

PART C



ANNUAL FINANCIAL STATEMENTS

**PROVINCE OF THE EASTERN CAPE DEPARTMENT OF HEALTH
VOTE 3**

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

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REPORT OF THE AUDIT COMMITTEE
for the year ended 31 March 2011

Introduction

We are pleased to present our report for the financial year ended 31 March 2011.

Committee members and meetings

The committee is composed of four members. These are Ms. Loren Smith CA(SA), (Chairperson), Mr. Mohammed Dukander CA(SA) CIA, Dr Bukelwa Mbulawa-Hans, and Mr. Harris Gxaweni.

It should be noted that Mr Harris Gxaweni appointment ceased on 18 September 2010, however he was then reappointed effective from 1 April 2011. This was considered to be a lack of oversight on the part of the Leadership of the Department.

The following is a schedule of meetings attended by the current members to 31 March 2011:-

	3 May 2010	24 May 2010	28 May 2010	06 Jul 2010	27 Jul 2010	22 Nov 2010	9 Feb 2011	14 Mar 2011
Ms L Smith Chairperson	A	A	A	P	P	P	P	P
B Mbulawa-Hans (Doctor)	P	P	P	P	P	P	P	P
Mr. M Dukander	P	P	P	P	P	P	P	P
Mr. HH Gxaweni	P	P	P	P	P	N/A	N/A	N/A

Key

P = Present

A = Apology

N/A = Appointment ceased

Audit Committee Responsibility

The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter in line the PFMA section 76(i)(a) read with Treasury Regulation 3.1.8. The Committee has regulated its affairs in compliance with this Charter, and has discharged its responsibilities as contained therein.

Duties and responsibilities

The Audit Committee is responsible for the following duties:

- The effectiveness of the internal control systems;
- The effectiveness of the internal audit function;
- The risk areas of the Department's operations to be covered in the scope of internal and external audits;
- The adequacy, reliability and accuracy of the financial information provided to management and other users of such information;
- Any accounting and auditing concerns identified as a result of internal and external audits;
- The Department's compliance with legal and regulatory provisions;

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- The activities of the internal audit function, including its annual work programme, coordination with the external auditors, the reports of significant recommendations and the responses of management to these recommendations; and
- The scope and results of the external audit function, its cost-effectiveness, as well as the independence and objectivity of the external auditors.

The Audit Committee is also responsible for:

- Reporting to the Department and the Auditor-General where a report implicates any member(s) of the accounting officer in fraud, corruption or gross negligence;
- Communicating any concerns it deems necessary to the Executive Authority and the Auditor-General;
- Confirming the internal audit charter and internal audit plan;
- Encouraging communication between, senior and executive management, Internal Audit department and the Auditor-General;
- Conducting investigations within its terms of reference; and
- Reviewing the Annual Financial Statements prior to the annual audit for approval by the Superintendent General.

We believe that we have complied with the above responsibilities during the year. We would like to highlight that the level of support offered by Management of the Department is lacking and hence this has further hindered the progress of the Department to obtain an improved audit opinion.

To this end, we have escalated to the Executive Authority the significance of the lack of co-operation with the audit committee process by especially the Superintendent General of the Department.

Effectiveness of Internal Control

The controls were found to be ineffective by both internal and external audit for the year under review. The leadership of Department will have to establish processes to ensure that for the next year controls are improved, as there has been no change since our last report.

Internal Audit Function

The committees' role is to coordinate and monitor the activities of the internal audit function. The committee is able to report on the effectiveness and efficiency of the unit. The internal audit capacity was improved during the year and hence they have been able to meet their audit plan for the year under review. This has resulted in thirty four internal audit reports issued during the year under review. These recommendations should be implemented by the Department.

Risk management function

Risk Management is a proactive discipline that involves scenario planning and that is intended to provide reasonable assurance that the department will achieve its objectives. King III principle 2.2 states that the board, (executive authority in the case of a government department) "should appreciate that strategy, risk, performance and sustainability are inseparable."

The Audit Committee is not comfortable that enterprise risk management processes are being effectively implemented in the department. There is need for a risk management culture to be instilled within the department. This should start with the appointment of a Chief Risk Officer, the custodian of risk management, in order for such person to create risk awareness, institutionalize and embed risk management throughout the organisation and facilitate communication and coordination of the process.

The Department needs to focus on risk management as there are no procedures in place to ensure that departmental risks are being addressed. The department still does not have an approved Risk Management Policy and Risk Management Strategy. The Risk Committee met twice during the year and only reported once to the Audit Committee. The Audit Committee is therefore unable to provide assurance that the risks are being managed within the Department.

Furthermore, the committee is concerned that a number of allegations of fraud and corruption within the Department are not being investigated in a timely manner.

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Both risk management and fraud risk management have not been properly managed and this had a negative affect on the Department. The Audit Committee believes that this directorates requires the immediate attention of Senior Management to ensure that they are capacitated and work effectively.

Evaluation of Annual Financial Statements

A special audit committee meeting was held on the 25 May 2011 to review the draft financial statements to be presented to Provincial Treasury and Auditor General on the 31 May 2011. The Committee performed a high level review of the financial statements that was based on enquiry of the Chief Financial Officer as to the completeness, accuracy and validity of balances and transactions within the financial statements. In addition, the accounting policies were reviewed and recommendations made as necessary. Subject to the audit committee review of the financial statements significant adjustments were required to the format as well as the presented figures. The audit committee requested that revised draft financial statements be presented to them by the 27 May 2011, in order for their final review and input. This did not happen and a final draft was only presented to the Audit Committee Chairperson on the 31 May 2011 (date of submission), however changes were still to be made to the document. A previous draft was submitted to the audit committee via email on the afternoon of the 30 May 2011. This lack of compliance with the requirements of the audit committee, results in the audit committee not been given the opportunity to adequately review the financial statements prior to submission. The audit committee had requested internal audit to perform a high level review of the financial statements and their input was given to the Department. The audit committee further requested that the Chief Financial Officer confirm the following: -

- Treasury formats and guidelines for the financial statements.
- Virements or adjustments to the appropriation statement have been appropriately approved.
- Performance against the budget for the financial year.
- Explanations on disclosure issues.

- Material variances from previous years.
- Amounts represented in the financial statements agreed to valid schedules and reconciliations.
- Accrued expenditure was reconciled to supplier statements and outstanding invoices.

The Committee is not satisfied that the major financial risks of the Department are appropriately managed. The financial statements submitted to the Auditor Generals office on the 31 May 2011, based upon our high level review, will not be correct.

The Office of the Auditor Generals office was unable to attend the audit committee whereby the audit committee reviewed the financial statements due to the fear that their independence would be compromised. The Audit Committee is of the opinion that the Auditor General should attend all Committee meetings of the Department as they can add value. However the Audit Committee is well aware of their responsibility in terms of our oversight role and would not abdicate that role to the Auditor General. We further believe this impacts the Auditor Generals role to determine whether they believe the Audit Committee has fulfilled their mandate in terms of the evaluation of the financial statements, as can reasonably be expected based on the facts reflected in the above paragraph. Furthermore, the Auditor General Office employs highly skilled staff that may have worthwhile input at this meeting that may be considered by the Audit Committee.

Organizational performance management

The department does not have an approved Organizational Performance Management Policy and Strategy. We highlight further that performance has not yet been institutionalized, thus there are no clear lines of accountability for performance information, and reporting is highly fragmented in the entire organisation, including the Head Office itself.

In addition, the audit committee was not given all the performance information to review at the meeting held on the 25 May 2011. This was promised to the audit committee by the latest 27 May 2011, however to date there has been no submission.

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The audit committee further requested that the Senior Manager confirm (by the 27 May 2011) that the performance information has the necessary portfolio of evidence to support each targets actual achievement for the year. To date this has not been confirmed.

Conclusion

We believe that the audit committee has performed their duties as required by the Public Finance Management Act and have provided input to the leadership of the Department once again, but the Leadership of the Department do not implement recommendations given by the Audit Committee.

The Leadership of the Department will have to establish and implement an immediate action plan to deal with the weaknesses within this Department in order to prevent a similar report in the next financial year.

It should be noted that this is a draft document and the audit committee report will be adjusted as considered necessary on receipt of the Auditor General's report.



**Audit Committee Chairperson on behalf of the
Audit Committee**
31 May 2011

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

Report by the Accounting Officer to the Executive Authority and Provincial Legislature of the Republic of South Africa.

1. General review of the state of financial affairs

During the year under review the department was allocated an adjusted budget of R13.8 billion, at the end of the financial year 95.89% of the budget had been spent resulting in an overall under expenditure of R569.1 million, which translates to 4.11% of the budget. The under spending is primarily as a result of delays in the procurement of infrastructure projects and machinery and equipment.

The KwaZulu-Natal High Court judgment in Sizabonke Civils t/a Pilcon Projects v Zululand District Municipality & Others, Case No. 10878/2009, which dealt with the conflict that exists between the Preferential Procurement Policy Framework Act, 5 of 2000, and the Preferential Procurement Regulations, 2001 impacted on the finalisation of procurement processes for some of our projects.

Many of the tenders that were in the process of being awarded had to either be cancelled or the process of evaluation and adjudication had to be started afresh. In terms of the High Court judgement in Kwazulu-Natal the points for functionality cannot be added to the price points in terms of the PPPFA.

Due to this judgement bids that the Department had advertised that included functionality points with price points had to be cancelled and re-advertised. In some circumstances certain bids were re-evaluated and functionality points were removed from price points and pre-qualification of bids were undertaken. This was done to ensure compliance with legislation.

The non - transfer of the fifth instalment of R100 million of the infrastructure grant to provinces for the 2010/11 financial year due to the Province on 04 February 2011, which amount was stopped by National Treasury in accordance with section 17 of the 2010 Division of Revenue Act contributed to the under expenditure.

The department has applied for the Conditional Grants funds totalling R489.7 million appropriated but not spent in the 2010/11 financial year to be rolled over to the 2011 / 2012 financial year. The request for roll over is supported by commitments where goods and services had been delivered or rendered and therefore funds were committed and the department is either awaiting submission of invoices by suppliers or invoices had been received but will be paid in the next financial year.

After adjusting for the rollovers application above, a net amount of R79.9 million in equitable share had not been spent as the department ran out of cash.

The financial affairs of the Department must be placed in the context of the significant financial pressures faced by the Eastern Cape Department of Health as a result of underfunding which manifest in accruals and carry through costs in the structure of the Department's budget for 2010/11.

Notably, the achievements of the department for 2010/11 were largely curbed by the substantial over-expenditure incurred in prior years (2008/09 and 2009/10), which resulted primarily from insufficient funding for the carry through costs of the Occupational Specific Dispensation (OSD) for nurses, the payment of HROPT and the impact of accruals from previous years.

Resulting from the above pressures, the expenditure of the department in 2010/11 exceeded its budget by approximately R1.1 billion when including accruals. This shortfall will be funded from the 2011/12 budget, as a first claim against the budget.

In an effort to address the underfunded occupation specific dispensation and unbudgeted / unfunded HROPT mandate carry through costs, the budget for compensation of employees was increased by R2 billion or 29.3% from the R6.4 billion allocation in 2009/10 to R8.3 billion in 2010/11. This has meant that the proportion of

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the budget allocated to COE has increased from 54% in 2009/10 to 63% in 2010/11.

This increase has been at the expense of other critical allocations such as goods and services and buildings and fixed structures which have seen their allocations reduced to make up for shortfalls in this area.

The department has notwithstanding, incurred over expenditure of R128,5 million this financial year on its compensation of employees costs, which is mainly attributed to the increase in compensation of employee costs arising primarily from the absence of funding and/or shortfalls in the funding of the Human Resource Operating Project Team (HROPT), and Occupation Specific Dispensation (OSD).

1.1 Important policy decisions and strategic issues facing the department

The un-intended policy consequences of the Occupation Specific Dispensation continue to impact negatively on the management of the compensation of employees in the Department. Although this matter is a national prerogative, the Department is engaging with it, both at the Bargaining Chamber, the Cabinet Budget Committee and with the Provincial Treasury.

The finalisation and appreciation of the policy and strategy to retain revenue generated by the Department is of critical importance in finding additional sources of revenue.

The sub-optimal supervision of Primary Health Care Facilities has remained a critical and strategic issue to be resolved by the Department as the 100% target to supervise all primary health facilities was not achieved.

The data policy has to be revisited to ensure that the data generated, captured and recorded within the EMS Programme conforms to the standards and norms of this policy.

The introduction of the Negotiated Service Delivery Agreement, as a strategy to facilitate the improvement of health care services remained a challenge in terms of the planned targets which were not budgeted for. This matter will be addressed in the next financial year.

1.2 Significant events that have taken place during the year

There was a change of political heads, MEC Mr. P. Masualle was deployed to the Department of Provincial Planning and Finance in November 2011 and MEC Mr. M. Gqobana joined the department on the 1st December 2011.

Flowing from the policy changes which Government introduced around the fight against HIV&AIDS as well the President's announcement on 1st December 2009, the Department launched the HIV Counselling & Testing (HCT) Campaign in all our districts.

In the reporting period, the department has seen 478 079 people (and 405 606 people were tested) and 13% tested positive. The department is also implementing the new ART guidelines, namely, providing ARV treatment to special groups with CD4 count of 350 or less, HIV positive multi-resistant TB patient and children.

The Department contributed immensely to the country's success in hosting 2010 FIFA World Cup. Working closely with other provincial sister departments, the Department provided services from disease surveillance, Emergency Medical Services, and the provision of the world class Accident & Trauma Centre in Port Elizabeth. Areas around official FIFA World Cup venues also had our facilities put on full alert and readiness for any calamity that may have happened.

The experience and institutional memory and most of these facilities will form part of the FIFA World Cup legacy and will continue to provide better services to the community members. There were no adverse events or reported incidents and both National Department of Health and FIFA were satisfied with the standard and quality of our services.

Government introduced the outcome-based delivery and monitoring system that will ensure that performance is focused on identified critical areas. The MEC for Eastern Cape Department of Health has signed the Negotiated Service Delivery Agreement with the National Minister of Health committing the department to contribute towards identified Four Outputs and one

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Outcome in the health sector. The department will also work closely with other partners in the delivery of health services.

Despite these successes, the department was confronted by two main challenges in the province.

Firstly, the national three weeks 2010 general public service strike that took place in August and September; strike compromised effective service delivery especially essential services like health. The department, one of the hardest hit departments, is however appreciative to certain members of our staff who exercised their professional and ethical responsibility by staying put and continuing to provide services despite intimidation and other threats. This group of our staff and some community members who also came and assisted ensured that risk to loss of life and threat to patient safety were minimized.

Estimated total man-hours of 6 769hrs was lost to the strike, which was rife with intimidation and complete shut-down of health services in certain areas.

The second challenge relates to severe budgetary constraints with a threat of not only over-expenditure but also not delivering adequate services in our facilities. Details of over-expenditure and deferment of non-critical work is explained in the programmes. The department continues to work closely with the National Department of Health and Provincial Treasury to find solutions to this challenge.

A new collective agreement, the PHSDSBC Resolution No. 2 of 2010 came into effect, introducing an Occupation Specific Dispensation (OSD) for Therapeutic, Diagnostics and Allied Health Professionals. The OSD introduces higher remuneration packages and career paths for these professionals with an impact on compensation for employees (COE).

The provincialisation of 19 of the 26 municipalities that provided PHC services on behalf of the department has been completed, with the remaining seven targeted for completion in the new financial year. This was done in line with the function shift

between provincial and local government as stipulated by the National Health Act, 2003 in order to address the fragmentation within the management of PHC services.

Eighteen (18) former Provincially Aided Hospitals were also taken-over by the department during the financial year.

These two processes impact through an increase in the COE budget and organogram / structures in terms of the widening span of control for management of people and other resources at provincial level.

The Chief Financial Officer was suspended in October 2010 and an acting CFO was appointed; three key management positions that are vacant include inter alia the positions of Chief Financial Officer, Chief Operations Officer and Deputy Director General: Clinical Services.

The department has embarked on a project to strengthen PHC services and prioritised three sub-districts in the province for implementation over the next three to five years, i.e. Uitenhage (Nelson Mandela Metro), Intsika Yethu (Chris Hani) and King Sabata Dalindyebo (OR Tambo). It is intended, through this project, to strengthen all areas of PHC services, including upgrading certain Community Health Centres to community health hospitals, whilst ensuring that clinics are equipped to provide the full package of services in order to increase communities' access to PHC services. This is coupled with the implementation of a social compact, which is aimed at strengthening communities' participation in health services.

1.3 Major projects undertaken or completed during the year

During 2010/11 the Department of Health has the following achievements:

Sub-programme: Community Health Facilities

- Completed 4 out of 17 new clinics namely; Ntsitho, Qiba, Thabalesoba and Ntafufu
- Upgraded 2 out of 4 dilapidated clinics namely; Mangoameleng and 5th Avenue Walmer

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- Construction of Sada CHC at final stage
- Construction of Dutywa CHC at final stage
- Planning of Letitia Bam and Maluti CHC at design stage
- Bought equipment for Qolombane, KTC and Nxothwe clinics bought

Sub-programme: District Hospitals

- Construction of Madwaleni hospital water project completed
- Provision of accommodation for nurses at Victoria Hospital completed
- Civil works at Victoria Hospital at final stages
- Construction of Casualty/OPD at Victoria Hospital completed
- Construction of Uitenhage Hospital 3rd, 4th and 5th Floors completed
- Five health facilities provided with gensets
- Construction of Midlands Casualty

Sub-programme: Provincial Hospital

- Construction of Accident and Emergency Centre at Livingstone Hospital completed
- Construction of Phase I Oncology at Frere Hospital completed
- Construction of accommodation for nurses at Cecilia Makiwane Hospital in progress
- Medical equipment procured for Livingstone Accident and Emergency Centre

Sub-programme: EMS

- Construction of Mt. Ayliff EMS Base complete.

Sub-programme: Forensic Pathology

- Construction of forensic pathology unit at Graff Reinet in progress

Sub-programme: Hospital Revitalization

- Construction of EMS Base at Dr. Malizo Mpehle in progress
- Construction of Mortuary at Frontier Hospital in progress
- Construction of Mortuary at St. Elizabeth at final completion phase
- Construction of helipad at Madzikane KaZulu at planning phase
- Provision of accommodation at St. Patricks is at final completion phase

Projects funded from Conditional Grant

The following hospitals are funded from the Hospital Revitalisation Grant

- St. Patricks – Accommodation, Casualty and Gateway Clinic
- Dr. Malizo Mpehle – Gateway Clinic, EMS
- Frontier – Casualty, Paediatrics, New Ward Block and Mortuary
- St. Elizabeth – Kitchen, Mortuary, Labour Theatre, Professional Accommodation, Admin Block, Resource Centre and Trauma Unit
- Cecilia Makiwane Phase 4 – Main Complex
- Madzikane KaZulu – Additional Accommodation

Summary of priorities of health facilities management for the next three years

- a) To revitalise infrastructure as part of the 10 point plan of the NDOH
- b) To facilitate and provide infrastructural support in terms of the construction of the new buildings and the upgrading of the existing structures for health services delivery, as well as other organisational building requirements.
- c) To facilitate general maintenance in all spheres of the organisation.
- d) To facilitate the provision of essential equipment in health facilities.
- e) To ensure the implementation of PGDP requirements by engaging SMME contractors in health facilities management projects
- f) To promote skills development in general maintenance.
- g) To maintain the fixed assets at health facilities according to industry regulation.

Mega and Major Infrastructure Projects

The department had the following major projects

- Construction of Accident and Emergency Centre at Livingstone Hospital – this was done in preparation for 2010 FIFA World Cup and was completed and handed over in June 2010
- PVAs (Public Viewing Areas for 2010 World Cup) were erected in Port St. John's, Cofimvaba and Matatiele hospitals at a cost of R9,7m

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1.4 Spending Trends

The table below shows the high level financial performance of the Department at the end of the financial year. Detailed performance by Programme is shown in the Appropriation Statement in the Annual Financial Statements.

Adjusted Budget	Expenditure	Variance	Expenditure as a % of Budget
R'000	R'000	R'000	
13,842,348	13,272,828	569,512	95.89%

Reason for the (over)/under expenditure for Programmes with significant variances

Pathology Services Grant of R14.2 million and the EPWP Grant of R1.4 million.

Programme 1: Health Administration - Under expenditure of R12 million

The under-expenditure was caused by insufficient cash flow in the last quarter of the financial year. There was no available cash to pay suppliers from the equitable share except for Conditional Grants hence this programme under spent.

Programme 2: District Health Services - Over expenditure of R117.5 million

The programme over spent its budget for compensation of employees by a net amount of R68.8 million. This was caused mainly by the unfunded carry through costs of the Human Resource Operating Project Team (HROPT), the unfunded / partially funded mandates of Occupation Specific Dispensation payments and the carry through costs related thereto, wherein the respective policy decisions were not aligned with the budget allocations, and the provincialisation of primary health care services in local authorities and state aided hospitals.

The over expenditure on Goods and Services of R83.5 million relates primarily to medical supplies including pharmaceuticals, vaccines and surgical sundries, arising from the increased burden of disease in the province.

In addition, the Department submitted applications for the rollover of conditional grant funds to the Provincial Treasury in respect of the Comprehensive HIV and Aids Grant of R51.3 million, Forensic

Programme 3: Emergency Medical Services - Under expenditure of R40.9 million

The under expenditure on payments for machinery and equipment of R46.4 million, arose mainly from the outright purchase of new customized ambulances which were delivered in March 2011 but could not be paid due to insufficient cash flow in the last quarter of the financial year. Payment will be effected in the first quarter of the next financial year.

The programme over spent its budget for compensation of employees by a net amount of R8.6 million, caused mainly by carry through costs related to the unfunded / partially funded mandates of Occupation Specific Dispensation payments, wherein the respective policy decisions were not aligned with the budget allocations.

Programme 4: Provincial Hospital Services - Under expenditure of R15.2 million

The programme underspent its budget for compensation of employees by R14.5 million, caused mainly by HROPT carry through costs unfunded and the partially funded mandates of Occupation Specific Dispensation payments carry through costs. This is attributed to policy decisions made but have not been aligned with the budget allocations.

The under-expenditure in goods & services and machinery & equipment was caused by insufficient cash flow in the last quarter of the financial year. There

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was no available cash to pay suppliers from the equitable share except for Conditional Grants hence this programme under spent.

**Programme 5: Provincial Tertiary Service -
Under expenditure of R37.8 million**

The under spend of R37.8 million is primarily represented by an application for rollover of R37.4 million conditional grant funds (R19.6 million in goods and services and R12.3 million in machinery and equipment and buildings of R3.2 million) to the Provincial Treasury in respect of the National Tertiary Services Conditional Grant. The under-spending in machinery & equipment of R12.4 million is attributable to inter alia the delays in the delivery of various items of medical equipment purchased within the hospital complexes in the Province.

**Programme 6: Health Sciences & Training -
Under expenditure of R19.1 million**

The programme has a net under spending of R19.1 million. Under expenditure occurred mainly from goods and services R32.4 million, transfers to universities and Technikons of R7 million and R21.5 million in payment for capital assets.

An application for the rollover of conditional grant funds was submitted to the Provincial Treasury in respect of the Health Professions Training and Development Grant of R36.7 million,

On the other hand there was an over expenditure on compensation of employees amounting to R41.6 million, caused mainly by the unexpected increase in the intake of student nurses, community services and registrars as well as the partially funded mandates of Occupation Specific Dispensation payments carry through costs, attributed to policy decisions made but never having been aligned with the budget allocations.

**Programme 7: Health Care Support Services –
Under expenditure of R26.6 million**

The under-expenditure was caused by insufficient cash flow in the last quarter of the financial year. There was no available cash to pay suppliers from the equitable share except for Conditional Grants hence this programme under spent.

In particular, computer services, contractors, lease payments, operating expenses and property payments account for R10.6 million of the R17.6 million in goods and services as well as R5.2 million in machinery and equipment.

**Programme 8: Health Facilities Development
and Maintenance – Under expenditure of
R535.5 million**

The Department submitted an application for the rollover of R272.2 million conditional grant funding to Provincial Treasury in respect of the Hospital Revitalisation Grant and R76.5 million for the Infrastructure Grant to Provinces.

The remainder of the under expenditure was caused by insufficient equitable share cash flow in the last quarter of the financial year.

In addition, the overspend of R128,9 million overall in the cost of employment of vote 3 reduced the available equitable share cash resources in programme 8.

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1.5 Virements

PROGRAMMES	TOTAL VIREMENTS	REASON FOR THE VIREMENT
EHW: ADMINISTRATION		
COMPENSATION OF EMPLOYEES	-39,392,311	This programme under spent its COE budget as a result of the moratorium that was put in place, wherein only the Clinical Cluster was allowed to employ personnel. Thus the amount that would have been paid for the employment of personnel in the Human Resource and Finance Clusters was "saved". The amount was then given to Programme 2, whose COE was showing a huge over spend.
EHW: DISTRICT HEALTH SERVICES		
COMPENSATION OF EMPLOYEES	106,459,080	OSD, HRPOT and the provincialisation of primary health care and state aided hospital led to this programme overshooting its COE allocation. In order to defray or mitigate this over expenditure, Virements from programmes 1, 3, 4, 6 and 8 were done.
GOODS AND SERVICES	10,695,765	The pressure on goods and services, particularly in medical supplies, led this programme to over spend its goods and services allocation. The virement to mitigate this situation was done from Programme 4's under expenditure
EHW: EMERGENCY MEDICAL SERVICE		
GOODS AND SERVICES	-2,928,959	This programme under spent its goods and services as a result of lack of cash flow in the last quarter of the year and payments were restricted to Conditional Grants only. This amount was given to programme 2 for COE.
EHW: PROVINCIAL HOSPITAL SERVICES		
GOODS AND SERVICES	-12,957,752	This programme under spent its goods and services as a result of lack of cash flow in the last quarter of the year and payments were restricted to Conditional Grants only. This under spent amount was moved to Programme 2's COE and goods and services.

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PROGRAMMES	TOTAL VIREMENTS	REASON FOR THE VIREMENT
EHW: HEALTH SCIENCE & TRAINING		
GOODS AND SERVICES	-12,722,068	This under spend was from both equitable share portion of the funding of this programme. The payment of conditional grants expenditure only, led to this under spending which was used in Programme 2 under compensation of employees.
EHW: HEALTH FACILITIES DEV & MAINT		
GOODS AND SERVICES	-49,153,755	This programme under spent its goods and services as a result of lack of cash flow in the last quarter of the year and payments were restricted to Conditional Grants only. This under spent amount was moved to Programme 2's compensation of employees.

1.6 Unauthorised expenditure

The department has for the year under review incurred unauthorised expenditure amounting to R117.5 million on its vote, mainly due to over spending in programme 2. District Health Services, of which R68.8 million occurred in compensation of employees and R87.2 million in goods and services, net of under expenditure adjustments of R38.5 million.

The department is currently attending to further submissions for the condonement of unauthorised expenditure incurred. The department is currently investigating and clearing all irregular expenditure, which has now been included in the finance turnaround plan.

1.7 Irregular Expenditure

During the year irregular expenditure of R152.6 million was incurred and relates to incorrect procurement processes amounting to R49.5 million and over expenditure on compensation of employees R103.2 million which is deemed irregular in terms of section 43 of the PFMA. Further an amount of R1.2 million in respect of finance lease expenditure was incurred as a result of procurement of leased machinery and equipment outside the RT3 approved contract.

1.8 Fruitless and wasteful expenditure

An amount of R23.1 million being fruitless and wasteful expenditure was incurred. Of this amount R1.2 million relates to finance leases and the balance is in respect of interest paid to Fleet Africa, infrastructure suppliers and other service providers as a result of late payment and payment of claims against the department.

2 Service rendered by the department:

The Eastern Cape Department of Health, in terms of its mandate, provides health care services to the people of the province. The Department operates through 8 programmes. The core services and activities of these programmes are spread out within four main branches, namely:

- District Health Services - Programme 2
- Emergency Medical Services - Programme 3
- Provincial Hospital Services - Programme 4
- Central Hospital Services - Programme 5

The remaining programmes offer the necessary support in the rendering of health care.

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2.1 The following services are rendered by the Department:

- 2.1.1 Primary Health Care Services through the implementation of the District Health Service
- 2.1.2 Emergency medical rescue services to all the parties of the province
- 2.1.3 The provision of hospital and specialised services in collaboration with Health Science Faculties of various higher of learning within the province
- 2.1.4 Specialised services such as clinical orthotic and prosthetic services
- 2.1.5 Training of all health professionals employed by the Department
- 2.1.6 New health facilities and revitalisation of dilapidated facilities
- 2.1.7 Health Facilities Development and Maintenance, planning and construction of new clinics and Hospitals, rehabilitation of existing hospitals and clinics and the replacement and maintenance of Capital equipment

2.2 Tariff policy

Health Services tariffs are determined by the National Department of Health (NDOH) for all provinces through the implementation of the Uniform Patient Fees Schedule (UPFS). The Department's tariffs in respect of H1 patient categories differ from those set by NDOH in respect of services rendered at facility levels 2 and 3, and also in respect of services rendered by a Specialist. This is because the Department had only implemented UPFS 4 years after it was introduced as a national Policy. A phased approach is being followed to avoid drastic tariff increases.

The tariffs applicable to externally funded patients, is an "undiscounted" tariff that applies to patients who are covered by medical schemes, persons injured in motor vehicle accidents (Road Accident Fund) and other state departments (Department of Justice, South African Police, Correctional Services) and patients injured on duty (IOD).

Patients who do not have external funding, pay a discounted fee. The discount for patients that are formally unemployed or on social grants (H0) receive free health care (100% subsidy); patients

that earn below R37,000 per annum (H1) receive a subsidy of approximately 90%; patients earning between R37,000 and R72,000 (H2) – the subsidy varies according to the services provided, ranging from 30% to 90%.

Self – funded patients (H3) exceeding the means test, receive on average a 20% subsidy.

The department did not increase tariffs in the year under review, as the 2010 UPFS tariff review process was delayed awaiting Ministerial approval. The National Department of Health is the custodian of the tariff review.

2.3 Free Services

There are certain circumstances under which patients will receive services free of charge independently of their classification as full paying or subsidized patients. Such circumstances include infectious, formidable diseases, pregnant women and children. Also patients classified under H0 category receive free services. It was not possible to quantify the cost of the free services rendered.

3. Capacity constraints

The major constraint in the department relates to the huge vacancy rate summarised as:

- Clinical Service posts – 56% vacant
- Clinical Support – 54,8% vacant
- Admin and Management – 11,6%

The department continued with the support of contract workers to support operational areas in HR, Finance, Supply Chain Management, etc. These resources were discharged on 31 March 2011.

