20. Events after the balance sheet date

There were no significant events after the reporting date that warranted adjustment to or disclosure in the annual financial statements.

21. Key management personnel emoluments

The following staff members do not reside at the Cape Medical Depot and are compensated by the Department of Health. (Their compensation is disclosed in the Annual Financial Statements of the Department of Health):

- Prof KC Househam: Accounting Officer (Head: Department of Health)
- Mr A van Niekerk: Chief Financial Officer: Department of Health
- Mr J Jooste: Chief Director: Financial Management
- Mr I Smith: Director: Supply Chain Management
- Ms K Lowenherz: Director: Professional Support Services

Key staff members residing at the Cape Medical Depot:

2010/2011	Salary, bonus and allowance	Overtime Allowance	Medical contribution	Total
	R'000	R'000	R'000	R'000
Deputy Director: Administration: Mr R Schroeder	242	2	-	244
Deputy Director: Pharmacy: Mr S Theron	338	-	-	338
	580	2	-	582

2009/2010	Salary, bonus and allowance	Overtime Allowance	Medical contribution	Total
	R'000	R'000	R'000	R'000
Deputy Director: Administration: Mr R Schroeder	427	9	-	436
Deputy Director: Pharmacy: Mr A Glass	240	1	4	245
Deputy Director: Pharmacy: Mr S Theron (part period)	257	4	-	261
	924	14	4	942

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22. Operating lease commitments

The Depot as lessee

At the reporting date the Cape Medical Depot had outstanding commitments under non-cancellable operating leases and/or contracts, which fall due as follows:

Operating leases

	2010/11	2009/10
	R'000	R'000
Up to 1 year	160	85
1 to 5 years	300	124
More than 5 years	-	-
	460	209

The lease agreements are not renewable at the end of the lease term and the Cape Medical 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%. The increase is due to new photocopy machines acquired in 2010/11. The lease commitments also include GG vehicles leased.

23. Related party transactions

Related party relationships:

Controlling entity Western Cape Department of Health

The Cape Medical Depot is a Trading Entity under the control of the Western Cape Department of Health. All transactions with the Department of Health are considered to be related party transactions.

Capital transfers from the Department of Health amounted to R 39 825 000 for the year.

All national departments of government and state-controlled entities are regarded as related parties in accordance with Circular 4 of 2005: Guidance on the term "state controlled entities" in context of IAS 24 - Related Parties, issued by the South African Institute of Chartered Accountants. Other related party transactions are also disclosed in terms of the requirements of the accounting standard.

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Related party transactions:

Goods provided to related parties

The Depot provides medical goods to hospitals and other institutions which form part of the Department of Health.

	2010/11 R'000	2009/10 R'000
Sales to Department of Health	551 855	492 032
Total	551 855	492 032

Other financial liabilities / (assets) (refer to Note 8)

	2010/11 R'000	Restated 2009/10 R'000	Restated 2008/09 R'000
Amount owing to/ (from) the Western Cape Department of Health	(9 257)	67 309	59 263
Total	(9 257)	67 309	59 263

Other financial liabilities comprise of the balance owed to the Western Cape Department of Health. The carrying amount of this balance is considered to be equal to its fair value.

Services provided by related parties

The Cape Medical Depot utilises vehicles provided by Government Motor Transport (trading entity under the control of the Department of Transport and Public Works). Two vehicles are rented on a permanent basis, while other means of transport is arranged on a needs basis and is expensed when paid.

	2010/11 R'000	2009/10 R'000
Other operating expenses: Government Motor Transport	154	74
Total	154	74
Trade and other payables: Government Motor Transport	-	21
Total	-	21

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Other related party transactions

The building currently occupied by the Depot (16 Chiappini Street, from where its operations are conducted) is owned by the Department of Transport and Public Works. No rent is levied by the Department for the right of use granted to the Depot.

The Depot utilises the Human Resources Services, as well as the Internal Audit and Audit Committee Services provided by the Department of Health free of charge

24. Comparatives

Certain comparative figures were adjusted as a result of prior period errors. Also refer to note 14.

25. Irregular expenditure

	2010/11 R'000	Restated 2009/10 R'000
Reconciliation of Irregular Expenditure		
Opening balance	-	-
Add; Irregular Expenditure - relating to the current year	2 498	-
Less; Condoned	-	-
Irregular Expenditure awaiting condonement	<u>2 498</u>	<u>-</u>
Details of Irregular Expenditure; Current year		
Procurements from sole suppliers without adequate documentation on file to confirm these are sole suppliers. (5 cases)	320	-
Buy-outs without adequate documentation. (Buy-outs are purchases from other suppliers in cases where the contracted suppliers are unable to supply. (3 cases)	1 801	-
Insufficient supporting evidence to verify sole supplier classification (1 case)	377	-
Total	<u>2 498</u>	<u>-</u>

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26. Standards and interpretations in issue not yet adopted

At the date of approval of these financial statements the following Standards were in issue but not yet effective.

Amendment to IFRS 2	<ul style="list-style-type: none"> - Clarification of scope of IFRS 2 and IFRS 3 revised (1 July 2009) - Amendments relating to group cash-settled share-based payment transactions - Clarity of the definition of the term "Group" and where in a group share based payments must be accounted for. (1 January 2010)
IFRS 3 Business combinations	<ul style="list-style-type: none"> - Amendments to accounting for business combinations (1 July 2009) - Amendments to transition requirements for contingent consideration from a business combination that occurred before the effective date of the revised IFRS (1 January 2011) - Clarification on the measurement of non-controlling interests - Additional guidance provided on un-replaced and voluntarily replaced share-based payment awards
IFRS 5 Non-current Assets held for sale and discontinued Operations	<ul style="list-style-type: none"> - Plan to sell the controlling interest in a subsidiary (1 July 2009) - Disclosures of non-current assets (or disposal groups) classified as held for sale or discontinued operations (1 January 2010)
IFRS 7 Financial Instruments: Disclosures	<ul style="list-style-type: none"> - Amendment clarifies the intended interaction between qualitative and quantitative disclosures of the nature and extent of risks arising from financial instruments and removed some disclosure items which were seen to be superfluous or misleading (1 January 2011) - Amendments require additional disclosure on transfer transactions of financial assets, including the possible effects of any residual risks that the transferring entity retains. The amendments also require additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period (1 July 2011)
IFRS 8 Operating Segments	<ul style="list-style-type: none"> - Disclosure of information about segment assets (1 January 2010)
IFRS 9 Financial Instruments	<ul style="list-style-type: none"> - New standard that forms the first part of a three-part project to replace IAS 39 Financial Instruments: Recognition and Measurement (1 January 2013)
IAS 1, presentation of Financial Statements	<ul style="list-style-type: none"> - Clarification of statement of changes in equity (1 January 2011)
IAS 7. Statement of Cash Flows	<ul style="list-style-type: none"> - Classification of expenditures on unrecognized assets (1 January 2010)
IAS 10, events after the Reporting period	<ul style="list-style-type: none"> - Amendment resulting from the issue of IFRIC 17 (1 July 2009)

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IAS 17 Leases	- Classification of leases of land and building (1 January 2010)
IAS 21 The effects of changes in Foreign Exchange Rates	<ul style="list-style-type: none"> - Consequential amendments from changes to Business Combinations (1 July 2009) - Consequential amendments from changes to IAS 27 Consolidated and Separate Financial Statements (Clarification on the transition rules in respect of the disposal or partial disposal of an interest in a foreign operation) (1 July 2011)
IAS 24 Related Party disclosures	<ul style="list-style-type: none"> - Simplification of the disclosure requirements for government-related entities (1 January 2011) - Clarification of the definition of a related party (1 January 2011)
IAS 27 Consolidated and Separate Financial Statements	- Transition requirements for previous amendments arising from changes to IAS 27 (1 July 2011)
IAS 38 Intangible Assets	<ul style="list-style-type: none"> - Additional consequential amendments arising from revised IFRS 3 (1 July 2009) - Measuring the fair value of an intangible asset acquired in a business combination (1 July 2009)
IAS 39 Financial Instruments: Recognition and Measurement	<ul style="list-style-type: none"> - Clarifies two hedge accounting issues: (1 July 2009) <ul style="list-style-type: none"> o Inflation in a financial hedged item o A one-sided risk in a hedged item - Amendments for embedded derivatives when reclassifying financial instruments (Annual periods ending on or after 30 June 2009) - Treating loan prepayment penalties as closely related embedded derivatives - Scope exemption for business combination contracts - Cash flow hedge accounting (1 January 2010)

Management has considered the above standards and interpretations and anticipates that the adoption of these will not have a significant impact on the financial position, financial performance or cash flows of the depot as the majority of these types of transactions are not currently applicable at the Depot. When adopted, certain disclosures will however need to be amended in accordance with IFRS 7, IFRS 9 and IAS 24.

4. HUMAN RESOURCE MANAGEMENT (OVERSIGHT REPORT)

4.1 Service delivery

All departments are required to develop a Service Delivery Improvement (SDI) Plan. The following tables reflect the components of the SDI plan as well as progress made in the implementation of these plans.

Table 4.1.1: Main services and service standards provided in terms of the Service Delivery Plan, 1 April 2010 to 31 March 2011

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
To ensure a clean, effective and functional environment in all restrooms and bathrooms.	The public, patients and employees attending George and Helderberg Hospitals.	N/A	Successful and functional implementation of the approved Safe Environment Around Toilets (SEAT) policy at George and Helderberg Hospitals.	SEAT policy in place and implemented. 95% compliance on restroom audits.

Table 4.1.2: Consultation arrangements with customers, 1 April 2010 to 31 March 2011

Type of arrangement	Actual Customers	Potential Customers	Actual achievements
Complaints and compliments system in place. Direct feedback. Client Satisfaction surveys. Facility board meetings. Staff meetings. Notice boards.	The public, patients and employees attending George and Helderberg Hospitals.	N/A	Public, patients and staff conversant with consultation arrangements and utilise the various methods of consultation.

Table 4.1.3: Service delivery access strategy, 1 April 2010 to 31 March 2011

Access strategy	Actual achievements
In addition to conventional communication, senior management and local hospital management are encouraged to make themselves accessible and walk about to meet patients and staff at the coal face.	Practice of going out to visit facilities is well established and the Head of Department regularly goes out to visit facilities.

