NATIONAL DEPARTMENT OF HEALTH

ANNUAL REPORT
2012/2013

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Table of Contents

Foreword by the Minister

2013 marks the fourth term of our democratic government. When this Administration assumed office in 2009, we were still faced with a divided health-care system. There remained stark differences between the public and private health sectors in terms of access and quality.

Complicating this situation, is South Africa's quadruple burden of diseases, namely; a very high prevalence of HIV and AIDS which has now entered into a synergistic relationship with TB; maternal and child morbidity and mortality; exploding prevalence of non-communicable diseases mostly driven by risk factors related to life-style; and violence, injuries and trauma.

These four colliding epidemics resulted in death notification doubling between 1998 and 2008 to 700 000 per year. Life expectancy in the country also took a knock and declined to worrying levels. However, as a result of the interventions highlighted in the Annual Report, there has been a plausible change.

In response to these burdens, the country developed a Ten Point Plan to overhaul our health system. In addition, we signed the National Service Delivery Agreement with the President. In this agreement, we committed to four outputs, these are; Increasing Life Expectancy; Decreasing Maternal and Child mortality; Combating HIV and AIDS and Decreasing the Burden of Diseases from TB; and Strengthening Health System Effectiveness.

After analysing these challenges, it became clear that unless we deal decisively with HIV, AIDS and TB, it would be impossible to overcome the high levels of mortality and morbidity in our country.

Although HIV, AIDS and TB are the central drivers of morbidity and mortality in South Africa, the other disease burdens also take their toll on health. Therefore, South Africa's health system has been based on a Primary Health Care (PHC) approach, to try and stem the tide of ill health in the country.

Since launching the HIV Counselling and Testing (HCT) Campaign with the President in 2009, we have tested millions of South Africans. This enormous achievement has assisted in early detection and treatment as well as prevention.

Another successful campaign was the launching of the Nurse Initiated Management of Antiretroviral Therapy (NIMART) Programme. To date, 23 000 nurses have been trained. Due to this programme, we have been able to increase the number of facilities able to provide Antiretrovirals (ARVs). NIMART made it possible to increase the number of people on treatment from 923 000 in February 2010 to 1.9 million by the end reporting period– effectively doubling the number on treatment.

A decline in children under-five mortality and maternal mortality ratio has been reported by UNAIDS, the Medical Research Council and the Lancet. All researchers attributed the decline in mortality and the concomitant increase in life expectancy to our comprehensive response to the HIV epidemic, especially the ARV treatment programme.

In the field of TB, many exciting new programmes have been launched. The first is the GeneXpert technology. GeneXpert allows for faster diagnoses. Whereas previously it could take up to a week to diagnose TB, with GeneXpert, it now takes only 2 hours to make a diagnosis. This has huge positive implications for health outcomes for the patients.

I am very proud that South Africa was the very first country on this continent to unveil the GeneXpert technology. Since launching GeneXpert in March 2013,

we have distributed 242 units around the country. We have reached 80% coverage to date. R117 million, shared by the National Department of Health, the Global Fund and the Centre for Disease Control in the USA, was spent to achieve this 80% coverage. We have conducted 1, 3 million tests using this technology since 2011. This constitutes more than 50% of the total tests conducted in the whole world.

There are 2 machines in the country which are able to diagnose 48 patients at one time. These have been placed at the Ethekwini Municipality at Prince Mshiyeni Hospital and in the Cape Metro at Green Point National Health Laboratory Service (NHLS). Ethekwini and the Cape Metro have the highest TB prevalence rate.

It is now well established that the highest rate of TB in our country is in correctional service facilities. On World TB Day on 24 March this year, the Deputy President unveiled GeneXpert technology at Pollsmoor Prison, on behalf of all Correctional Services facilities. This was in response to a Constitutional Court ruling which found the state liable for inmates contracting TB in jail. The Department of Correctional Services will also be supplied with GeneXpert units to screen all inmates on entry to facilities and to screen them twice a year once they are inside. This will go a long way in preventing and controlling the spread of TB in correctional facilities.