3.1 Financial Management and Capacity

Financial management in the department remains a huge challenge due to lack of qualified, skilled and competent finance personnel mainly at operational level as well as fragmented and non-integrated systems. As a result of lack of integrated systems the department has had to implement a number of compensating manual systems to consolidate financial information from districts and various units including information for the preparation of annual financial statements.

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4 Utilisation of donor funds

4.6 European Union – R9,1m

The European Union has a long standing partnership with the department which spans over a number of years for the delivery of primary health care programme. The programme is implemented through an agreement signed between the ECDOH and the EU National programme (agreement between the National Department of Health and the European Union) and includes HIV/AIDS. Funds received from the donor were utilised towards strengthening delivery of primary health care services supporting Non Profit Organisations (NPO) who have partnered with the department to provide primary health care services.

During the current financial year 36 NPO's were contracted to render community based services in the form of Home based care, voluntary testing and care, TB DOTS etc. An amount of R9,1m was transferred to the department and was utilised towards transferring funds to the NPO's.

During the year under review the following results were evident:-

- Improved access to primary health care services by many local communities
- Improved utilisation rate in health facilities due to improving referral system between the NPO's and the local health facilities
- Community based health services provided by care givers assisted in harmonising and improving the continuum of care
- Contribution towards creating jobs in many communities by recruiting personnel into the NPO's and paying stipends to all those contracted with the organisations.
- Selected sub districts were able to operate within integrated district health systems
- The partners (NPO's) were able to define their role, negotiate and implement service partnerships with Provincial Health Department and LSA's within district municipalities for the delivery of primary health care especially those related to HIV/AIDS.

4.7 Italian Co-operation

The co-operation between the department and donor entails support towards the provision of technical assistance to be able to deal with communicable diseases as well as procurement of equipment. The support was accepted by the Accounting Officer and an agreement was signed by the National Department of Health on behalf of the EC and KZN provinces. The total project funding is R2.7 million over a period of 3yrs which ended in 2010.

4.8 Japanese International Development Co-operation Agency (JICA)

JICA supported a project to strengthen medical equipment maintenance management. The funding is in the form of a technical assistant (personnel) based in the Department to assist with the development of a model on the maintenance and management of medical equipment. The Department does not take responsibility for the financial implications incurred by the technical assistant. The support has been effective since it is mainly the transfer of skills from the Japanese medical equipment expert to the local personnel.

4.9 The Fred Hollows Foundation – South Africa

A Memorandum of Agreement (MOU) was entered into between the department and the "The Fred Hollows Foundation of South Africa" to create a sustainable eye care programme that ensure rendering of a comprehensive eye care service package consistent with the level of care of each partner institution in the Eastern Cape Province. The foundation operates in five sites, St Elizabeth Hospital; Frontier Hospital; East London Complex; PE Complex; and these form the critical part of the province's five eye care nodal points of the foundation.

The programme provides comprehensive eye care services and includes cataract surgery, glaucoma and refractive error, training of doctors and nurses in cataract surgery; hospital-based outreach services provided by the ophthalmologists and community-based outreach services aimed at primary health care services

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4.10 Chamber of Mines of South Africa

The Chamber of Mines initiated a project the Ex-mineworkers" to strengthen the ability of various hospitals to offer benefit medical examinations to ex-mineworkers and the project was first rolled out to Sir Henry Elliot hospital. The project will endure for the period of two years from 30 April 2010 to 1 May 2012.

As part of the agreement the Chamber of Mines will provide equipment and services for the use of the new occupational health centre in Sir Henry Elliot hospital, second certain staff to the hospital an occupational health nurse at a salary of R10 843p.m and an administrative assistant at a salary of R5 152p.m.

4.11 Foundation for Professional Development

The foundation for Professional Development is a project that provides human resources and operating support at specific HIV/AIDS/TB/VCT sites to complement the existing resources of the department with the aim of increasing the number of people being treated for HIV, receiving support of wellness programmes and receiving ART or TB treatment.

5 Trading entities and public entities

There are no trading or public entities under the control of the Eastern Cape Department of Health.

6 Organisations to whom transfer payments have been made

The department utilises various institutions, government entities, Universities, Technikons and NPO's as vehicles to deliver services to the communities of the province. The nature of services to be rendered and relationship with these organisations is governed by Service Level Agreements. During the year under review the department transferred R 274.3 million to 26 municipalities.

Not all funds could be transferred (R6 million not transferred) as a result of cash shortages. Transfers were made to 18 Provincially Aided Hospitals (PAH's) for the provision of Primary

Health Care Services. Monitoring of these institutions was done to ensure that the allocated funds were spent as planned. Both the municipalities and PAH's fully expended the funds they were allocated in the period under review.

Funds were transferred to various Universities and Technikons for the provision of Health Sciences, Training & Development. The department monitored these institutions to ensure that the allocated funds were spent as planned. All Institutions fully expended the funds they were allocated in the period under review.

7 Public private partnerships (PPP)

7.1 Humansdorp Hospital Co-Location

The concession agreement was concluded on 27 June 2003 with Metro Star Hospital Life Healthcare Ltd (previously Afrox Healthcare Ltd) and the Public Private Partnership continued in the delivery phase throughout the financial year.

Upgrading and Refurbishment of the Port Alfred & Settlers Hospitals in Port Alfred and Grahamstown and the establishment of co-located private hospital facilities

The concession agreement was signed on 7 May 2007 and incorporates the Port Alfred and Settlers District Hospitals and the Public Private Partnership continued in the delivery phase throughout the financial year.

Refer disclosure note 31 on PPP's for details in this regard.

8 Corporate Governance Arrangements

8.1 Risk Management

The Accounting Officer is responsible for ensuring that the department has and maintains effective and appropriate systems of Internal Control, Risk Management and Internal Audit.

The Organisational Risk Management Unit resides within Internal Audit & Risk Assurance Management Services and accounts to the Chief

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Audit Executive. The division is involved in the day-to-day risk management activities of the department. The critical position of the Senior Manager Organisational Risk Management was filled in August 2010. The Senior Manager has assumed the position of Chief Risk Officer. It is the Chief Risk Officer's duty to oversee the risk management process, to ensure that risk assessments are performed and reported on, and to ensure the necessary actions and communication are in place to enable a risk aware culture in the department.

The risk mitigating efforts of the department are also supported by the Internal Control and Pre-Audit Units, who report to the Chief Financial Officer.

Although the department has developed a Risk Management Policy and Risk Management Framework, a Risk Management Committee has not yet been established. The Risk Unit currently reports to the Audit Committee. The department plans to have a functional Risk Committee in place by April 2012.

Senior management is accountable for the process of risk management and the systems of internal control. This, together with the Risk Management Policy and Framework forms the key basis for the department's approach to risk management.

The day-to-day responsibility of identifying, evaluating and managing risks resides with management.

The processes of embedding and institutionalising risk management and appropriate risk responses still remains a challenge at the department. This is evidenced through the inherently high risk ratings assigned by management to key risks, whilst mitigating controls are noted to be either inadequate in their design, and/ or are not operating as intended (effectiveness). The oversight of the total Risk Management has also not been adequate.

During the financial year under review, the Internal Audit Unit assisted the department in the risk management process by facilitating several risk reviews, assisted management in the development of risk plans and have advised on

key policy and procedure infrastructure integral to the risk management process. Once the Risk Management function is fully operational, it is envisaged that the Internal Audit Unit will give independent assurance on the risk management processes at the department. However, it is likely that the Internal Audit Unit will need to continue to support the Risk Management function of the Department in the coming financial year. The Internal Audit Unit regularly engages with Executive Management to identify key strategic risks pertaining to the department, and thus ensures that high risk exposures are identified for management's action.

Some of the remedial steps to improve risk management at the department in the 2011/12 financial year include:

- Capacitating the newly established Risk Management function.
- Establish a Risk Management Committee.
- Ensuring the Risk Management Committee operates in terms of its approved Terms of Reference.
- Inviting a member of the Audit Committee to Risk Management Committee meetings.
- Appropriate accountability and reporting processes for the Risk Management Committee.
- Strengthening the Internal Control and Pre-Audit Units.
- Increased training and awareness on risk management throughout the department.
- Further risk identification workshops.

8.2 Fraud Prevention Policies

An approved Fraud Prevention Policy is in place. The Policy encompasses a Fraud Prevention Plan, Fraud Policy Statement, Fraud Response Plan and a Whistle Blowing Policy.

The Audit Committee oversees and monitors implementation of the Fraud Prevention Strategy.

The department encourages its stakeholders to report matters of fraud to the Provincial fraud hotline and the call centre/ hotline of the department, which act as whistle-blower mechanisms available to all employees of the department, patients and the public at large to report fraudulent and unethical behaviour of any

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nature (including unethical medical behaviour). These channels ensure the anonymity of all information received and the protection of the employees reporting these incidents.

The department's Fraud Prevention Policy outlines a "zero tolerance" approach towards fraud and corruption. Accordingly all identified matters that have a criminal element are reported to the South African Police Services and any other appropriate law enforcement agency.

The fraud hotline is but one of the mechanisms available to employees, suppliers, patients and the public to report incidents of fraud and corruption. Internal and External parties can contact the departments' forensic unit by telephone, email or request a meeting. The specialised forensic investigations department resides within the Internal Audit Unit, and reports directly to Chief Audit Executive.

All incidents reported on the fraud hotline are logged onto a case register and are investigated. Regular feedback is sent to the Office of the Director General at the Eastern Cape Office of the Premier. The status with regards to attending to reported cases is also reported on to the Audit Committee at its regular meetings.

The department has registered some successes on forensic matters. These have come either in the nature of recoveries, registering a criminal matter with the SAPS for further follow up or effecting dismissals on all individuals implicated in illegal activities.

These actions have helped to ensure that the Specialised Forensic Unit acts as a deterrent to would fraudsters.

The status of investigation activities during the year was as follows:

Phase	Total
Reports submitted and cases closed	46
Investigations completed.Awaiting confirmation of debt recovery	2
Investigations completed.Awaiting outcome of disciplinary hearings	8
Under investigation	40
Reporting Phase	11
Cases being investigated by other units within ECDOH (Awaiting feedback)	17
Preliminary Investigation	5
Handed over to SAPS	1
	130

Ensuring that all reported irregularities are followed up and investigated is a challenge to the department, given its current financial position. However, the department is actively seeking inter-governmental support on this matter, and is also seeking ways to recover monies on investigations performed.

8.3 Internal Audit

Internal Audit operates in terms of an approved Internal Audit Charter, which is the approved term of reference.

The Accounting Officer is responsible for ensuring that appropriate systems of internal control are maintained to ensure that the departments' assets are safeguarded, managed and losses arising from fraud and/or illegal activities

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are minimised. It is management's responsibility to ensure that controls are appropriate to manage risks to acceptable level.

The Internal Audit Unit is a function established at Head Office level, which reports to the Audit Committee, and which also assists Executive Management and the Audit Committee in the effective discharge of their responsibilities, by means of independent financial, internal control and operational systems reviews. To assist in building capacity of the Internal Audit Unit, and thus position the Unit to meet the needs and challenges of the department; the department continued its co-sourced internal audit contract with a consortium consisting of PricewaterhouseCoopers SizweNtsaluba and Umnombo Consulting. This contract runs until September 2012.

Thirty four (34) audit assignments were conducted by the Internal Audit Unit during the financial year under review. Reports on these assignments have been communicated to the process owners, Executive Management, the Accounting Officer, the Audit Committee and the Auditor General.

The reports issued by Internal Audit in the financial year under review, identified a number of areas where internal controls were adequate, inadequate or partially adequate, and in many instances were not operating as intended/ ineffective. These reports are issued to management with recommendations by the

Internal Audit Unit on how to remedy deficiencies identified and to manage risk to an acceptable level. Management has accepted the recommendations made by the Internal Audit Unit; however, implementing the recommendations has been a challenge to management. This is due to a range of reasons, including inadequate resources and budgets for implementing controls and systems.

8.4 Effectiveness of the Audit Committee

Throughout the year under review, the Audit Committee operated in terms of an approved Audit Committee Charter, which was the Committee's approved terms of reference. The committee comprises of four external members, all of whom are not employed by the department.

The Audit Committee comprises Ms. L. Smith (Chairperson), Mr. M. Dukandar, Dr. B. Mbulawa-Hans and Mr. HH Gxaweni. The members are thus all independent of the operating activities of the department. The Committee is appointed on a three year term, which is reviewed annually.

In September 2010 the term of office for one of the members came to an end; however due to operational constraints within the department, the term was not renewed and the member was only re-appointed in April 2011.

Attendance at meetings during the year ended 31 March 2011 was as follows:

Name	03/05/10	24/05/10	28/05/10	06/07/10	27/07/10	22/11/10	09/02/11	14/03/11
Ms. L. Smith	A	A	A	P	P	P	P	P
Mr. M. Dukandar	P	P	P	P	P	P	P	P
Dr. B. Mbulawa-Hans	P	P	P	P	P	P	P	P
Mr. HH Gxaweni	P	P	P	P	P	N/A	N/A	N/A

P= Present

A =Apology

N/A=Contract terminated

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Further information relating to the Audit Committee, as required by the PFMA and National Treasury Regulations is included in the Audit Committee's Report, which is incorporated in the annual report of the department.

9. Discontinued activities/activities to be discontinued

For the year under review no activities were discontinued.

10. New/proposed activities

For the year under review, there were no new or proposed activities

11. Asset management

11.1 Movable Assets

The Public Finance Management Act (Act 1 of 1999 as amended by Act 29 of 1999) and Treasury Regulations stipulate that the department must manage and safeguard its assets, this entails amongst other things maintaining Fixed Assets Registers where all assets are recorded. The department has and maintains asset registers for all 756 clinics and CHC's, 96 hospitals and administration offices. These are maintained in an excel spread sheet with basic minimum controls such as passwords built in to protect data integrity.

Newly acquired assets are bar coded and taken on into the asset register at cost. Reconciliation between BAS and the fixed asset register is performed on a monthly basis. Consolidation of the registers is done at HO where additional controls were introduced to track changes and safeguard integrity of data.

The challenge with asset management however has been that despite the existence of fixed asset registers completeness thereof has been found to be lacking. The Auditor-General has in his audit raised findings of assets that are in the asset registers but cannot be found on the floor and vice versa. This is an indication of weakness in the asset verification process and inadequate

supervision.

Head office programmes purchase assets on behalf of institutions and facilities; delivery takes place at the institutions. Payments are made from HO through the various programmes, District Health Services, Health Facilities Development and Maintenance and Health Administration and are recorded at Head Office as transfers. There are a number of assets purchased through these programmes that have not been traced to the institutions to the value of R45m. These assets are under investigation. There are parallel processes that have been undertaken, the programme managers responsible for the purchase of these assets have been instructed in writing by the Accounting Officer to go out to the institutions and find the assets, secondly Internal Audit was requested to conduct forensic investigation.

Due to non-availability of documentation to support purchases of assets a number of assets are captured in the asset register with RI values. This has an impact on the value of opening balances in the asset registers. Where values for these assets were ascertained during the year an adjustment to prior year opening balance has been effected in the disclosure note and immovable annexure schedule.

11.2 Immovable Assets

The immovable fixed assets register for the department is maintained by the Department of Public Works. However it is important to raise an issue that my Department has full use of these assets.

The department has currently prioritised the management and recording of all assets within the financial turnaround plan.

12. Inventories

Inventory at the end of the year is valued at cost on a First-in-First-out basis (FIFO). The closing stock figures represent inventory counted at the hospitals, depots, Local Service Area (LSA), stores, wards and theatres. Stock holding at the end of financial year amounted to R 342,674 million an increase of 34% from prior year figure of R256, 125 million.

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In order for the department to comply with the disclosure requirements integrated inventory management system is a prerequisite. Currently the department does not have an integrated inventory management system and stock is maintained in MEDSAS at the depots, LOGIS and RX Solution at the complexes and manual systems at district hospitals, LSA's, clinics and CHC's. As a result of lack of systems and poor recording it is often difficult to account for medicines issued within the institutions. The risk of human error is high and internal controls are weak to non-existent in some facilities, district hospitals, LSA's, CHC's and clinics. All of this impact on the completeness and accuracy of figures disclosed in Annexure on inventory in the AFS.

13. Events after the reporting date

On the night of the 3rd April 2011 fire broke out at the Mthatha Depot in the lower level of the building where the Pharmaceutical depot is housed. A section of the building was occupied by the Nyandeni sub-district who had a store wherein pharmaceuticals, surgical, cleaning materials and furniture were kept. Damage to the building was mainly to the lower level; however structural damage did occur on the upper level where the Depot is housed.

All items kept in the general section of the complex store were damaged or destroyed this included the overflow ARV's belonging to the Depot. There was also structural damage.

The value of the damaged/destroyed stock is R 5,3million.

The case was reported to the local police service and a docket has been opened, a case of arson is being investigated.

14 Information on predetermined objectives

A number of strategic objectives per budget programme were identified and quantified as informed by the Strategic Goals and Objectives of the Department.

Against each strategic objective, the Department crafted Output Performance Indicators, the actual and audited performance, estimated performance and the medium term planned targets.

This Annual Report is therefore written against the determination of implementing and achieving the strategic objectives that were in the 2010/11-2012/13 Annual Performance Plan of the Department.

The Department has therefore ensured that there is alignment in terms of the strategic objectives and its associated targets between the 2009/10 – 2014/15 Strategic Plans, 2010/11-2012/13 Annual Performance Plans and the 2010/11 budget documents.

The different budget programme performance as indicated here in this annual report provides a report on the department's performance against service delivery objectives and targets as identified in the 2010/11 – 2012/13 Annual Performance Plans and budget documents.

15. SCOPA resolutions

During the current financial year, the Standing Committee on Public Accounts (SCOPA) held hearings on the Department's annual financial statements and findings of the auditor-general for 2007/2008; 2008/2009; 2009/10 financial years.

The recommendations / resolutions are currently being attended to in the 2011/12 financial year.

16 Prior modifications to audit reports

An action plan to deal with the matters reported in the audit report was developed and implemented and it incorporated matters in the audit report including those noted as important in the management report. Senior managers had the responsibility to provide leadership and guidance, ensure that action plans are implemented and audit issues are resolved. Progress was monitored regularly and reporting done.

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The following are matters that resulted in adverse opinion as well as matters of non-compliance:-

Nature of qualification, adverse opinion and matters of non-compliance	Financial year in which it first arose	Progress made in clearing / resolving the matter
Disclaimer Opinion		
Commitments: Commitment schedule did not contain all relevant information and as a result it was not possible to trace tenders awarded prior to year end to the commitments schedule. Furthermore, the department did not provide adequate supporting documentation for the amounts reflected in the commitments schedule. Consequently it was not possible to confirm the accuracy, validity and completeness of capital and current commitments of R9.4billion (2008-09; R2.2billion) as disclosed in note 23 to the financial statements.	2004/05	The department in the current year identified the events that give rise to commitments including systems or areas where commitments are recorded e.g. BAS; LOGIS; MEDSAS; BAC registers; DPW; COEGA etc. The information received is analysed, verified to supporting documentation and reconciled. All of these processes are performed to ensure completeness, accuracy and validity of information.
Accruals: The department failed to maintain adequate records of outstanding payments for goods and services received but not yet paid. The manual schedules prepared in support of the R1, 3billion (2008-09; R600.9million) disclosed as accruals in note 24 to the financial statements were found to be inaccurate as certain invoices raised as accruals had already been paid and in some instances, the amounts on the accruals listing did not agree to the amount per supplier statements and other supporting documentation. Furthermore, the department did not provide adequate supporting documentation for all amounts included in the accruals listing.	2004/05	The department has put a lot of effort during the year under review in ensuring completeness and accuracy of accruals. Recording of invoices at registries which is the entry point improved. There is reconciliation done between BAS commitments and the accruals tool. Staff are trained on preparation of supplier reconciliation, third party confirmations were performed.
Compensation of employees: Adequate supporting documentation for backdated and arrear salaries of R404million, relating to HROPT and OSD as detailed in item 1.2 in the accounting officer's report as well as allowances and bonuses of R219million (2008-09; R212million) was not provided for audit purposes. As a result, even through alternative procedures, it was not possible to verify the validity and accuracy of these payments as disclosed in note 5 to the financial statements.	2008/09	Matter not resolved. Grant Thornton was commissioned by the Office of the Premier to conduct an audit on HROPT. The audit findings were that more than 99% of employees paid HROPT did not qualify. The department initiated a process to recover monies irregularly paid to employees. This process was stalled by a court interdict barring the department from recovering monies from employees.

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Nature of qualification, adverse opinion and matters of non-compliance	Financial year in which it first arose	Progress made in clearing / resolving the matter
Compensation of employees: Furthermore, incorrect payments were made to employees resulting in basic salaries being overstated by R30.5million (2008-09; R59million) and staff debt of R5.9million (2008-09; R5.2million), included in receivables as disclosed in note 15 to the financial statements, being understated by this amount.	2005/06	Matter not resolved
Employee benefits: The department did not provide adequate supporting documentation for the amounts of R858.5million (2008-09; R804.8 million) disclosed as capped leave commitments and R292.7million (2008-09; R256 million) disclosed as leave entitlement in note 25 to the financial statements. Furthermore, the department did not maintain adequate records of leave taken and not all employees who had leave balances at year end were included in the supporting schedule for leave entitlement. It was therefore not possible to determine the accuracy, validity and completeness of capped leave commitments and leave entitlement as disclosed in note 25 to the financial statements.	2004/05	Matter not resolved
Employee benefits: Other employee benefits of R285.7 million, which includes Occupation Specific Dispensation (OSD) accruals of R204.3 million and other Human Resource accruals of R81.4million, is overstated by R8.8 million as a result of amounts being incorrectly calculated. Furthermore, adequate supporting documentation and details of all the transactions making up these amounts were not provided for audit purposes. It was therefore not possible to determine the accuracy, validity and completeness of other employee benefits disclosed in note 25 to the financial statements.	2006/07	Matter not resolved

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Nature of qualification, adverse opinion and matters of non-compliance	Financial year in which it first arose	Progress made in clearing / resolving the matter
<p>Contingent liabilities: The department did not provide adequate supporting documentation for contingent liabilities relating to Human Resource Operating Project Team (HROPT) of R420.9 million and OSD of R25.1 million. It was therefore not possible to verify the accuracy, validity and completeness of other contingent liabilities of R445.9million as disclosed in note 22.1 to the financial statements.</p>	2004/05	<p>Matter resolved as all claims against the state are supported by confirmation from the State Attorney.</p> <p>With regards to HROPT the Grant Thornton report concluded that the department has a lesser liability than was disclosed in the prior year. R388m must be recovered from the employees who did not qualify.</p> <p>With regards to the OSD the comparative figure is in the process of being reconciled to determine the complete liability figure and listing of employees.</p>
<p>Contingent liabilities: Included in note 22.1 are housing loan guarantees of R16.6million which include guarantees that have been released by the bank, amounts for which no guarantees are in place with the bank or accounts that have been closed. Housing guarantees are therefore overstated by</p>	2004/05	<p>A process to clean up the state guarantees was undertaken during the year. State guarantees to the value of R4,8 million has been redeemed in PERSAL. Banks have been approached to provide confirmation of the State guarantees reflected in PERSAL.</p>
<p>Transfers and subsidies: The corresponding figure for transfers and subsidies paid of R518.9 million as disclosed in the statement of financial position, is overstated by R32 million as payments made to supplier did not satisfy the definition of a transfer payment. Consequently the corresponding figure for goods and services of R3 billion as disclosed in the statement of financial position is understated by this amount.</p>	2004/05	Matter resolved
<p>Payables: Journals totalling R41.8 million that were posted to the payables suspense accounts did not have adequate and appropriate documentation to support the transactions that they represented. Some journals did not have adequate descriptions and narrations to enable a reader of the journals to fully understand the purpose of the journal. Certain journals were approved by officials who did not have the appropriate authority to authorise them. Consequently, it was not possible to confirm the accuracy or completeness of payables included in the statement of financial position and note 17 to the financial statements.</p>	2004/05	Matter resolved

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Nature of qualification, adverse opinion and matters of non-compliance	Financial year in which it first arose	Progress made in clearing / resolving the matter
<p>Movable assets: The department prepared a consolidated fixed asset register which was used as the basis for the amount of R481.1 million (2008-09; R265.3 million) disclosed in note 33 to the financial statements for movable tangible capital assets and minor assets of R105.6 million (2008-09; R33.1 million) as disclosed in note 33.4 to the financial statements. These assets were overstated by R154.9 million as a result of assets recorded in the consolidated fixed asset register which could not be physically verified, assets recorded at the incorrect amounts, assets received before year end but not yet paid not recorded and assets in the district fixed asset registers not recorded in the consolidated fixed asset register. Under these circumstances it was not possible to determine the extent to which assets may have been misappropriated and if the amounts disclosed in the financial statements are free of material misstatements whether caused by fraud or error.</p>	2005/06	Verification of assets was done during the year; however the issue of existence of assets still remains as a challenge.
<p>Movable assets: Furthermore, not all assets selected from the floor were recorded in the consolidated fixed asset register. It was not possible to determine the total value of this understatement as the cost of the assets not recorded could not be determined.</p>	2005/06	Verification of assets was done during the year; however the issue of existence of assets still remains as a challenge.
<p>Expenditure for capital assets: Expenditure for buildings and other fixed structures of R712.3 million, as disclosed in note 10 to the financial statements, does not agree to the cash additions to immovable tangible capital assets of R674.8 million as disclosed in note 35.1 to the financial statements. A reconciliation of these amounts reflected payments of R21.4 million which were incorrectly allocated to goods and services instead of buildings and other fixed structures and an amount of R16.3 million which was incorrectly allocated to expenditure for buildings and other fixed structures instead of machinery and equipment for which correcting journal entries had not been processed on the accounting system.</p>	2008/09	Matter resolved

**PROVINCE OF THE EASTERN CAPE DEPARTMENT OF HEALTH
VOTE 3**

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

Nature of qualification, adverse opinion and matters of non-compliance	Financial year in which it first arose	Progress made in clearing / resolving the matter
<p>Expenditure for capital assets: Further identified misallocations of R22.6 million were included in the reconciliation, however information included in the payment batches and other supporting documentation for these items was not sufficient and appropriate to determine whether or not the amounts were correctly allocated. Project expenditure on the work-in-progress register did not agree to amounts on the on the accounting system, resulting in a difference of R13 million and a further R6.8 million is still under investigation by the department. Under these circumstances, it was not possible to determine the total impact of this difference on expenditure for capital assets – buildings and other fixed structures, expenditure for capital assets – machinery and equipment, expenditure for goods and services, movable assets and cash additions to immovable assets as reflected in the statement of financial performance and the notes to the financial statements.</p>	2006/07	<p>The department has developed a register of projects; expenditure is recorded on a monthly basis. Analysis thereof is done to identify misallocations and journals prepared. The work-in-progress register has been updated with BAS expenditure per project. Coordination and collation of information in this area has improved.</p>
<p>Employee benefits: Included in disclosure note 23, employee benefits, is the departments' leave entitlement of R256 million and capped leave commitments of R804.8 million. Leave records have not been regularly updated or did not always exist and leave forms were not timeously filed on leave files or not filed at all. The leave records on the payroll system have been used as the basis for the calculation of leave entitlement and capped leave. In the absence of sufficient appropriate audit evidence pertaining to leave records, it was not possible, even by alternative procedures, to verify the existence, accuracy and completeness of the leave entitlement and the capped leave commitments.</p>	2004/05	<p>This matter has not been resolved. A process of updating leave records and personnel files with leave was initiated during the year but has not been completed. The department will continue with this process in the 2011/12 financial year.</p>
<p>Receivables for departmental revenue: The department did not provide adequate supporting documentation for bad debts written off of R14.8 million reflected as amounts written-off/reversed as irrecoverable in note 27.1 to the financial statements. Further, no interest has been charged on patient fee debt. Consequently, it was not possible to verify the completeness, accuracy and validity of this amount and the extent to which receivables for the departmental revenue of R77.5 million, as disclosed in note 27.1 may be misstated.</p>	2004/05	<p>Matter resolved.</p>

**PROVINCE OF THE EASTERN CAPE DEPARTMENT OF HEALTH
VOTE 3**

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

Nature of qualification, adverse opinion and matters of non-compliance	Financial year in which it first arose	Progress made in clearing / resolving the matter
Receivables for departmental revenue: The corresponding figure for amounts written-off/reversed as irrecoverable of R19.4million and disclosed in note 27.1 is understated by R35.2 million as the department did not have adequate ageing process in the prior year to identify debtors outstanding for greater than one year. These amounts have been written-off/reversed in the current year and are included in the current year amounts written-off/reversed as irrecoverable of R71.1 million.		Matter resolved
Irregular Expenditure: Irregular expenditure relating to the current year is understated by an amount of R954.5 million (2008-09; R334.9 million) as a result of non-adherence to financial delegations of authority and non-compliance with supply chain management regulations identified during the audit. Irregular expenditure of R721.3 million as disclosed in note 28 to the financial statements is therefore understated by R2.1 billion and the corresponding figure of R348.4 million understated by R1.1 billion. The possibility of irregular expenditure being incurred as a result of fraud could not be excluded.	2004/05	There are several processes or procedures that must be followed to resolve or clear irregular expenditure. The department has condoned irregular expenditure after the due processes were followed. Officials were charged for making or permitting irregular expenditure and disciplinary action taken. Secondly to clear irregular expenditure for the prior financial years, the department is required to review all expenditure batches from previous years and determine the value of irregular expenditure. This process has not been done.
Fruitless and wasteful expenditure: Fruitless and wasteful expenditure of R8.5 million (2008-09; R14.6 million) as disclosed in note 29 to the financial statements is understated by R10.4 million as a result of Value Added Tax (VAT) payments made in the previous financial year to suppliers who were not registered.	2004/05	The amount related to interest paid to Fleet Africa which emanated from an unfavourable contract entered into between DOT and Fleet Africa on behalf of the province. This amount has subsequently been condoned. No action was taken in this area, however SCM, payment and internal control processes were reengineered to create proactive processes of preventing and detecting and correction of transactions processed.