Table 4.1.4: Service information tool, 1 April 2010 to 31 March 2011

Types of information tool	Actual achievements
Direct feedback to clients following complaints. Reports to facility boards. Reports published on results of client satisfaction surveys.	Quarterly reports on complaints. Client satisfaction surveys conducted on an annual basis and reports published.

Table 4.1.5: Complaints mechanism, 1 April 2010 to 31 March 2011

Complaints mechanism	Actual achievements
A structured complaints system is operational at George and Helderberg Hospitals for clients seeking redress.	Complaints are monitored. 85% of complaints are resolved within 30 days.

4.2 Expenditure

Departments budget in terms of clearly defined programmes. The following tables summarise final audited expenditure by programme (Table 4.2.1) and by salary bands (Table 4.2.2). In particular, it provides an indication of the amount spent on personnel costs in terms of each of the programmes or salary bands within the Department.

Table 4.2.1: Personnel costs by programme, 2010/11

Programme	Total expenditure (R'000)	Compensation of employees / social contributions (R'000)	Training expenditure (R'000)	Goods & services (R'000)	Personnel cost as a percentage of total expenditure	Average personnel cost per employee (R'000)	Total number of employees
Programme 1	321 481	123 843	683	813	39%	281	441
Programme 2	4 367 380	2 354 906	7 957	137 226	54%	229	10 269
Programme 3	596 110	369 212	586	0	62%	214	1 727
Programme 4	2 935 241	2 016 945	4 346	62 115	69%	262	7 696
Programme 5	2 681 739	1 759 828	2 041	31 247	66%	244	7 209
Programme 6	241 374	43 309	241 374	360	18%	182	238
Programme 7	282 869	123 811	550	4	44%	192	645
Programme 8	918 434	16 321	1 082	1 370	2%	0	36
Total	12 344 628	6 808 175	258 619	233 135	55%	241	28 261

Notes:

- The above expenditure totals and personnel totals exclude the MEDSAS and European Union (EU) funding.
- Expenditure of sessional, periodical and extraordinary appointments are included in the expenditure but not in the personnel totals which inflate the average personnel cost per employee.
- Compensation of employees / social contributions: This excludes SCOA item HH/Employer Social Benefits on BAS.
- Goods and services: Consists of the SCOA item Agency and Outsourced services: Admin & support staff, nursing staff and professional staff.
- The total number of employees is the average number of employees that was in service as on 2010/03/31 (27 923) and 2011/03/31 (28 596).

PART 4: HUMAN RESOURCE MANAGEMENT (OVERSIGHT REPORT)

Table 4.2.2: Personnel costs by salary bands, 2010/11

Salary bands	Personnel expenditure (R'000)	% of total personnel cost	Average personnel cost per employee (R'000)	Total number of employees
Lower skilled (Levels 1 – 2)	203 297	3.02	84	2 420
Skilled (Levels 3 – 5)	1 372 322	20.39	130	10 552
Highly skilled production (Levels 6 – 8)	1 609 174	23.91	205	7 855
Highly skilled supervision (Levels 9 – 12)	3 505 324	52.09	475	7 387
Senior management (Levels 13 – 16)	38 978	0.58	847	47
Total	6 729 095	100.00	238	28 261

Notes:

- The above expenditure totals exclude the MEDSAS and the EU funding personnel.
- Expenditure of sessional, periodical and extraordinary appointments are included in the expenditure but not in the personnel totals which inflate the average personnel cost per employee.
- The senior management costs include commuted overtime of health professionals which inflates the average personnel cost per employee.
- The total number of employees is the average employees that was in service as on 2010/03/31 (27 923) and 2011/03/31 (28 596).

The following tables provide a summary per programme (Table 4.2.3) and salary bands (Table 4.2.4) of expenditure incurred as a result of salaries, overtime, housing allowance and medical assistance. In each case, the table provides an indication of the percentage of the personnel budget that was used for these items.

Table 4.2.3: Salaries, Overtime, Housing Allowance and Medical Assistance by programme, 2010/11

Programme	Salaries		Overtime		Home owners allowance		Medical assistance	
	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of personnel cost	Amount (R'000)	Housing allowance as a % of personnel cost	Amount (R'000)	Medical assistance as a % of personnel cost
Programme 1	115 256	93.43	1 099	0.89	2 290	1.86	4 720	3.83
Programme 2	2 079 996	88.33	126 038	5.35	57 441	2.44	91 325	3.88
Programme 3	288 066	78.82	44 815	12.26	10 951	3.00	21 647	5.92
Programme 4	1 592 035	84.55	174 730	9.28	46 459	2.47	69 763	3.70
Programme 5	1 508 527	83.20	201 065	11.09	43 767	2.41	59 769	3.30
Programme 6	41 806	91.03	730	1.59	1 338	2.91	2 051	4.47
Programme 7	104 567	81.62	11 683	9.12	4 577	3.57	7 283	5.68
Programme 8	14 336	93.70	659	4.31	83	0.54	222	1.45
Total	5 744 589	85.37	560 819	8.33	166 906	2.48	256 780	3.82

Notes:

- The above expenditure totals excludes the MEDSAS and the EU funding personnel.
- Expenditure of sessional, periodical and extraordinary appointments is included in the expenditure.
- Expenditure of the joint establishment (universities' conditions of service) is excluded in the above.

Table 4.2.4: Salaries, Overtime, Housing Allowance and Medical Assistance by salary bands, 2010/11

Salary bands	Salaries		Overtime		Housing allowance		Medical assistance	
	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of personnel cost	Amount (R'000)	Housing allowance as a % of personnel cost	Amount (R'000)	Medical assistance as a % of personnel cost
Lower skilled (Levels 1 – 2)	169 173	83.21	3 631	1.79	15 567	7.66	14 926	7.34
Skilled (Levels 3 – 5)	1 144 074	83.37	61 409	4.47	73 111	5.33	93 727	6.83
Highly skilled production (Levels 6 – 8)	1 404 526	87.28	72 015	4.48	50 763	3.15	81 870	5.09
Highly skilled supervision (Levels 9 – 12)	2 988 817	85.27	423 300	12.08	27 465	0.78	65 742	1.88
Senior management (Levels 13 – 16)	37 999	97.49	464	1.19	0	0	515	1.32
Total	5 744 589	85.37	560 819	8.33	166 906	2.48	256 780	3.82

Notes:

- The above expenditure totals excludes the MEDSAS.
- Expenditure of sessional, periodical and extraordinary appointments is included in the expenditure.
- Expenditure of the joint establishment (universities' conditions of service) is excluded in the above.
- Commuted overtime is included in salary bands Highly skilled supervision (Levels 9 - 12) and Senior management (Levels 13 - 16).

4.3 Employment and vacancies

The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate, and whether there are any staff that are additional to the establishment. This information is presented in terms of three key variables: - programme (Table 4.3.1), salary band (Table 4.3.2) and critical occupations (Table 4.3.3). Departments have identified critical occupations that need to be monitored. Table 4.3.3 provides establishment and vacancy information for the key critical occupations of the department.

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The vacancy rate reflects the percentage of posts that are not filled as per the approved post establishment.

Table 4.3.1: Employment and vacancies by programme, as on 31 March 2011

Programme	Number of posts		Number of posts filled	Vacancy rate	Number of posts filled additional to establishment
	Funded	Unfunded			
Programme 1	526	154	432	17.87	10
Programme 2	10 867	3 532	10 416	4.15	44
Programme 3	1 813	1 196	1 738	4.14	0
Programme 4	8 019	2 323	7 765	3.17	29
Programme 5	7 412	1 044	7 183	3.09	78
Programme 6	198	228	189	4.55	0
Programme 7	707	172	661	6.51	1
Programme 8	30	5	22	26.67	28
MEDSAS	188	1	126	32.98	0
Total	29 760	8 655	28 532	4.13	190

Notes:

- Nature of appointment sessional is excluded.
- Nature of appointments periodical and extraordinary is also excluded. No posts.
- Vacancy rate is based on funded vacancies.

Table 4.3.2: Employment and vacancies by salary bands, as on 31 March 2011

Service band	Number of posts		Number of posts filled	Vacancy rate	Number of posts filled additional to establishment
	Funded	Unfunded			
Lower skilled (Levels 1 – 2)	2 412	1 446	2 318	3.90	0
Skilled (Levels 3 – 5)	11 021	3 418	10 600	3.82	134
Highly skilled production (Levels 6 – 8)	8 154	1 871	7 860	3.61	18
Highly skilled supervision (Levels 9 – 12)	7 930	1 912	7 578	4.44	38
Senior management (Levels 13 – 16)	55	7	50	9.09	0
MEDSAS	188	1	126	32.98	0
Total	29 760	8 655	28 532	4.13	190

Notes:

- Nature of appointment sessional is excluded.
- Nature of appointments periodical and extraordinary is also excluded. No posts.

- Vacancy rate is based on funded vacancies.

Table 4.3.3: Employment and vacancies by critical occupation, as on 31 March 2011

Critical occupations	Number of posts		Number of posts filled	Vacancy rate	Number of posts filled additional to establishment
	Funded	Unfunded			
Medical orthotist & prosthetist	15	12	14	6.67	0
Medical physicist	11	1	10	9.09	0
Clinical technologist	88	36	82	6.82	0
Pharmacist	388	109	359	7.47	3
Industrial technician	73	18	59	19.18	0
Total	575	176	524	8.87	3

Notes:

- Nature of appointment sessional is excluded.
- Nature of appointments periodical and extraordinary is also excluded. No posts.
- Vacancy rate is based on funded vacancies.

4.4 Job evaluation

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

The following table (Table 4.4.1) summarises the number of jobs that were evaluated during the year under review. The table also provides statistics on the number of posts that were upgraded or downgraded.

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Table 4.4.1: Job Evaluation, 1 April 2010 to 31 March 2011

Salary Band	Number of posts	Number of jobs evaluated	% of posts evaluated by salary bands	Post upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower skilled (Levels 1-2)	3 876	0	0.00	0	0.00	0	0.00
Skilled (Levels 3-5)	14 683	34	0.23	1 057	3 108.82	0	0.00
Highly skilled production (Levels 6-8)	10 081	2	0.02	2	100.00	0	0.00
Highly skilled supervision (Levels 9-12)	9 903	15	0.15	10	66.67	0	0.00
Senior Management (Service Band A)	45	3	6.67	3	100.00	0	0.00
Senior Management (Service Band B)	13	0	0.00	0	0.00	0	0.00
Senior Management (Service Band C)	3	0	0.00	0	0.00	0	0.00
Senior Management (Service Band D)	1	0	0.00	0	0.00	0	0.00
Total	38 605	54	0.14	1 072	1 985.19	0	0.00

Notes:

- Nature of appointment sessional is excluded.
- The number of posts of 38 605 includes 8 655 unfunded posts.
- In total 3 839 clerk posts have been job evaluated during 2008/09 for upgrading. During 2009/10, 2 782 of these clerk posts have been upgraded on PERSAL and the rest (1 057) was done during the 2010/11 year.