The National Development Plan (NDP) has clearly indicated that by 2030, we must have a generation of under twenties (20) being free of HIV and AIDS and we must have a decrease in TB contact indices.

With regard to improving the efficiency and effectiveness of the healthcare system in the country, our flagship programme is the National Health Insurance (NHI) system. The NHI will be based on a preventative and not a curative healthcare system. Hence Primary Health Care, meaning prevention of diseases and promotion of health, is going to be the heartbeat of NHI in South Africa.

At the core of Universal Health Coverage in South Africa is that every citizen has a right to access good quality, affordable health care, and that the access should not be determined by the socioeconomic conditions of the individual, but based on the principles of social solidarity, equity and fairness.

In its editorial the Lancet (Vol. 380 of September 8, 2012) states that “certain concepts resonate so naturally with the innate sense of dignity and justice within the hearts of men and women that they seem an in-suppressible right. That healthcare should be accessible to all is surely one such concept. Yet in the past, this notion has struggled against barriers of self-interest and poor understanding.”

For NHI to work in South Africa, some drastic changes need to be made.

In our quest to improve the lives of our people, Cervical Cancer is at the forefront of our minds. According to research done by our own teaching hospitals, cervical cancer affects 6 000 South African women annually - 80% of whom are African. Of the affected, between 3 000 and 3 500 women, die annually as a result of this cancer. More than 50% of women affected are between 35 and 55 years of age. This cancer is caused by the Human Papilloma Virus (HPV). A vaccine for HPV has subsequently been developed and approved and we shall administer the HPV vaccine, progressively, as part of our School Health Programme as from February 2014.

Firstly, quality of services in the public health system has to drastically undergo a metamorphosis. Secondly, the cost of private healthcare has to drastically reduce. We need to firmly regulate the prices in private healthcare

A key impediment that we have begun to tackle is the management of our health institutions. In October 2012, we established the Health Leadership and Management Academy, to address skills gaps at all levels including hospital and clinical management. In January 2013, a total of 102 new Hospitals CEOs with the requisite qualifications, skills and expertise were appointed in our institutions.

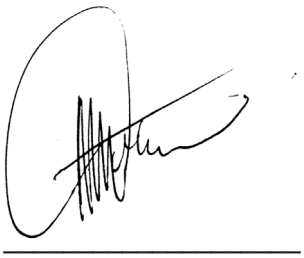
To enhance the production of doctors in South Africa, the intake of medical students by academic institutions is rapidly being scaled up. A Public Health Education Fund has been created jointly with the private sector. The work done alongside the private sector, which resulted in the Social Compact, was one of the defining moments for effective collaboration on health.

I wish to take this opportunity to thank the Deputy Minister, the Director-General, and all managers in our Head Office, Provincial Departments and facilities. The achievements of the Department would not have been possible without the support I received from the President, my Cabinet colleagues and MECs of Health

in our provinces, and the thought-provoking dialogues of the portfolio committee on health in the parliament.

Lastly, it is important to note that our health workers still remain our heroes and heroines.

It is with a great sense of humbleness that I present this Annual Report as a reflection of our collective endeavours.



Dr A Motsoaledi, MP
Minister of Health
Date: 02/09/2013

Deputy Minister Statement

The National Development Plan 2030 postulates that "given the escalating costs of services in both the public and private sectors and the high proportion of the GDP that goes to health service funding, it is essential to create a culture of using evidence to inform planning, resource allocation and clinical practice."

This 2012/2013 annual report is presented as we close a second decade of a democratic era where the provision of strategic leadership and social cohesion has enabled the country to register significant milestones towards the progressive realisation of a better health and a better life for our people. Utilising a multisectoral platform and evidence based interventions we are conquering HIV, AIDS, TB and other communicable diseases. Maternal and Child mortality rates are on the decline and life expectancy is on an increase. Whilst more still needs to be done we need to recognise and leverage these profound achievements as a celebration of the unity of purpose and the high value our nation places on the wellbeing and productivity of its children, mothers, workers and society at large.