**PROVINCE OF THE EASTERN CAPE DEPARTMENT OF HEALTH
VOTE 3**

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

Nature of qualification, adverse opinion and matters of non-compliance	Financial year in which it first arose	Progress made in clearing / resolving the matter
Fruitless and wasteful expenditure: Fruitless and wasteful expenditure of R16.8 million was incurred and disclosed during the current year as a result of interest incurred on late payments, traffic fines, amounts paid in error and cancellation of events. Of this amount R8.9 million was condoned during the year and the remaining portion is still under investigation or at disciplinary stage.	2004/05	Matter not resolved
Receivables: Interest charged on ex-employees debts of R63.3 million, included in other debtors of R69.5 million as disclosed in note 15.5 to the financial statements, was incorrectly calculated. Furthermore, ex-employee debts approved for write off and amounts handed over to the debt collectors did not reconcile with the long outstanding debt included in note 15.5. As a result, it was not possible to determine the validity, accuracy and completeness of other debtors as disclosed in note 15.5 and debt receivable interest included as payables in note 19.2 to the financial statements.	2009/10	Matter Resolved

17. Exemptions and deviations received from the National Treasury

No exemptions have been received.

18. Other

18.6 Contingent Liabilities

18.6.1 HROPT

The HROPT independent audit was concluded by Grant Thornton. The audit found that more than 99% of promotions effected were incorrect and recommended that all monies

paid as a result, be reversed and or recovered. During March 2011, the department reversed all HROPT promotions effected during 2009 on the strength of both the EXCO resolution and the Grant Thornton audit findings. However, affected employees obtained an interim injunction which ordered the department to reverse all demotions pending the return date on May, 30th 2011.

Four employees were identified by the auditors as eligible for the payment of HROPT and the amount disclosed in the prior year as a contingent liability is disclosed in the current financial year as a contingent asset R388k.

**PROVINCE OF THE EASTERN CAPE DEPARTMENT OF HEALTH
VOTE 3**

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

10.6.2 OSD

An OSD contingent liability for the Allied workers amounting to R37,2 million has been raised. The internal audit is in the process of auditing the validity, accuracy and completeness of the figures and supporting documentation. The contingent liability has not been determined with certainty until the audit is complete.

18.7 Contingent Asset

18.7.1 HROPT

In the 2009/10 financial year the department disclosed a contingent liability of R420million relating to HROPT. An audit that was done by Grant Thornton found that more than 99% of promotions effected were incorrect and recommended that all monies paid as a result, be reversed and or recovered. During March 2011, the department reversed all HROPT promotions effected during 2009 on the strength of both the EXCO resolution and the Grant Thornton audit findings.

The amount of R388million relating to HROPT owed by employees who were irregularly paid is disclosed as contingent asset.

18.8 Accruals

Due to the size of the department and the manual processing of transactions the department has a challenge with the completeness of accruals. Although compensating controls have been introduced such as strengthening supplier reconciliations and conducting third party confirmation the risk associated with manual processes exists.

18.9 Bad Debts

The department wrote off bad debts related to salary related debts but was limited by inadequate funding in order write off all bad debts.

18.10 Related Parties

For the year under review the department has commissioned a firm of professional consultants and accountants to extract information from CIPRO and BAS. The report has been received and is currently being processed to determine whether employees obtained approval for performing additional remunerated work and disclosed their financial interest in businesses that do business with the department. Disciplinary action will be instituted against employees if found not to have complied with Section 30 of the Public Service Act and departmental policy of additional remunerated work.

19 Approval

The Annual Financial Statements set out on pages 267 to 336 have been approved by the Accounting Officer(s).



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Dr. S.M. Pillay
Superintendent General
31 May 2011

REPORT OF THE AUDITOR-GENERAL TO THE EASTERN CAPE PROVINCIAL LEGISLATURE ON VOTE NO. 3: DEPARTMENT OF HEALTH

REPORT ON THE FINANCIAL STATEMENTS

Introduction

- 1 . I have audited the accompanying financial statements of the Eastern Cape Department of Health, which comprise the appropriation statement, 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 267 to 336.

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. 15 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) 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.
- 6 . I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

Basis for qualified opinion

Irregular expenditure

- 7 . Irregular expenditure – relating to the current year of R152,6 million (2009-10: R373,1 million), as disclosed in note 28 to the financial statements, is understated by an amount of R328,7 million (2009-10: R954,5 million) as a result of non-adherence to financial delegations of authority, non-compliance with supply chain management (SCM) regulations, amounts not yet paid being recorded in the register, conditional grant expenditure not in accordance with the purpose of the grant and foreign employees employed on a permanent basis. Irregular expenditure is further understated by

R2,1 billion (2009-10: R1,1 billion) as the department has also not taken adequate steps to investigate and correct irregular expenditure identified during prior years' audits.

8. Furthermore, the department did not provide adequate supporting documentation as evidence that all SCM regulations had been complied with and alternative procedures could not be performed. As a result, it was not possible to confirm the full extent to which irregular expenditure of R873,9 million (2009-10: R721,3 million) as disclosed in note 28.1 to the financial statements is understated.

Movable tangible capital assets and minor assets

9. The department maintains an asset register for movable tangible capital assets and minor assets, which is used as the basis for the amounts disclosed in note 34 to the financial statements. Included in the asset register were movable tangible capital assets of R42,3 million and minor assets of R12,2 million, which are currently under investigation as the department does not know the location of these assets. Assets selected from the asset register could not always be presented for verification, the amounts recorded in the asset register did not always reconcile with the supporting documentation and some assets recorded in the asset register were found to have been stolen or not in working condition, resulting in an overstatement of R56,8 million (2009-10: R161,4 million) of movable tangible capital assets and an overstatement of R2,9 million (2009-10: R1,6 million) of minor assets.
10. Not all assets purchased or received during the year were recorded in the asset register and assets were also incorrectly classified as minor assets instead of major assets. It was also found that some of the current year adjustments made to prior year balances were incorrectly processed, resulting in movable tangible capital assets being understated by R28,4 million (2009-10: R4,7 million) and minor assets being overstated by R4,4 million in the financial statements.
11. It was also not possible to confirm whether the asset that was verified was the same asset in the asset register as some assets which were presented for verification purposes did not have an asset number on the asset, the asset number on the asset was different from the asset number recorded in the asset register, there were two different asset numbers recorded on the asset or the asset number was duplicated in the asset register.
12. In addition, there were a number of assets that were selected from the floor which could not be traced to the fixed asset register. The department did not determine the fair value of assets and 5 260 major assets and 157 050 minor assets were recorded at R1 in the asset register. The department also did not supply all payment batches relating to the purchases of some assets selected for testing.
13. As a result, it was not possible to confirm the existence, rights, valuation and completeness of movable tangible capital assets of R610,9 million (2009-10: R481,1 million) and minor assets of R121,7 million (2009-10: R105,6 million) as disclosed in notes 34.1 and 34.4 to the financial statements.

Commitments

14. Differences of R206,1 million (2009-10: R509,3 million) were identified between the supporting documentation and the amounts reflected in the current and capital commitments schedules. In addition, the department did not provide adequate supporting documentation for all commitments reflected in the commitments schedules and the application of alternative procedures was not possible.
15. Consequently, it was not possible to confirm the existence, valuation and completeness of capital and current commitments of R6,5 billion (2009-10: R9,5 billion) as disclosed in note 23 to the financial statements.

Accruals

16. The department did not have adequate systems to maintain records of outstanding payments for

goods and services received but not yet paid. The manual schedules prepared in support of the R1,1 billion (2009-10: R1,3 billion) disclosed as accruals in note 24 to the financial statements, were found to be inaccurate as certain invoices raised as accruals had already been paid and, in some instances, the amounts on the accruals listing did not agree with the amounts per the supplier statements and other supporting documentation. Accruals are therefore overstated by R124,8 million (2009-10: R427,1 million).

- 1 7 . Furthermore, the department did not provide adequate supporting documentation for amounts of R68,1 million (2009-10: R0,3 million) included in the accruals listing. As a result, it was not possible to confirm the obligation, valuation and completeness of accruals as disclosed in note 24 to the financial statements.

Employee benefits

18. Leave entitlement of R365,5 million disclosed in note 25 to the financial statements is overstated by R28 million as the department did not accurately account for all leave taken by employees during the financial year.
19. As reported in the prior year, the department did not provide adequate supporting documentation for capped leave commitments and leave entitlement. No evidence was provided during the current year and it was therefore not possible to confirm the obligation, valuation and completeness of the corresponding amounts of R858,5 million disclosed as capped leave commitments and R292,7 million disclosed as leave entitlement in note 25 to the financial statements.
20. The department did not account for all arrear and backdated salaries and adequate supporting documentation was not provided for human resource accruals. It was therefore not possible to confirm, even through alternative procedures, the obligation, valuation and completeness of R236,7 million (2009-10: R285,7 million) disclosed as other employee benefits in note 25 to the financial statements.

Expenditure

- 2 1 . The department does not have an adequate system in place to ensure that inventory is used for its intended purpose, and sufficient audit evidence was not provided to ensure that medicine issued from the medical depots totalling R115,6 million reached the hospitals or institutions to which they were sent. Consequently, it was not possible to confirm the completeness of other material losses as disclosed in note 8.1 to the financial statements.
- 2 2 . It was also not possible to agree amounts charged by service providers to the set tariffs in the contract for payments made of R85,5 million as rates charged were not stipulated in the invoices and no reconciliations were performed by the department. Furthermore, the department did not provide adequate supporting documentation that goods or services of R45,4 million, which were paid for by the department, were actually received. As a result, it was not possible to confirm the occurrence and accuracy of consultants, contractors and agency/outsourced services of R1,1 billion as disclosed in note 6.3 to the financial statements.
- 2 3 . Furthermore, expenditure was incorrectly classified in the accounting records of the department, which resulted in expenditure for capital assets being overstated by R43,1 million (2009-10: R21,3 million understated), current expenditure – goods and services being understated by R33,9 million (2009-10: R21,3 million overstated) and current expenditure – interest and rent on land being understated by R9,3 million in the statement of financial performance and notes 6, 7 and 10 to the financial statements.

Receivables

24. Audit work performed on receivables of R98,6 million as disclosed in note 15 to the financial statements revealed the following:

- Differences on conversion from the change in accounting system.
 - Interest incorrectly calculated on ex-employee debt.
 - Interest incorrectly charged on debts handed over.
 - Interest incorrectly charged on staff debtors.
 - Debtors for thefts and losses were not raised.
 - Overpayments to deceased employees.
 - Overpayments to transversally paid employees.
 - Incorrect allowances paid to employees.
 - Negative capped leave incorrectly included.
 - Annual leave not captured in the correct period.
 - Differences between amounts confirmed with debtors and amounts in schedules.
 - Board and lodging fees not deducted from salaries.
25. This resulted in receivables being understated by R74,2 million (2009-10: R68,9 million), recoverable revenue being understated by R31,2 million (2009-10: R34,7 million), compensation of employees being overstated by R9,7 million (2009-10: R30,6 million), payments for financial assets being understated by R0,9 million, voted funds to be surrendered being understated by R30,6 million and revenue to be surrendered to the revenue fund understated by R3,6 million.
26. Furthermore, the department did not have sufficient audit evidence to support the balance of ex-employee debt of R71,6 million (2009-10: R63,3 million) and it was not possible to perform alternative audit procedures due to the nature of the debtors. As a result, I could not determine the existence, valuation and completeness of other debtors as disclosed in note 15.5 to the financial statements.

Receivables for departmental revenue

27. Patient files were not all submitted for audit purposes and those submitted did not always have adequate information to determine whether patient debts were correctly raised. Furthermore, patient debtors older than 90 days were not written off at some institutions and patient fees were not always charged for services rendered.
28. As a result it was not possible to confirm the completeness, existence and correct valuation of receivables for departmental revenue of R68,6 million (2009-10: R77,4 million) disclosed in note 27 to the financial statements and the related provision of R100,7 million (2009-10: R60,2 million) disclosed in note 32 to the financial statements.
29. As reported during the prior year, the department did not provide adequate supporting documentation for bad debts written off of R14,8 million. No evidence was provided during the current year and it was therefore not possible to confirm the valuation and completeness of the corresponding figure for amounts written off of R71,1 million as disclosed in note 27.

Fruitless and wasteful expenditure

- 3 0 . Fruitless and wasteful expenditure – relating to current year of R23,1 million, as disclosed in note 29.1 to the financial statements, is understated by R11,7 million as a result of interest on overdue accounts, overpayments made to employees, transversally paid employees and overpayments to deceased employees, which were identified as a result of the audit process and amounts recorded in the register that did not agree with the relevant supporting documentation. Furthermore, the department did not take adequate steps to address and correct fruitless and wasteful expenditure identified during prior years' audits of R10,6 million.
- 3 1 . As a result, the closing balance for fruitless and wasteful expenditure of R30,4 million (2009-10: R8,5 million) is understated by R22,3 million (2009-10: R10,6 million).

Compensation of employees

32. As reported in the prior year, adequate supporting documentation for backdated and arrear salaries of R404 million relating to the Human Resource Operating Project Team (HROPT) and the Occupation Specific Dispensation (OSD), as well as allowances and bonuses of R219 million, was not provided for audit purposes. No supporting documentation was provided during the current year and it was therefore not possible, even through alternative procedures, to verify the accuracy of these payments as disclosed in the corresponding figure for salaries and wages of R7,4 billion in note 5.1 to the financial statements.

Contingent liabilities

33. As reported during the prior year, the department did not provide adequate supporting documentation for contingent liabilities relating to HROPT of R420,8 million and OSD of R25,1 million. No evidence was provided during the current year and it was therefore not possible to verify the valuation and completeness of the corresponding figure for other contingent liabilities of R445,9 million as disclosed in note 22.1 to the financial statements.

Qualified opinion

- 3 4 . In my opinion, except for the effects of the matters described in the Basis for qualified opinion paragraphs, the financial statements present fairly, in all material respects, the financial position of the Eastern 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

- 3 5 . I draw attention to the matters below. My opinion is not modified in respect of these matters:

Material impairments, provisions and write offs

- 3 6 . Impairments and provisions of R171 million as disclosed in note 32 to the financial statements were made against debtors and patient debt of R60,1 million, as disclosed in note 8.2 to the financial statements was written off. These debts are long outstanding and are deemed to be irrecoverable.

Unauthorised expenditure

37. Disclosed in the statement of financial position and note 11 to the financial statements is unauthorised expenditure of R1,2 billion. Unauthorised expenditure of R117,5 million was incurred during the current year as a result of overspending on compensation of employees in programme 2: district health services. The reasons for the overspending are set out in note 4 to the appropriation statement and section 1.4 of the accounting officer's report.

Significant uncertainty

38. As disclosed in note 22 to the financial statements, a court hearing was held on 30 May 2011 for presentation of substantive arguments in the case filed by trade unions (on behalf of their members) i.e. HROPT beneficiaries of the 2009 promotions. The court ordered that the application be postponed and a process be followed where an arbitrator is appointed and two advisors, one representative from the department and one by each of the applicant unions. Each individual adversely affected should receive and respond to a letter sent by the department within 21 days setting out the decision taken by the department pursuant to the Grant Thornton investigation. The arbitrator will decide whether an employee has wrongly received remuneration and the department shall forthwith reduce the amounts to be paid to the employee.
39. The department maintains a position that the money paid is an overpayment which must be recovered in full. This notion was strengthened by the Grant Thornton audit report which found that R389 million paid following the 2009 promotions is irregular and cannot be justified.

Additional matters

4 0 . I draw attention to the matters below. My opinion is not modified in respect of these matters:

Unaudited supplementary schedules

4 1 . The supplementary information set out on pages 337 to 353 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.

Financial reporting framework

4 2 . 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

4 3 . 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 59 to 224 and material non-compliance with laws and regulations applicable to the department.

Predetermined objectives

Presentation of information

44. There were no material findings on the annual performance report concerning the presentation of the information. The information was reported using the National Treasury guidelines.

Usefulness of information

4 5 . The following criteria are relevant to the findings below:

- Consistency: The reported objectives, indicators and targets are not consistent with the approved strategic plan/annual performance plan.
- Measurability: The indicators are not well defined.

4 6 . The following audit findings relate to the above criteria:

- For programme 3, 22% of the targets reported in the annual performance report do not agree with the targets included in the annual performance plan.
- For the selected programmes, 34% of the planned and reported indicators, although defined, could not be easily understood. Some of the indicators included acronyms which were not explained in the annual performance plan. Certain other indicators were widely accepted within the medical field, but these could not be understood by the general public which is a requirement of the Framework for Managing Performance Information. The measures and criteria for achieving targets were also not clearly indicated.

Reliability of information

4 7 . The following criteria are relevant to the findings below:

- Validity: The reported performance did not occur and does not pertain to the entity.
- Accuracy: The amounts, numbers and other data relating to reported actual performance have not been recorded and reported appropriately.
- Completeness: All actual results and events that should have been recorded have not been included in the reported performance information.

4 8 . The following audit findings relate to the above criteria:

- Explanations for material variances between the planned and reported performance against predetermined objectives for programme 2 and 3 were either not adequate to explain the variance and/or could not be supported by corroborating evidence.
- Adequate documentation was not provided for 98% of the sample of indicators selected for programme 2 and 3. There were no alternative audit procedures that I could perform to verify the validity and completeness of the reported performance in the annual performance report.
- The accuracy of the achievements recorded against 98% of the performance indicators selected for testing could not be verified against the source information or evidence provided.


Compliance with laws and regulations

Financial statements, performance and annual report

49. The accounting officer submitted financial statements for auditing that were not prepared in all material aspects in accordance with generally recognized accounting practice as required by section 40(1)(b) of the PFMA. Certain material misstatements identified by the AGSA with regards to certain disclosure items were subsequently corrected, however the uncorrected material misstatements resulted in the financial statements receiving a qualified audit opinion in contravention of section 40(3)(a).

Procurement and contract management

50. Sufficient appropriate audit evidence could not be obtained that goods and services with a transaction value of over R500 000 were procured by means of a competitive bidding process as per the requirements of TR 16A6.1, TR 16A6.4 and National Treasury Practice Note 6 and 8 of 2007-08.
51. Sufficient appropriate audit evidence could not be obtained that awards were made to suppliers based on preference points that were allocated and calculated in accordance with the requirements of the PPPFA and its regulations and National Treasury Instruction Note of 15 September 2010.
52. Sufficient appropriate audit evidence could not be obtained that awards were made to suppliers that scored the highest points in the evaluation process as per the requirements of section 2(1)(f) of the PPPFA.
53. Sufficient appropriate audit evidence could not be obtained that awards were made to suppliers who provided written proof from the South African Revenue Service that their tax matters are in order as per the requirements of Preferential Procurement Regulation 16 and TR 16A9.1(d).
54. Sufficient appropriate audit evidence could not be obtained that contracts were awarded or recommended by properly constituted adjudication committees as per the requirements of TR 16A6.2 and the supply chain management policy.
55. Awards were made to bidders who did not submit an SBD 4 declaring whether the bidder or any person connected with the bidder is employed by the state or if the bidder is a legal person, whether the bidder has a relationship with person(s) involved in the evaluation and/or adjudication of the bids as per the requirements of Practice Note 7 of 2009-10.
56. Awards were made to suppliers who did not submit a declaration of past supply chain practices such as fraud, abuse and non-performance as per the requirements of TR 16A9.1(a) and Practice Note 4 of 2006.
57. Contracts were extended or modified to the extent that competitive bidding processes were being circumvented contrary to the requirement of a fair supply chain management system in TR 16A3.2.
58. Employees performed remunerative work outside their employment in the department without written permission from the relevant authority as per the requirements of section 30 of the Public Service Act, 1994.

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59. A list of prospective suppliers was in place for procuring goods and services through quotations but not per commodity and type of service to be used as required by National Treasury Practice Note 8 of 2007-08.
60. The prospective suppliers list for procuring goods and services through quotations was not updated at least quarterly to include new suppliers that qualified for listing, and prospective suppliers were not invited to apply for such listing at least once a year as per the requirements of National Treasury Practice Note 8 of 2007-08.

Human resource management and compensation

61. The executive authority did not assess the human resources necessary to perform the department's function as per the requirements of Public Service Regulation, 2001 as amended by Government Notice No. R.937 of 2 October 2009 (PSR) 1/III/D.1.
62. Sufficient appropriate audit evidence could not be obtained to confirm that persons in charge at pay points certified on the date of payment that all employees listed on the payroll report were entitled to the payment as per the requirements of TR 8.3.4.
63. The accounting officer did not ensure that all leave taken by an employee was recorded accurately and in full as per the requirements of PSR 1/V/F(b).

Expenditure management


64. The accounting officer did not take effective and appropriate steps to detect irregular and fruitless and wasteful expenditure, as per the requirements of section 38(1)(c)(ii) and 39(1)(b) of the PFMA and TR 9.1.1.
65. The accounting officer did not immediately upon the discovery of irregular and fruitless and wasteful expenditure report it to the relevant treasury as per the requirements of section 38(1)(g) of the PFMA.
66. The accounting officer did not always take effective and appropriate disciplinary steps against officials who made or permitted irregular and fruitless and wasteful expenditure as required by section 38(1)(h)(iii) of the PFMA and TR 9.1.3.
67. The accounting officer did not recover irregular and fruitless and wasteful expenditure from a liable official as required by TR 9.1.4.

Transfer of funds

68. The accounting officer transferred funds (other than grants in terms of DoRA) without obtaining a written assurance from the entity that it implements effective, efficient and transparent financial management and internal control systems as per the requirements of section 38(1)(j) of the PFMA.
69. The accounting officer did not maintain appropriate measures to ensure that the transfers made were applied for their intended purpose, as per the requirements of TR 8.4.1.

Revenue management

70. The interest charged on debts owed to the state was not at the rate determined by the Minister of Finance in terms of section 80 of the PFMA as required by TR 11.5.1.
71. Sufficient appropriate audit evidence could not be obtained that the accounting officer took effective and appropriate steps to timeously collect all money due to the institution as per the requirements of TR 11.2.1.



Asset management

72. The accounting officer did not ensure that a proper control system exists for assets to eliminate theft, losses, wastage and misuse, as per the requirement of TR 10.1.
73. The accounting officer did not ensure that immovable assets were transferred on completion in terms of section 42 of the PFMA.

Financial misconduct

74. The accounting officer did not always institute an investigation within 30 days from the date of discovery of alleged financial misconduct, as per the requirements of TR 4.1.2.

Service delivery

75. The department did not properly dispose of medical waste and deal with expired medicine as required by section 20(5) of the National Environmental Management Act, 1998 (Act No. 107 of 1998) and regulation 22 of the Medicines and Related Substance Control Act, 1965 (Act No. 101 of 1965).

Predetermined objectives


76. Actual outputs reported in the quarterly reports were different from the actual outputs reported in the annual report. Therefore, the department did not facilitate effective performance monitoring as required by TR 5.3.1 and chapter 2 of the Framework for Managing Programme Performance Information.

INTERNAL CONTROL

- 7 7 . 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 for qualified opinion, the findings on the annual performance report and the findings on compliance with laws and regulations included in this report.


Leadership

78. The department has not established an environment and culture that are conducive to good accountability and service delivery through positive attitude, integrity, competence and ethical behaviour. This was further impacted by the fact that most of the top management positions within the department have not been filled and there were numerous changes in top management during the year under review.
79. Accountability to the public is not emphasised and quality is not understood by all to be a prerequisite and is not embedded in the department's values. There was no adequate performance management system in place and, as a result, there were no consequences for poor performance and disciplinary action was not always taken.
80. The department does not exercise oversight responsibility over reporting, compliance with laws and regulations and internal control due to the instability between the political and administrative functions. As a result, personnel are not aware of the allocation of duties, responsibilities and lines of reporting. Furthermore, policy documents and job descriptions are not rolled out to all staff and lower level staff do not have an understanding of the impact that their duties and the non-performance thereof has on the organisation.
81. Actions are not taken to address the risks relating to the achievement of complete and accurate financial and performance reporting. Control weaknesses are not analysed and appropriate follow-up actions are not taken that address the root causes. Furthermore, the internal and external audit findings are not adequately addressed.

- 
82. An assessment of human resource management has identified the following deficiencies:
- The senior management vacancy rate increased from 10,5% in the previous year to 14,5% in the current year and positions in senior management were vacant for more than 12 months.
 - Positions in the internal audit and nursing section were vacant for more than 12 months.
 - Employees received more incapacity, family responsibility and special leave than they were entitled to.
 - Employees were on suspension with pay for more than 30 days and certain suspensions for longer than 30 days were not reviewed regularly.
83. The commitment to quality is not communicated clearly as systems are not all documented in the policy and procedure manuals. There are inadequate monitoring processes in place to ensure compliance with policies and procedures, and, when monitoring does take place, the results are not routinely communicated to all managers and staff. There is also a culture of non-adherence to policies and procedures within the organisation and management does not take adequate disciplinary action against officials who fail to comply. Furthermore, the accounting officer does not evaluate whether management has implemented effective internal controls and senior management has not fulfilled their duties and responsibilities.
84. There is no IT governance framework in place and consequently the IT risk and control framework has not been adopted. This is due to the lack of sufficient resources (funds, staff and skills) at the department to undertake the design and implementation of IT governance framework, as the current staff complement is entirely involved in ensuring effective daily IT operation at the department and its branches.

Financial and performance management

85. The department does not have proper record keeping and record management, resulting in documents supporting the amounts in the financial statements not being properly filed and easily retrievable. There were numerous delays by the department in providing the requested information for audit purposes and, in some cases, information was only provided in response to an exception that was raised. Information that was submitted for audit purposes such as payment batches, employee files and patient files were also not always complete, which resulted in a scope limitation being placed on the audit.
86. Furthermore, certain information and schedules relating to the disclosure items in the financial statements were only compiled after year-end and made available for audit purposes with the submission of the annual financial statements on 31 May 2011. As a result, it was not possible to allow the department to make all adjustments to the financial statements.
87. Quality, reliable monthly financial statements and management information are not prepared by the department as staff do not fulfil their duties and responsibilities. Although interim financial statements were prepared, no reliance could be placed on these financial statements as they were incomplete and inaccurate. The entity does not have enough competent individuals who understand the financial reporting framework and performance management requirements, which resulted in pertinent information not being identified and captured in a form and time frame to support financial and performance reporting.
88. Security management controls, which should prevent unauthorised access to the application system that generates the information used to prepare the financial statements, had not been adequately designed/effectively implemented in some instances. This is reflected by the fact that the IT security policy is in draft form and is not supported by standard operating procedures which address operating system security, database security, and patch management.
89. There are no formally approved departmental user account management policies and procedures for BAS, LOGIS, PERSAL and BECS. Reliance is placed on transversal systems user account management policies developed by the National Treasury, but not customised and adopted by the department for their processes.

- 
90. IT service continuity controls that ensure the availability of financial and performance information in instances of data loss or a disaster, had not been adequately designed. This is due to the lack of sufficient resources (funds, staff and competence) at the department to undertake the design and implementation of IT service continuity capability.
91. There is no formal departmental change management policy. This is attributed to the lack of skills and resources to develop these procedures and ensure that they contain all necessary checks and balances within the department. The impact of this on the integrity of financial information is minimal since change management for the financial systems is managed at national level; however, it might impact negatively on performance/operational information due to servers being hosted locally.
92. The department relies on manual systems for the preparation of the asset register, commitments, accruals, receivables for departmental revenue and certain other disclosures that are required for the financial statements. The manual systems are not adequate to support the nature and size of the department as well as the preparation of the financial statements and performance reports, resulting in qualifications on these account balances in the audit report.
93. The department does not have adequate budgeting processes in place. This is evidenced by the overspending of main divisions within the vote and the related unauthorised expenditure which has been incurred by the department.
94. The department does not have adequate processes in place to identify all related parties. Furthermore, there is no policy regarding related parties and the recognition, recording and disclosure thereof.
95. The department does not have processes in place to ensure compliance with laws and regulations and the department has therefore failed to comply with all requirements of the PFMA, TRs and PSRs.
96. The financial statements and other information to be included in the annual report were not reviewed for completeness and accuracy prior to submission for audit purposes. This resulted in the financial statements and performance information being subject to material amendments resulting from the audit process. Had these changes not been effected, this would have resulted in additional qualification paragraphs being reported in the audit report.

Governance

97. Although the department does have a formal risk assessment process, this was only instituted during the year under review. The entity does not identify risks relating to the achievement of financial and performance reporting objectives and the risk of material misstatement due to fraud is not adequately considered. Evidence that the department has clearly communicated its objectives, indicators and targets to all employees was not provided for audit purposes and feedback to management signifying that the communication has been effective was also not obtained.
98. The implementation of the department's fraud prevention plan was stalled due to a shortage of funds. This plan has also not been effective in preventing fraud within the department as numerous cases of fraud have been identified. Furthermore, segregation of duties to prevent fraudulent data and misappropriation of assets is not adequate.
99. The department has also not taken adequate disciplinary action in response to fraud which has been identified and cases are not always investigated and resolved within a reasonable time frame. The department has also failed to take action against officials who made or permitted any fruitless and wasteful or irregular expenditure.
100. Although the department has an internal audit function that inspects the adequacy and implementation of internal control, ongoing monitoring and supervision are not undertaken to enable an assessment of the effectiveness of internal control over the financial and performance reporting. Management of the

department failed to respond to the internal audit findings and, based on the follow-up audits and reports that were issued, the weaknesses identified by the internal audit were not adequately addressed.

101. Information was not always provided by management to the audit committee and information that was provided was not always accurate and complete. Recommendations made by the audit committee were not always followed and implemented by management and no action was taken against the responsible officials. This resulted in the audit committee's efforts being rendered ineffective.
102. The audit committee did not adequately monitor the implementation of internal and external audit recommendations, resulting in prior year qualifications being reported again in the current financial year. The financial statements and performance reports were reviewed by the audit committee, however, numerous changes were still made to the financial statements as a result of the audit process.

OTHER REPORTS

Investigations

103. The department has engaged a consortium of independent consulting firms to investigate a number of allegations relating to procurement fraud, corruption, maladministration, financial irregularities, financial misconduct, theft, fraud, misappropriation of assets, human resource related matters, nepotism and arson.
104. As disclosed in note 8.2 to the accounting officer's report, there were 46 cases that were completed, two awaiting confirmation of debt recovery, eight awaiting outcome of the disciplinary hearings, 40 still in the investigation phase, five in the preliminary phase, 11 in the reporting phase and one that has been handed over to the South African Police Services. There were also a further 17 cases that are being investigated by other units within the department.

Performance audits

- 105A performance audit on infrastructure was completed during the current financial year. A performance audit is currently being performed which relates to the readiness of the department to report on its performance information.