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

Table 4.4.2: Profile of employees whose salary positions were upgraded due to their posts being upgraded, 1 April 2010 to 31 March 2011

Beneficiaries	African	Asian	Coloured	White	Total
Female	20	2	47	5	74
Male	4	0	11	3	18
Total	24	2	58	8	92
Employees with a disability	0	0	0	0	0

Notes:

- Nature of appointment sessional is excluded.

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

Table 4.4.3: Employees whose salary level exceed the grade determined by job evaluation, 1 April 2010 to 31 March 2011 (in terms of PSR 1.V.C.3)

Major Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Deputy director	1	11	12	Retention of staff
Assistant director	1	9	10	Retention of staff
Principal personnel officer	1	7	8	Retention of staff
Administrative officer	1	7	8	Retention of staff
Administrative officer	1	7	8	Retention of staff
Chief artisan	1	9 (Gr A)	10 (Gr B)	Retention of staff
Total Number of Employees whose salaries exceeded the level determined by job evaluation in 2010/2011				6
Percentage of total employment				0.02%

Table 4.4.4: Profile of employees whose salary level exceed the grade determined by job evaluation, 1 April 2010 to 31 March 2011 (in terms of PSR 1.V.C.3)

Beneficiaries	African	Asian	Coloured	White	Total
Female	1	0	0	1	2
Male	0	0	3	1	4
Total	1	0	3	2	6
Employees with a disability					0

4.5 Employment changes

Turnover rates provide an indication of trends in the employment profile of the Department. The following tables provide a summary of turnover rates by salary band (Table 4.5.1) and by critical occupations (Table 4.5.2).

Table 4.5.1: Annual turnover rates by salary band, 1 April 2010 to 31 March 2011

Salary band	Number of employees per band as on 1 April 2010	Appointments into the Department	Transfers into the Department	Terminations out of the Department	Transfers out of the Department	Turnover rate
Lower skilled (Levels 1 – 2)	2 534	434	2	382	2	15.15
Skilled (Levels 3 – 5)	10 446	1 783	53	1 373	50	13.62
Highly skilled production (Levels 6 – 8)	7 862	1 271	65	1 092	27	14.23
Highly skilled supervision (Levels 9 – 12)	7 170	1 476	64	1 444	35	20.63

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Salary band	Number of employees per band as on 1 April 2010	Appointments into the Department	Transfers into the Department	Terminations out of the Department	Transfers out of the Department	Turnover rate
Senior Management (Service Band A)	29	2	2	4	1	17.24
Senior Management (Service Band B)	10	0	1	1	0	10.00
Senior Management (Service Band C)	3	0	0	0	0	0.00
Senior Management (Service Band D)	1	0	0	0	0	0.00
Total	28 055	4 966	187	4 296	115	15.72

Notes:

- Nature of appointment sessional is excluded.
- Nature of appointments periodical and extraordinary is also excluded. No posts.
- Turnover rate calculated as follows: Terminations plus transfers out divided by the number of employees as on 1 April 2010.

Table 4.5.2: Annual turnover rates by critical occupation, 1 April 2010 to 31 March 2011

Critical occupation	Number of employees per band as on 1 April 2010	Appointments into the Department	Transfers into the Department	Terminations out of the Department	Transfers out of the Department	Turnover rate
Clinical technologist	75	23	1	15	1	21.33
Industrial technician	59	4	0	8	0	13.56
Medical orthotist & prosthetist	12	9	0	4	0	33.33
Medical physicist	14	2	0	1	0	7.14
Pharmacists	331	205	2	179	2	54.68
Total	491	243	3	207	3	42.77

Notes:

- Nature of appointment sessional is excluded.
- Nature of appointments periodical and extraordinary is also excluded. No posts.
- Any differences in numbers between 2010 and 2011 are a result of the rectification of occupational classification and job title codes.

Table 4.5.3: Reasons why staff is leaving the employ of the Department, 1 April 2010 to 31 March 2011

Termination type	Number	% of total terminations
Death	77	1.79
Resignation	931	21.67
Expiry of contract	2 752	64.06
Dismissal – operational changes	0	0.00
Dismissal – misconduct	134	3.12
Dismissal – inefficiency	0	0.00
Discharged due to ill-health	39	0.91
Retirement	324	7.54
Other (See note below)	39	0.91
Total	4 296	100.00
Total number of employees who left as a % of the total employment		15.31

Notes:

- Nature of appointment sessional is excluded.
- Nature of appointments periodical and extraordinary is also excluded. No posts.
- Dismissal (misconduct) in this table is an indication of cases where the terminations were effected on PERSAL within the period 1 April 2010 – 31 March 2011. The number of cases will therefore differ from misconduct cases finalised as indicated in Tables 4.6.6 and 4.13.2.
- Other refers to convert of appointment, transfer and dismissal: incapacity (termination of probationary appointment).

Table 4.5.4: Granting of employee initiated severance packages by salary band, 1 April 2010 to 31 March 2011

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 (Levels 1 – 2)	0	0	0	0
Skilled (Levels 3 – 5)	0	0	0	0
Highly skilled production (Levels 6 – 8)	0	0	0	0
Highly skilled supervision (Levels 9 – 12)	6	2	2	2
Senior Management (Service Band A)	1	1	1	1
Senior Management (Service Band B)	1	1	1	1
Senior Management (Service Band C)	0	0	0	0
Senior Management (Service Band D)	0	0	0	0
Total	8	4	4	4

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Notes:

- The figures reflect the cases received and finalised between 1 April 2010 and 31 March 2011.
- Cases where the approval for a severance package was granted before 31 March, but the termination of services was after 31 March 2011, will be reflected in the next annual report.

Table 4.5.5: Reasons why staff is resigning from the Public Service, 1 April 2010 to 31 March 2011

Reasons for resignation	Number	% of total terminations
Marriage	5	0.54%
Better remuneration	297	31.90%
Nature of work	43	4.62%
Insufficient progression possibilities	1	0.11%
Personal grievances	30	3.22%
Transport problems	4	0.43%
Domestic problems	29	3.11%
Pregnancy	1	0.11%
Bad health	8	0.86%
Age	3	0.32%
Further studies	46	4.94%
Other occupation	105	11.28%
Resigning of position	229	24.60%
Translation permanent	1	0.11%
Translation part-time	1	0.11%
Transfer (spouse)	11	1.18%
Housewife	15	1.61%
Own business	1	0.11%
Contract expired	34	3.65%
Prevent charge of misdemeanour	1	0.11%
Other Education Department	1	0.11%
Misconduct	2	0.21%
Emigration	2	0.21%
Absconded	3	0.32%
Other (reason not mentioned)	58	6.23%
Total	931	100.00

Notes:

- Reasons as reflected on PERSAL.
- Nature of appointments periodical and extraordinary is also excluded. No posts.
- Nature of appointment sessional is excluded.

Table 4.5.6: Different age groups of staff who resigned from the Public Service, 1 April 2010 to 31 March 2011

Age group	Number	% of total terminations
Age 19<	1	0.11%
Age 20 to 24	70	7.52%
Age 25 to 29	245	26.32%
Age 30 to 34	174	18.69%
Age 35 to 39	135	14.50%
Age 40 to 44	119	12.78%
Age 45 to 49	103	11.06%
Age 50 to 54	57	6.12%
Age 55 to 59	22	2.36%
Age 60 to 64	1	0.11%
Age 65 >	4	0.43%
Total	931	100.00

Table 4.5.7: Promotions by salary band, 1 April 2010 to 31 March 2011

Salary band	Employees as at 1 April 2010	Promotions to another salary level	Salary band promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progressions as a % of employees by salary band	OSDs	OSDs as a % of employee salary band
Lower skilled (Levels 1 – 2)	2 534	64	2.53	1 876	74.03	0	0.00
Skilled (Levels 3 – 5)	10 446	467	4.47	5 349	51.21	131	1.25
Highly skilled production (Levels 6 – 8)	7 862	413	5.25	2 767	35.19	273	3.47
Highly skilled supervision (Levels 9 – 12)	7 170	398	5.55	1 486	20.73	113	1.58
Senior management (Levels 13 – 16)	43	5	11.63	35	81.40	0	0.00
Total	28 055	1 347	4.80	11 513	41.04	517	1.84

Notes:

- Nature of appointment sessional is excluded.
- Nature of appointments periodical and extraordinary is also excluded. No posts.
- The above figures include personnel of MEDSAS.

Table 4.5.8: Promotions by critical occupation, 1 April 2010 to 31 March 2011

Critical occupation	Employees as at 1 April 2010	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progressions as a % of employees by occupation
Clinical technologist	75	4	5.33	46	61
Industrial technician	59	4	6.78	37	63
Medical orthotist & prosthetist	12	0	0.00	5	42
Medical physicist	14	0	0.00	2	14
Pharmacists	331	18	5.44	75	22.66
Total	491	26	5.30	165	33.60

Notes:

- Nature of appointment sessional is excluded.
- Nature of appointments periodical and extraordinary is also excluded. No posts.
- Promotions to another salary level include events 10 – Promotion, 52 – Promotion: Package SMS and 62 – PSR 2001 1.V.C.3.
- Progression to another notch within a salary level includes events 61 – Pay Progression and 69 – Pay Progression MMS.

4.6 Employment equity

The following table provides a summary of the total workforce profile per occupational level. Temporary employees provide the total of workers employed for three consecutive months or less. The tables in this section are based on the formats prescribed by the Employment Equity Act, 55 of 1998.