Greater focus is also being placed on curbing the high morbidity and mortality rates from Non-Communicable Diseases (NCDs).

The National Health Council not only endorsed the 2011 NCD Summit Declaration but subsequently approved a Strategic Plan and set up Stakeholder and Expert teams to ensure the implementation therof. With the co-morbidity of HIV and NCD's , the model of intergrated management of chronic diseases has been identified as essential, more patient centred and strategic in containing the double burden. Already there is emerging evidence from the 3 pilot sites in the country that this model is an ideal, practical and patient centred approach to manage this double burden.

In implementing the National Health Research Summit recommendations, a National Health Scholarship Programme has been established with an aim to produce 1000 PhD graduates over the next 10 years. Already 13 PhD scholars have been funded for the 2012/13 financial year. In the near future, these PhD scholars will become the new generation of health researchers and also contribute to health innovation, clinical teaching, training and health service delivery.

The National Health Surveillance System is assisting the Department to swiftly contain infectious disease outbreaks. Initiatives have begun towards establishing a National Public Health Institute to strengthen the capacity of the National Laboratory Services on one hand and on the other hand to ensure a more comprehensive intergrate surveillance of diseases.

The Department has developed a national eHealth Strategy in partnership with the Medical Research Council of South Africa and many other key role players who constitute the National Health Information Systems of South Africa (NHISSA) Committee. The national eHealth Strategy for South Africa was approved by the Ministry of Health and endorsed by the National Health Council. As we present this annual report, a Health Normative Standards Framework, in partnership with the Council for Scientific and Industrial Research (CSIR) has been finalised.

The billions of rands saved through a more efficient drug procurement system has enabled more patients to access medication. The National Essential Medicine List Committee periodically reviews the Treatment Guidelines and updates the Essential Drug List. A national monitoring system has been designed and implemented for the early detection of facility stock outs. With the inefficiencies, losses and expiry of medicines experienced through the Medical Depot System, we are encouraged that a number of provinces have begun to implement a model of Direct Deliveries to Point Care in health facilities.

I would like to thank the Minister for his visionary and goal oriented leadership, colleague MECs for Health, the Director-General and staff throughout the health system, especially our management, professionals and support staff for making the health of our people their occupation. With strengthened partnership with stakeholders and experts we are well poised to advance further to reverse the burden of disease, ensure the sustainability of universal health coverage and the attainment of a higher life expectancy.

Dr G Ramokgopa
Deputy Minister of Health
Date: 30/08/2013

Overview of the Accounting Officer

This Annual Report captures key milestones made in 2012/13 towards the realisation of the 10 Point Plan to turn around the public health system in our country.

The 10 Point Plan for the transformation of the public health sector was developed in 2009 for this current term of Government. The Plan is aimed at creating a well functioning health system capable of producing improved health outcomes. The national Department of Health adopted a new outcome-based approach to accelerate attainment of set objectives.

In keeping with this approach, attention was devoted to four key areas, namely: increasing life expectancy; decreasing Maternal and Child mortality; combating HIV and AIDS, and decreasing the burden of diseases from Tuberculosis; and improving Health Systems Effectiveness. These four outputs as reflected in the Negotiated Service Delivery Agreement (NSDA), have contributed to the achievement of Government's vision for A long and healthy life for all South Africans.

As stated by the Minister, when this term of Government assumed office in 2009, the country was still not achieving the outcomes necessary to ensure adequate progress in creating a better life for all. The issue of quality of care was and still is a major concern.

Between 2009 and 2011, Government focussed on governance issues to achieve the newly outlined goals, and to assert greater stewardship over the entire health system. Achieving these required a well structured department with the ability and flexibility to respond to people's needs and expectations.