Auditor-General

East London
29 July 2011



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

**PROVINCE OF THE EASTERN CAPE DEPARTMENT OF HEALTH
VOTE 3**

**APPROPRIATION STATEMENT
for the year ended 31 March 2011**

Appropriation per programme									
Programmes	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. Health Administration									
Current payment	558,995	-	(39,393)	519,602	516,058	3,544	99.3%	681,177	615,363
Transfers and subsidies	4,523	-	-	4,523	703	3,820	15.5%	1,045	1,063
Payment for capital assets	8,482	-	-	8,482	3,774	4,708	44.5%	10,737	5,734
Payment for financial assets	-	-	-	-	62	(62)	-	-	-
2. District Health Services									
Current payment	5,923,237	(27,260)	117,156	6,013,133	6,166,240	(153,107)	102.5%	4,590,038	5,120,571
Transfers and subsidies	424,095	21,156	-	445,251	427,939	17,312	96.1%	544,649	436,870
Payment for capital assets	25,011	6,104	-	31,115	12,541	18,574	40.3%	27,915	24,460
Payment for financial assets	-	-	-	-	303	(303)	-	-	-
3. Emergency Medical Service									
Current payment	522,961	-	(2,929)	520,032	527,629	(7,597)	101.5%	462,314	465,492
Transfers and subsidies	2,184	-	-	2,184	125	2,059	5.7%	500	115
Payment for capital assets	55,558	-	-	55,558	9,159	46,399	16.5%	33,483	20,229
4. General Hospital Services									
Current payment	3,445,688	-	(12,958)	3,432,730	3,434,501	(1,771)	100.1%	2,779,714	3,242,959
Transfers and Subsidies	15,096	-	-	15,096	13,595	1,501	90.1%	19,605	10,069
Payment for capital assets	48,559	-	-	48,559	32,369	16,190	66.7%	99,119	100,388
Payment for financial assets	-	-	-	-	723	(723)	-	-	-

**PROVINCE OF THE EASTERN CAPE DEPARTMENT OF HEALTH
VOTE 3**

**APPROPRIATION STATEMENT
for the year ended 31 March 2011**

Appropriation per programme									
Programmes	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. Central Hospital Services									
Current payment	557,137	(5,565)	-	551,572	529,431	22,141	96.0%	415,323	415,307
Transfers and Subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	75,094	5,565	-	80,659	65,023	15,636	80.6%	188,006	112,944
6. Health Science and Training									
Current payment	475,734	-	(12,722)	463,012	472,367	(9,355)	102.0%	422,670	431,716
Transfers and subsidies	118,741	-	-	118,741	111,748	6,993	94.1%	92,933	70,775
Payment for capital assets	31,466	-	-	31,466	10,018	21,448	31.8%	40,328	20,201
7. Clinical Support Services									
Current payment	86,592	-	-	86,592	65,708	20,884	75.9%	72,565	56,920
Transfers and subsidies	530	-	-	530	-	530	-	250	-
Payment for capital assets	6,450	-	-	6,450	1,286	5,164	19.9%	2,003	99
8. Health Facilities Development									
Current payment	360,756	(2,935)	(49,154)	308,667	266,450	42,217	86.3%	398,991	293,903
Transfers and subsidies	-	-	-	-	15	(15)	-	-	-
Payment for capital assets	1,093,967	2,935	-	1,096,902	603,577	493,325	55.0%	889,141	642,488
Subtotal Statutory Appropriation	13,840,856	-	-	13,840,856	13,271,344	569,512	95.9%	11,772,506	12,087,666
Current payment	1,492			1,492	1,484	8	99.5%	1,421	1,405
TOTAL	13,842,348	-	-	13,842,348	13,272,828	569,520	95.9%	11,773,927	12,089,071

**PROVINCE OF THE EASTERN CAPE DEPARTMENT OF HEALTH
VOTE 3**

**APPROPRIATION STATEMENT
for the year ended 31 March 2011**

Programmes	2010/11			2009/10	
	Final Appropriation	Actual Expenditure		Final Appropriation	Actual Expenditure
	R'000	R'000		R'000	R'000
TOTAL (brought forward)	13,842,348	13,272,828		11,773,927	12,089,071
Reconciliation with statement of financial performance					
ADD					
Departmental receipts	11,306			12,531	
Direct Exchequer receipts	-			-	
Aid assistance	36,059			-	
Actual amounts per statement of financial performance (total revenue)	13,889,713	13,272,828		11,786,458	12,089,071
ADD					
Aid assistance		12,640			15,492
Direct Exchequer payments					
Prior year unauthorised expenditure approved without funding					
Actual amounts per statement of financial performance (total expenditure)		13,285,468			12,104,563

**PROVINCE OF THE EASTERN CAPE DEPARTMENT OF HEALTH
VOTE 3**

**APPROPRIATION STATEMENT
for the year ended 31 March 2011**

Appropriation per economic classification									
Programmes	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	8,203,300	(9,589)	67,067	8,260,778	8,389,264	(128,486)	101.6%	6,393,878	7,396,072
Goods and services	3,727,800	(26,171)	(67,067)	3,634,562	3,577,468	57,094	98.4%	3,428,914	3,235,133
Interest and rent on land	-	-	-	-	11,652	(11,652)	-	-	10,318
Transfers and subsidies									
Provinces and municipalities	280,311	-	-	280,311	274,281	6,030	97.8%	307,851	201,570
Departmental agencies and accounts	104,738	21,147	-	125,885	124,999	886	99.3%	210,650	210,058
Universities and technikons	130,449	-	-	130,449	123,472	6,977	94.7%	104,451	82,293
Households	49,671	9	-	49,680	31,374	18,306	63.2%	36,030	24,971
Payments for capital assets									
Buildings and other fixed structures	977,141	46,910	-	1,024,051	613,738	410,313	59.9%	962,123	712,317
Machinery and equipment	367,446	(32,306)	-	335,140	124,008	211,132	37.0%	328,609	214,227
Payments for financial assets	-	-	-	-	1,088	(1,088)	-	-	707
Total	13,840,856	-	-	13,840,856	13,271,344	569,512	95.9%	11,772,506	12,087,666

**PROVINCE OF THE EASTERN CAPE DEPARTMENT OF HEALTH
VOTE 3**

**APPROPRIATION STATEMENT
for the year ended 31 March 2011**

Statutory Appropriation per programme									
Programmes	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
Member of executive committee / parliamentary officers	1,492	-	-	1,492	1,484	8	99.5%	1,421	1,405
Total	1,492	-	-	1,492	1,484	8	99.5%	1,421	1,405

**PROVINCE OF THE EASTERN CAPE DEPARTMENT OF HEALTH
VOTE 3**

**APPROPRIATION STATEMENT
for the year ended 31 March 2011**

Statutory Appropriation per economic classification									
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	1,492	-	-	1,492	1,484	8	99.5%	1,421	1,405
Total	1,492	-	-	1,492	1,484	8	99.5%	1,421	1,405

**PROVINCE OF THE EASTERN CAPE DEPARTMENT OF HEALTH
VOTE 3**

**APPROPRIATION STATEMENT
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
I.1 OFFICE OF THE MEC									
Current payment	5,075	-	(1,027)	4,048	3,338	710	82.5%	5,528	4,440
Payment for capital assets	300	-	-	300	197	103	65.7%	370	-
I.2 MANAGEMENT									
Current payment	553,920	-	(38,366)	515,554	512,720	2,834	99.5%	675,649	610,923
Transfers and subsidies	4,523	-	-	4,523	703	3,820	15.5%	1,045	1,063
Payment for capital assets	8,182	-	-	8,182	3,577	4,605	43.7%	10,367	5,734
Payment for financial assets	-	-	-	-	62	(62)			
Total	572,000	-	(39,393)	532,607	520,597	12,010	97.7%	692,959	622,160

**PROVINCE OF THE EASTERN CAPE DEPARTMENT OF HEALTH
VOTE 3**

**APPROPRIATION STATEMENT
for the year ended 31 March 2011**

Programme 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	358,203	-	(39,393)	318,810	318,463	347	99.9%	380,182	379,956
Goods and services	200,792	-	-	200,792	193,783	7,009	96.5%	300,995	229,567
Interest and rent on land	-	-	-	-	3,812	(3,812)	-	-	5,840
Transfers and subsidies to:									
Households	4,523	-	-	4,523	703	3,820	15.6%	1,045	1,063
Payment for capital assets									
Machinery and equipment	8,482	-	-	8,482	3,774	4,708	44.5%	10,737	5,734
Payment for financial assets	-	-	-	-	62	(62)	-	-	-
Total	572,000	-	(39,393)	532,607	520,597	12,010	97.7%	692,959	622,160

**PROVINCE OF THE EASTERN CAPE DEPARTMENT OF HEALTH
VOTE 3**

**APPROPRIATION STATEMENT
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	391,296	(406)	-	390,890	460,878	(69,988)	117.9%	400,269	419,608
Transfers and subsidies	20,288	(303)	-	19,985	14,823	5,162	74.2%	14,630	12,270
Payment for capital assets	10,696	-	-	10,696	4,968	5,728	46.4%	10,500	7,674
Payment for financial assets	-	-	-	-	238	(238)	-	-	-
2.2 COMMUNITY HEALTH CLINICS									
Current payment	1,010,980	16,626	10,696	1,038,302	1,174,595	(136,293)	113.1%	834,187	1,005,714
Transfers and subsidies	280,311	269	-	280,580	274,549	6,031	97.9%	307,851	202,190
Payment for capital assets	50	-	-	50	146	(96)	293.0%	-	128
2.3 COMMUNITY HEALTH CENTRES									
Current payment	592,019	13,572	-	605,591	630,295	(24,704)	104.1%	431,753	547,412
Transfers and subsidies	50	-	-	50	-	50	-	-	15
Payment for capital assets	216	(6)	-	210	384	(174)	182.9%	460	134
Payment for financial assets	-	-	-	-	8	(8)	-	-	-
2.4 COMMUNITY BASED SERVICES									
Current payment	322,895	(30)	-	322,865	340,360	(17,495)	105.4%	310,942	290,902
Transfers and subsidies	-	34	-	34	35	(1)	103.8%	-	96
Payment for capital assets	-	6	-	6	237	(231)	3956.2%	-	52

**PROVINCE OF THE EASTERN CAPE DEPARTMENT OF HEALTH
VOTE 3**

**APPROPRIATION STATEMENT
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
2.2 OTHER COMMUNITY SERVICES									
Current payment	130,149	-	-	130,149	120,450	9,699	92.5%	67,836	33,884
Payment for capital assets	-	-	-	-	-	-	-	-	48
2.6 HIV/AIDS									
Current payment	733,059	(9)	-	733,050	652,522	80,528	89.0%	514,883	420,724
Transfers and subsidies	53,452	9	-	53,461	52,574	887	98.3%	57,987	57,495
Payment for capital assets	2,685	-	-	2,685	706	1,979	26.3%	736	733
2.7 NUTRITION									
Current payment	92,280	(36,023)	-	56,257	56,254	3	100.0%	62,018	51,257
Payment for capital assets	-	-	-	-	-	-	-	6	6
2.8 CORONER SERVICES									
Current payment	66,615	(6,104)	-	60,511	58,494	2,017	96.7%	47,007	47,018
Payment for capital assets	9,967	6,104	-	16,071	4,587	11,484	28.5%	15,140	10,666
2.9 DISTRICT HOSPITALS									
Current payment	2,583,944	(14,886)	106,460	2,675,518	2,672,392	3,126	99.9%	1,921,143	2,304,050
Transfers and subsidies	69,994	21,147	-	91,141	85,958	5,183	94.3%	164,181	164,804
Payment for capital assets	1,397	-	-	1,397	1,512	(115)	108.2%	1,073	5,019
Payment for financial assets	-	-	-	-	57	(57)	-	-	-
Total	6,372,343	-	117,156	6,489,499	6,607,022	(117,523)	101.8%	5,162,602	5,581,901

**PROVINCE OF THE EASTERN CAPE DEPARTMENT OF HEALTH
VOTE 3**

**APPROPRIATION STATEMENT
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	4,216,637	13,081	106,460	4,336,178	4,404,925	(68,747)	101.6%	3,184,751	3,706,366
Goods and services	1,706,600	(40,341)	10,696	1,676,955	1,760,496	(83,541)	105.0%	1,405,287	1,411,794
Interest and rent on land	-	-	-	-	817	(817)	-	-	1,704
Transfers and subsidies to:									
Provinces and municipalities	280,311	-	-	280,311	274,281	6,030	97.8%	307,851	201,570
Departmental agencies and accounts	104,738	21,147	-	125,885	124,999	886	99.3%	210,650	210,058
Universities and technikons	12,708	-	-	12,708	12,708	-	100%	11,518	11,518
Non-profit institutions									
Households	26,338	9	-	26,347	15,952	10,395	60.5%	14,630	13,723
Payment for capital assets									
Buildings and other fixed structures	3,346	6,104	-	9,450	4,194	5,256	44.4%	14,061	11,679
Machinery and equipment	21,665	-	-	21,665	8,347	13,318	38.5%	13,854	12,782
Payment for financial assets	-	-	-	-	303	(303)	-	-	707
Total	6,372,343	-	117,156	6,489,499	6,607,022	(117,523)	101.8%	5,162,602	5,581,901

**PROVINCE OF THE EASTERN CAPE DEPARTMENT OF HEALTH
VOTE 3**

**APPROPRIATION STATEMENT
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 MEDICAL SERVICES									
Current payment	505,199	4,855	-	510,054	517,651	(7,597)	101.5%	445,976	449,437
Transfers and subsidies	2,184	-	-	2,184	125	2,059	5.7%	500	115
Payment for capital assets	54,566	-	-	54,566	9,159	45,407	16.8%	33,483	20,229
3.2 PLANNED PATIENT TRANSPORT									
Current payment	17,762	(4,855)	(2,929)	9,978	9,978	-	100%	16,338	16,055
Payment for capital assets	992	-	-	992	-	992	-	-	-
Total	580,703	-	(2,929)	577,774	536,913	40,861	92.9%	496,297	485,836

**PROVINCE OF THE EASTERN CAPE DEPARTMENT OF HEALTH
VOTE 3**

**APPROPRIATION STATEMENT
for the year ended 31 March 2011**

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	305,274	-	-	305,274	313,855	(8,581)	102.8%	295,732	299,192
Goods and services	217,687	-	(2,929)	214,758	213,723	1,035	99.5%	166,582	163,526
Interest and rent on land	-	-	-	-	51	(51)	-	-	2,774
Transfers and subsidies									
Households	2,184	-	-	2,184	125	2,059	5.7%	500	115
Payment for capital assets									
Buildings and other fixed structures	-	-	-	-	-	-	-	15,000	14,780
Machinery and equipment	55,558	-	-	55,558	9,159	46,399	16.5%	18,483	5,449
TOTAL	580,703	-	(2,929)	577,774	536,913	40,861	92,9%	496,297	485,836

**PROVINCE OF THE EASTERN CAPE DEPARTMENT OF HEALTH
VOTE 3**

**APPROPRIATION STATEMENT
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 (REGIONAL) HOSPITALS									
Current payment	2,685,644	45,425	-	2,731,069	2,729,823	1,246	100%	2,109,616	2,590,117
Transfers and subsidies	13,736	-	-	13,736	13,008	728	94.7%	16,265	9,085
Payment for capital assets	39,838	-	-	39,838	26,251	13,587	65.9%	63,633	72,544
Payment for financial assets	-	-	-	-	723	(723)	-	-	-
4.2 TB HOSPITALS									
Current payment	340,292	(31,750)	(10,696)	297,846	296,642	1,204	99.6%	260,759	260,110
Transfers and subsidies	360	-	-	360	73	287	20.3%	990	20
Payment for capital assets	6,839	-	-	6,839	4,593	2,246	67.2%	32,944	27,352
4.3 PSYCHIATRIC MENTAL HOSPITAL									
Current payment	419,752	(13,675)	(2,262)	403,815	408,035	(4,220)	101.0%	409,339	392,731
Transfers and subsidies	1,000	-	-	1,000	514	486	51.4%	2,350	964
Payment for capital assets	1,882	-	-	1,882	1,525	357	81.0%	2,542	492
Total	3,509,343	-	(12,958)	3,496,385	3,481,188	15,197	99.6%	2,898,438	3,353,416

**PROVINCE OF THE EASTERN CAPE DEPARTMENT OF HEALTH
VOTE 3**

**APPROPRIATION STATEMENT
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	2,851,237	-	-	2,851,237	2,865,735	(14,498)	100.5%	2,116,607	2,588,417
Goods and services	594,451	-	(12,958)	581,493	568,566	12,927	97.8%	663,107	654,541
Interest and rent on land	-	-	-	-	200	(200)	-	-	-
Transfers and subsidies to:									
Households	15,096	-	-	15,096	13,595	1,501	90.1%	19,605	10,070
Payment for capital assets									
Buildings and other fixed structures	-	-	-	-	-	-	-	31,099	27,601
Machinery and equipment	48,559	-	-	48,559	32,369	16,190	66.7%	68,020	72,787
Payment for financial assets	-	-	-	-	723	(723)	-	-	-
Total	3,509,343	-	(12,958)	3,496,385	3,481,188	15,197	99.6%	2,898,438	3,353,416

**PROVINCE OF THE EASTERN CAPE DEPARTMENT OF HEALTH
VOTE 3**

**APPROPRIATION STATEMENT
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 PROVINCIAL TERTIARY SERVICES									
Current payment	557,137	(5,565)	-	551,572	529,431	22,141	96.0%	415,323	415,307
Payment for capital assets	75,094	5,565	-	80,659	65,023	15,636	80.6%	188,006	112,944
Total	632,231	-	-	632,231	594,454	37,777	94.0%	603,329	528,251

**PROVINCE OF THE EASTERN CAPE DEPARTMENT OF HEALTH
VOTE 3**

**APPROPRIATION STATEMENT
for the year ended 31 March 2011**

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	131,134	(20,636)	-	110,498	110,499	(1)	100%	88,412	88,396
Goods and services	426,003	15,071	-	441,074	418,422	22,652	94.9%	326,911	326,911
Interest and rent on land	-	-	-	-	511	(511)	-	-	-
Payment for capital assets									
Buildings and other fixed structures	19,898	4,578	-	24,476	21,271	3,205	86.9%	65,826	43,503
Machinery and equipment	55,196	987	-	56,183	43,751	12,432	77.9%	122,180	69,441
Total	632,231	-	-	632,231	594,454	37,777	94.0%	603,329	528,251

**PROVINCE OF THE EASTERN CAPE DEPARTMENT OF HEALTH
VOTE 3**

**APPROPRIATION STATEMENT
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	291,741	116	(12,722)	279,135	298,421	(19,286)	106,9%	272,833	287,674
Transfers and subsidies	1,000	-	-	1,000	984	16	98.4%	-	-
Payment for capital assets	2,565	-	-	2,565	394	2,171	15.4%	1,700	432
6.2 EMSTRaining COLLEGE									
Current payment	4,900	(116)	-	4,784	3,621	1,163	75.7%	2,632	1,576
6.3 BURSARIES									
Current payment	70,449	-	-	70,449	69,549	900	98.7%	72,518	68,517
Payment for capital assets	-	-	-	-	-	-	-	-	59
6.4 OTHER TRAINING									
Current payment	108,644	-	-	108,644	100,776	7,868	92.8%	74,687	73,948
Transfers and subsidies	117,741	-	-	117,741	110,764	6,977	94.1%	92,933	70,775
Payment for capital assets	28,901	-	-	28,901	9,624	19,277	33.3%	38,628	19,710
Total	625,941	-	(12,722)	613,219	594,133	19,086	96.9%	555,931	522,692

**PROVINCE OF THE EASTERN CAPE DEPARTMENT OF HEALTH
VOTE 3**

**APPROPRIATION STATEMENT
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
Current payments									
Compensation of employees	298,753	-	-	298,753	340,360	(41,607)	113.9%	280,110	294,443
Goods and services	176,981	-	(12,722)	164,259	131,903	32,356	80.3%	142,560	137,273
Interest and rent on land	-	-	-	-	104	(104)	-	-	-
Transfers and subsidies									
Universities and technikons	117,741	-	-	117,741	110,764	6,977	94.1%	92,933	70,775
Households	1,000	-	-	1,000	984	16	98.4%	-	-
Payment for capital assets									
Buildings and other fixed structures	10,134	-	-	10,134	1,993	8,141	19.7%	15,458	8,309
Machinery and equipment	21,332	-	-	21,332	8,025	13,307	37.6%	24,870	11,892
TOTAL	625,941	-	(12,722)	613,219	594,133	19,086	96.9%	555,931	522,692

**PROVINCE OF THE EASTERN CAPE DEPARTMENT OF HEALTH
VOTE 3**

**APPROPRIATION STATEMENT
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 ORTHOTIC AND PROSTHETIC SERVICES									
Current payment	29,335	769	-	30,104	26,585	3,519	88.3%	27,399	26,674
Transfers and subsidies	-	-	-	-	-	-	-	250	-
Payment for capital assets	1,850	-	-	1,850	568	1,282	30.7%	2,003	-
7.2 MEDICINE TRADING ACCOUNT									
Current payment	57,257	(769)	-	56,488	39,123	17,365	69.3%	45,166	30,246
Transfers and subsidies	530	-	-	530	-	530	-	-	-
Payment for capital assets	4,600	-	-	4,600	717	3,883	15.6%	-	99
Total	93,572	-	-	93,572	66,994	26,578	71.6%	74,818	57,019

**PROVINCE OF THE EASTERN CAPE DEPARTMENT OF HEALTH
VOTE 3**

**APPROPRIATION STATEMENT
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	32,888	-	-	32,888	29,568	3,320	89.9%	34,966	27,787
Goods and services	53,704	-	-	53,704	36,141	17,563	67.3%	37,599	29,133
Transfers and subsidies to:									
Households	530	-	-	530	-	530	-	250	-
Payment for capital assets									
Machinery and equipment	6,450	-	-	6,450	1,285	5,165	19.9%	2,003	99
Total	93,572	-	-	93,572	66,994	26,578	71.6%	74,818	57,019

**PROVINCE OF THE EASTERN CAPE DEPARTMENT OF HEALTH
VOTE 3**

**APPROPRIATION STATEMENT
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 FACILITY									
Current payment	260,691	(146,646)	(49,154)	64,891	18,089	46,802	27.9%	24,932	16,084
Payment for capital assets	80,649	-	-	80,649	52,696	27,953	65.3%	153,571	86,726
8.2 DISTRICT HOSPITAL SERVICES									
Current payment	655	-	-	655	1,183	(528)	180.7%	-	-
Payment for capital assets	25,491	-	-	25,491	13,781	11,710	54.1%	12,500	1,700
8.3 PROVINCIAL HOSPITAL SERVICES									
Current payment	58,787	133,663	-	192,450	192,376	74	100.0%	218,298	169,876
Transfers and subsidies	-	-	-	-	6	(6)		-	-
Payment for capital assets	290,917	(76,645)	-	214,272	162,740	51,532	76.0%	279,805	176,502
8.4 EMERGENCY MEDICAL RESCUE									
Current payment	38,468	9,321	-	47,789	54,075	(6,286)	113.2%	155,761	107,943
Transfers and subsidies	-	-	-	-	9	(9)		-	-
Payment for capital assets	679,170	79,563	-	758,733	373,398	385,335	49.2%	443,265	377,560
8.5 OTHER FACILITIES									
Current payments	2,155	727	-	2,882	727	2,155	25.2%	-	-
Payment for capital assets	17,740	17	-	17,757	962	16,795	5.4%	-	-
Total	1,454,723	-	(49,154)	1,405,569	870,042	535,527	61.9%	1,288,132	936,391

**PROVINCE OF THE EASTERN CAPE DEPARTMENT OF HEALTH
VOTE 3**

**APPROPRIATION STATEMENT
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	9,174	(2,034)	-	7,140	5,860	1,280	82.1%	13,118	11,515
Goods and services	351,582	(901)	(49,154)	301,527	254,434	47,093	84.4%	385,873	282,388
Interest and rent on land	-	-	-	-	6,157	(6,157)	-	-	-
Transfers and subsidies									
Households	-	-	-	-	14	(14)	-	-	-
Payment for capital assets									
Buildings and other fixed structures	943,763	36,228	-	979,991	586,280	393,711	59.8%	820,679	606,445
Machinery and equipment	150,204	(33,293)	-	116,911	17,297	99,614	14.8%	68,462	36,043
Total	1,454,723	-	(49,154)	1,405,569	870,042	535,527	61.9%	1,288,132	936,391

**PROVINCE OF THE EASTERN CAPE DEPARTMENT OF HEALTH
VOTE 3**

**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 I (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 I (Annual Appropriation) to the Annual Financial Statements.

3. Detail on financial transactions in assets and liabilities

Detail of these transactions per programme can be viewed in the note 3.3 on Financial transactions in assets and liabilities to the Annual Financial Statements.

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

4.1 Per Programme	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
Health Administration	532,607	520,597	12,010	2.25%

Programme 1's main funding is from Equitable Share. Under-expenditure was caused by insufficient cash flow in the last quarter of the financial year. Affected under-expenditure is in goods and services of R7.0 million, transfers to households of R3.8 million and machinery and equipment of R4.8 million

District Health Services	6,489,499	6,607,023	(117,524)	-1.81%
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Programme 2, being the key service delivery programme, together with the non-subsiding burden of disease, is always faced with the challenge of overspending its budget. The main contributors of the over-expenditure by this programme are goods and services of R83.5 million, in particular medicines, and compensation of employees of R68.7million. As part of the funding of this programme is from Conditional Grants, roll over applications were made for the Comprehensive HIV/AIDS Grant, the Forensic Pathology Grant and the EPWP Conditional Grant. The details of the roll over amounts applied for are given in the Accounting Officer's Report.

Emergency Medical Services	577,774	536,913	40,861	7.07%
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Programme 3 under-spent its budget by R40.9 million. This amount was meant predominantly to buy extra Ambulances required by the Department. The unconverted vehicles were delivered to convertors in February and March 2011. However, due to cash flow challenges experienced at year end, these became the Department's accruals. Service delivery was not adversely affected as these new vehicles were meant to augment / improve the responsiveness of this programme.

PROVINCE OF THE EASTERN CAPE DEPARTMENT OF HEALTH
VOTE 3

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

Provincial Hospital Services	3,496,385	3,481,188	15,197	0.43%
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Programme 4, like the District Hospital Services Programme, is a service delivery programme and is extremely labour-intensive. Overall compensation of employees overspent by R14.5 million; with TB and Psychiatric Hospitals being the main contributors. Under-expenditure took place in machinery and equipment of R15. million. Machinery ordered from overseas arrived too late to be paid in the 2010/11 financial year. This however did not adversely affect service delivery. Goods and services under spent by R12.9million. This was due to cash flow challenges faced at year end.

Central Hospital Services	632,231	594,454	37,777	5.98%
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The under spend of R37.8 million, for which a roll over application has been made, was R22.7 million in goods and services and R15.6 million for payment for capital assets. Machinery ordered by Mthatha Complex was not delivered in time for payment to be settled in the 2010/11 financial year.

Health Science and Training	613,219	594,133	19,086	3.11%
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Although the programme has underspent overall by R19.1 million, compensation of employees was overrun by R41.6 million between Nursing Training Colleges and Other Training sub-programmes. These 2 sub-programmes are the service delivery platform of trained medical personnel produced by the Department. Under expenditure was in goods and services - R32.4 million and payment for capital assets - R21.4 million. The HPTD Grant funds part of Other Training. A roll over application has been made to Treasury for this grant. The details thereof are in the Accounting Officer's Report.

Health Care and Support	93,572	66,994	26,578	28%
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This Programme's main funding is from Equitable Share. Under-expenditure was caused by insufficient cash flow in the last quarter of the financial year. In particular, computer services, contractors, lease payments, operating expenses and property payments account for R10.6 million of the R17.6 million under expenditure in goods and services.

Health Facilities Development and Maintenance	1,405,569	870,042	535,527	38.10%
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Of the under spend of R535.5 million that occurred in this programme, R146.7 million was withheld due to projected under-expenditure by the Hospital Revitalisation and Infrastructure Grant to Provinces Conditional Grants. The Department has applied for roll over's in that respect.

A large extent of the under spend in this programme was as a result of the consequences of ECSCM Circular 9 of 2010/11. Technicalities related to "functionality evaluation" caused the suspension of projects at planning, bid evaluation and bid award stages. Service delivery, both for contractors and the community, were adversely affected.

**PROVINCE OF THE EASTERN CAPE DEPARTMENT OF HEALTH
VOTE 3**

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

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	8,260,778	8,389,264	(128,486)	-1,55%
Goods and services	3,634,562	3,577,468	57,094	1.57%
Interest and rent on land	-	11,652	(11,652)	-
Transfers and subsidies				
Provinces and municipalities	280,311	274,281	6,030	2.15%
Departmental agencies and accounts	125,885	124,999	886	0.70%
Universities and technikons	130,449	123,472	6,977	5.35%
Non-profit institutions				
Households	49,680	31,374	18,306	36.85%
Payments for capital assets				
Buildings and other fixed structures	1,024,051	613,738	410,313	40.07%
Machinery and equipment	335,140	124,008	211,132	63.00%
Payments for financial assets	-	1,088	(1,088)	-

Compensation of employees

The Department over spent its budget for compensation of employees by a net amount of R128.50 million. This was caused mainly by the unfunded carry through costs of the Human Resource Operating Project Team (HROPT), the unfunded / partially funded mandates of Occupation Specific Dispensation payments and the carry through costs related thereto, wherein the respective policy decisions were not aligned with the budget allocations, and the Provincialization of primary health care services in local authorities and state aided hospitals.

Goods and services

Goods and services show under expenditure of R57.1 million. This is in part due to Treasury's decision to release funding for the payment of suppliers from Conditional Grants only. Suppliers were adversely affected by this situation.

Transfers and subsidies

All categories of transfer payments made by the Department show an under spent. This was due to cash flow challenges faced by the Department at year-end.

Payment for capital assets

Apart from challenges experienced with supply chain procedures, ECSCM Circular 9 of 2010/11 contributed to under expenditure on payment for buildings and other fixed structures as well as machinery and equipment. Communities, who are beneficiaries of infrastructure outputs and contractors, who provide services, were adversely affected.