Table 4.6.1: Total number of employees (including employees with disabilities) in each of the following occupational bands, as on 31 March 2011

Occupational levels	Male				Female				Foreign nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (Levels 15 – 16)	0	1	0	2	0	0	0	1	0	0	4
Senior management (Level 13 – 14)	5	12	1	8	3	6	1	9	0	0	45
Professionally qualified and experienced specialists and mid-management (Levels 9 – 12)	167	484	67	589	558	2 560	105	1 352	38	35	5 955

Occupational levels	Male				Female				Foreign nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6 – 8)	262	1 323	10	274	641	3 747	43	915	2	5	7 222
Semi-skilled and discretionary decision making (Levels 3 – 5)	797	1 824	12	155	2 121	5 023	17	343	3	1	10 296
Unskilled and defined decision making (Levels 1 – 2)	347	585	2	28	474	739	2	20	1	0	2 198
Total permanent	1 578	4 229	92	1 056	3 797	12 075	168	2 640	44	41	25 720
Temporary employees	176	319	73	426	392	791	122	619	50	34	3 002
Grand total	1 754	4 548	165	1 482	4 189	12 866	290	3 259	94	75	28 722

Notes:

- Nature of appointment sessional is excluded.
- Nature of appointments periodical and extraordinary is also excluded. No posts.
- The above figures include the MEDSAS personnel.
- Total number of employees includes employees additional to the establishment.

Table 4.6.2: Total number of employees (with disabilities only) in each of the following occupational bands, as on 31 March 2011

Occupational levels	Male				Female				Foreign nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (Levels 15 – 16)	0	0	0	0	0	0	0	0	0	0	0
Senior management (Level 13 – 14)	0	0	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management (Levels 9 – 12)	0	2	0	1	0	1	0	6	0	0	10

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Occupational levels	Male				Female				Foreign nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6 – 8)	0	4	0	13	0	3	1	8	0	0	29
Semi-skilled and discretionary decision making (Levels 3 – 5)	5	15	0	7	3	11	0	9	0	0	50
Unskilled and defined decision making (Levels 1 – 2)	1	3	0	1	0	1	0	0	0	0	6
Total permanent	6	24	0	22	3	16	1	23	0	0	95
Temporary employees	0	1	0	0	0	1	0	0	0	0	2
Grand total	6	25	0	22	3	17	1	23	0	0	97

Notes:

- Nature of appointment sessional is excluded.
- Nature of appointments periodical and extraordinary is also excluded. No posts.
- The above figures include the MEDSAS and EU funded personnel.
- Total number of employees includes employees additional to the establishment.

Table 4.6.3: Recruitment, 1 April 2010 to 31 March 2011

Occupational levels	Male				Female				Foreign nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (Levels 15 – 16)	0	0	0	0	0	0	0	0	0	0	0
Senior management (Level 13 – 14)	0	1	0	1	0	0	0	1	0	0	3
Professionally qualified and experienced specialists and mid-management (Levels 9 – 12)	11	44	9	86	33	109	19	153	5	2	471
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6 – 8)	43	49	2	15	98	229	9	77	0	1	523

Occupational levels	Male				Female				Foreign nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Semi-skilled and discretionary decision making (Levels 3 – 5)	121	160	4	23	365	400	2	33	2	0	1 110
Unskilled and defined decision making (Levels 1 – 2)	53	80	1	8	45	72	0	1	1	0	261
Total permanent	228	334	16	133	541	810	30	265	8	3	2 368
Temporary employees	167	341	35	214	400	821	71	492	39	19	2 599
Grand total	395	675	51	347	941	1 631	101	757	47	22	4 967

Notes:

- Nature of appointment sessional is excluded.
- Nature of appointments periodical and extraordinary is also excluded. No posts.
- The above figures include the MEDSAS personnel.
- Total number of employees includes employees additional to the establishment.

Table 4.6.4: Promotions, 1 April 2010 to 31 March 2011

Occupational levels	Male				Female				Foreign nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (Levels 15 – 16)	0	0	0	0	0	0	0	0	0	0	0
Senior management (Level 13 – 14)	0	2	0	1	0	1	0	1	0	0	5
Professionally qualified and experienced specialists and mid-management (Levels 9 – 12)	14	25	5	82	25	121	17	97	7	5	398
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6 – 8)	23	103	1	18	47	183	4	33	0	1	413
Semi-skilled and discretionary decision making (Levels 3 – 5)	50	81	1	4	86	226	1	18	0	0	467

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Occupational levels	Male				Female				Foreign nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Unskilled and defined decision making (Levels 1 – 2)	14	13	0	1	7	27	1	1	0	0	64
Total permanent	101	224	7	106	165	558	23	150	7	6	1 347
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
Grand total	101	224	7	106	165	558	23	150	7	6	1 347

Notes:

- Nature of appointment sessional is excluded.
- Nature of appointments periodical and extraordinary is also excluded. No posts.
- The above figures include the MEDSAS personnel.
- Total number of employees includes employees additional to the establishment.

Table 4.6.5: Terminations, 1 April 2010 to 31 March 2011

Occupational levels	Male				Female				Foreign nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (Levels 15 – 16)	0	0	0	0	0	0	0	0	0	0	0
Senior management (Level 13 – 14)	2	0	0	3	0	0	0	0	0	0	5
Professionally qualified and experienced specialists and mid-management (Levels 9 – 12)	6	33	4	58	24	123	10	105	0	3	366
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6 – 8)	16	43	0	25	54	199	4	76	1	1	419
Semi-skilled and discretionary decision making (Levels 3 – 5)	40	71	1	5	68	203	1	23	1	1	414

Occupational levels	Male				Female				Foreign nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Unskilled and defined decision making (Levels 1 – 2)	15	23	0	6	7	30	0	3	0	0	84
Total permanent	79	170	5	97	153	555	15	207	2	5	1 288
Temporary employees	208	411	51	241	466	1 008	89	488	32	14	3 008
Grand total	287	581	56	338	619	1 563	104	695	34	19	4 296

Notes:

- Nature of appointment sessional is excluded.
- Nature of appointments periodical and extraordinary is also excluded. No posts.
- The above figures include the MEDSAS and EU funded personnel.
- Total number of employees includes employees additional to the establishment.
- Temporary employees reflect all contract appointments (Nature of appointments 05).

Table 4.6.6: Disciplinary actions, 1 April 2010 to 31 March 2011

Disciplinary actions total	Male				Female				Foreign nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
	193	347	2	37	222	425	1	51	0	0	

Table 4.6.7: Skills development, 1 April 2010 to 31 March 2011

Occupational levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Top management (Levels 15 – 16)									
Senior management (Level 13 – 14)	4	12	1	8	2	5	1	7	40
Professionally qualified and experienced specialists and mid-management (Levels 9 – 12)	105	352	35	365	120	769	89	792	2 627
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6 – 8)	306	566	5	226	944	2 192	47	1 084	5 370

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Occupational levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Semi-skilled and discretionary decision making (Levels 3 – 5)	237	1 037	9	142	966	2 108	6	294	4 799
Unskilled and defined decision making (Levels 1 – 2)	298	1 031	2	51	450	1 352	1	17	3 202
Total permanent	950	2 998	52	792	2 482	6 426	144	2 194	16 038
Temporary employees									
Grand total	950	2 998	52	792	2 482	6 426	144	2 194	16 038

Notes:

- The table reflects the number of beneficiaries who received training during the reporting period. Source: Quarterly training report.

4.7 Signing of performance agreements by SMS members

Table 4.7.1: Signing of Performance Agreements by SMS Members, as on 31 May 2010

SMS level	Number of funded SMS posts per level	Number of SMS members per level	Number of signed performance agreements per level	Signed performance agreements as % of SMS members per level	Number of SMS who received performance bonuses
Director-General/ Head of Department	1	1	1	100	1
Salary level 16, but not HOD	0	0	0	N/A	N/A
Salary Level 15	3	3	3	100	1
Salary Level 14	10	8	8	100	4
Salary Level 13	36	30	25	83.33	9
Total	50	42	37	88.08	15

Table 4.7.2: Disciplinary steps taken against SMS Members for not having concluded Performance Agreements on 31 May 2010

Disciplinary steps taken against SMS members for not having concluded performance agreements
No steps have been taken – see table 4.7.3

Table 4.7.3: Reasons for not having concluded Performance Agreements with all SMS on 31 May 2010

Reason for not concluding performance agreements
This Department implemented PERMIS for its SMS members for the first time during the 2010/11 performance cycle. This caused delays in the finalisation of performance agreements.
During the 2010/11 performance cycle the redeployment of SMS members within the Department's top structure took place. There were also new appointments during this cycle. The HoD subsequently granted extension on the completion of performance agreements to accommodate the changes. Due to the above mentioned not all SMS could conclude their performance agreements within the given timeframes.

4.8 Filling of SMS posts

Table 4.8.1: SMS posts information, as on 31 March 2011

SMS level	Number of funded SMS posts per level	Number of SMS posts filled per level	% of SMS posts filled per level	Number of SMS posts vacant per level	% of SMS posts vacant per level
Director-General/ Head of Department	1	1	100.00%	0	0.00%
Salary level 16, but not HOD	0	0	0.00%	0	0.00%
Salary level 15	3	3	100.00%	0	0.00%
Salary level 14	10	10	100.00%	0	0.00%
Salary level 13	41	36	87.80%	5	12.20%
Total	55	50	90.91%	5	9.09%

Notes:

- The number of funded SMS posts per level excludes the de-activated (unfunded) posts.

Table 4.8.2: SMS posts information, as on 30 September 2010

SMS level	Number of funded SMS posts per level	Number of SMS posts filled per level	% of SMS posts filled per level	Number of SMS posts vacant per level	% of SMS posts vacant per level
Director-General/ Head of Department	1	1	100.00%	0	0.00%
Salary level 16, but not HOD	0	0	0	0	0.00%
Salary level 15	3	3	100.00%	0	0.00%
Salary level 14	9	9	100.00%	0	0.00%
Salary level 13	37	31	83.78%	6	16.22%
Total	50	44	88.00%	6	12.00%

Table 4.8.3: Advertising and Filling of SMS posts, as on 31 March 2011

SMS level	Advertising	Filling of posts	
	Number of vacancies per level advertised in 6 months of becoming vacant	Number of vacancies per level filled in 6 months after becoming vacant	Number of vacancies per level not filled in 6 months but filled in 12 months
Director-General/ Head of Department	0	0	0
Salary level 16, but not HOD	0	0	0
Salary level 15	0	0	0
Salary level 14	2	1	1
Salary level 13	9	5	1
Total	11	6	2

Notes:

- Two posts have been filled after 1 April 2011 and will be reflected in the next reporting period.
- One post is addressed in Table 4.8.4 below.