**PROVINCE OF THE EASTERN CAPE DEPARTMENT OF HEALTH
VOTE 3**

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

	Note	2010/11 R'000	2009/10 R'000
REVENUE			
Annual appropriation	1	13,840,856	11,772,506
Statutory appropriation	2	1,492	1,421
Departmental revenue	3	11,306	12,531
Aid Assistance	4	36,059	-
TOTAL REVENUE		13,889,713	11,786,458
EXPENDITURE			
Current expenditure			
Compensation of employees	5	8,390,748	7,397,478
Goods and services	6	3,577,468	3,235,130
Interest and rent on land	7	11,652	10,318
Aid assistance	4	12,640	15,492
Total current expenditure		11,992,508	10,658,418
Transfers and subsidies			
Transfers and subsidies	9	554,126	518,893
Total transfers and subsidies		554,126	518,893
Expenditure for capital assets			
Tangible capital assets	10	737,746	926,545
Total expenditure for capital assets		737,746	926,545
Payments for financial assets			
	8	1,088	707
TOTAL EXPENDITURE		13,285,468	12,104,563
SURPLUS/(DEFICIT) FOR THE YEAR		604,245	(318,105)
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds		569,520	(315,144)
Departmental revenue and NRF Receipts	17	11,306	12,531
Aid assistance	4	23,419	(15,492)
SURPLUS/(DEFICIT) FOR THE YEAR		604,245	(318,105)

**PROVINCE OF THE EASTERN CAPE DEPARTMENT OF HEALTH
VOTE 3**

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

	Note	2010/11 R'000	2009/10 R'000
ASSETS			
Current assets			
Unauthorised expenditure	11	1,188,823	1,071,303
Fruitless and wasteful expenditure	12	3,651	3,651
Cash and cash equivalents	13	26	-
Prepayments and advances	14	-	9
Receivables	15	98,619	92,500
Aid assistance receivable	4	-	8,127
TOTAL ASSETS		1,291,119	1,175,590
LIABILITIES			
Current liabilities			
Voted funds to be surrendered to the Revenue Fund	16	454,928	679,129
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	17	18,215	11,370
Bank overdraft	18	785,165	468,873
Payables	19	5,912	13,386
Aid assistance unutilised	4	15,292	-
TOTAL LIABILITIES		1,279,512	1,172,758
NET ASSETS		11,607	2,832
Represented by:			
Recoverable revenue		11,607	2,832
TOTAL		11,607	2,832

PROVINCE OF THE EASTERN CAPE DEPARTMENT OF HEALTH
VOTE 3

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

	Note	2010/11 R'000	2009/10 R'000
Recoverable revenue			
Opening balance		2,832	3,151
Transfers:		8,775	(319)
Debts recovered (included in departmental receipts)		(731)	(1,408)
Debts raised		9,506	1,089
Closing balance		11,607	2,832
TOTAL		11,607	2,832

**PROVINCE OF THE EASTERN CAPE DEPARTMENT OF HEALTH
VOTE 3**

**CASH FLOW STATEMENT
for the year ended 31 March 2011**

	Note	2010/11 R'000	2009/10 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		13,359,053	11,853,742
Annual appropriated funds received	1.1	13,235,529	11,772,506
Statutory appropriated funds received	2	1,492	1,421
Departmental revenue received	3	85,973	79,815
Aid assistance received	4	36,059	-
Net (increase)/decrease in working capital		(107,685)	(888,841)
Surrendered to Revenue Fund		(385,042)	(213,333)
Current payments		(11,874,988)	(9,784,141)
Payments for financial assets		(1,088)	(707)
Transfers and subsidies paid		(554,126)	(518,893)
Net cash flow available from operating activities	20	436,124	447,827
CASH FLOWS FROM INVESTING ACTIVITIES			
Increase in other financial assets		(23,419)	-
Payments for capital assets	10	(737,746)	(926,545)
Net cash flows from investing activities		(761,165)	(926,545)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		8,775	(319)
Net cash flows from financing activities		8,775	(319)
Net increase/(decrease) in cash and cash equivalents		(316,266)	(479,037)
Cash and cash equivalents at beginning of period		(468,873)	10,164
Cash and cash equivalents at end of period	21	(785,139)	(468,873)

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.

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.

**PROVINCE OF THE EASTERN CAPE DEPARTMENT OF HEALTH
VOTE 3**

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

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 is recognised as a 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 at the end of the financial year 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 notes to the annual financial statements.

Tax revenue

Tax revenue consists of all compulsory unrequited amounts collected by the department in accordance with laws and or regulations (excluding fines, penalties & forfeits). Tax receipts are recognised in the Statement of Financial Performance when received.

Sales of goods and services other than capital assets

The proceeds received from the sale of goods and/or the provision of services is recognised in the Statement of Financial Performance when cash is received.

Fines, penalties & forfeits

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

Interest, dividends and rent on land

Interest, dividends and rent on land is recognised in the Statement of Financial Performance when the cash is received.

Sale of capital assets

The proceeds received on sale of capital assets are recognised in the Statement of Financial Performance when the cash is received.

Financial transactions in assets and liabilities

Repayments of loans and advances previously extended to employees and public corporations for policy purposes are recognised as revenue in the Statement of Financial Performance on receipt of the funds.

ACCOUNTING POLICIES
for the year ended 31 March 2011

Cheques issued in previous accounting periods that expire before being banked are recognised as revenue in the Statement of Financial Performance when the cheque becomes stale. When the cheque is reissued the payment is made from Revenue. Forex gains are recognised on payment of funds.

Transfers received (including gifts, donations and sponsorships)

All cash gifts, donations and sponsorships are paid into the National/Provincial Revenue Fund and recorded as revenue in the Statement of Financial Performance when received. Amounts receivable at the reporting date are disclosed in the disclosure notes to the financial statements.

All in-kind gifts, donations and sponsorships are disclosed at fair value in an annexure to the 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.

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.

**PROVINCE OF THE EASTERN CAPE DEPARTMENT OF HEALTH
VOTE 3**

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

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).

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 R5, 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.

ACCOUNTING POLICIES
for the year ended 31 March 2011

3.4 Payments 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 in 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.

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.

**PROVINCE OF THE EASTERN CAPE DEPARTMENT OF HEALTH
VOTE 3**

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

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 potentially 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.

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.

ACCOUNTING POLICIES
for the year ended 31 March 2011

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.

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.

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.

ACCOUNTING POLICIES
for the year ended 31 March 2011

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.

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

ACCOUNTING POLICIES
for the year ended 31 March 2011

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.

**PROVINCE OF THE EASTERN CAPE DEPARTMENT OF HEALTH
VOTE 3**

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

1. Annual Appropriation

1.1 Annual Appropriation

Included are funds appropriated in terms of the Appropriation Act (and the Adjustments Appropriation Act) for National Departments (Voted funds) and Provincial Departments:

		2010/11		2009/10
	Final Appropriation	Actual Funds Received	Funds not requested/ not received	Appropriation received
	R'000	R'000	R'000	R'000
Health Administration	532,607	531,081	1,526	692,959
District Health Services	6,489,499	6,489,499	-	5,162,602
Emergency Medical Services	577,774	551,065	26,709	496,297
General Hospital Services	3,496,385	3,496,385	-	2,898,438
Central Hospital Services	632,231	594,453	37,778	603,329
Health Science and Training	613,219	607,530	5,689	555,931
Clinical Support Services	93,572	77,821	15,751	74,818
Health Facilities Development and Maintenance	1,405,569	887,695	517,874	1,288,132
Total	13,840,856	13,235,529	605,327	11,772,506

1.2 Conditional Grants

	Note	2010/11 R'000	2009/10 R'000
Total grants received		1,970,847	1,897,341
Provincial grants included in Total Grants received	37	356,165	279,483

2. Statutory Appropriation

Member of executive committee/parliamentary officers	1,492	1,421
Total	1,492	1,421
Actual Statutory Appropriation received	1,492	1,421

**PROVINCE OF THE EASTERN CAPE DEPARTMENT OF HEALTH
VOTE 3**

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

3. Departmental revenue

	Notes	2010/11 R'000	2009/10 R'000
Sales of goods and services other than capital assets	3.1	81,024	73,598
Interest, dividends and rent on land	3.2	(37)	239
Transactions in financial assets and liabilities	3.3	4,986	5,978
Total revenue collected		85,973	79,815
Less: Own revenue included in appropriation	17	(74,667)	(67,284)
Departmental revenue collected		11,306	12,531
3.1 Sales of goods and services other than capital assets			
Sales of goods and services produced by the department	3	80,689	73,408
Sales by market establishment		7,265	4,590
Administrative fees		808	1,196
Other sales		72,616	67,622
Sales of scrap, waste and other used current goods		335	190
Total		81,024	73,598
3.2 Interest, dividends and rent on land			
Interest	3	(37)	239
3.3 Transactions in financial assets and liabilities			
Receivables		1,470	2,359
Stale cheques written back		392	348
Other Receipts including Recoverable Revenue		3,124	3,271
Total		4,986	5,978

**PROVINCE OF THE EASTERN CAPE DEPARTMENT OF HEALTH
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**NOTES TO THE ANNUAL FINANCIAL STATEMENT
for the year ended 31 March 2011**

4. Aid assistance

4.1 Aid assistance received in cash from RDP

Local

	2010/11 R'000	2009/10 R'000
Opening Balance	1,215	1,215
Revenue		
Expenditure		
Current	(1,215)	-
Capital		
Transfers		
Prepayments		
Surrendered to the RDP		
Closing Balance	-	1,215

Foreign

Opening Balance	(9,342)	6,150
Revenue	36,059	-
Expenditure	(11,425)	(15,492)
Current	(11,425)	(15,492)
Capital		
Transfers		
Prepayments		
Surrendered to the RDP		
Closing Balance	15,292	(9,342)

4.2 Total assistance

Opening Balance	(8,127)	7,365
Revenue	36,059	-
Expenditure	(12,640)	(15,492)
Current	(12,640)	(15,492)
Capital		
Transfers		
Prepayments		
Surrendered / Transferred to retained funds		
Closing Balance	15,292	(8,127)

4.3 Analysis of balance

Aid assistance receivable	-	(8,127)
RDP	-	(8,127)
Other sources		
CARA Fund		
Aid assistance unutilised	15,292	-
RDP	15,292	-
Other sources	-	-
CARA Fund	-	-
Closing balance	15,292	(8,127)

**PROVINCE OF THE EASTERN CAPE DEPARTMENT OF HEALTH
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**NOTES TO THE ANNUAL FINANCIAL STATEMENT
for the year ended 31 March 2011**

5. Compensation of employees

	2010/11 R'000	2009/10 R'000
5.1 Salaries and Wages		
Basic salary	5,596,247	5,037,604
Performance award	277	8,268
Service Based	8,307	8,666
Compensative/circumstantial	701,398	584,493
Periodic payments	31,016	38,475
Other non-pensionable allowances	1,025,773	814,568
Total	7,363,018	6,492,074
5.2 Social contributions		
Employer contributions		
Pension	667,843	608,010
Medical	358,696	294,792
UIF	2	-
Bargaining council	1,189	2,602
Total	1,027,730	905,404
Total compensation of employees	8,390,748	7,397,478
Average number of employees	49,417	46,535

**PROVINCE OF THE EASTERN CAPE DEPARTMENT OF HEALTH
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**NOTES TO THE ANNUAL FINANCIAL STATEMENT
for the year ended 31 March 2011**

6. Goods and Services

	Notes	2010/11 R'000	2009/10 R'000
Administrative fees		4,602	3,618
Advertising		5,276	11,268
Assets less than R5,000	6.1	17,909	28,463
Bursaries (employees)		84,934	68,704
Catering		4,373	20,307
Communication		119,641	72,910
Computer services	6.2	25,620	40,522
Consultants, contractors and agency/outsourced services	6.3	1,067,936	1,062,765
Entertainment		96	505
Audit cost – external	6.4	18,834	18,304
Inventory	6.5	1,468,764	1,232,238
Operating leases		389,224	299,703
Owned and leasehold property expenditure	6.6	270,238	236,443
Transport provided as part of the departmental activities		2,736	21,299
Travel and subsistence	6.7	53,478	69,997
Venues and facilities		5,806	9,438
Training and staff development		21,915	22,437
Other operating expenditure	6.8	16,086	16,209
Total		3,577,468	3,235,130
6.1 Assets less than R5,000	6		
Tangible assets		17,909	28,463
Machinery and equipment		17,909	28,463
Total		17,909	28,463
6.2 Computer services	6		
SITA computer services		19,513	38,354
External computer service providers		6,107	2,168
Total		25,620	40,522

**PROVINCE OF THE EASTERN CAPE DEPARTMENT OF HEALTH
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**NOTES TO THE ANNUAL FINANCIAL STATEMENT
for the year ended 31 March 2011**

	Notes	2010/11 R'000	2009/10 R'000
6.3 Consultants, contractors and agency/outsourced services			
	6		
Business and advisory services		74,784	86,134
Infrastructure and planning		3,662	7,827
Laboratory services		528,249	408,974
Legal costs		23,071	40,681
Contractors		265,476	295,127
Agency and support/outsourced services		172,694	224,022
Total		1,067,936	1,062,765
6.4 Audit cost – External			
	6		
Regularity audits		18,708	16,895
Performance audits		126	1,325
Other audits		-	84
Total		18,834	18,304
6.5 Inventory			
	6		
Food and food supplies		124,424	125,496
Fuel, oil and gas		37,123	39,662
Other consumable materials		89,554	87,053
Maintenance material		14,453	17,742
Stationery and printing		34,588	54,912
Medical supplies		413,672	907,373
Medical		754,950	-
Total		1,468,764	1,232,238
6.6 Property payments			
	6		
Municipal services		112,957	74,936
Property payments- other		157,281	161,507
Total		270,238	236,443
6.7 Travel and subsistence			
	6		
Local		53,237	69,719
Foreign		241	278
Total		53,478	69,997
6.8 Other operating expenditure			
	6		
Professional bodies, membership and subscription fees		159	87
Resettlement costs		3,155	5,856
Other		12,772	10,266
Total		16,086	16,209

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7. Interest and Rent on Land			
	Notes	2010/11 R'000	2009/10 R'000
Interest Paid		11,652	10,318
Total		11,652	10,318
8. Payments for financial assets			
Theft	8		-
Other material losses	8.1	1,088	707
Total		1,088	707
8.1 Other material losses	8		
Nature of other material losses			
Incident	Disciplinary Steps taken/ Criminal proceedings		
Theft of Computer	Reported to SAPS	841	554
Theft of Audio Visual equip.	Reported to SAPS	-	25
Theft of Equipment	Reported to SAPS	-	43
Theft of Cell phones	Reported to SAPS	-	25
Theft of Software	Reported to SAPS	-	60
Theft of inventory	Reported to SAPS	247	-
Total		1,088	707
8.2 Receivables for departmental revenue written off			
Nature of losses			
Patient debt		60,080	71,096
Total		60,080	71,096
9. Transfers and subsidies			
Provinces and municipalities	Annex I B	274,281	201,570
Departmental agencies and accounts	Annex I C	124,999	210,058
Universities and technikons	Annex I D	123,472	82,293
Households	Annex I H	31,374	24,972
Total		554,126	518,893

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10. Expenditure for capital assets

	NOTES	2010/11 R'000	2009/10 R'000
Tangible assets		737,746	926,545
Buildings and other fixed structures	36.1	613,738	712,317
Machinery and equipment	34.1	124,008	214,228
Total		737,746	926,545

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

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	737,746	-	737,746
Buildings and other fixed structures	613,738	-	613,738
Machinery and equipment	124,008	-	124,008
Total	737,746	-	737,746

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

Total assets acquired	926,545	-	926,545
Buildings and other fixed structures	712,317	-	712,317
Machinery and equipment	214,228	-	214,228
Total	926,545	-	926,545

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11. Unauthorised expenditure

	Notes	2010/11 R'000	2009/10 R'000
11.1 Reconciliation of unauthorised expenditure			
Opening balance		1,071,303	197,026
Unauthorised expenditure – discovered in current year	16	117,520	874,277
Unauthorised expenditure awaiting authorisation / written off		1,188,823	1,071,303
11.2 Analysis of awaiting authorisation per economic classification			
Current		936,419	818,900
Capital		243,883	243,882
Transfers and subsidies		8,521	8,521
Total		1,188,823	1,071,303
11.3 Analysis of unauthorised expenditure awaiting authorisation per type			
Unauthorised expenditure relating to overspending of the vote or a main division within a vote		1,188,823	1,071,303
Unauthorised expenditure incurred not in accordance with the purpose of the vote or main division		-	-
Total		1,188,823	1,071,303
11.1 Details of unauthorised expenditure – current year			
Incident	Disciplinary steps taken/criminal proceedings		2010/11 R'000
Over expenditure programme 2	Awaiting approval by legislature		117,520
Total			117,520

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12. Fruitless and wasteful expenditure

	2010/11 R'000	2009/10 R'000
12.1 Reconciliation of fruitless and wasteful expenditure		
Opening balance	3,651	3,651
Fruitless and wasteful expenditure awaiting condonement	3,651	3,651
Analysis of awaiting condonement per economic classification		
Current	3,651	3,651
Total	3,651	3,651
13. Cash and cash equivalents		
Cash receipts	4	-
Disbursements	22	-
Total	26	-
14. Prepayments and advances		
Staff advances	-	2
Travel and subsistence	-	7
Total	-	9

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15. Receivables

	Note	Less than one year R'000	2010/11 One to three years R'000	Older than three years R'000	Total R'000	2009/10 Total R'000
Claims recoverable	15.1 Annex 4	507	798	3,789	5,094	6,151
Trade receivables	15.2	453	140	4,755	5,348	5,247
Recoverable expenditure	15.3	23	587	6,744	7,354	5,678
Staff debt	15.4	2,076	2,086	2,468	6,630	5,937
Other debtors	15.5	4,007	21,886	48,300	74,193	69,487
Total		7,066	25,497	66,056	98,619	92,500

	Note	2010/11 R'000	2009/10 R'000
15.1 Claims recoverable	15		
National departments		164	271
Provincial departments		4,930	5,880
Total		5,094	6,151
15.2 Trade receivables	15		
Suppliers		5,348	5,247
Total		5,348	5,247
15.3 Recoverable expenditure (disallowance accounts)	15		
Dishonoured Cheques		87	75
Disallowances damages and losses		512	512
Salary Rebates		6,755	5,091
Total		7,354	5,678
15.4 Staff debt	15		
Private Telephone Calls		182	182
Salary Debt		6,448	5,664
State Guarantee		-	91
Total		6,630	5,937
15.5 Other debtors	15		
Salary & Deductions		66	550
Ex Employees		71,551	63,318
Other debtors		2,576	5,619
Total		74,193	69,487

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16. Voted funds to be surrendered to the Revenue Fund

	Notes	2010/11 R'000	2009/10 R'000
Opening balance		679,129	251,333
Transfer from statement of financial performance		569,520	(315,144)
Add: Unauthorised expenditure for current year		117,520	874,277
Voted funds not requested/not received	11	(605,327)	-
Paid during the year	1.1	(305,914)	(131,337)
Closing balance		454,928	679,129

17 Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund

Opening balance		11,370	13,551
Transfer from Statement of Financial Performance		11,306	12,531
Own revenue included in appropriation	3	74,667	67,284
Paid during the year		(79,128)	(81,996)
Closing balance		18,215	11,370

18. Bank Overdraft

Consolidated Paymaster General Account		785,165	468,873
Total		785,165	468,873

19. Payables - current

Amounts owing to other entities	Annex 5	579	481
Clearing accounts	19.1	1,515	306
Other payables	19.2	3,818	12,599
Total		5,912	13,386

19.1 Clearing accounts

	19		
Salary Garnishee order		-	303
Salary finance and other institutions		1,515	3
Total		1,515	306

19.2 Other payables

	19		
Debt receivable interest		-	8,309
Pension recoverable		3,818	4,188
Salary ACB recall		-	102
Total		3,818	12,599

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20. Net cash flow available fro operating activities

Notes	2010/11 R'000	2009/10 R'000
Net surplus/(deficit) as per Statement of Financial Performance	604,245	(318,105)
Add back non cash/cash movements not deemed operating activities	(168,121)	765,932
(Increase)/decrease in receivables – current	(6,119)	15,683
(Increase)/decrease in prepayments and advances	9	71
Decrease in other current assets	8,127	-
Increase/(decrease) in payables – current	7,818	(30,318)
Expenditure on capital assets	737,746	926,545
Surrenders to Revenue Fund	(385,042)	(213,333)
Voted funds not requested/not received	(605,327)	-
Own revenue included in appropriation	74,667	67,284
Net cash flow generated by operating activities	436,124	447,827

21. Reconciliation of cash and cash equivalents for cash flow purposes

Consolidated Paymaster General account	(785,165)	(468,873)
Cash receipts	4	-
Disbursements	22	-
Total	(785,139)	(468,873)

22. Contingent liabilities and contingent assets

22.1 Contingent liabilities

Liable to	Nature			
Housing loan guarantees	Employees	Annex 3A	12,368	16,561
Claims against the department		Annex 3B	715,563	447,542
Other departments (interdepartmental unconfirmed balances)		Annex 5	9,597	-
Other		Annex 3B	438	445,932
Total			737,966	910,035

22.2 Contingent assets

Nature of contingent asset		
OSD	631	4,782
HROPT	388,985	-
Negative leave balances	12,374	-
AFROX	20,243	-
Total	422,233	4,782

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENT
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OSD for Therapeutic, Diagnostic and Related Allied Health Professional Categories, PHSDSBC Resolution No. 1 of 2010

This is the last OSD to be developed within the public health and social development sector. The OSD is for the health support personnel such as therapists, radiographers, medical physicists and more than 20 other categories that render support to health service delivery.

It was introduced through a collective agreement signed in November of 2010. The OSD has two main phases with the first being the payment of a once-off non-pensionable gratuity of 5% of the basic annual salary for those employees in service as at 30 June 2010.

The payment of the gratuity was done programmatically by National Treasury in-conjunction with the National Department of Health. Following the payment run, a total of 49 exceptions were raised by PERSAL. The analysis of exceptions revealed that these auxiliary workers (on lower categories – not in-scope of the OSD), that received the once-off 5%. These employees seem to have benefited because PERSAL stated their job titles incorrectly. Currently, the department is pursuing the recovery of such over-payment through debt management procedures.

HROPT Contingent liability

The final audit report by Grant Thornton pointed out that there are five (5) employees who qualify for promotion and should be promoted and granted salary back-pay to the value of R438 000. However, the approach adopted by the Eastern Cape Provincial Administration as a whole (with respect to the HROPT) is that the law of prescription should be applied to reject any such claims by employees given that the system of Rank Promotions was phased out in 2001. This is the defence presented by the department in its court papers currently serving before court with respect to the dispute on HROPT. This means, even if there is a potential liability of R438 000, if court finds in the department's favour, that money may not have to be paid.

Contingent Asset of R388 million.

A court hearing was held on 30 May 2011 for presentation of substantive arguments in the case filed by trade unions (on behalf of their members) i.e. HROPT beneficiaries of the 2009 promotions. The court ordered that the application be postponed and a process be followed where an arbitrator is appointed and two advisors, one representative from the department and one by each of the applicant unions. Each individual adversely affected should receive and respond to a letter sent by the department within 21 days setting out the decision taken by the department pursuant to the Grant Thornton investigation. The arbitrator will decide whether an employee has wrongly received remuneration and the department shall forthwith reduce the amounts to be paid to the employee.

The department maintains a position that the money paid is an overpayment which must be recovered in full. This notion was strengthened by the Grant Thornton audit report which found that R388 million paid following the 2009 promotions is irregular and cannot be justified.

AFROX

A settlement agreement was reached with Afrox in terms of the outstanding amount due by the Department. The saving to the Department in terms of the settlement agreement totalled approximately R12.1 million. It was also agreed with Afrox, in terms of the settlement agreement, that a full cylinder count will be conducted to determine cylinder holdings as at 31 March 2011. Afrox undertook to write off all cylinders that were unaccounted for.

Based on the initial cylinder counts it is estimated that the lost cylinder savings will be R20.2 million. The principal and calculation methodology of this recovery has been agreed by PWC with the supplier. The actual will be finalised after an extensive stock count. The number used in this table is our best estimate, based on a preliminary stock count, and is on our opinion fair and reasonable.

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23. Commitments

	2010/11 R'000	2009/10 R'000
Current expenditure		
Approved and contracted	463,791	219,649
Approved but not yet contracted	206,907	-
	670,698	219,649
Capital expenditure		
Approved and contracted	3,988,772	705,818
Approved but not yet contracted	1,795,836	8,568,028
	5,784,608	9,273,846
Total Commitments	6,455,306	9,493,495

24. Accruals

	30 Days	30+ Days	2010/11 R'000 Total	2009/10 R'000 Total
Listed by economic classification				
Goods and services	607,156	245,709	852,865	1,027,387
Transfers and subsidies	460	4,119	4,579	128,694
Buildings and other fixed structures	154,413	20,762	175,175	167,237
Machinery and equipment	23,353	1,595	24,948	8,958
Software and other intangible assets	-	3,437	3,437	102
Total	785,382	275,622	1,061,004	1,332,378

Listed by programme level

Health Administration	373,269	247,918
District Health Services	229,180	500,627
Emergency Medical Services	22,569	3,462
General Hospital Services	73,067	193,969
Central Hospital Services	22,513	-
Health Science and Training	17,185	26,096
Clinical Support Services	138,780	95,921
Health Facilities Development and Maintenance	184,441	264,385
Total	1,061,004	1,332,378
Confirmed balances with other departments	579	481
Total	579	481

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25. Employee benefits

	2010/11 R'000	2009/10 R'000
Leave entitlement	365,535	292,650
Service bonus (Thirteenth cheque)	219,527	194,686
Performance awards	-	819
Capped leave commitments	846,013	858,474
Other	236,670	285,729
Total	1,667,745	1,632,358

26. Lease commitments

26.1 Operating leases expenditure

2010/11

Not later than 1 year	9,948	236,046	245,994
Later than 1 year and not later than 5 years	5,756	453	6,209
Total lease commitments	15,704	236,499	252,203

Buildings and other fixed structures	Machinery and equipment	Total
9,948	236,046	245,994
5,756	453	6,209
15,704	236,499	252,203

2009/10

Not later than 1 year	7,368	361,194	368,562
Later than 1 year and not later than 5 years	4,302	300,851	305,153
Total lease commitments	11,670	662,045	673,715

Buildings and other fixed structures	Machinery and equipment	Total
7,368	361,194	368,562
4,302	300,851	305,153
11,670	662,045	673,715

26.2 Finance leases expenditure

2010/11

Not later than 1 year	17,215	17,215
Later than 1 year and not later than 5 years	23,599	23,599
Total lease commitments	40,814	40,814
LESS: finance costs	(5,236)	(5,236)
Total present value of lease liabilities	35,578	35,578

Machinery and equipment	Total
17,215	17,215
23,599	23,599
40,814	40,814
(5,236)	(5,236)
35,578	35,578

2009/10

Not later than 1 year	9,407	9,407
Later than 1 year and not later than 5 years	8,245	8,245
Total lease commitments	17,652	17,652
LESS: finance costs	(2,255)	(2,255)
Total present value of lease liabilities	15,397	15,397

Machinery and equipment	Total
9,407	9,407
8,245	8,245
17,652	17,652
(2,255)	(2,255)
15,397	15,397

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27. Receivables for departmental revenue

	Notes	2010/11 R'000	2009/10 R'000
Sales of goods and services other than capital assets		68,565	77,445
Total		68,565	77,445

27.1 Analysis of receivables for departmental revenue

Opening balance		77,445	81,904
Less: amounts received		(59,270)	(51,997)
Add: amounts recognised		110,470	118,634
Less: amounts written-off/reversed as irrecoverable	8.2	(60,080)	(71,096)
Closing balance		68,565	77,445

28. Irregular expenditure

28.1 Reconciliation of irregular expenditure

Opening balance		721,257	348,351
Add: Irregular expenditure – relating to current year		152,625	373,128
Less: Amounts condoned		-	(222)
Irregular expenditure awaiting condonation		873,882	721,257

Analysis of awaiting condonation per age classification

Current year	152,625	372,906
Prior years	721,257	348,351
Total	873,882	721,257

28.2 Details of irregular expenditure - current year

Incident	Disciplinary steps taken/criminal proceedings	2009/10 R'000
Non-Compliance SCM-Variou	Under investigation	49,468
Over-spend on COE- Various	Under investigation	103,157
Total		152,625

28.3 Details of irregular expenditure condoned

Incident	2009/10 R'000
Non-Compliance SCM	770,725
Overspend on COE	103,157
Total	873,882

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29. Fruitless and wasteful expenditure

	Notes	2010/11 R'000	2009/10 R'000
29.1 Reconciliation of fruitless and wasteful expenditure			
Opening balance		8,539	14,559
Fruitless and wasteful expenditure – relating to prior year		-	653
Fruitless and wasteful expenditure – relating to current year		23,072	16,800
Less: Amounts condoned		(1,242)	(23,473)
Less: Amounts transferred to receivables for recovery			
Fruitless and wasteful expenditure awaiting condonement		30,369	8,539

29.2 Analysis of awaiting condonation per economic classification

Current	29,754	8,539
Capital	615	-
Total	30,369	8,539

29.3 Analysis of Current year's fruitless and wasteful expenditure

Incident	Disciplinary steps taken/criminal proceedings	
Interest various & Fines	Under investigation	23,072
Total		23,072

30. Key management personnel

	No. of Individuals	2010/11 R'000	2009/10 R'000
Political office bearers (provide details below)	1	1,484	1,405
Officials:			
Level 15 to 16	5	5,876	5,383
Level 14 (incl. CFO if at a lower level)	12	13,372	16,033
Family members of key management personnel		-	-
Total		20,732	22,821

31. Public Private Partnership

Contract fee paid	47,194	42,223
Fixed component	41,721	41,616
Indexed component	5,473	607
Capital/ (Liabilities)	-	13,333
Property	-	13,333

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENT
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I. Humansdorp Hospital Co-Location PPP

The Eastern Cape Department of Health (ECDoH) recognised the potential for the establishment of a private facility in partnership with the existing Humansdorp district hospital, as well as the need to optimally use the available resources at the hospital and allow the development and expansion of the hospital by the private sector.

This led to its decision to embark on a Public Private Partnership, as regulated by the Treasury Regulations to the Public Finance Management Act, No 1 of 1999 through the conclusion of an Agreement on 27 June 2003 with Metro Star Hospital Life Healthcare Ltd (previously Afrox Healthcare Ltd).

Terms of the agreement / Obligations to acquire or build items of property, plant and equipment / other rights and obligations (e.g. major overhauls)

The Project embarked on by the Concessionaire through the conclusion of this Agreement, involves the granting of Concession Rights by the Provincial Government to the Concessionaire against the payment of variable concession fees and:

- the construction of a thirty bed private facility
- 3 bed high care unit
- the enlarging of the current Humansdorp hospital entrance and administration area for use by both Parties
- the enlarging of the casualty and outpatient ward including two consulting rooms and a dentist room
- the building and/or upgrade of two new operating theatres
- a new CSSD
- a new radiology unit
- a new laboratory and
- the refurbishment and upgrade of the existing Humansdorp hospital, which includes:
 - the painting of all interiors and exteriors
 - the reparation and replacement (where necessary) of all ceilings
 - the reparation and replacement (where necessary) of all floors
 - the upgrading of electrical and mechanical installations
 - the upgrading of fire detection and nurse calling units
 - the reparation and replacement (where necessary) of all windows, inclusive of existing specialized units and facilities, to be made available to the private sector party on the basis that the facilities shall consist of those being exclusively used by the private sector and others being jointly used by the Department and the private sector for the duration of this Agreement
- The Concessionaire further provides maintenance and facility management services to the Humansdorp hospital in return for the payment of service payments to the Concessionaire by the Provincial Government.

Nature and extent of rights to use specified assets

As described above.

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Obligations to provide or rights to expect provision of services

The Provincial Government has granted to the Concessionaire, the exclusive right during the Concession Period to:

- o use and operate the project facilities
- o carry out operations to combine the different strengths of both government and private sector for the more efficient utilization of government resources
- o add on existing resources through private sector investment
- o improve maintenance of existing resources through the creation of income generating activities for the benefit of both the Concessionaire and the Department.

And further as provided for in terms of the Agreement:

- o to construct and install the additional project facilities (including the installation of furniture, equipment, fixtures and fittings, as the case may be) strictly in accordance with the design documents and construction requirements;
- o generate, charge and collect revenues from the operation and management of the project facilities during the concession period;
- o use the concession area and project facilities for the purposes of the project, whether exclusively or jointly with the Provincial Government
- o And provide the Services to the Provincial Government against payment of Service Payments in accordance with the Payment Mechanism by the Provincial Government.

Obligation to deliver or rights to receive specified assets at the end of the concession period

The Concessionaire has, and will have, no title, ownership, limited ownership, lien, or leasehold rights or any other rights of title with regard to the existing project facilities which vest and shall remain to vest in the Provincial Government, for the duration of the agreement, as well as after expiry or earlier termination thereof.

The Department shall become owner of all movable additional project facilities with effect from expiry or earlier termination of this agreement and the Department shall become owner of all immovable additional project facilities and additional project facilities which are in any way affixed to the concession area or improvements thereon (such as fixtures, fittings and equipment) as soon as the same are affixed, but excluding such equipment and furniture which are listed and excluded from additional project facilities as defined.

Renewal and termination options

The agreement shall automatically be terminated on expiry of the twenty – one year concession period, unless terminated earlier in accordance with the provisions of the agreement.

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	2010/11 R'000	2009/10 R'000
Contract Fee		
Variable component		
This is based on forecast real profit target		
Contract fee paid – Unitary Charge		
Fixed component		
Building, Mechanical & Electrical Comp	674	754
Cleaning & Domestic	871	527
Gardens & Grounds	234	228
Laundry	310	317
Security	360	341
Waste Management	164	156
Catering Services	595	877
VAT Thereon	-	542
Other Costs	454	-
	3,662	3,742
Capital/(Liabilities)		
Property	-	13,333
Total	3,662	17,075

2. Upgrading and Refurbishment of the Port Alfred & Settlers Hospitals in Port Alfred and Grahamstown and the establishment of co-located private hospital facilities

Description of the arrangement

The concession agreement was signed on the 7th of May, 2007 and incorporates the Port Alfred and Settlers District Hospitals.

It incorporates the financing, design, upgrade and refurbishment of the facilities and provision of operational and associated services including hard and soft facilities management and life-cycle maintenance, refreshment and replacement of selected equipment (including medical equipment, medical instrumentation and Durables), IM&T and furniture at the above-named Hospitals together with the co-location of private hospital facilities to be operated by the Private Party, all in terms of a Public Private Partnership, as regulated by the Treasury Regulations to the Public Finance Management Act, No 1 of 1999.

The Department at year end is currently paying the Unitary Fee on the Port Alfred component of the project and paying the Development Fee on the Settlers component of the project.

The Port Alfred co-location District Hospital was opened by former Health MEC, Ms P Majodina in February 2009 and the Settlers co-location District Hospital was opened by Health MEC, Mr P Masualle in January 2010.

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Terms of the agreement / Obligations to acquire or build items of property, plant and equipment / other rights and obligations (e.g. major overhauls)

Project embarked on by the Concessionaire through the conclusion of this Agreement, involves the granting of Concession Rights by the Provincial Government to the Concessionaire against the payment of variable concession fees and:

- 30 private beds
- Private pharmacy
- Private administration
- Two Private consulting rooms
- 60 public beds
- Public outpatients facility
- Public Pharmacy
- Public administration
- Shared facilities for Labour ward, Maternity ward, Radiology, Casualty, Theatres, CSSD, Kitchen & staff facilities, mortuary, stores, linen areas and plant and workshop areas
- The refurbishment and upgrading of existing facilities at the Port Alfred and Settlers Hospitals includes:
 - o roof construction which will be double pitched timber trusses with concrete roof tiles to suitable pitch;
 - o rainwater goods which are to be fibre cement, positioned to divert rain water from roofs to storm water channels and painted with suitable exterior paint;
 - o Floor construction which is to be concrete surface beds, screened to receive floor finish. Floor finishes and skirting will be suitable for cleaning as per service specification;
 - o brick walls, external and internal to be plastered with one coat of cement plaster and painted with suitable interior and exterior paint;
 - o The ceilings are to be vinyl clad gypsum suspended ceilings with exposed T's suspended from trusses. Flush plastered suspended ceilings in theatres only;
 - o aluminium windows with opening sections where required by regulations and suitable glazing all in accordance with applicable regulations; and
 - o All steel doorframes to be galvanised door frames painted with suitable interior and exterior paint where applicable. Internal doors to be hollow core doors painted with suitable interior paint.

Nature and extent of rights to use specified assets

As described above.

Obligations to provide or rights to expect provision of services

The Provincial Government has granted to the Concessionaire, the exclusive right during the Concession Period to:

- use and operate the project facilities
- carry out operations to combine the different strengths of both government and private sector for the more efficient utilization of government resources;
- add on existing resources through private sector investment; and

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- Improve maintenance of existing resources through the creation of income generating activities for the benefit of both the Concessionaire and the Department.

And further as provided for in terms of the Agreement:

- to construct and install the additional project facilities (including the installation of furniture, equipment, fixtures and fittings, as the case may be) strictly in accordance with the design documents and construction requirements;
- generate, charge and collect revenues from the operation and management of the project facilities during the concession period;
- use the concession area and project facilities for the purposes of the project, whether exclusively or jointly with the Provincial Government; and
- provide the Services to the Provincial Government against payment of Service Payments in accordance with the Payment Mechanism by the Provincial Government.

Obligation to deliver or rights to receive specified assets at the end of the concession period

The rights of use of the Project Site and Facilities afforded to the Private Party shall not confer or be deemed to confer upon the Private Party a right of ownership, mortgage, pledge, lien, a lease, a licence or any other security interest or right of limited ownership in the Project Site or any of the Facilities other than Rights of Way for purposes of performing the Project Deliverables. Title to the Project Site and Facilities, including all improvements thereto, shall at all times vest in the Institution without Encumbrance.

The Private Party shall upon expiry or early termination of this Agreement, subject to the provisions of this Agreement, hand over the Facilities (including the Private Facilities) to the Institution free of any Encumbrance or of any liabilities or debt, and shall not, save as provided for in this Agreement, be entitled to payment of any amounts in connection therewith.

Renewal and termination options

The agreement shall automatically be terminated on expiry of the seventeen year concession period, unless terminated earlier in accordance with the provisions of the agreement.

	2010/11 R'000	2009/10 R'000
Contract Fee		
Contract fee paid		
Fixed component	38,059	41,616
Current expenditure		
Goods and services (excluding leases)	5,473	607

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3. Pharmaceutical Supply Chain Management Services and the Finance, Design, Construction and/or Rehabilitation and Operation and Maintenance of Pharmaceutical Depots and Management Support to the Department

In 2003, the Eastern Cape Department of Health initiated processes in terms of Treasury Regulation 16 to determine the appropriateness of procuring the management of its two pharmaceutical depots and the distribution of pharmaceuticals therefrom to the hospitals, clinics and community health centres in the Province via PPP.

A team of transaction advisors was appointed in June 2003. A feasibility study was completed and the Department's application for Treasury Approval I (TA I) was granted on 08 April 2004.

The project contemplated the following:

- Rehabilitation and upgrade of the Mthatha and Port Elizabeth pharmaceutical depot facilities;
- Operation and maintenance of the upgraded Mthatha and Port Elizabeth facilities;
- Operation of the pharmaceutical supply chain for the Department;
- Supply and distribution of pharmaceuticals to all clinics, community health centres and hospitals in the province;
- Via an appropriate ICT infrastructure, gather, maintain and disseminate information require for the operation of the Department's pharmaceutical supply chain; and
- Provide management support to the Department's main office.

Request for Qualifications were issued in July 2004, which resulted in a short-list of four bidders. Request for Proposals were issued in December 2004 wherein a preferred bidder and reserve bidder were selected.

Negotiations commenced with the preferred bidder; however, the key member of the consortium resigned and the preferred bidder was requested to replace it in terms of the consortium change provisions of the PPP manual. These processes consumed a great deal of time.

However, the negotiations ultimately failed, and in May 2007, they were terminated and the reserve bidder, was invited to negotiate. Negotiations were concluded in early 2009 and the process of reaching financial close commenced.

In the meantime however, the situation in the Eastern Cape was changing in a manner that would ultimately affect the conclusion of the project.

After discussions with internal and external stakeholders and the obtaining of a legal opinion, the Department decided that the risks of proceeding with the contract were too great given the time elapsed and the strong possibility of a challenge by unsuccessful bidders.

Accordingly, the Department informed National Treasury that:

- The Department had decided to terminate the procurement of the pending Pharmaceutical supply chain PPP project; and
- The Department confirmed its intention to update the project's feasibility study and procurement documentation with the intention of commencing on a conventional procurement process as there has been substantial scope changes since the start of the PPP procurement process.

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4. Accommodation for Clinical Staff at St Elizabeth's Hospital (Lusikisiki) PPP

The Department had identified a need for fully serviced accommodation for staff employed at St Elizabeth's Hospital in Lusikisiki. This project accordingly involved the design, construction, financing and administration of accommodation for clinical staff at Saint Elizabeth's Hospital in Lusikisiki.

A protracted impediment in the procurement process has been the lack of agreement from the local Municipality for the Department to acquire the required land adjacent to the hospital.

This has resulted in the de registration of this project from the PPP database in the current financial year, with an option to re – register the project at any stage that the land issue has been resolved.

32. Impairment and other provisions

	2010/11 R'000	2009/10 R'000
Impairment		
Debtors	100,650	60,194
Other	70,333	10,640
Total	<u>170,983</u>	<u>70,834</u>

33. Non-adjusting events after reporting date

Include an estimate of the financial effect of the subsequent non-adjusting events or a statement that such an estimate cannot be made.

Five (5) Provincial Aided Hospitals and the Primary Health Care facilities of 6 (six) municipalities are to be provincialised with effect from 01 April 2011. Information is still being gathered to verify balances in order to quantify the effect of this exercise.

On the night of the 3rd April 2011 a fire broke out at the Mthatha Pharmaceutical Depot in the lower level of the building where the pharmaceutical depot is housed. A section of the building was occupied by the NYANDENI sub-district who had a store wherein pharmaceuticals, surgical, cleaning materials and furniture were kept. Damage to the building was mainly to the lower level; however structural damage did occur on the upper level where the Depot is housed.

All items kept in the general section of the complex store were damaged or destroyed that included the overflow ARV's belonging to the Depot. There was also structural damage to the building.

The value of the damaged/destroyed stock is R 5,3 million.

The case was reported to the local police service and a docket has been opened, a case of arson is being investigated.

Total

**2010/11
R'000**

-

5,300

5,300

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34. Movable Tangible Capital Assets

**MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE
YEAR ENDED 31 MARCH 2011**

	Opening balance	Curr.Year Adjust-ments to prior year balances	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	481,127	18,868	111,555	(649)	610,901
Transport assets	1,046	6,345	706	-	8,097
Computer equipment	51,268	6,394	6,404	(240)	63,826
Furniture and office equipment	24,254	(3,941)	1,680	(29)	21,964
Other machinery and equipment	404,559	10,070	102,765	(380)	517,014
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	481,127	18,868	111,555	(649)	610,901

34.1 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 (Paid current and finance lease payments) R'000	Received current, not paid (Paid current year, received prior year) R'000	Total
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	109,224	1,312	(5,700)	6,719	111,555
Transport assets	6,935	-	-	(6,229)	706
Computer equipment	10,417	18	-	(4,031)	6,404
Furniture and office equipment	2,480	112	-	(912)	1,680
Other machinery and equipment	89,392	1,182	(5,700)	17,891	102,765
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	109,224	1,312	(5,700)	6,719	111,555

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34.2 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
MACHINERY AND EQUIPMENT	-	(649)	(649)	-
Computer equipment	-	(240)	(240)	-
Furniture and office equipment	-	(29)	(29)	-
Other machinery and equipment	-	(380)	(380)	-
TOTAL DISPOSAL OF MOVABLE	-	(649)	(649)	-

34.3 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	281,602	199,762	(237)	481,127
Transport assets	309	737	-	1,046
Computer equipment	27,558	23,913	(203)	51,268
Furniture and office equipment	13,352	10,902	-	24,254
Other machinery and equipment	240,383	164,210	(34)	404,559
TOTAL MOVABLE TANGIBLE ASSETS	281,602	199,762	(237)	481,127

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34.4 Minor Assets

MINOR ASSETS OF THE DEPARTMENT AS AT 31 MARCH 2011

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Minor assets	-	-	-	121,659	-	121,659
TOTAL	-	-	-	121,659	-	121,659
Number of RI minor assets	-	-	-	158,852	-	158,852
Number of minor assets at cost	-	-	-	119,424	-	119,424
TOTAL NUMBER OF MINOR	-	-	-	278,276	-	278,276

MINOR ASSETS OF THE DEPARTMENT AS AT 31 MARCH 2010

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Minor assets	-	-	-	105,595	-	105,595
TOTAL	-	-	-	105,595	-	105,595
Number of RI minor assets	-	-	-	-	-	-
Number of minor assets at cost	-	-	-	205,345	-	205,345
TOTAL NUMBER OF MINOR ASSETS	-	-	-	205,345	-	205,345

35. Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR
ENDED 31 MARCH 2011

	Opening balance	Current Year Adjust-ments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	1,575	(1,115)	14	(34)	440
TOTAL INTANGIBLE CAPITAL ASSETS	1,575	(1,115)	14	(34)	440

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35.1 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	-	14	-	-	14
TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS	-	14	-	-	14

35.2 Disposals

**DISPOSALS OF INTANGIBLE 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
COMPUTER SOFTWARE	-	(34)	(34)	-
TOTAL DISPOSALS OF INTANGIBLE CAPITAL ASSETS	-	(34)	(34)	-

35.3 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
CAPATALISED DEVELOPMENT COSTS	879	756	(60)	1,575
COMPUTER SOFTWARE	879	756	(60)	1,575
TOTAL INTANGIBLE CAPITAL ASSETS	879	756	(60)	1,575

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36. 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	-	-	-	-	-
Dwellings	-	-	-	-	-
Non-residential buildings	-	-	-	-	-
Other fixed structures	-	-	-	-	-
TOTAL IMMOVABLE TANGIBLE CAPITAL	-	-	-	-	-

35.1 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)	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
BUILDING AND OTHER FIXED STRUCTURES	613,738	-	(613,738)	-	-
Dwellings	-	-	-	-	-
Non-residential buildings	613,738	-	(613,738)	-	-
Other fixed structures	-	-	-	-	-
TOTAL ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS	613,738	-	(613,738)	-	-

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35.2 Movements 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
BUILDING AND OTHER FIXED STRUCTURES	-	-	-	-
Dwellings	-	-	-	-
Non-residential buildings	-	-	-	-
Other fixed structures	-	-	-	-
TOTAL IMMOVABLE TANGIBLE ASSETS	-	-	-	-

In terms of the constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), the President has allocated a functional mandate to the Department of Public Works to be the custodian and manager of all national governments' fixed assets, for which other legislation does not make another department or institution responsible. This mandate is also confirmed through the Appropriation Act. The State Land Disposal Act, 1961 (Act No. 48 of 1961) furthermore mandates the Minister of Public Works to carry out certain functions

Cash expenditure relating to buildings and other fixed structures of R613 million as disclosed in note 37 to the annual financial statements relates to purchases of land and improvements to land and buildings. In terms of the legislation mentioned above, the land on which these improvements took place is owned by the Department of Public Works, and therefore these improvements to immovable property do not accrue to the Department of Health. These improvements therefore will be reflected in the register of Public Works as the ownership of land vests with the department of Public Works and are not reflected as immovable tangible capital assets in note 37 to the annual financial statements.

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

NAME OF DEPARTMENT	GRANT ALLOCATION					SPENT			2009/10	
	Division of Revenue Act Provincial Grant	Roll Overs	DORS 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	557,137	75,094	-	-	632,231	594,454	594,454	100%	603,329	528,235
Health Professionals and Development Grant	160,444	46,754	-	-	207,198	182,320	182,320	100%	171,106	124,352
Hospital Revitalisation Grant	360,660	78,875	-	-	439,535	168,610	168,610	100%	282,987	204,048
Comprehensive HIV/AIDS	690,940	67,187	-	1,000	759,127	700,216	700,216	100%	493,702	425,817
Forensic Pathology	69,345	7,237	-	-	76,582	63,070	63,070	100%	61,214	53,882
Infrastructure grant to provinces	331,782	24,383	-	-	356,165	256,165	278,691	109%	279,483	255,100
2010 World Cup Health Preparation Strategy Grant	-	-	-	-	-	-	-	-	4,345	-
EPWP Incentive Social Cluster	6,012	-	-	-	6,012	6,012	6,012	100%	1,175	-
EPWP Incentive	27,647	-	-	-	27,647	-	26,187	100%	-	-
TOTAL	2,203,967	299,530	-	1,000	2,504,497	1,970,847	2,019,560	100%	1,897,341	1,591,434

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

NAME OF MUNICIPALITY	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
Nelson Mandela Metro	107,067	-	-	107,067	107,067	100%	107,067	107,067	100%	38,785
Amahlathi	2,304	-	(794)	1,510	1,510	100%	1,510	1,510	100%	2,093
Baviaans	620	-	(242)	378	378	100%	378	378	100%	524
Blue Crane route	4,845	-	(325)	4,520	4,520	100%	4,520	4,520	100%	1,214
Buffalo City	48,207	-	-	48,207	47,307	98%	47,307	47,307	100%	25,802
Camdeboo	3,033	-	(1,447)	1,586	1,586	100%	1,586	1,586	100%	2,200
Gariep	4,280	-	(708)	3,572	2,363	66%	2,363	2,363	100%	3,277
Ikhwezi	755	-	(120)	635	635	100%	635	635	100%	216
Inxuba Yethemba	2,891	-	(881)	2,010	2,010	100%	2,010	2,010	100%	3,153
King Sabatha Dalidyebo	9,559	-	-	9,559	8,607	90%	8,607	8,607	100%	16,209
Kouga	2,352	-	(1,146)	1,206	1,206	100%	1,206	1,206	100%	361
Lukhanji	6,682	-	-	6,682	5,576	83%	5,576	5,576	100%	9,910
Makana	4,579	-	(1,035)	3,544	3,544	100%	3,544	3,544	100%	3,780
Maletswai	3,512	-	(1,026)	2,486	2,486	100%	2,486	2,486	100%	2,015

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**ANNEXURE 1B - (continue)
STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES**

NAME OF MUNICIPALITY	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
Matatiele/Qaukeni	3,932	-	(1,159)	2,773	2,773	100%	2,773	2,773	100%	595
Mnquma	3,755	-	(1,696)	2,059	2,059	100%	2,059	2,059	100%	2,429
Ndlambe	3,255	-	(1,073)	2,182	2,182	100%	2,182	2,182	100%	3,040
Nkonkobe	3,871	-	(162)	3,709	3,709	100%	3,709	3,709	100%	2,149
Nxuba	3,654	-	(711)	2,943	2,943	100%	2,943	2,943	100%	2,771
Sakhisizwe	2,143	-	(434)	1,709	1,709	100%	1,709	1,709	100%	245
Senqu	968	-	(580)	388	388	100%	388	388	100%	540
Sundays River Valley	2,548	-	(895)	1,653	1,653	100%	1,653	1,653	100%	2,293
Amathole District Municipality	18,809	-	(5,369)	13,440	13,440	100%	13,440	13,440	100%	6,877
Cacadu DM	9,340	-	19,803	29,143	29,143	100%	29,143	29,143	100%	45,911
Chris Hani DM	10,296	-	-	10,296	9,940	97%	9,940	9,940	100%	20,001
Ukhahlamba DM	17,054	-	-	17,054	15,547	91%	15,547	15,547	100%	5,180
TOTAL	280,311	-	-	280,311	274,281	98%	274,281	274,281	100%	201,570

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

DEPARTMENT / AGENCY / ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2009/10
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of available funds transferred	Final Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	
Aberdeen	(6,083)	-	7,315	1,232	1,232	100%	6,531
Adelaide	16,405	-	-	16,405	16,405	100%	15,609
BJ Vorster	2,359	-	-	2,359	2,359	100%	9,479
Dordrecht	2,659	-	-	2,659	2,659	100%	8,583
Indwe	10,752	-	-	10,752	10,752	100%	10,739
Jamestown	-	-	370	370	370	100%	4,883
Jansenville	8,048	-	-	8,048	8,048	100%	7,658
Komga	(221)	-	1,725	1,504	1,504	100%	5,725
Lady Grey	11,158	-	-	11,158	11,158	100%	10,616
Maclear	-	-	864	864	864	100%	12,387
Molteno	8,680	-	700	9,380	9,380	100%	8,259
Newhaven	-	-	-	-	-	-	6,884
St Francis	1,765	-	-	1,765	1,765	100%	6,699
Sterkstroom	5,248	-	-	5,248	5,248	100%	4,993
Stutterheim	(6,472)	-	8,134	1,662	1,662	100%	17,908
Sundays River	-	-	968	968	968	100%	10,625
Tarkastad	9,696	-	-	9,696	9,696	100%	9,225
Willowmore	-	-	1,071	1,071	1,071	100%	7,277
Hospices	40,744	-	-	40,744	39,858	98%	45,978
TOTAL	104,738	-	21,147	125,885	124,999	99%	210,058

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

UNIVERSITY/TECHNIKON	TRANSFER ALLOCATION				TRANSFER			2009/10
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Amount not Transferred	% of available funds transferred	Final Appropriation Act
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
Walter Sisulu University	113,716	-	-	113,716	113,708	8	0%	82,293
Nelson Mandela Metropolitan University	2,000	-	-	2,000	-	2,000	-	-
Univeristy of Fort Hare	10,875	-	-	10,875	5,906	4,969	84%	-
Rhodes Universtity	3,858	-	-	3,858	3,858	-	-	-
TOTAL	130,449	-	-	130,449	123,472	6,977	6%	82,293

**PROVINCE OF THE EASTERN CAPE DEPARTMENT OF HEALTH
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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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**ANNEXURE 1H
STATEMENT OF TRANSFERS TO HOUSEHOLDS**

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2009/10
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of available funds transferred	Final Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
Districts	26,338	-	-	26,338	15,952	61%	13,723
Clinical H/Comp	15,096	-	-	15,096	13,595	90%	10,070
Other	7,237	-	-	7,237	1,827	25%	1,178
Total	48,671	-	-	48,671	31,374	64%	24,971

**PROVINCE OF THE EASTERN CAPE DEPARTMENT OF HEALTH
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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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**ANNEXURE II
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED**

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2010/11 R'000	2009/10 R'000
Received in kind			
National Health Laboratory Services	Computer Equipment	-	352
Broad reach Health Care	Small assets and Stationery	9,476	3,036
Broad reach Health Care	Technical assistance	-	6,179
Crazy Cow Company	Assets – TV and DVD's Children's ward	-	1
National Department of Health	Fridges donated for vaccination campaign	-	3,103
Italian Corporation	Various assets donated to HO SOP, International Liaison Office	-	558
Italian Corporation	Technical assistance	-	1,373
ASPEN	Golf shirts	-	27
PRIMEDIA	Plasma TV Screen	-	6
MMDP Quantity Surveyors	Printing of certificates	-	1
Copy World	Printing of Certificates	-	5
Roche Products	Computer to be used for Radiotherapy	-	1
Medical Dep	TV, Kettle, Microwave donated to doctors	-	4
Wheelchair Foundation	Wheelchairs donated to patients	-	12
Dr Morel	Ultrasound machine-placement of nerve blocks	-	140
School of International Training	TV and DVD player for patient entertainment	-	1
African Health Placements	Edblo base sets, duvet covers, paint, vinyl	-	10
African Health Placements	Desktop for HIV Unit	-	5
Carl and Family Fuchs Foundation	Aeris compressor, other machinery, flights	-	168
Indwe Risk Services	Renovation of children's ward	-	5
VODACOM Company	192 Full HD, 52 inch LCD display, studio cardio condenser	23	249
That's Tuberculosis HIV and AIDS	Park home – TB and HIV integration	-	834

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

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2010/11 R'000	2009/10 R'000
Lomnin Platinum Mine	Assets – Desktop	-	14
Fishers Bedroom Boutique	Various assets – TV's and DVD Players	-	16
RAMAS	Water dispensers	-	24
Bears	Assets – TV's	-	4
Cartcath School	Cash, children's clothes	-	1
Albany Business	Assets	-	3
MAKRO	Microwave	-	1
Japan International Cooperation Agency	Compensation of expert for equipment maintenance and associated costs	-	1,736
Africare	Various assets	1	-
Country yard hotel	Voucher for staff awards	1	-
EDGARS	Baby clothing	1	-
International Eye care Centre	Eye Care	4	-
JABULANI Rural Health Foundation	Small assets and stipends	174	-
M.B.K.Agency	Stationary	-	-
METHODIST CHURCH	Consumables	1	-
N.M.M.U	Vouchers	10	-
OLD MUTUAL	Various assets	12	-
PARMALAT	Food vouchers	30	-
UNIVERSITY RESEARCH COOPERATION	Various assets	33	-
NETHERLANDS	Various assets	30	-
FRIENDS OF HOSPITAL BOARDS	Various assets	19	-
NESTLE	Various assets	58	-
SORTED SYSTEM SOLUTIONS	DVD Player	-	-

**PROVINCE OF THE EASTERN CAPE DEPARTMENT OF HEALTH
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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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**ANNEXURE II
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED**

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2010/11 R'000	2009/10 R'000
SMALL PROJECT FOUNDATION	Various assets	80	-
BOARD OF TRUSTEES	Various assets	96	-
GREY CLUSTER BOARD	Various assets	-	-
SAVOY HOTEL	Various assets	3	-
MASIVUSE MEDICAL	Medical Equipment	192	-
ROTARY CLUB	Upgrade of Eye Care	367	-
E.C. PREMIER'S OFFICE	Ultra Sound machine	353	-
ASTRAZENECA	Medical Equipment	21	-
PMTC	TV	14	-
CHOC	TV and cardiac monitor	70	-
Transcape	Prefabs	120	-
Incredible Connection	Projector	2	-
TOTAL		11,191	17,869

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**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					
European Union	Partnership for the delivery of primary health care including HIV/AIDS in the Eastern Cape	(6,980)	36,059	12,640	16,439
Global Fund	Programme to support the ECDOH in the prevention and control of communicable diseases	(1,147)	-	-	(1,147)
Subtotal		(8,127)	36,059	12,640	15,292

**PROVINCE OF THE EASTERN CAPE DEPARTMENT OF HEALTH
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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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**ANNEXURE 3A
STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2011 – LOCAL**

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount R'000	Opening balance 1 April 2010	Guarantees draw downs during the year R'000	Guarantees repayments/ cancelled/ reduced/ released during the year R'000	Revaluations R'000	Closing balance 31 March 2011 R'000	Guaranteed interest for year ended 31 March 2011 R'000	Realised losses not recoverable i.e. claims paid out R'000
ABSA	Housing		4,941	-	-	-	4,941	-	-
Standard Bank	Housing		2,664	-	(1,297)	-	1,367	-	-
Nedbank	Housing		734	3	(1,425)	-	(688)	-	-
Nedbank (BOE)	Housing		90	-	(43)	-	47	-	-
BOE Bank Ltd	Housing		25	-	(244)	-	(219)	-	-
Nedbank LTD (NBS)	Housing		1,029	-	-	-	1,029	-	-
FNB (Firststrand)	Housing		2,351	-	(171)	-	2,180	-	-
FNB (Saambou Bank)	Housing		418	-	(383)	-	35	-	-
Peoples Bank (FBC Fid)	Housing		855	-	(56)	-	799	-	-
GBS Mutual	Housing		142	-	(115)	-	27	-	-
Hlalo Financial Services	Housing		13	-	-	-	13	-	-
Meeg	Housing		75	-	-	-	75	-	-
Southnet Financial Services	Housing		10	-	-	-	10	-	-

**PROVINCE OF THE EASTERN CAPE DEPARTMENT OF HEALTH
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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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**ANNEXURE 3A - (continue)
STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2010 – LOCAL**

Guarantor institution		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
Old Mutual (Nedbank)	Housing		2,726	-	-	-	2,726	-	-
Investec	Housing		57	14	(421)	-	(350)	-	-
NHFC	Housing		25	-	-	-	25	-	-
UNIQUE	Housing		333	-	-	-	333	-	-
SA Home Loans	Housing		73	-	(55)	-	18	-	-
	Total		16,561	17	(4,210)	-	12,368	-	-

**PROVINCE OF THE EASTERN CAPE DEPARTMENT OF HEALTH
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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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**ANNEXURE 3B
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2011**

Nature of Liability	Opening Balance 1 April 2010 R'000	Liabilities incurred during the year R'000	Liabilities paid/cancelled/reduced during the year R'000	Liabilities recoverable (Provide details hereunder) R'000	Closing Balance 31 March 2011 R'000
Claims against the department					
Legal Claims	447,542	284,245	(16,224)	-	715,563
Subtotal	447,542	284,245	(16,224)	-	715,563
Other					
OSD	25,071	-	(25,071)	-	-
HROPT	420,861	438	(420,861)	-	438
Subtotal	445,932	438	(445,932)	-	438
TOTAL	893,474	284,683	(462,156)	-	716,001

**PROVINCE OF THE EASTERN CAPE DEPARTMENT OF HEALTH
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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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**ANNEXURE 4
CLAIMS RECOVERABLE**