Table 4.8.4: Reasons for not having complied with the filling of funded vacant SMS – Advertised within 6 months and filled within 12 months after becoming vacant

SMS Level	Reasons for non-compliance
Director-General/ Head of Department	N/A
Salary level 16, but not HOD	N/A
Salary level 15	N/A
Salary level 14	N/A
Salary level 13	The post of Director: Health Impact Assessment was advertised twice and a suitable candidate could not be attracted. The Department is in the process of filling the post by means of headhunting.

Table 4.8.5: Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months

Disciplinary steps taken
Not applicable.

4.9 Performance rewards

To encourage good performance, the Department has granted the following performance rewards allocated to personnel for the performance period 2009/10, but paid in the financial year 2010/11. The information is presented in terms of race, gender, and disability (Table 4.9.1), salary bands (table 4.9.2) and critical occupations (Table 4.9.3).

Table 4.9.1: Performance Rewards by race, gender, and disability, 1 April 2010 to 31 March 2011

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Total number of employees in group	% of total within group	Cost (R'000)	Average cost per employee
African					
Male	190	1 787	10.63%	1 760	9
Female	495	4 207	11.77%	5 505	11
Asian					
Male	25	174	14.37%	802	32
Female	53	300	17.67%	1 271	24
Coloured					
Male	892	4 553	19.59%	11 117	12
Female	2 917	12 867	22.67%	36 746	13
White					
Male	285	1 529	18.64%	8 794	31
Female	816	3 305	24.69%	17 489	21
Employees with a disability	16	97	16.49%	0	0
Total	5 673	28 722	19.75	83 484	15

Notes:

- Nature of appointment sessional is excluded.
- Nature of appointments periodical and extraordinary is also excluded. No posts.
- Performance awards include merit awards and allowance 0228.
- Employees with a disability are included in "Total".
- Senior Management and Senior Professionals are included.

Table 4.9.2: Performance Rewards by salary bands for personnel below Senior Management Service, 1 April 2010 to 31 March 2011

Salary Bands	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
Lower skilled (Levels 1 – 2)	427	2 329	18.33	2 206	5	0.03
Skilled (Levels 3 – 5)	1 917	10 807	17.74	14 559	8	0.22
Highly skilled production (Levels 6 – 8)	1 762	7 909	22.28	22 063	13	0.33
Highly skilled supervision (Levels 9 – 12)	1 551	7 627	20.34	43 923	28	0.65
Total	5 657	28 672	19.73	82 751	15	1.23

Notes:

- Nature of appointment sessional is excluded.
- Nature of appointments periodical and extraordinary is also excluded. No posts.

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Table 4.9.3: Performance Rewards by critical occupations, 1 April 2010 to 31 March 2011

Critical occupations	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total cost (R'000)	Average cost per employee
Clinical technologist	13	82	15.85	232	18
Industrial technician	18	59	30.51	435	24
Medical orthotist & prosthetist	0	14	0.00	0	0
Medical physicist	3	10	30.00	85	28
Pharmacists	66	362	18.23	2 058	31
Total	100	527	18.98	2 810	28

Notes:

- Nature of appointment sessional is excluded.
- Nature of appointments periodical and extraordinary is also excluded. No posts.
- Performance awards include merit awards and allowance 0228.

Table 4.9.4: Performance related rewards (cash bonus), by salary band, for Senior Management Service, 1 April 2010 to 31 March 2011

Salary Band	Beneficiary Profile			Total cost (R'000)	Average cost per employee	Total cost as a % of the total personnel expenditure	Personnel cost per band
	Number of beneficiaries	Number of employees	% of total within salary bands				
Band A	9	36	25	335	37	1.30	25,851
Band B	4	10	40	187	47	2.31	8,098
Band C	1	3	33	52	52	1.58	3,297
Band D	2	1	200	159	80	9.18	1,732
Total	16	50	32	733	46	1.88	38,978

Notes:

- In Band D the performance of two performance cycles were finalised for the Head of Department and therefore two rewards are reflected for the period 1 April 2010 to 31 March 2011.

4.10 Foreign workers

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

Table 4.10.1: Foreign Workers by salary band, 1 April 2010 to 31 March 2011, by salary band

Salary Bands	1 April 2010		31 March 2011		Change	
	Number	% of total	Number	% of total	Number	% of total
Lower skilled (Levels 1 – 2)	0	0.00	1	0.59	1	13
Skilled (Levels 3 – 5)	5	3.11	6	3.55	1	13
Highly skilled production (Levels 6 – 8)	15	9.32	10	5.92	(5)	(63)
Highly skilled supervision (Levels 9 – 12)	141	87.58	152	89.94	11	138
Senior management (Levels 13 – 16)	0	0.00	0	0.00	0	0
Total	161	100.00	169	100.00	8	100

Notes:

- Nature of appointment sessional, periodical and extraordinary is not included.
- The implementation of the different OSDs resulted that a major shift appears between the different salary levels.

Table 4.10.2: Foreign Workers by major occupation, 1 April 2010 to 31 March 2011

Major Occupation	1 April 2010		31 March 2011		Change	
	Number	% of total	Number	% of total	Number	% of total
Admin office workers	3	1.86	1	0.59	-2	-25.00
Craft related workers	0	0.00	0	0.00	0	0.00
Elementary occupations	1	0.62	1	0.59	0	0.00
Professionals and managers	136	84.47	141	83.43	5	62.50
Service workers	4	2.48	5	2.96	1	12.50
Plant and machine operators	0	0.00	0	0.00	0	0.00
Technical and ass professionals	17	10.56	21	12.43	4	50.00
Total	161	100	169	100	8	100.00

Notes:

- Nature of appointment sessional, periodical and extraordinary is not included.

4.11 Leave utilisation for the period 1 January 2010 to 31 December 2010

The Public Service Commission identified the need for careful monitoring of sick leave within the public service. The following tables provide an indication of the use of sick leave (Table 4.11.1) and disability leave (Table 4.11.2). In both cases, the estimated cost of the leave is also provided.

Table 4.11.1: Sick leave, 1 January 2010 to 31 December 2010

Salary Band	Total days	% days with medical certification	Number of employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated cost (R'000)
Lower skilled (Levels 1 – 2)	22 375	85.02	2 080	8.76	11	5 050
Skilled (Levels 3 – 5)	97 255	84.21	9 521	40.08	10	32 145
Highly skilled production (Levels 6 – 8)	66 319	83.49	7 015	29.53	9	35 285
Highly skilled supervision (Levels 9 – 12)	42 906	80.84	5 111	21.51	8	50 041
Senior management (Levels 13 – 16)	141	79.43	29	0.12	5	253
Total	228 996	83.45	23 756	100.00	10	128 800

Notes:

- Nature of appointment sessional, periodical and extraordinary is not included.
- Annual leave cycle is from 1 January – 31 December each year.
- The implementation on the different OSDs resulted that a major shift appears between the different salary levels.

Table 4.11.2: Incapacity leave (temporary and permanent), 1 January 2010 to 31 December 2010

Salary Band	Total days taken	% days with medical certification	Number of employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated cost (R'000)
Lower skilled (Levels 1 – 2)	1 552	100.00	32	8.14	48.50	355
Skilled (Levels 3 – 5)	6 870	100.00	155	39.44	44.32	2 244
Highly skilled production (Levels 6 – 8)	4 517	100.00	121	30.79	37.33	2 334
Highly skilled supervision (Levels 9 – 12)	3 585	100.00	85	21.63	42.18	4 077
Senior management (Levels 13 – 16)	0	0.00	0	0.00	0.00	0
Total	16 524	100.00	393	100.00	42.05	9 131

Notes:

- Nature of appointment sessional, periodical and extraordinary is not included.
- Annual leave cycle is from 1 January – 31 December of each year.

Table 4.11.3 summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the PSCBC in 2000 requires management of annual leave to prevent high levels of accrued leave being paid at the time of termination of service.

Table 4.11.3: Annual Leave, 1 January 2010 to 31 December 2010

Salary Band	Total days taken	Average per employee
Lower skilled (Levels 1 – 2)	48 500	20
Skilled (Levels 3 – 5)	227 844	21
Highly skilled production (Levels 6 – 8)	182 750	22
Highly skilled supervision (Levels 9 – 12)	158 318	22
Senior management (Levels 13 – 16)	1 073	22
Total	618 485	22

Notes:

- Nature of appointment sessional, periodical and extraordinary is not included.
- Annual leave cycle is from 1 January – 31 December of each year.

Table 4.11.4: Capped leave, 1 January 2010 to 31 December 2010

Salary Band	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2010	No of employees as at 31 December 2010	Total capped leave available as at 31 December 2010
Lower skilled (Levels 1 – 2)	501	0	3	2 362	8 157
Skilled (Levels 3 – 5)	7 131	1	9	10 754	95 310
Highly skilled production (Levels 6 – 8)	10 455	1	22	8 012	178 300
Highly skilled supervision (Levels 9 – 12)	9 609	1	16	7 762	127 095
Senior management (Levels 13 – 16)	84	2	35	49	1 736
Total	27 780	1	14	28 939	410 598

Notes:

- Nature of appointment sessional, periodical and extraordinary is not included.
- Annual leave cycle is from 1 January – 31 December of each year.

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

Table 4.11.5: Leave payouts, 1 April 2010 to 31 March 2011

Reason	Total amount (R'000)	Number of employees	Average payment per employee
Leave pay outs for 2010/11 due to non-utilisation of leave for the previous cycle	466	54	9
Capped leave pay outs on termination of service for 2010/11	13 106	297	44
Current leave pay outs on termination of service for 2010/11	3 920	786	5
Total	17 492	1 137	15

Notes:

- Capped leave are only paid out in cases of normal retirement, termination of services due to ill health and death.