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2011 R'000	31/03/2010 R'000	31/03/2011 R'000	31/03/2010 R'000	31/03/2011 R'000	31/03/2010 R'000
Department						
EC:Department of Education	-	-	120	112	120	112
Health KZN	-	3,438	2,660	-	2,660	3,438
Health NW	-	-	72	-	72	-
EC:Department of Sport, Recreation,Arts and Culture	-	-	-	8	-	8
Mpumalanga:Health and Social	-	-	69	142	69	142
Department of Health:Gauteng	-	448	524	33	524	481
Department of Health:Limpopo	-	-	100	159	100	159
Department of Public Works	-	-	240	254	240	254
Free State:Health	-	-	21	21	21	21
EC Social development	-	-	32	-	32	-
SAPS	-	-	30	62	30	62
Correctional Services:National Department	-	-	93	94	93	94
Public Works:National Department	-	-	7	7	7	7
Justice:National Department	-	-	25	43	25	43
Office of the Premier:EC	-	-	-	36	-	36

**PROVINCE OF THE EASTERN CAPE DEPARTMENT OF HEALTH
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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2011**

**ANNEXURE 4 - (continue)
CLAIMS RECOVERABLE**

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2011 R'000	31/03/2010 R'000	31/03/2011 R'000	31/03/2010 R'000	31/03/2011 R'000	31/03/2010 R'000
Northern Cape Department of Health	-	-	-	92	-	92
Conversions	-	-	980	980	980	980
Legislature	-	-	-	74	-	74
Economic Affairs EC	-	10	-	-	-	10
Housing EC	-	8	-	-	-	8
Home Affairs	-	-	9	9	9	9
Education WC	-	-	-	17	-	17
Health WC	-	-	-	48	-	48
SASSA:EC	-	-	112	-	112	-
Subtotal	-	3,904	5,094	2,191	5,094	6,095
Other Government Entities						
SASSA:NATIONAL	-	-	-	11	-	11
SANDF	-	-	-	45	-	45
Subtotal	-	-	-	56	-	56
TOTAL	-	3,904	5,094	2,247	5,094	6,151

**PROVINCE OF THE EASTERN CAPE DEPARTMENT OF HEALTH
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**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 R'000	31/03/2010 R'000	31/03/2011 R'000	31/03/2010 R'000	31/03/2011 R'000	31/03/2010 R'000
DEPARTMENTS						
Current						
WC Health	35	168	-	-	35	168
EC Treasury	7	167	-	-	7	167
Health North West	6	6	-	-	6	6
Free State Health	-	15	-	-	-	15
SAPS	14	10	-	-	14	10
Office of the Premier – Limpopo	-	17	-	-	-	17
Justice	-	3	-	-	-	3
Economic Affairs	-	25	-	-	-	25
EC: Local Government	26	52	-	-	26	52
WC: Local Government	-	10	-	-	-	10
EC: Social development	42	-	-	-	42	-
Health – National	110	-	-	-	110	-
PALAMA	276	-	-	-	276	-
Agriculture	-	8	-	-	-	8
EC: Public Works	-	-	9,597	-	9,597	-
Gauteng Shared Services	20	-	-	-	20	-
EC: Education	43	-	-	-	43	-
TOTAL	579	481	9,597	-	10,176	481

**PROVINCE OF THE EASTERN CAPE DEPARTMENT OF HEALTH
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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2011**

**ANNEXURE 6
INVENTORY**

Inventory	Notes	Quantity	2010/11 R'000	Quantity	2009/10 R'000
Opening balance			256,125		271,344
Add/(Less): Adjustments to prior year balance			17,342		(10,181)
Add: Additions/Purchases – Cash			1,468,993		1,232,238
Add: Additions - Non-cash			1,417		-
(Less): Disposals			(232)		(1,370)
(Less): Issues			(1,406,189)		(1,224,993)
Add/(Less): Adjustments			5,217		(10,913)
Closing balance			342,673		256,125

PART D



**HUMAN RESOURCES
MANAGEMENT**

TABLE 1.1: Main Service for Service Delivery Improvement and Standards

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
Primary health care service through district health system	General Public	General Public	Satisfactory	Details in report on Programme 2
Emergency Medical Service	General Public	General Public	Satisfactory	Details in report on Programme 3
Provincial Hospital & Specialised Services rendering Level 2 & 3 Services	General Public	General Public	Satisfactory	Details in report on Programme 4
Training & Development of Health Professionals in the Province	Health Profession student/ WSU & other Medical Schools	Prospective medical students/ WSU & other Medical Schools	Excellent	Details in report on Programme 6
Orthotic and Prosthetic Services	People with skeletal deformities/HDI Contractors	Anyone with skeletal deformity in the province/ HDI Contractors	Fair	Details in report on Programme 7
Maintenance , rehabilitation and construction of new health facilities	Established contractors/ users of health facilities	Established contractors/users of health facilities	Fair	Details in report on Programme 8
Primary health care service through district health system	General Public	General Public	Satisfactory	Details in report on Programme 2

TABLE 1.2: Consultation Arrangements for Customers

Type of arrangement	Actual Customers	Potential Customers	Actual achievements
Through health governance structures, namely Clinic Committees & Hospital Boards. Appearances before the Provincial Legislature. General meetings with staff. Suggestion boxes in health facilities.	All users of health services in the facilities, Portfolio Committee, SCOPA, departmental staff and communities. Registering bodies and professional associations, NGOs and CBOs, Institutions of higher learning inside and outside SA.	General Public Traditional health service providers	Reported in programme reports

Table (HR) 1.3 – Service delivery access strategy

Access Strategy	Actual achievements
Outreach and in reach programmes	Academic and service support by provincial hospitals to district hospitals
eHealth programme	Teledermatology, teleradiology and teleECG sites have been established
Deployment of mobile clinics	Services brought to rural communities
Community service for health professionals	Assist in improving coverage in most rural areas

Table (HR) 1.4 – Service information tool

Types of information tools	Actual achievements
Brochures and information pamphlets on services such as TB and campaigns, Publishing Annual Reports, Annual Research Conference, quarterly Epidemiological notes, media briefing, radio talk shows, service directory, Impilo Newsletter and quarterly reports on performance.	Details in programme reports
Regularly updated Poly Comp Machine	Daily, weekly and quarterly health messages are reflected in this machine .
Website/ Internet	Disseminated to the public information on services,

Table (HR) 1.5 – Complaints mechanism

Complaints Mechanism	Actual achievements
Complaint boxes at hospitals, CHCs and clinics. Complaints and Redress Mechanism Manual.	Reported in the Quality Health Care Assurance Systems Report
Use of the departmental 24 hour Call Centre to lodge complaints	A toll free number 0800 32364 is available and receives all complaints related to health services, management issues and staff attitude.

TABLE 2.1 - Personnel costs by Programme

Programme	Total Expenditure (R'000)	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Professional and Special Services (R'000)	Personnel cost as a percent of total expenditure	Average personnel cost per employee (R'000)
Health administration	522,081	319,947	-	-	61.28	6.48
District health services	6,607,017	4,404,925	-	-	66.67	89.17
Emergency medical service	536,913	313,855	-	-	58.46	6.35
Provincial hospital services	3,481,188	2,865,735	-	-	82.32	58.01
Central hospital services	594,454	110,499	-	-	18.59	2.24
Health science and training	594,133	340,360	-	-	57.29	6.89
Health care and support service	66,994	29,568	-	-	44.14	0.60
Health facilities and development maintenance	870,042	5,860	-	-	0.67	0.12
TOTAL	13,272,822	8,390,749	-	-	63.22	169.85

TABLE (HR) 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)
Lower skilled (Levels 1-2)	703,886	8.4	108,725
Skilled (Levels 3-5)	1,752,981	20.9	129,966
Highly skilled production (Levels 6-8)	2,025,623	24.1	175,333
Highly skilled supervision (Levels 9-12)	3,448,886	41.1	429,982
Senior management (Levels 13-16)	238,042	2.8	1,967,289
Periodical Remuneration	12,328	0.1	186,788
Abnormal Appointment	209,003	2.5	21,598
Total	8,390,749	100	169,853

TABLE (HR) 2.3 – Salaries, Overtime, Home Owners 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)	HOA as a % of personnel cost	Amount (R'000)	Medical Assistance as a % of personnel cost
Prg1: Administration	210 003	62.5	1 723	0.5	6 769	2	10 597	3.2
Prg2: District Health Services	1 755	2	7	0	121	0.1	153	0.2
Prg2: District Health Services	3 111 761	71.8	75 798	1.7	154 422	3.6	187 267	4.3
Prg3: Emergency Medical Services	220 078	70	4 829	1.5	13 302	4.2	24 544	7.8
Prg4: Provincial Hospital Service	2 113 508	70	186 501	6.2	96 920	3.2	123 617	4.1
Prg6: Health Sciences & Training	233 593	71.6	888	0.3	7 934	2.4	8 317	2.5
Prg7: Health Care Support Services	20 793	71.2	200	0.7	1 437	4.9	1 545	5.3
Prg8: Health Facilities Management	5 035	83.1	4	0.1	152	2.5	121	2
TOTAL	5 916 526	70	269 950	3.2	281 057	3.3	356 161	4.2

TABLE (HR) 2.4 – Salaries, Overtime, Home Owners Allowance and Medical Assistance by salary bands, 2010/11

Salary Bands	Salaries		Overtime		Home Owners Allowance		Medical Assistance	
	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of personnel cost	Amount (R'000)	HOA as a % of personnel cost	Amount (R'000)	Medical Assistance as a % of personnel cost
Lower skilled (Levels 1-2)	375 550	69.3	532	0.1	47 243	8.7	38 373	7.1
Skilled (Levels 3-5)	1 207 042	70	9 422	0.5	106 445	6.2	125 653	7.3
Highly skilled production (Levels 6-8)	1 402 788	72.5	7 962	0.4	61 673	3.2	103 411	5.3
Highly skilled supervision (Levels 9-12)	2 191 778	71.4	126 727	4.1	55 419	1.8	80 569	2.6
Senior management (Levels 13-16)	118 016	66	28431	15.9	3 593	2	1 812	1
Contract (Levels 1-2)	145 959	89.9	7	0	4 159	2.6	3 887	2.4
Contract (Levels 3-5)	38 955	87.5	27	0.1	740	1.7	635	1.4
Contract (Levels 6-8)	97 392	92.2	60	0.1	372	0.4	593	0.6
Contract (Levels 9-12)	289 909	70.8	88 967	21.7	904	0.2	808	0.2
Contract (Levels 13-16)	48 662	75.7	7 815	12.2	509	0.8	418	0.7
Periodical Remuneration	0	0	0	0	0	0	0	0
Abnormal Appointment	474	0.2	0	0	0	0	0	0
TOTAL	5 916 525	70	269 950	3.2	281 057	3.3	356 159	4.2

TABLE 3.1 - Employment and Vacancies by Programme at end of period

Programme	Number of posts	Number of posts filled	Vacancy Rate (%)	Number of posts filled additional to the establishment
Prg2: district health services, Permanent	27	13	51.9	0
Prg1: administration, Permanent	902	976	-8.2	21
Prg2: district health services, Permanent	41 594	20 502	50.7	1 035
Prg2: district health services, Temporary	214	212	0.9	0
Prg3: emergency medical services, Permanent	2 157	1955	9.4	0
Prg4: provincial hospital service, Permanent	23 310	13 982	40.0	5
Prg4: provincial hospital service, Temporary	109	109	0.0	0
Prg6: health sciences & training, Permanent	2 529	1 691	33.1	0
Prg6: health sciences & training, Temporary	3	3	0.0	0
Prg7: health care support services, Permanent	194	166	14.4	0
Prg8: health facilities management, Permanent	28	48	-71.4	0
Prg8: health facilities management, Permanent	28	48	-71.4	0
TOTAL	71 067	39 657	44.2	1 061

TABLE (HR) 3.2 – Employment and vacancies by salary bands, 31 March 2011

Salary band	Number of posts	Number of posts filled	Vacancy Rate (%)	Number of posts filled additional to the establishment
Lower skilled (Levels 1-2), Permanent	7 161	6 474	9.6	0
Skilled (Levels 3-5), Permanent	20 524	13 488	34.3	1 061
Highly skilled production (Levels 6-8), Permanent	24 382	11 553	52.6	0
Highly skilled supervision (Levels 9-12), Permanent	18 853	8 021	57.5	0
Senior management (Levels 13-16), Permanent	147	121	17.7	0
TOTAL	71 067	39 657	44.2	1 061

TABLE (HR) 3.3 – Employment and vacancies by critical occupation, 31 March 2011

Critical occupations	Number of posts	Number of posts filled	Vacancy Rate (%)	Number of posts filled additional to the establishment
Administrative related	557	491	11.8	22
All artisans in the building metal machinery etc.	350	287	18.0	0
Ambulance and related workers	2 134	1 973	7.5	0
Artisan project and related superintendents	19	17	10.5	0
Auxiliary and related workers	1 469	986	32.9	2
Boiler and related operators	90	78	13.3	0
Building and other property caretakers	82	62	24.4	0
Bus and heavy vehicle drivers	9	7	22.2	0
Chemists	133	102	23.3	0
Civil engineering technicians	1	1	0.0	0
Cleaners in offices, workshops, hospitals etc.	5 451	4 952	9.2	0
Client inform clerks(switchb receipt inform clerks)	302	291	3.6	16
Communication and information related	87	73	16.1	0
Computer programmers	1	1	0.0	0
Custodian personnel	8	7	12.5	0
Custodian personnel	4	4	0.0	0

Critical occupations	Number of posts	Number of posts filled	Vacancy Rate (%)	Number of posts filled additional to the establishment
Dental practitioners	319	93	70.8	0
Dental specialists	2	0	100.0	0
Dental technicians	3	1	66.7	0
Dental therapy	108	15	86.1	0
Dieticians and nutritionists	330	99	70.0	0
Electrical and electronics engineering technicians	14	12	14.3	0
Emergency services related	5	4	20.0	0
Engineering sciences related	3	3	0.0	0
Engineers and related professionals	12	10	16.7	0
Environmental health	129	109	15.5	0
Finance and economics related	203	191	5.9	0
Financial and related professionals	118	101	14.4	0
Financial clerks and credit controllers	528	486	8.0	0
Food services aids and waiters	933	820	12.1	0
General legal administration & rel. professionals	2	2	0.0	0
Head of department/chief executive officer	15	13	13.3	0
Health sciences related	891	761	14.6	0
Household and laundry workers	1 117	990	11.4	1

Critical occupations	Number of posts	Number of posts filled	Vacancy Rate (%)	Number of posts filled additional to the establishment
Household food and laundry services related	5	4	20.0	0
Housekeepers laundry and related workers	60	54	10.0	0
Human resources & organisat developm & relate prof	90	81	10.0	0
Human resources clerks	357	319	10.6	4
Human resources related	185	175	5.4	0
Information technology related	23	21	8.7	2
Inspectors of apprentices, works and vehicles	6	5	16.7	0
Judges	1	0	100.0	0
Language practitioners, interpreters & other commun	67	57	14.9	0
Librarians and related professionals	3	3	0.0	0
Library, mail and related clerks	130	124	4.6	1
Light vehicle drivers	230	204	11.3	0
Logistical support personnel	112	102	8.9	0
Material-recording and transport clerks	313	290	7.3	0
Medical practitioners	2 552	1 193	53.3	0
Medical specialists	510	171	66.5	0
Medical technicians/technologists	17	15	11.8	0

Critical occupations	Number of posts	Number of posts filled	Vacancy Rate (%)	Number of posts filled additional to the establishment
Messengers porters and deliverers	997	916	8.1	0
Motor vehicle drivers	33	30	9.1	0
Nursing assistants	10 193	5 587	45.2	0
Occupational therapy	237	91	61.6	0
Optometrists and opticians	49	4	91.8	1
Oral hygiene	120	18	85.0	0
Other administrat & related clerks and organisers	1 619	1 475	8.9	0
Other administrative policy and related officers	395	367	7.1	0
Other information technology personnel	89	78	12.4	0
Other occupations	1	1	0.0	0
Pharmaceutical assistants	26	25	3.8	1
Pharmacists	750	297	60.4	41
Pharmacologists, pathologists & related professiona	6	4	33.3	1
Physicists	7	2	71.4	0
Physiotherapy	255	108	57.6	0
Professional nurse	25 722	8 996	65.0	2
Psychologists and vocational counsellors	157	54	65.6	1

Critical occupations	Number of posts	Number of posts filled	Vacancy Rate (%)	Number of posts filled additional to the establishment
Radiography	705	391	44.5	0
Risk management and security services	4	4	0.0	0
Road workers	4	3	25.0	0
Safety health and quality inspectors	34	27	20.6	0
Secretaries & other keyboard operating clerks	376	327	13.0	1
Security guards	7	7	0.0	0
Senior managers	214	169	21.0	0
Shoemakers	21	17	19.0	0
Social work and related professionals	315	117	62.9	0
Speech therapy and audiology	226	48	78.8	0
Staff nurses and pupil nurses	5 982	2 824	52.8	7
Student nurse	1 964	1 422	27.6	0
Supplementary diagnostic radiographers	101	76	24.8	0
Trade labourers	367	311	15.3	0
Work planners	1	1	0.0	0
Total	71 067	39 657	44.2	111

TABLE (HR) 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	Posts Upgraded	% of posts evaluated	Posts downgraded	% of posts evaluated
				Number		Number	
Lower skilled (Levels 1-2)	7 161	9 643	13.57	0	0	0	0
Skilled (Levels 3-5)	20 524	22 110	31.11	0	0	0	0
Highly skilled production (Levels 6-8)	24 382	25 230	35.50	0	0	0	0
Highly skilled supervision (Levels 9-12)	18 853	5 070	7.13	0	0	0	0
Senior Management Service Band A	147	337	0.47	0	0	0	0
Total	71 067	62 390	87.79				

TABLE 4.2 - Profile of employees whose positions were upgraded due to their posts being upgraded

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

TABLE (HR) 5.1 – Annual turnover rates by salary band for the period 1 April 2010 to 31 March 2011

Salary Band	Number of employees per band as on 1 April 2010	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2), Permanent	5 235	756	348	6.6
Lower skilled (Levels 1-2), Temporary	36	0	13	36.1
Skilled (Levels 3-5), Permanent	13 395	1 866	631	4.7
Skilled (Levels 3-5), Temporary	45	1	29	64.4
Highly skilled production (Levels 6-8), Permanent	8313	1 030	519	6.2
Highly skilled production (Levels 6-8), Temporary	148	0	80	54.1
Highly skilled supervision (Levels 9-12), Permanent	7 739	427	532	6.9
Highly skilled supervision (Levels 9-12), Temporary	92	0	42	45.7
Senior Management Service Band A, Permanent	69	5	6	8.7
Senior Management Service Band B, Permanent	80	7	9	11.3
Senior Management Service Band C, Permanent	8	0	1	12.5
Senior Management Service Band D, Permanent	1	0	0	0

Salary Band	Number of employees per band as on 1 April 2010	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Contract (Levels 1-2), Permanent	1 187	8	476	40.1
Contract (Levels 3-5), Permanent	190	74	58	30.5
Contract (Levels 6-8), Permanent	688	800	709	103.1
Contract (Levels 9-12), Permanent	725	595	471	65
Contract (Band A), Permanent	30	27	20	66.7
Contract (Band B), Permanent	20	3	3	15
Contract (Band C), Permanent	3	2	2	66.7
Contract (Band D), Permanent	1	0	0	0
TOTAL	38 005	5 601	3 949	10.4

Table (HR) 5.3 – Reasons why staff are leaving the department

Termination Type and Staff Type	Number	% of total
Death, Permanent	345	8.74
Death, Temporary	2	0.05
Resignation, Permanent	764	19.35
Resignation, Temporary	46	1.16
Expiry of contract, Permanent	1 918	48.57
Expiry of contract, Temporary	65	1.65
Transfers, Permanent	5	0.13
Dismissal-operational changes, Temporary	3	0.08
Discharged due to ill health, Permanent	14	0.35
Discharged due to ill health, Temporary	41	1.04
Dismissal-misconduct, Permanent	81	2.05
Retirement, Permanent	643	16.28
Other, Permanent	9	0.23
Other, Temporary	13	0.33
TOTAL	3 949	100.00
Total number of employees who left as a % of the total employment		

Table (HR) 5.5 – Promotions by salary band

Salary Band	Employees 1 April 2010	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progressions as a % of employees by salary band
Lower skilled (Levels 1-2), Permanent	5 235	47	0.9	205	3.9
Lower skilled (Levels 1-2), Temporary	36	1	2.8	0	0
Skilled (Levels 3-5), Permanent	13 395	120	0.9	281	2.1
Skilled (Levels 3-5), Temporary	45	1	2.2	0	0
Highly skilled production (Levels 6-8),	8 313	1 089	13.1	80	1
Highly skilled production (Levels 6-8),	148	9	6.1	0	0
Highly skilled supervision (Levels 9-12),	7 739	1 439	18.6	7	0.1
Highly skilled supervision (Levels 9-12),	92	47	51.1	0	0
Senior management (Levels 13-16), Permanent	158	31	19.6	1	0.6
Contract (Levels 1-2), Permanent	1 187	0	0	0	0
Contract (Levels 3-5), Permanent	190	1	0.5	0	0
Contract (Levels 6-8), Permanent	688	12	1.7	0	0
Contract (Levels 9-12), Permanent	725	473	65.2	0	0
Contract (Levels 13-16), Permanent	54	12	22.2	0	0
TOTAL	38 005	3 282	8.6	574	1.5

TABLE 6.1 - Total number of Employees (incl. Employees with disabilities) per Occupational Category (SASCO)

Occupational categories (SASCO)	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers, Permanent	54	3	4	7	70	4	2	7	151
Professionals, Permanent	1 014	119	105	310	1 880	172	66	381	4 047
Professionals, Temporary	96	3	12	89	61	1	1	30	293
Technicians and associate professionals, Permanent	1 865	151	1	70	9 752	1 180	23	566	13 608
Technicians and associate professionals, Temporary	0	0	0	0	0	1	0	11	12
Clerks, Permanent	699	72	2	23	1 970	156	2	99	3 023
Clerks, Temporary	0	0	0	0	0	0	0	1	1
Service and sales workers, Permanent	2 202	251	5	86	6 527	717	6	246	10 040
Craft and related trades workers, Permanent	149	24	2	69	20	0	0	0	264
Plant and machine operators and assemblers, Permanent	310	31	0	6	12	2	0	0	361
Elementary occupations, Permanent	2 240	169	1	52	4 902	367	0	57	7 788
Elementary occupations, Temporary	2	0	0	0	0	0	0	0	2
Other, Permanent	12	0	1	0	44	1	1	8	67
TOTAL	8 643	823	133	712	25 238	2 601	101	1 406	39 657

6.2 – Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2011

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management, Permanent	8	2	0	0	2	0	0	1	13
Senior Management, Permanent	50	7	14	36	37	4	2	12	162
Professionally qualified and experienced specialists and mid-management, Permanent	993	112	55	187	6 135	607	44	401	8 534
Professionally qualified and experienced specialists and mid-management, Temporary	49	1	4	35	38	1	0	9	137
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	1 572	287	8	163	4 796	831	11	489	8 157
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Temporary	37	0	5	33	18	1	1	15	110
Semi-skilled and discretionary decision making, Permanent	3 138	264	2	82	9 011	781	7	212	13 497
Semi-skilled and discretionary decision making, Temporary	9	1	1	12	4	0	0	10	37

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Unskilled and defined decision making, Permanent	2 030	97	2	17	3 222	187	1	16	5 572
Unskilled and defined decision making, Temporary	3	1	2	9	1	0	0	8	24
Contract (Top Management), Permanent	1	0	1	1	1	0	0	0	4
Contract (Senior Management), Permanent	34	0	6	6	12	0	1	1	60
Contract (Professionally qualified), Permanent	259	25	33	117	270	44	29	121	898
Contract (Skilled technical), Permanent	148	10	0	9	537	54	4	92	854
Contract (Semi-skilled), Permanent	38	1	0	0	136	8	0	2	185
Contract (Unskilled), Permanent	274	15	0	5	1 018	83	1	17	1 413

6.3 – Recruitment for the period 1 April 2010 to 31 March 2011

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management, Permanent	6	0	2	2	2	0	0	0	12
Senior Management, Permanent	76	15	6	34	194	29	8	65	427
Professionally qualified and experienced specialists and mid-management, Permanent	163	18	0	10	584	139	3	113	1 030
Professionally qualified and experienced specialists and mid-management, Temporary	365	65	0	6	1 263	122	3	42	1 866
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	0	0	0	0	0	0	0	1	1
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Temporary	229	13	0	2	454	55	0	3	756
Semi-skilled and discretionary decision making, Permanent	0	0	0	1	1	0	0	0	2
Semi-skilled and discretionary decision making, Temporary	18	0	0	4	8	0	0	0	30
Unskilled and defined decision making, Permanent	177	12	14	83	182	28	16	83	595
Unskilled and defined decision making, Temporary	136	10	0	9	504	48	4	89	800

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Contract (Top Management), Permanent	12	0	0	0	53	5	0	4	74
Contract (Senior Management), Permanent	2	1	0	1	3	1	0	0	8
Total	1 184	134	22	152	3 248	427	34	400	5 601
Employees with disabilities	1	0	0	0	1	0	0	1	3

6.4 – Promotions for the period 1 April 2010 to 31 March 2011

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management, Permanent	1	0	0	0	0	0	0	0	1
Senior Management, Permanent	7	3	4	9	3	0	0	5	31
Professionally qualified and experienced specialists and mid-management, Permanent	455	66	93	164	398	51	46	173	1 446
Professionally qualified and experienced specialists and mid-management, Temporary	23	0	0	6	13	0	0	5	47
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	246	67	2	30	604	94	0	126	1 169
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Temporary	4	0	0	0	4	0	0	1	9
Semi-skilled and discretionary decision making, Permanent	86	16	0	14	256	21	0	8	401
Semi-skilled and discretionary decision making, Temporary	0	0	0	1	0	0	0	0	1
Unskilled and defined decision making, Permanent	56	4	0	5	158	28	0	1	252
Unskilled and defined decision making, Temporary	0	0	0	1	0	0	0	0	1

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Contract (Top Management), Permanent	0	0	1	0	0	0	0	0	1
Contract (Senior Management), Permanent	7	0	1	3	0	0	0	0	11
Contract (Professionally qualified), Permanent	183	7	35	82	80	16	19	51	473
Contract (Skilled technical), Permanent	4	0	0	0	8	0	0	0	12
Contract (Semi-skilled), Permanent	0	0	0	0	1	0	0	0	1
TOTAL	1 072	163	136	315	1 525	210	65	370	3 856

Employees with disabilities	2	1	0	4	1	2	0	2	12
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6.5 – Terminations for the period 1 April 2010 to 31 March 2011

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management, Permanent	0	0	0	0	1	0	0	0	1
Senior Management, Permanent	1	1	3	3	2	1	0	4	15
Professionally qualified and experienced specialists and mid-management, Permanent	64	6	10	18	255	19	10	44	426
Professionally qualified and experienced specialists and mid-management, Temporary	15	0	3	13	6	0	0	5	42
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	87	16	0	6	236	33	2	39	419
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Temporary	25	1	3	21	27	0	0	3	80
Semi-skilled and discretionary decision making, Permanent	170	14	0	3	402	29	0	13	631
Semi-skilled and discretionary decision making, Temporary	4	1	0	11	1	0	0	6	23
Unskilled and defined decision making, Permanent	231	8	0	1	292	14	0	2	548

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Unskilled and defined decision making, Temporary	0	0	1	10	0	0	0	2	13
Contract (Top Management), Permanent	0	0	0	1	1	0	0	0	2
Contract (Senior Management), Permanent	12	0	1	3	7	0	0	0	23
Contract (Professionally qualified), Permanent	108	9	13	67	181	22	22	49	471
Contract (Skilled technical), Permanent	117	10	1	16	426	53	3	83	709
Contract (Semi-skilled), Permanent	13	0	0	0	41	2	1	1	58
TOTAL	212	4	0	5	241	22	0	4	488
Employees with disabilities	2	0	0	1	0	1	0	2	6

6.6 – Disciplinary action for the period 1 April 2010 to 31 March 2011

	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Disciplinary action	3	0	0	0	1	1	0	0	5

TABLE (HR) 7.1 – Performance rewards by race, gender, and disability, 1 April 2010 to 31 March 2011

		Beneficiary Profile		Cost	
	Number of beneficiaries	Total number of employees in group	% of total within group	Cost (R'000)	Average cost per employee
African	11	25238	0	100	9,080
Male	9	8643	0.1	105	11,619
Female	0	101	0	0	0
Asian	0	133	0	0	0
Male	3	2601	0.1	46	15,251
Female	1	820	0.1	4	4,411
Coloured	2	1409	0.1	17	8,261
Male	1	712	0.1	2	2,357
Female	1	57	1.8	5	4,825
Total	28	39714	0.1	278	9,940

TABLE (HR) 7.2 – 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)	1	5 547	0	5	5 000	1
Skilled (Levels 3-5)	14	14 582	0.1	71	5 071	14
Highly skilled production (Levels 6-8)	5	8 288	0.1	37	7 400	5
Highly skilled supervision (Levels 9-12)	8	8 683	0.1	166	20 750	8
Contract (Levels 1-2)	0	1 413	0	0	0	0
Contract (Levels 3-5)	0	185	0	0	0	0
Contract (Levels 6-8)	0	854	0	0	0	0
Contract (Levels 9-12)	0	898	0	0	0	0
Periodical Remuneration	0	66	0	0	0	0
Abnormal Appointment	0	9 677	0	0	0	0
TOTAL	28	50 193	0.1	279	9 964	28

TABLE (HR) 7.3 - Performance Rewards by Critical Occupation

Critical Occupations	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
Administrative-related	2	554	0.4	29	14 500
Agriculture-related	0	1	0	0	0
All artisans in the building: metal, machinery etc.	2	224	0.9	3	1 500
Ambulance and related workers	0	1 819	0	0	0
Artisan project and related superintendents	0	16	0	0	0
Auxiliary and related workers	2	1 073	0.2	8	4 000
Boiler and related operators	0	53	0	0	0
Building and other property caretakers	0	115	0	0	0
Bus and heavy vehicle drivers	0	15	0	0	0
Cartographic surveying and related technicians	0	2	0	0	0
Chemists	0	105	0	0	0
Cleaners in offices workshops hospitals etc.	6	5 039	0.1	26	4 333
Client inform clerks(switchb, recept, inform, clerks)	0	260	0	0	0

Critical Occupations	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
Communication and information related	0	68	0	0	0
Community development workers	0	4	0	0	0
Compositors typesetters & related printing workers	0	2	0	0	0
Computer programmers.	0	1	0	0	0
Conservation labourers	0	37	0	0	0
Custodian personnel	0	1	0	0	0
Dental practitioners	0	110	0	0	0
Dental therapy	0	8	0	0	0
Dieticians and nutritionists	0	93	0	0	0
Diplomats	0	1	0	0	0
Electrical and electronics engineering technicians	0	14	0	0	0
Emergency services related	0	163	0	0	0
Engineering sciences related	0	4	0	0	0
Engineers and related professionals	0	8	0	0	0