4.12 HIV and AIDS & Health Promotion Programmes**Table 4.12.1: Steps taken to reduce the risk of occupational exposure, 1 April 2010 to 31 March 2011**

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk														
<p>Employees in clinical areas, i.e. doctors, nurses, medical students, general workers and paramedics are more at risk of contracting HIV and related diseases.</p> <p>Young employees, falling into the category of youth, have also been identified to be at high risk.</p> <p>The table below depicts the nature of injuries reported by employees for 2010/11:</p> <table border="1"> <thead> <tr> <th>Nature of Injury on duty</th> <th>Total no. of cases reported</th> </tr> </thead> <tbody> <tr> <td>Needle Prick</td> <td>0</td> </tr> <tr> <td>Tuberculosis (TB)</td> <td>6</td> </tr> <tr> <td>Multi Drug Resistant TB</td> <td>2</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th>COIDA Cases reported</th> <th>No. of cases reported</th> </tr> </thead> <tbody> <tr> <td>Temporary total disablement</td> <td>110</td> </tr> <tr> <td>Permanent disablement</td> <td>10</td> </tr> </tbody> </table>	Nature of Injury on duty	Total no. of cases reported	Needle Prick	0	Tuberculosis (TB)	6	Multi Drug Resistant TB	2	COIDA Cases reported	No. of cases reported	Temporary total disablement	110	Permanent disablement	10	<ul style="list-style-type: none"> • Occupational Health & Safety (OHS) officers & employee wellness practitioners were trained in risk assessment & management of occupational hazards. • Implemented a coaching programme with the nurses working in the trauma units in Tygerberg, Groote Schuur, and Red Cross Hospital. • The HIV and AIDS / STI policy within the department identifies the prevention of occupational exposure to potentially infectious blood and blood products as a key focus area. • A protocol to ensure universal infection control measures has been implemented. • Special responsive programs targeting behavioural risks have been implemented. • Implementation of targeted awareness and education initiatives.
Nature of Injury on duty	Total no. of cases reported														
Needle Prick	0														
Tuberculosis (TB)	6														
Multi Drug Resistant TB	2														
COIDA Cases reported	No. of cases reported														
Temporary total disablement	110														
Permanent disablement	10														

Table 4.12.2: Details of Health Promotion and HIV and AIDS Programmes (tick the applicable boxes and provide the required information), 1 April 2010 to 31 March 2011

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.	✓		Mrs. Bernadette Arries Chief Director: Human Resources
2. Does the Department have a dedicated unit or has it designated specific staff members to promote the health and well being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	✓		<u>Staff Health and Wellness Component within the Directorate:</u> <u>Transformation at Head Office Level:</u> Deputy Director: Ms Sandra Newman Admin Support: Ms Nicky van der Walt Ms Lisl Mullins Mrs Caldine van Willing Mr Nabeel Ismail Mr Dayithethe Silwanwana <u>Institutional / district level:</u> Groote Schuur Hospital: Gill Reynolds Tygerberg Hospital: Sayeeda Dhansay Red Cross Hospital: Thembeke Busakwe, Ntombozuko Ponono Associated Psychiatric Hospitals: Yvonne Swarts, Jessica Minaar Cape Winelands: Marvin Johnson Overberg: Linda Reichert West Coast: Ernest Tiervlei Eden / Central Karoo: Nuruh Davids MDHS: Joselyn Manuel EMS: Liz Crossley, Monya-Mika Gerber
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	✓		The Department makes use of a combined model, i.e. internal and external services. An independent service provider, ICAS, has been appointed to provide this confidential service and three institutions have an internal service in addition to the external service. Programmes and services offered: 1. Counselling and support services: - 24 hours a day, 7 days a week, 365 days of the year telephone counselling - The service is available to all employees and their household members. - Face to face counselling (8 session model) per issue - Case management - Trauma / critical incident management - HIV and AIDS counselling

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Question	Yes	No	Details, if yes
			<p>2. Life management services:</p> <ul style="list-style-type: none"> - Family care - Money management - Legal information and advice <p>3. Managerial consultancy and referral services:</p> <ul style="list-style-type: none"> - Managerial consultancy - Formal referral programme <p>4. Client management services:</p> <ul style="list-style-type: none"> - Implementation programme - Promotional material - Account management consultancy - Reporting and review programme - Quality management programme <p>5. Specialist services:</p> <ul style="list-style-type: none"> - Staff satisfaction surveys - Audits and mini-surveys, special focus on TB hospitals and Metro District Health Services - Specialised group interventions - Coaching programme - Regular reporting and feedback sessions with relevant management members occur on a quarterly basis. <p>6. Training services:</p> <ul style="list-style-type: none"> • Targeted training interventions based on identified needs and trends <p>Key Elements – HIV and AIDS/STI programmes:</p> <ul style="list-style-type: none"> • To ensure that every employee within the Department receives appropriate and accurate HIV and AIDS / STI risk reduction education. • To create a non-discriminatory work environment. • To prevent occupational exposure to potentially infectious blood and blood products and to manage occupational exposures that occurred. • To provide HIV counselling and testing services for those employees who wish to determine their own HIV status. • To determine the impact of HIV and AIDS on the Department in order to plan accordingly. • To promote the use of and to provide SABS approved male and female condoms. • Awareness of available services. • Education and Training. • Counselling. • Critical incident stress debriefing (CISD). • Reporting and evaluating.

Question	Yes	No	Details, if yes
			<p>In 2010/11, the workplace HIV and AIDS / STI programme formed part of the provincial and national HIV counselling and testing (HCT) campaign.</p> <p>The HCT campaign follows a more integrated approach to testing and routinely offers HIV testing as part of a basket of health screenings that also include testing for blood pressure, diabetes, cholesterol, body mass index and anaemia.</p> <p>These services are provided to employees at no cost, in partnership with GEMS.</p>
<p>4. Has the Department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.</p>	✓		<p>HIV and AIDS / STI is seen as a transversal issue in the PGWC. The Department of Health has been appointed as the primary driver of the process. The Department of Health therefore has a dual role to play (i.e. to oversee and manage their departmental programme as well as to manage and co-ordinate the programme within the province).</p> <p><u>Health Departmental Committee:</u></p> <p>Ms S Newman: Head Office Ms G Reynolds: Grootte Schuur Hospital Ms S Dhansay: Tygerberg Hospital Ms T Busakwe: Red Cross Hospital Ms Y Swart and Ms J Minnaar: Associated Psychiatric Hospitals Ms M Johnson: Cape Winelands Ms. Linda Reichert: Overberg Mr E Tiervlei: West Coast Ms N Davids: Eden / Central Karoo Ms Joselyn Manuel: MDHS Liz Crossley & M Gerber: Emergency Medical Services</p> <p><u>Provincial Employee AIDS Programme (PEAP) committee:</u></p> <p>Ms. S Newman – Department of Health Ms. L Mullins – Department of Health Mr. M Cronje – Department of Education Ms. N Mxoli – Department of Education Ms. N Norushe – Department of the Premier Ms. C Leetz – Department of the Premier Representatives from the relevant HCT service providers (NPOs).</p>
<p>5. Has the Department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.</p>	✓		<p>None of the employment policies and practices discriminates unfairly against employees on the basis of their HIV and AIDS status. The HIV and AIDS / STI workplace programme is reviewed on an annual basis.</p>

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Question	Yes	No	Details, if yes																															
<p>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.</p>	✓		<p>One of the objectives of the HIV and AIDS / STI workplace programme is to “create a working environment that is free of discrimination”. In order to meet this objective, the Department:</p> <ul style="list-style-type: none"> • Includes persons living with AIDS in awareness campaigns. • Develops ongoing awareness and communication strategies. • Has trained peer educators to assist with the breaking of social barriers and stigma. • Holds workshops and information sessions. • Promotes openness. • Promotes the need for confidentiality with regards to testing and status. 																															
<p>7. Does the Department encourage its employees to undergo HIV counselling and testing (HCT)? If so, list the results that you have you achieved.</p>	✓		<p>The Department of Health has appointed the following NPOs to render an on-site HIV counselling and testing (HCT) service to all employees:</p> <ul style="list-style-type: none"> • LifeLine: Metropole • Diakonale Dienste: West Coast District • @Heart: Cape Winelands District • Right to Care: Overberg and Central Karoo Districts • That's It: Eden District <p>Results:</p> <table border="1" data-bbox="783 1037 1442 1536"> <thead> <tr> <th data-bbox="783 1037 1102 1240" rowspan="2">District</th> <th colspan="3" data-bbox="1102 1037 1442 1093">No of employees tested</th> </tr> <tr> <th data-bbox="1102 1093 1225 1240">Tested</th> <th data-bbox="1225 1093 1348 1240">Negative</th> <th data-bbox="1348 1093 1442 1240">Positive</th> </tr> </thead> <tbody> <tr> <td data-bbox="783 1240 1102 1290">Metropole</td> <td data-bbox="1102 1240 1225 1290">2 416</td> <td data-bbox="1225 1240 1348 1290">2 387</td> <td data-bbox="1348 1240 1442 1290">29</td> </tr> <tr> <td data-bbox="783 1290 1102 1339">West Coast</td> <td data-bbox="1102 1290 1225 1339">825</td> <td data-bbox="1225 1290 1348 1339">804</td> <td data-bbox="1348 1290 1442 1339">21</td> </tr> <tr> <td data-bbox="783 1339 1102 1388">Overberg</td> <td data-bbox="1102 1339 1225 1388">636</td> <td data-bbox="1225 1339 1348 1388">626</td> <td data-bbox="1348 1339 1442 1388">10</td> </tr> <tr> <td data-bbox="783 1388 1102 1438">Cape Winelands</td> <td data-bbox="1102 1388 1225 1438">714</td> <td data-bbox="1225 1388 1348 1438">702</td> <td data-bbox="1348 1388 1442 1438">37</td> </tr> <tr> <td data-bbox="783 1438 1102 1487">Central Karoo</td> <td data-bbox="1102 1438 1225 1487">412</td> <td data-bbox="1225 1438 1348 1487">410</td> <td data-bbox="1348 1438 1442 1487">2</td> </tr> <tr> <td data-bbox="783 1487 1102 1536">Eden</td> <td data-bbox="1102 1487 1225 1536">883</td> <td data-bbox="1225 1487 1348 1536">863</td> <td data-bbox="1348 1487 1442 1536">20</td> </tr> </tbody> </table> <p>Notes:</p> <p>Employees who test positive are supported via the Employee Health and Wellness Programme. Employees are also encouraged to join GEMS in cases where they have not already joined a medical aid. The Programme is currently aligned with national HCT initiative.</p>	District	No of employees tested			Tested	Negative	Positive	Metropole	2 416	2 387	29	West Coast	825	804	21	Overberg	636	626	10	Cape Winelands	714	702	37	Central Karoo	412	410	2	Eden	883	863	20
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Central Karoo	412	410	2																															
Eden	883	863	20																															
<p>8. Has the Department developed measures / indicators to monitor and evaluate the impact of its health promotion programme? If so, list these measures / indicators.</p>	✓		<p>The Department has an annual monitoring and evaluation tool for the workplace HIV and AIDS programme. This information is submitted to the HOD, DG and DPSA.</p> <p>Monthly statistics, quarterly reports and annual reports provided by HCT service providers serve as a means to monitor and evaluate the effectiveness of this programme.</p>																															

Question	Yes	No	Details, if yes
			Quarterly and Annual reports provided by the EHWP service provider serves as a means to monitor and evaluate the effectiveness of this programme and also to identify trends and challenges within the Department and develop and implement special interventions to address trends and challenges.