Critical Occupations	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
Environmental health	0	116	0	0	0
Farm hands and labourers	0	48	0	0	0
Finance and economics related	1	142	0.7	19	19 000
Financial and related professionals	0	87	0	0	0
Financial clerks and credit controllers	0	295	0	0	0
Food services aides and waiters	0	739	0	0	0
Food services workers	0	7	0	0	0
General legal administration & rel. professionals	0	2	0	0	0
Handymen	0	1	0	0	0
Head of department/chief executive officer	0	10	0	0	0
Health sciences related	1	877	0.1	27	27 000
Home-based personal care workers	0	1	0	0	0
Household and laundry workers	3	1 025	0.3	18	6 000
Household food and laundry services related	0	8	0	0	0

Critical Occupations	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
Housekeepers laundry and related workers	0	29	0	0	0
Human resources & organisat developm & relate prof	0	80	0	0	0
Human resources clerks	1	434	0.2	14	14 000
Human resources related	0	293	0	0	0
Information technology related	0	13	0	0	0
Inspectors of apprentices works and vehicles	0	5	0	0	0
Language practitioners interpreters & other commun	0	42	0	0	0
Librarians and related professionals	0	2	0	0	0
Library mail and related clerks	0	78	0	0	0
Light vehicle drivers	0	248	0	0	0
Logistical support personnel	0	85	0	0	0
Material-recording and transport clerks	1	175	0.6	2	2 000
Medical equipment operators	0	1	0	0	0
Medical practitioners	1	1 524	0.1	52	52 000

Critical Occupations	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
Medical specialists	0	232	0	0	0
Medical technicians/technologists	0	22	0	0	0
Messengers porters and deliverers	1	764	0.1	5	5 000
Middle managers	0	1	0	0	0
Motor vehicle drivers	0	39	0	0	0
Nursing assistants	0	5 664	0	0	0
Occupational therapy	0	92	0	0	0
Optometrists and opticians	0	5	0	0	0
Oral hygiene	0	22	0	0	0
Other administrat & related clerks and organisers	2	1 388	0.1	22	11 000
Other administrative policy and related officers	0	483	0	0	0
Other information technology personnel.	0	80	0	0	0
Other machine operators	0	1	0	0	0
Other occupations	0	303	0	0	0

Critical Occupations	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
Pharmaceutical assistants	0	25	0	0	0
Pharmacists	0	335	0	0	0
Pharmacologists pathologists & related professionals	0	4	0	0	0
Physicists	0	7	0	0	0
Physiotherapy	0	122	0	0	0
Printing and related machine operators	0	3	0	0	0
Probation workers	0	1	0	0	0
Professional nurse	1	9 088	0	6	6 000
Psychologists and vocational counsellors	0	68	0	0	0
Radiography	3	383	0.8	42	14 000
Rank: Unknown	0	68	0	0	0
Risk management and security services	0	3	0	0	0
Road workers	0	4	0	0	0
Safety health and quality inspectors	0	26	0	0	0
Secretaries & other keyboard operating clerks	0	393	0	0	0

Critical Occupations	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
Security guards	0	58	0	0	0
Security officers	0	11	0	0	0
Senior managers	0	137	0	0	0
Shoemakers	0	16	0	0	0
Social sciences related	0	4	0	0	0
Social sciences supplementary workers	0	6	0	0	0
Social work and related professionals	0	116	0	0	0
Speech therapy and audiology	0	44	0	0	0
Staff nurses and pupil nurses	0	1 777	0	0	0
Student nurse	0	1 435	0	0	0
Supplementary diagnostic radiographers	0	51	0	0	0
Trade labourers	1	217	0.5	5	5 000
Trade related	0	1	0	0	0
Water plant and related operators	0	1	0	0	0
TOTAL	28	39 657	0.1	278	9 929

TABLE (HR) 7.4 – Performance related rewards (cash bonus), by salary band, for Senior Management Service

Salary Band	Beneficiary Profile			Total Cost (R'000)	Average cost per employee	Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within band			
Band A	0	119	0	0	0	0
Band B	0	103	0	0	0	0
Band C	0	15	0	0	0	0
Band D	0	2	0	0	0	0
Total	0	239	0	0	0	0

TABLE (HR) 8.1 – Foreign Workers, 1 April 2010 to 31 March 2011, by salary band

	Number	% of total	Number	% of total	Number	% change	Number	% change	Number
Lower skilled (Levels 1-2)	3	0.8	3	0.7	0	0	367	432	65
Skilled (Levels 3-5)	6	1.6	5	1.2	-1	-1.5	367	432	65
Highly skilled production (Levels 6-8)	19	5.2	20	4.6	1	1.5	367	432	65
Highly skilled supervision (Levels 9-12)	189	51.5	164	38	-25	-38.5	367	432	65
Senior management (Levels 13-16)	13	3.5	18	4.2	5	7.7	367	432	65
Contract (Levels 6-8)	4	1.1	4	0.9	0	0	367	432	65
Contract (Levels 9-12)	118	32.2	200	46.3	82	126.2	367	432	65
Contract (Levels 13-16)	6	1.6	9	2.1	3	4.6	367	432	65
Periodical Remuneration	1	0.3	3	0.7	2	3.1	367	432	65
Abnormal Appointment	8	2.2	6	1.4	-2	-3.1	367	432	65
TOTAL	367	100	432	100	65	100	367	432	65

TABLE (HR) 8.2 – Foreign Worker, 1 April 2010 to 31 March 2011, by major occupation

	Number	% of total	Number	% of total	Number	% change	Number	% change	Number
Administrative office workers	2	0.5	3	0.7	1	1.5	367	432	65
Elementary occupations	3	0.8	3	0.7	0	0	367	432	65
Other occupations	1	0.3	1	0.2	0	0	367	432	65
Professionals and managers	356	97	421	97.5	65	100	367	432	65
Service workers	1	0.3	1	0.2	0	0	367	432	65
Social natural technical and medical sciences+supp	4	1.1	3	0.7	-1	-1.5	367	432	65
TOTAL	367	100	432	100	65	100	367	432	65

TABLE (HR) 9.1 – 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)	29 259	92.4	3 173	12.3	9	6,323
Skilled (Levels 3-5)	89 320	91.6	9 358	36.3	10	27,356
Highly skilled production (Levels 6-8)	58 450	88.9	6 036	23.4	10	30,590
Highly skilled supervision (Levels 9-12)	53 312	90.1	6 092	23.7	9	49,476
Senior management (Levels 13-16)	383.5	86.6	53	0.2	7	1,070
Contract (Levels 1-2)	2 074	96	428	1.7	5	499
Contract (Levels 3-5)	155.5	86.8	52	0.2	3	45
Contract (Levels 6-8)	1 250	84.4	259	1	5	546
Contract (Levels 9-12)	1 181	83.4	277	1.1	4	1,336
Contract (Levels 13-16)	106	93.4	24	0.1	4	298
TOTAL	235 491	90.6	25 752	100	9	117,539

TABLE (HR) 9.2 – Disability 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)	1 369	100	35	13.1	39	307
Skilled (Levels 3-5)	5 774	100	102	38.2	57	1,727
Highly skilled production (Levels 6-8)	4 681	100	70	26.2	67	2,509
Highly skilled supervision (Levels 9-12)	4 379	100	56	21	78	3,786
Contract (Levels 1-2)	49	100	1	0.4	49	12
Contract (Levels 6-8)	31	100	2	0.7	16	20
Contract (Levels 6-8)	31	100	2	0.7	16	20
Contract (Levels 9-12)	19	100	1	0.4	19	23
TOTAL	16 302	100	267	100	61	8,384

TABLE (HR) 9.3 – Annual Leave, 1 January 2010 to 31 December 2010

Salary Bands	Total days taken	Average per employee	Number of Employees who took leave
Lower skilled (Levels 1-2)	9 4481.72	20	4 800
Skilled (Levels 3-5)	253 081.14	20	12 466
Highly skilled production (Levels 6-8)	155 980.38	21	7 539
Highly skilled supervision (Levels 9-12)	181 762.76	22	8 371
Senior management (Levels 13-16)	2 982.76	18	166
Contract (Levels 1-2)	11 666.68	14	841
Contract (Levels 3-5)	2 404.6	18	130
Contract (Levels 6-8)	5 339.84	12	440
Contract (Levels 9-12)	10 389.52	15	676
Contract (Levels 13-16)	731	13	55
Not Available	15	15	1
TOTAL	718 835.4	20	35 485

TABLE (HR) 9.4 – Capped leave, 1 January 2010 to 31 December 2010

Salary Bands	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2010
Lower skilled (Levels 1-2)	336	4	59
Skilled (Levels 3-5)	1 611	5	71
Highly skilled production (Levels 6-8)	1 814	6	98
Highly skilled supervision (Levels 9-12)	2 441	6	102
Senior management (Levels 13-16)	76	8	82
Contract (Levels 1-2)	3	3	73
Contract (Levels 3-5)	9	2	115
Contract (Levels 9-12)	12	2	112
TOTAL	6 302	6	87

TABLE (HR) 9.5 – Leave payouts for the period 1 April 2010 to 31 March 2011

The following Table (HR) summarises payments made to employees as a result of leave that was not taken.

REASON	Total Amount (R'000)	Number of Employees	Average payment per employee
Capped leave payouts on termination of service for 2010/11	8 343	1 394	5,985
Current leave payout on termination of service for 2010/11	38	61	623
TOTAL	8 381	1 455	5 760

HIV and AIDS & Health Promotion Programmes

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

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
Clinical Staff / Health professionals: Doctors, nurses, allied health professionals, clinical support staff, emergency medical staff and forensic staff	<ul style="list-style-type: none"> • Protective clothing and equipment • Infection control measures • Proper waste disposal • PEP – Post Exposure Prophylaxis if there is suspected exposure. • HCT – HIV Counselling and Testing • Employee Education

TABLE (HR) 10.2 – Details of Health Promotion and HIV and AIDS Programmes

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter I of the Public Service Regulations, 2001? If so, provide her/his name and position.	Yes		Miss T Govender, Senior Manager Employee Wellness
2. Does the department have a dedicated unit or have you designated specific staff members to promote health and wellbeing of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	Yes		The EW Unit has 30 designated personnel: 16 at District and Hospital Complexes and 14 at Head Office. The annual budget for this programme was totally inadequate at R300 000. Services have been delivered within these parameters and with support from other programmes such as HRD and Clinical Services.
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of the programme.	Yes		The EW Sub-programmes include: HIV & AIDS Workplace, Employee Assistance, Occupational Health & Safety, Compensation of Occupational Injuries and Diseases and Sport & Recreation. The Service Package includes: Counseling, Prevention and Education, Consultation, Marketing, Training and Monitoring and Evaluation Activities.
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter I of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.		No	The Provincial EW committee was disbanded in favour of establishing District and Hospital Complex Committees. When this process is complete the Provincial Committee will be re-established with correct representation.
5. Has the department reviewed the employment policies and practices of your department to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	Yes		All HR policies have been reviewed and comply with the required principles.
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	Yes		Case management and Education Programmes are designed to protect the rights of HIV positive employees.

Question	Yes	No	Details, if yes
7. Does the department encourage its employees to undergo Voluntary Counseling and Testing? If so, list the results that you have achieved.	Yes		The EWP has enlisted the assistance of GEMS and participates in the transversal HCT campaign. The statistics have not yet been received at the time of reporting.
8. Has the department developed measures/indicators to monitor & evaluate the impact of your health promotion programme? If so, list these measures/indicators.	Yes		Baseline research has been completed to establish: 1. HIV prevalence of 13,9%; 2. Psychosocial Needs and 3. General health status in terms of blood glucose/ cholesterol/ pressure and Body Mass Index. These indicators will be measured at regular intervals to monitor progress.

TABLE (HR) 11.1 – Collective agreements, 1 April 2010 to 31 March 2011

Subject Matter	Date
-	-

TABLE (HR) 11.2 – Misconduct and disciplinary hearings finalised, 1 April 2010 to 31 March 2011

Outcomes of disciplinary hearings	Number	% of total
Dismissals	24	6.7
Demotion	1	0.3
Suspension without pay	29	8.1
Final Written Warning	138	38.8
Written Warning	98	27.5
Withdrawn	17	4.8
Not Guilty	23	6.5
Absconded	11	3.1
Corrective Counselling	15	4.2
Total	356	100

Disciplinary hearings – 2010/11	None
-	-

TABLE (HR) 11.3 – Types of misconduct addressed at disciplinary hearings

Type of misconduct	Number	% of total
Absenteeism	43	12
Alcohol	47	13
Assault	14	4
Bribery	25	7
Bringing the Department into disrepute	25	7
Financial Misconduct	27	8
Fraud	40	11
Gross Insubordination	18	5
Misuse of Government Vehicle	27	8
Gross Negligence	23	7
Theft	18	5
Unacceptable (HR) Conduct	49	14
Total	356	100

TABLE (HR) 11.4 – Grievances lodged for the period 1 April 2010 to 31 March 2011

	Number	% of Total
Number of grievances resolved	21	21.2
Number of grievances not resolved	78	78.8
Total number of grievances lodged	99	100

TABLE (HR) 11.5 – Disputes lodged with Councils for the period 1 April 2010 to 31 March 2011

	Number	% of Total
Number of disputes upheld	10	9.3
Number of disputes dismissed	97	90.7
Total number of disputes lodged	107	100%

TABLE (HR) 11.6 – Strike actions for the period 1 April 2010 to 31 March 2011

Total number of person working days lost	29 890
Total cost (R'000) of working days lost	9 368 448.75
Amount (R'000) recovered as a result of no work no pay	9 368 448.75

TABLE (HR) 11.7 – Precautionary suspensions for the period 1 April 2010 to 31 March 2011

Number of people suspended	47
Number of people whose suspension exceeded 30 days	47
Average number of days suspended	8
Cost (R'000) of suspensions	3 432

12.1 – 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	910	0	1 277	0	1 277
	Male	380	0	585	0	585
Professionals	Female	3 219	5 434	2 567	0	8 001
	Male	733	1 640	1 712	0	3 352
Technicians and associate professionals	Female	2 758	822	2 143	0	2 965
	Male	913	209	1 428	0	1 637
Clerks	Female	240	753	9 665	0	10 418
	Male	100	233	2 631	0	2 864
Service and sales workers	Female	22	0	0	0	0
	Male	1	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	1	0	8	0	8
	Male	21	0	5	0	5
Elementary occupations	Female	628	0	1 834	0	1 834
	Male	361	0	1 223	0	1 223
Gender sub totals	Female	746	0	399	224	623
	Male	376	0	230	111	341
Total		8 524	7 009	17 893	224	25 126

12.2 – Training provided 1 April 2010 to 31 March 2011

Occupational Categories	Gender	Number of employees as at 1 April 2010	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	673	0	930	91	1 021
	Male	369	0	399	61	460
Professionals	Female	4 113	3 661	3 396	271	7 327
	Male	796	923	885	180	1 989
Technicians and associate professionals	Female	3 083	2 808	1 179	279	4 266
	Male	923	702	523	186	1 411
Clerks	Female	427	712	9 503	0	10 215
	Male	174	178	749	0	927
Service and sales workers	Female	125	0	0	1	1
	Male	89	0	0	1	1
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	1	0	29	6	35
	Male	21	0	19	4	23
Elementary occupations	Female	706	0	263	4	267
	Male	391	0	193	2	195
Gender sub-total	Female	746	0	142	700	842
	Male	376	0	68	243	311
Total		9 874	7 181	15 442	1 352	23 974

TABLE (HR) 13.1 – Injury on duty, 1 April 2010 to 31 March 2011

Nature of injury on duty	Number	% of total
Required basic medical attention only	178	67.2
Temporary Total Disablement	81	30.6
Permanent Disablement	1	0.4
Fatal	5	1.9
Total	265	

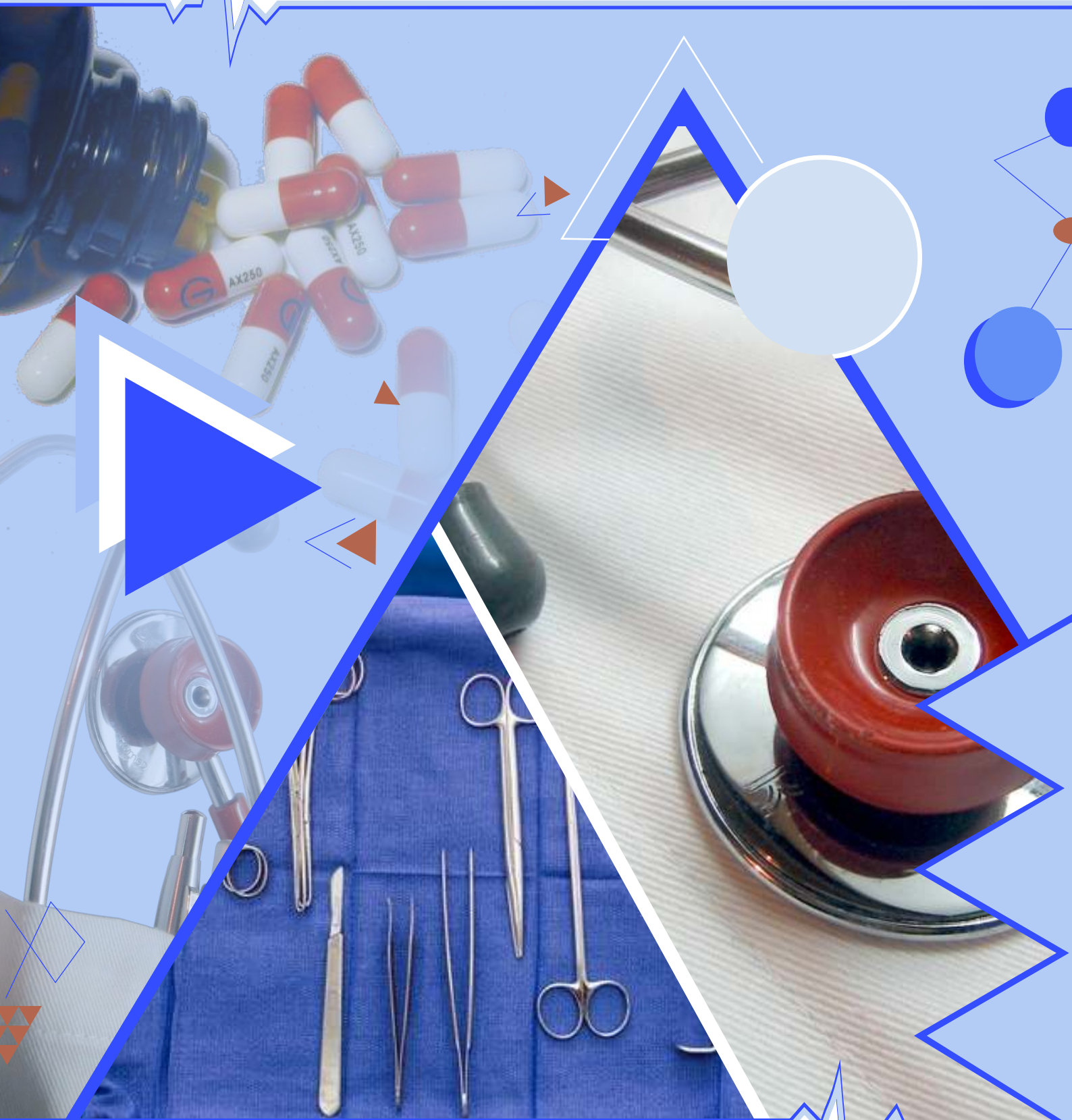
Table (HR) 14.1 – Report on consultant appointments using appropriated funds

Project Title	No. of consultants that worked on project	Duration: Work days	Contract value in Rand
European Union	-	-	-
Italian Cooperation	1	365	Paid directly from Italian Coop
JICA	1	365	Paid directly from JICA
Total number of projects	Total individual consultants	Total duration:	Total contract value in Rand
2	2	365	0

Table (HR) 14.2 – Analysis of consultant appointments using appropriated funds in terms of historically disadvantaged individuals (HDIs)

Project Title	% ownership by HDI groups	% management by HDI groups	No. of consultants from HDI groups working on project
European Union	0	0	0
Italian Cooperation	0	0	0
JICA	0	0	0

PART E



OTHER INFORMATION

ACRONYMS

ABET	Adult Basic Education	CPT	Cotrimoxazole Prophylaxis Treatment
ACSM	Advocacy, Communication and Social Mobilization	CRM	Customer Relations Manager
A&E	Accident and Emergency	CSM	Clinical Support Management
AFP	Acute Flaccid Paralysis	CS&OP	Corporate Strategy and Organization
AFS	Annual Financial Statement	CSP	Community Service Pharmacist
AHC	Ancillary Health Care	CTG	Cardiotocography
AIDS	Acquired Immune Deficiency Syndrome	CTOP	Choice of Termination of Pregnancy
ALOS	Average length of stay	CT Scan	Computerized Tomography Scan
AMT	Amathole	DHERS	District Health Expenditure Reviews
ANC	Antenatal Care	DHIS	District Health Information Systems
APP	Annual Performance Plan	DHMIS	District Health Management Information System
ART	Antiretroviral Treatment	DHM&L	District Health Management and Leadership
ARV	Antiretroviral	DHPs	District Health Plans
AZT	Zidovudine	DHS	Demographic Health Survey
BAA	Basic Ambulance Assistant	DHS	District Health Services
BANC	Basic Antenatal Care	DMO	District Medical Officer
BBBEE	Broad Based Black Economic Empowerment	DMT	District Management Team
BFHI	Baby Friendly Hospital Initiative	DOH	Department of Health
BFI	Baby Friendly Institutions	DORA	Division of Revenue Act
BI	Business Intelligence	DPO	Disabled People's Organization
BUR	Bed Utilisation Rate	DPISA	Department of Public Service and Administration
CAC	Cacadu	DQI	Data Quality Indices
CAS/OPD	Casualty and Out-Patients Department	EAP	Employee Assistance Programme
CBO	Community Based Organization	EBS	Emergency Blood Services
CBS	Community Based Services	EC	Eastern Cape
CCGs	Community Care Givers	ECDOH	Eastern Cape Department of Health
CCM	Contact Centre Management	ECG	Electrocardiogram
CCMT	Comprehensive Care, Management and Treatment	ECPs	Emergency Care Practitioners
CFO	Chief Financial Officer	ECT	Emergency Care Technician
CFV	Child Focus Villages	EHPs	Environmental Health Practitioners
CHC	Community Health Centres	EHS	Environmental Health Services
CHW	Community Health Workers	EHW's	Environmental Health Workers
CHPIP	Child Health Care Problem Identification Programme	EL	East London
CIMCI	Community Integrated Management of Childhood Illnesses	ELHC	East London Hospital Complex
CME	Centres of Maintenance of Excellence	EMS	Emergency Medical Services
CMH	Cecilia Makiwane Hospital	EMT	Executive Management Team
CMR	Child Mortality Rate	EN	Enrolled Nurse
COE	Compensation of Employees	ENA	Enrolled Nursing Assistant
		ENAPHP	Enrolled Nurse Primary Health Practitioners

ENT	Ear Nose and Throat	HROPT	Human Resource Operating Project Team
EOI	Expression of Interest	HRP	Hospital Revitalization Program
EPI	Extended Programme on Immunization	HTA	High Transmission Areas
EPR	Electronic Patient Register	IBEC	International Benefits Evaluation and Cost
EPWP	Expanded Public Works Programme	ICEE	International Centre for Eye Care Education
ERS	Electronic Register System	ICT	Information Communication Technology
ESMOE	Essential Steps in the Management of Obstetric Emergency	IDP	Integrated Development Plan
ETR	Electronic TB Register	IEC	Information, Education and Communication
EU	European Union	IGP	Infrastructure Grant for Provinces
EW	Employee Wellness	IGR	Intergovernmental Relations
EXCO	Executive Council	IHR	International Health Regulations
FIFA	Federation of International Football Association	IHRM	Integrated Human Resource Management
FPD	Foundation for Professional Development	IKM	Innovation and Knowledge Management
FPS	Forensic Pathology Service	IMCI	Integrated Management of Childhood Illnesses
FY	Financial Year	IMR	Infant Mortality Rate
GEMS	Government Employee Medical Scheme	INP	Integrated Nutrition Programme
GIS	Geographic Information System	IOD	Injury on Duty
HAART	Highly Active Anti-retroviral Therapy	ISRDP	Integrated Sustainable Rural Development
HBC	Home Based Care	IT	Information Technology
HCT	HIV Counselling and Testing	IUCD	Intrauterine Contraceptive Device
HDI	Historically Disadvantaged Individuals	JICA	Japanese International Cooperate Agency
HFM	Health Facilities Management	JSS	Junior Secondary School
HIM	Health Information Management	KPIS	Key Performance Index
H1N1	Type A Influenza Virus	LOGIS	Logistical Information System
HIS	Health Information System	LSA	Local Service Area
HIV/AIDS	Human Immunodeficiency Virus/AIDS	MAWG	Multi-Agency Working Group
HLT	Health	MCWH	Maternal Child and Women's Health
HOA	Home Owners Allowance	M&D	Management and Development
HOD	Head of Department	MDGs	Millennium Development Goals
HPB	Health Promoting Business	MDR-TB	Multi-Drug Resistance-TB
HPC	Health Professionals Council	M&E	Monitoring and Evaluation
HPCS	Health Promotion Correctional Services	MEC	Member of Executive Committee
HPCSA	Health Professionals Council of South Africa	METROS	Medical Emergency Transport and Rescue Organization
HPH	Health Promoting Hospital	MHC	Mthatha Hospital Complex
HPSP	Health Promoting Schools Programme	MHS	Mental Health Services
HPTD	Health Professionals Training and Development	MHS	Municipality Health Services
HR	Human Resources		
HRD	Human Resources Development		
HRM	Human Resources Management		

MMR	Maternal Mortality Ratio	PDP	Public Drivers Permit
MOF	Minister of Finance	PE	Port Elizabeth
MOU	Maternal Obstetric Unit	PEHC	Port Elizabeth Hospital Complex
MRC	Medical Research Council	PEP	Post Exposure Prophylaxis
MSH	Management Service for Health	PEPFAR	President's Emergency Plan for AIDS Relief
MTEF	Medium Term Expenditure Framework	PEPH	Port Elizabeth Provincial Hospital
MTS	Modernization of Tertiary Services	PFMA	Public Finance Management Act
MTSF	Medium Term Strategic Framework	PGDP	Provincial Growth and Development Plan
NCCEMD	National Committee for Confidential Enquiries on Maternal Deaths	PHC	Primary Health Care
NCD	Non-Communicable Diseases	PHC	Provincial Health Council
NGO	Non-Governmental Organization	PHS	Provincial Health Services
NHLS	National Health Laboratory Services	PHSDSBC	Public Health and Social Development Sectorial Bargaining Council
NIDS	National Indicator Data Set	PMDs	Performance Management and Development System
NIMART	Nurse Initiative Management of Anti-Retroviral Therapy	PMR	Perinatal Mortality Rate
NM&E	National Monitoring and Evaluation	PMS	Patient Management System
NMIR	National Minimum Information Requirements	PMTCT	Prevention of Mother to Child Transmission
NMM	Nelson Mandela Metropole	PN	Professional Nurse
NMMM	Nelson Mandela Municipal Metropole	POA	Programme of Action
NPA	National Prosecuting Authority	PPPs	Public Private Partnerships
NPO	Non-Profit Organization	PPTVs	Planned Patient Transport Vehicles
NSDA	Negotiated Service Delivery Agreement	PQR	Provincial Quarterly Reports
NTSG	National Tertiary Service Grant	PQRS	Performance Quarterly Report System
NVP	Nevirapine	PSIRA	Private Security Industry Regulatory Authority
O&G	Obstetric and Gynae	PSS	Patient Satisfactory Survey
OHS	Occupational Health and Safety	PSTS	Public Service Transformation Strategy
OHS	Oral Health Services	PTVs	Patient Transport Vehicle
O&P	Orthotic and Prosthetic	PVA	Public Viewing Area
OPD	Out-Patient Department	QHCAS	Quality Health Care Assurance System
OSD	Occupational Specific Dispensation	QIP	Quality Improvement Plan
OSG	Office of the Superintendent General	RAMS	Risk Assurance Management Services
OTP	Office of the Premier	RDP	Reconstruction and Development Programme
OVC	Orphaned and Vulnerable	RED	Reach Every District
PAAB	Pharmaceutical Advertising Advisory Board	RFP	Request for Proposal
PAH	Provincially Aided Hospitals	RPHC	Revitalization of Primary Health Care
PBM	Pharmaceutical Benefit Management	RTC	Regional Training Centre
PCR	Polymarase Chain Reaction	RTHC	Road to Health Card
PCV	Pneumococcal Vaccine	RT	Rota Virus
PDE	Patient Day Equivalent	SA	South Africa
PDPHCP	Partnership of the Delivery of PHC including HIV/AIDS Programme		

SAHR	South African Health Review	SSD	State Security Department
SANBS	South African National Blood Service	STI	Sexually Transmitted Infections
SANCA	South African Cancer Association	STP	Service Transformation Plan
SAPC	South African Pharmaceutical Council	TAT	Turnaround Time
SAPS	South African Police Service	TB	Tuberculosis
SASO	Specialised Auxiliary Service Officer	THPs	Traditional Health Practitioners
SASQAF	South African Statistical Quality Framework	THS	Traditional Health Services
SASSA	South African Social Security Agency	TV	Television
SCM	Supply Chain Management	UNAIDS	United Nations Programme on HIV and AIDS
SCOPA	Standing Committee on Public Account	UNICEF	United Nations Children's Fund
SDC	Sustainable Development Commissioner	UNPF	United Nations Population Fund
SDIP	Service Delivery Improvement Plan	URP	Urban Renewal Programme
SG	Superintendent General	URS	User Requirement System
SIU	Special Investigation Unit	UPFS	Uniform Patient Fund System
SLA	Service Level Agreement	VCT	Voluntary Counselling and Testing
SMME	Small, Medium and Micro Enterprises	VDRL	Venereal Disease Research Laboratory
SMS	Senior Management Service	VPN	Virtual Private Network
SMSB	Saving Mothers, Saving Babies	WHO	World Health Organization
SO	Strategic and Organizational Performance	WSU	Walter Sisulu University
SOPs	Standard Operation Procedures	XDR-TB	Extreme Drug Resistant
SPS	Strengthening Pharmaceutical Services	YFS	Youth Friendly Services
		YTD	Year to date



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