4.13 Labour relations

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

Table 4.13.1: Collective agreements, 1 April 2010 to 31 March 2011

Disciplinary hearings – 2010/11	None
Total collective agreements	None

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

Table 4.13.2: Misconduct and disciplinary hearings finalised, 1 April 2010 to 31 March 2011

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	244	19.1%
Verbal warning	227	17.8%
Written warning	405	31.7%
Final written warning	261	20.4%
Suspension without pay	17	1.3%
Demotion	2	0.2%
Dismissals	74	5.8%
Desertions	40	3.1%
Not guilty	6	0.5%
Case withdrawn	2	0.2%
Total	1 278	100.0%

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Table 4.13.3: Types of misconduct addressed at disciplinary hearings, 1 April 2010 to 31 March 2011

Type of misconduct	Number	% of total
Absent from work without reason or permission	634	49.6%
Code of conduct (improper/unacceptable manner)	116	9.1%
Insubordination	162	12.7%
Fails to comply with or contravenes acts	98	7.7%
Negligence	33	2.6%
Misuse of PGWC property	74	5.8%
Steals, bribes or commits fraud	43	3.4%
Substance abuse	19	1.5%
Sexual harassment	7	0.5%
Discrimination	6	0.5%
Assault or threatens to assault	7	0.5%
Protest action	10	0.8%
Fraud	29	2.3%
Desertions	40	3.1%
Total	1 278	100.0%

Table 4.13.4: Grievances lodged, 1 April 2010 to 31 March 2011

Grievances lodged	Number	% of total
Number of grievances resolved	208	90%
Number of grievances not resolved	24	10%
Total number of grievances lodged	232	100%

Table 4.13.5: Disputes lodged with Councils, 1 April 2010 to 31 March 2011

Disputes lodged with Councils	Number	% of total
Conciliations		
Deadlocked	64	79.0%
Settled	5	6.2%
Withdrawn	7	8.6%
Lodged out of time / No jurisdiction	5	6.2%
Total number of disputes lodged	81	100.0%

Disputes lodged with Councils	Number	% of total
Arbitrations		
Upheld in favour of Employee	9	39.1%
Dismissed in favour of Employer	14	60.9%
Total number of disputes lodged	23	100.0%

Table 4.13.6: Strike actions, 1 April 2010 to 31 March 2011

Strike actions	Number
Total number of person working days lost	1 598.09
Total cost (R'000) of working days lost	R 422 286.55
Amount (R'000) recovered as a result of no work no pay	R 266 081.61

Table 4.13.7: Precautionary suspensions, 1 April 2010 to 31 March 2011

Precautionary suspensions	Number
Number of people suspended	60
Number of people whose suspension exceeded 60 days	20
Average number of days suspended	54
Cost (R'000) of suspensions	R 2 780 378

4.14 Skills development

This section highlights the efforts of the Department with regard to skills development. The tables reflect the training needs as at the beginning of the period under review, and the actual training provided.

Table 4.14.1: Training needs identified, 1 April 2010 to 31 March 2011

Occupational categories	Gender	Number of employees as at 1 April 2010	Training needs identified at start of reporting period			
			Learnerships	Skills programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	15	0	35	0	35
	Male	28	0	64	0	64
Professionals	Female	3 515	21	5 774	0	5 795
	Male	1 839	11	3 110	0	3 121
Technicians and associate professionals	Female	4 789	164	4 079	0	4 243
	Male	895	31	777	0	808

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Occupational categories	Gender	Number of employees as at 1 April 2010	Training needs identified at start of reporting period			
			Learnerships	Skills programmes & other short courses	Other forms of training	Total
Clerks	Female	2 587	6	2 159	0	2 165
	Male	1 421	4	1 214	0	1 218
Service and sales workers	Female	6 901	141	2 225	0	2 366
	Male	1 719	35	556	0	591
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	4	0	3	0	3
	Male	170	0	185	0	185
Plant and machine operators and assemblers	Female	6	0	5	0	5
	Male	181	0	178	0	178
Elementary occupations	Female	2 397	1	973	0	974
	Male	1 588	1	648	0	649
Sub-total	Female	20 214	333	15 253	0	15 586
	Male	7 841	82	6 732	0	6 814
Total		28 055	415	21 985	*2 166	22 639
Employees with disabilities	Female	41	0		1	0
	Male	52	0		2	0

Notes:

- The above table identifies training interventions identified at the beginning of the reporting period under review. (Source: Workplace Skills Plan 2010/11)

Table 4.14.2: Training provided, 1 April 2010 to 31 March 2011

Occupational Categories	Gender	Number of employees as at 31 March 2011	Training provided within the reporting period			
			Learnerships	Skills programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	17	0	28	0	28
	Male	28	0	34	0	34
Professionals	Female	3 176	0	5 197	0	5 197
	Male	1 887	0	1 036	0	1 036
Technicians and associate professionals	Female	5 852	106	3 692	0	3 793
	Male	1 166	18	643	0	661

Occupational Categories	Gender	Number of employees as at 31 March 2011	Training provided within the reporting period			
			Learnerships	Skills programmes & other short courses	Other forms of training	Total
Clerks	Female	2 370	0	1 607	0	1 607
	Male	1 259	0	831	0	831
Service and sales workers	Female	6 858	0	3 112	0	3 112
	Male	1 730	0	2 895	0	2 895
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	3	0	44	0	44
	Male	164	0	56	0	56
Plant and machine operators and assemblers	Female	4	0	52	0	52
	Male	174	0	54	0	54
Elementary occupations	Female	2 399	0	615	0	615
	Male	1 635	0	356	0	356
Sub Total	Female	20 679	101	14 347	0	14 448
	Male	8 043	18	5 905	0	5 923
Total		28 722	119	20 252	*2 848	23 219
Employees with disabilities	Female	44	0	37	1	38
	Male	53	0	37	2	39

Notes:

- The table reflects training interventions provided during reporting period. (Source: Quarterly Training Reports)

4.15 Injury on duty

The following tables provide basic information on injury on duty.

Table 4.15.1: Injury on duty, 1 April 2010 to 31 March 2011

Nature of injury on duty	Number	% of total
Required basic medical attention only	92	44%
Temporary total disablement	110	52%
Permanent disablement	10	4%
Fatal	0	0%
Total	212	100%

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4.16 Utilisation of consultants

Table 4.16.1: Report on consultant appointments using appropriated funds, 1 April 2010 to 31 March 2011

Project title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand
Herman van der Westhuizen Media Communication service for minister	1	240	R 37 918.68 per month R 455 024.16 per annum
Indigo Holdings – Consultant for Minister on business, marketing and strategy (Amanda Brinkman)	1	169 hours per month	R 1 088 000
Business Connexion - Sakkie van Niekerk, PERSAL User Support Services	1	240	R 327.87 per hour
Business Connexion – Pottie Potgieter, PERSAL User Support Services	1	240	R 212.00 per hour
Business Connexion - 1 x additional consultants, PERSAL User Support Services	1	240	R 324.90 per hour
ICAS Employee Assistance Programme	6	365	R 12,92 per person/per month
Ernst & Young – Internal Audit Services	Unknown	Unknown	R 1,302,000 for 2010/2011
Grant Thornton Consulting Project Planning - review payments to NGO's	5	30	R 493 000
AG Barnard – Loading of projects on premier dashboard	1	5	R 12 000
IJ Schoombee – Appointment of a contractor to support the PACS/RIS and EMS ICT projects	1	30 – 40 hours per week	R 475.00 per hour R 966 539.91
F. Gamielien Member of Mental Health Advisory Committee	1	9 hours	R 3 684
NUS Consulting – Utility Management Services	Unknown	240	R 1 022 339
Professor Lilian Dudley Member of Private Health Establishment Advisory Committee	1	12 days	R 15 433
Lead train Assessments Competency Assessment for Human Resource Management	2	2 years	R 14 397
PG Human Consulting- Best Health Practices	1		R 50 000
Dr. William Pick Facilitator of Health Research Prioritisation Workshop	1	22 hours	R 18 000
FET WORKPLACE CONSULTANTS – monitoring of 5 hospitals food services units	2	30	R 18 688

Project title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand
LEAN SIGMA CONSULTING Training regarding the process of filling of posts and admissions of patients provided by Dr. Tony Booysen	1	Unknown	R 27 300
KRAFT GROUP Account Payable Recovery Service	1	19 months	R 68,303
DECIPHER CONSULTING (PTY) LTD Services The performance of competency profile	3	120	R 2 614 800
DRAKE & SCULL Asset Management for Provincial Hospitals	8	240	2 873 690
Total number of projects	Total individual consultants	Total duration: Work days	Total contract value in Rand
	39	1865	R 14 808 197

Table 4.16.2: Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs), 1 April 2010 to 31 March 2011

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
Herman van der Westhuizen Media Communication service for minister	Nil	Nil	Nil
Indigo Holdings	Nil	Nil	Nil
Business Connexion - Sakkie van Niekerk, PERSAL User Support Services	Nil	Nil	Nil
Business Connexion – Pottie Potgieter, PERSAL User Support Services	Nil	Nil	Nil
Business Connexion - 1 x additional consultants, PERSAL User Support Services	Ni	Nil	Nil
ICAS Employee Assistance Programme	27.1%	27.1%	Unknown
Ernst & Young – Internal Audit Services	27%	27%	Unknown
Grant Thornton Consulting -	75.20%	75.20%	
AG Barnard	Nil	Nil	Nil
IJ Schoombee – Appointment of a contractor to support the PCAS/RIS and EMS ICT projects	Nil	Nil	Nil
F. Gamielien	100%	100%	1
NUS Consulting – Utility Management Services	Nil	Nil	Nil
Professor Lilian Dudley	100%	100%	1
Leadtrain Assessments	Nil	Nil	Nil
PG Human Consulting	Nil	Nil	Nil

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Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
Dr. William Pick	100%	100%	1
FET WORKPLACE CONSULTANTS	Nil	Nil	Nil
KRAFT GROUP Account Payable Recovery Service	Nil	Nil	Nil
DECIPHER CONSULTING (PTY) LTD Services The performance of competency profile	100%	100%	2
DRAKE & SCULL	22.2%	22.2%	3

Table 4.16.3: Report on consultant appointments using Donor funds, 1 April 2010 to 31 March 2011

Project title	Total Number of consultants that worked on the project	Duration: Work days	Donor and contract value in Rand
	Nil	Nil	Nil
Total number of projects	Total individual consultants	Total duration: Work days	Total contract value in Rand
	Nil	Nil	Nil

Table 4.16.4: Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs), 1 April 2010 to 31 March 2011

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

5 OTHER INFORMATION

5.1 List of abbreviations

ADSL	Asymmetric digital subscriber line
AFS	Annual financial statements
AGSA	Auditor-General of South Africa
AIDS	Acquired immunodeficiency syndrome
ALS	Advanced life support
ALOS	Average length of stay
AMS	Air mercy service
AOS	Accounting officers system
APH	Associated psychiatric hospitals
APL	Approved post list
APP	Annual performance plan
ART	Anti-retroviral treatment
ARV	Anti-retroviral
ASSA	Actuarial Society of South Africa
ATA	Assistant to artisan
AZT	Azidothymidine
BANC	Basic antenatal care
BAS	Basic Accounting System
BBC	British Broadcasting Corporation
BFHI	Baby friendly hospital initiative
BLS	Basic life support
BMI	Budget management instrument
BOE	Bank of England
BP	Budget programme
CADAC	Communication assistive devices advisory committee
CANSA	Cancer Association of South Africa
CAT	Computerised axial tomography
CBR	Community based response
CBS	Community based services
CCW	Community care worker
CD	Chief Director
CD4	Cluster of differentiation 4 (lymphocyte)
CDC	Community day centre
CDU	Chronic dispensing unit
Ce-I	Centre for e-Innovation

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CEO	Chief executive officer
CFO	Chief financial officer
CGF	Clinical governance framework
CHC	Community health centre
CHOC	Childhood Cancer Foundation South Africa
CIMCI	Community integrated management of childhood illness
CIPRO	Companies and intellectual property registration office
CISD	Critical incident stress debriefing
CMD	Cape Medical Depot
CME	Continuing medical education
CMI	Compliance monitoring instrument
C/O	Carry over
COTP	Choice on termination of pregnancy
CPD	Continuous professional development
CPIX	Consumer price index
CPUT	Cape Peninsula University of Technology
CRADLE	Central Reporting of All Delivery data on Local Establishment
CSIR	Council for Scientific and Industrial Research
CSP	Comprehensive Service Plan
CSSD	Central sterilisation services department
CT	Computerised tomography
C-track	Global Positioning System (GPS) tracking system used for vehicle tracking and fleet management.
D	Director
DDG	Deputy Director-General
Delta-9	Patient based information system used at hospitals
CTS	Cape triage score
DDV	Direct delivery voucher
DG	Director-General
DHC	District health council
DHS	District health system / service
DICU	Devolved internal control unit
DNA	Deoxyribonucleic acid
DoH	Department of Health
DORA	Division of Revenue Act
DOTS	Directly observed treatment short course
DPSA	Department of Public Service Administration
DTPW	Department of Transport and Public Works

e-Kapa	Patient based information systems for the clinical management of patients treated for HIV and AIDS.
e-Register	Patient based information system for the registration and management of patients treated for HIV and AIDS.
EAP	Employee assistance programme
ECC	Establishment control committee
ECM	Electronic content management
EHWP	Employee health and wellness programme
EMC	Emergency medical care
EMS	Emergency medical services
EPI	Expanded programme on immunisation
EPWP	Expanded public works programme
ERM	Enterprise risk management
ESMOE	Essential Steps in the Management of Obstetric Emergencies
ETR.net	Electronic Tuberculosis Register
EU	European Union
FBU	Functional business units
FETC	Further education and training college
FIFO	First-in-first-out
FIFA	Fédération Internationale de Football
FIU	Fraud investigative unit
Fleetman	Fleet management system used by emergency medical services
FOREX	Foreign exchange rate
FPS	Forensic pathology services
FRT	Financial reporting tool
GAAP	Generally accepted accounting practice
GEMC 3	Computer Aided Dispatch system for emergency medical services
GEMS	Government Employees Medical Scheme
GF	Global Fund to Fight AIDS, Tuberculosis and Malaria
GG	Government garage
GIAMA	Government Immovable Asset Management Act
GMT	Government motor transport
GSA	Geographical service area
GSH	Groote Schuur Hospital
HAART	Highly active anti-retroviral therapy
HAST	HIV and AIDS, STI and tuberculosis
HBC	Home based care
HCBC	Home community based carers
HCT	HIV counselling and testing

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HDI	Historically disadvantaged individuals
HEI	Higher education institutions
HIS	Hospital Information System
HISDC	Health information systems for data capturers
HIV	Human immunodeficiency virus
HOA	Home owners allowance
HoD	Head of department
HPCSA	Health Professions Council of South Africa
HPTDG	Health professions training and development grant
HR	Human resources
HRD	Human resource development
HRP	Hospital revitalisation programme
HRP	Human resource plan
HT	High tension
HTA	High transmission area
HWSETA	Health and Welfare Sector Education and Training Authority
IAR	Immovable asset register
IAS	International accounting standards
ICD	International classification of diseases
ICH	Institute of Child Health
ICT	Information and communication technologies
ID	Infectious diseases
IDIP	Infrastructure development improvement programme
IFRIC	International financial reporting interpretations committee
IFRS	International financial reporting standards
IGP	Infrastructure grant to provinces
ILS	Intermediate life support
IMCI	Integrated management of childhood illness
iMOCOMP	Improvement and maintenance of competencies of medical practitioners
INP	Integrated nutrition programme
IT	Information technology
IYM	In-year monitoring
JAC	Software package used for pharmacy stock control, e-prescribing and medicines administration
JIMI	Joint information management initiative
KVA	Kilo Volt Ampere
L1	Level 1 (primary)
L2	Level 2 (secondary)
L3	Level 3 (tertiary)

LGBTI	Lesbian, gay, bisexual, transgender and intersex
LOGIS	Logistic Information Systems
M & E	Monitoring and evaluation
M & M	Morbidity and mortality
MADAC	Mobility and communication assistive devices committee
MBChB	Bachelor of Medicine, Bachelor of Surgery
MCWH	Maternal, child and women's health
MDG	Millennium development goal
MDHS	Metro District Health Services
MDR	Multi-drug resistant
MEC	Member of the executive council
MEDSAS	Medical Stores Administration System
MIMMS	Major incident medical management and support
MIP	Massified induction programme
MMS	Middle management service
MOU	Memorandum of understanding
MOU	Midwife obstetric unit
MPSA	Minister of Public Service and Administration
MRI	Magnetic resonance imaging
MSAT	Multi-sectoral action team
MTEF	Medium-term expenditure framework
MTS	Modernisation of tertiary services
NACOSA	Networking AIDS Community of South Africa
NBS	New Building Society
NDoH	National Department of Health
NEMA	National Environmental Management Act
NHFC	National Housing Finance Corporation
NHI	National health insurance
NHLS	National Health Laboratory Services
NMB	New main building
NPO	Non-profit organisation
NSDA	Negotiated service delivery agreement
NTSG	National tertiary services grant
NVP	Nevirapine
ODI	Organisational development investigation
OHS	Occupational health and safety
OPC	Orthotic and Prosthetic Centre
OPD	Outpatient department

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OSD	Occupation specific dispensation
P1	Priority 1
P2	Priority 2
PAA	Public Audit Act
PABX	Private automated branch exchange
PACS/RIS	Picture archive communication system and Radiological imaging system
PCU	Planning and commissioning unit
PDE	Patient day equivalent
PEP	Post exposure prophylaxis
PERSAL	Personnel and Salary System
PFMA	Public Finance Management Act
PGWC	Provincial Government Western Cape
PHC	Primary health care
PHCIS	Primary Health Care Information System
PILIR	Policy and procedure on incapacity leave and ill-health retirement
PIP	Project implementation plan
PMT	Payment made to
PMTCT	Prevention of mother-to-child transmission
PM	Programme management and strengthening
PPE	Property, plant and equipment
PPHC	Personal primary health care
PPIP	Perinatal problem identification programme
PPP	Public private partnership
PREHMIS	Patient Record and Health Management Information System
PSR	Public service regulations
PTB	Pulmonary tuberculosis
PTMS	Provincial transversal management system
QI	Quality improvement
R & R	Repairs and renovations
RAF	Road Accident Fund
RCC-I	Global Fund Rolling Continuation Channel I
RCWMCH	Red Cross War Memorial Children's Hospital
RTC	Regional training centre
RTHB	Road to health booklet
SA	South Africa
SABS	South African Bureau of Standards
SAMHS	South African Medical Health Services
SAPS	South African Police Service

SARS	South African Revenue Service
SAQA	South African Qualifications Authority
SCM	Supply chain management
SCOA	Standard chart of accounts
SCOPA	Standing Committee on Public Accounts
SDC	Step-down care
SDI	Service delivery improvement
SEAT	Safe environment around toilets
SETA	State Education and Training Authority
SINJANI	Standard Information Jointly Assembled by Networked Infrastructure
SITA	State Information Technology Agency
SLA	Service level agreement
SMS	Senior management service
SOP	Standard operating procedure
STI	Sexually transmitted infection
SYSPRO	Software package used by central hospitals for supply chain management and asset management.
TB	Tuberculosis
TBH	Tygerberg Hospital
U-AMP	User asset management plan
UCT	University of Cape Town
UPFS	Uniformed Patient Fee Schedule
US	University of Stellenbosch
UVGI	Ultraviolet germicidal irradiation
UWC	University of the Western Cape
VAT	Value added tax
WCA	Workmen's Compensation Act
WCCN	Western Cape College of Nursing
WC IDMS	Western Cape Infrastructure Delivery Management System
WC SDB	Western Cape supplier database
WCRC	Western Cape Rehabilitation Centre
WHO	World Health Organisation
Win RDM	Windows Remote Demand Module
WSAR	Wilderness Search and Rescue
XDR	Extreme drug resistant

5.2 List of contact detail

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