The key priority for the Department was the process of overhauling the health system underpinned by the strengthening of the primary health care (PHC) approach that promotes prevention of diseases and supported by proper management of health facilities to provide equitable and good quality of services.

The conception of a National Health Insurance (NHI) provided an opportunity for the significant transformation of the existing institutional and organisational arrangements.

Between the periods 2009-2012, the Ministry of Health led a new discourse on HIV and AIDS based on a scientific approach to address the catastrophic scale of the pandemic. This discourse drastically altered public perceptions of government's management of the pandemic. Government's HIV prevention programmes were consequently enhanced by the introduction of the first ever HIV Counselling and Testing Campaign (HCT) whose primary focus was to scale up the integrated prevention strategy based on behavioural change, provision of medical male circumcision (MMC), scale up syndrome management of STI and the early prophylaxes Prevention of Mother-To-Child Transmission.

The HCT campaign became the largest HIV counselling and testing initiative globally, reaching millions of South Africans. The MMC to reduce incidents of infections added another impetus to Government's HIV prevention programmes. More than 619,000 male medical circumcisions have been performed to date. Access to Antiretroviral Therapy (ART) for people living with HIV and AIDS has also been significantly expanded. More than 1,2 million new patients have been initiated on treatment in the last three years. The TB cure rate in South Africa passed the 70% mark for the first time in 2010/11, and reached 71,1%. It has since increased to 73.1% in 2011/12. At the same time, the TB defaulter rate has continued to decrease, and now stands at 6.8%, compared to 8, 5% in 2008/09.

The Prevention of Mother to Child Transmission (PMTCT) in South Africa has yielded heartening results. The Medical Research Council (MRC) study concluded that since 2010 there was an additional 23% (95%

CI 22-28%) reduction in mother-to-child transmission (MTCT) following implementation of Option A PMTCT regimens (MTCT 3.5% in 2010 versus 2.7% in 2011). The implications of this achievement were that a total of 107 000 babies (95% CI 105 000-110 000) were saved from the HI virus, assuming that the perinatal MTCT without SA National PMTCT programme was 30%. In 2011, an additional 3 100 babies were saved from infection compared with 2010 results. The 3.5% (2.9-4.1%) perinatal MTCT in 2010 and 2.7% (95% CI 2.1-3.2) in 2011 suggested that South Africa is potentially on track to reach the 2015 target of <2% perinatal HIV transmission by 2015.

Great strides have also been made towards improving the health of mothers, infants and children. Adequate and appropriate antenatal care is essential for monitoring the health of both the mother and the baby during pregnancy. An average antenatal care (ANC) coverage rate of 100.4% was recorded nationally during 2011/12 which was consistent with the annual target for 2011/12. Given the prevalence of HIV in South Africa, the health sector now encourages women to present within 14 weeks of pregnancy.

Provision of good quality health services is a critical component of efforts to improve clinical outcomes and the health status of South Africans. In 2011/12, the Department commissioned a comprehensive audit of all public health facilities, which was conducted by the Health Systems Trust (HST) - an independent non-governmental organisation. The main aim of the audit was to assess the infrastructure, human resources, quality of care and services provided by these facilities. All 4,210 health facilities were audited.

Significant progress has been made towards the establishment of the Office of Health Standards Compliance, as a national quality management and Accreditation body, in accordance with the National Health Amendment Bill, which was finalised in March 2013. The Amendment Bill provides for the establishment of three institutions under the Office of Health Standards and Compliance: (a) Office of the Ombuds person (b) Office for Public Complaints Management (c) Office of the Health Inspectorate.

The review of the drug policy was conducted in 2009. Several important recommendations were made. One of them focused on the need to reduce the exorbitant prices that the country was being charged for drugs and pharmaceuticals.

Legislation has been developed to support the establishment of the new South African Pharmaceutical and Related Product Regulation and Management Authority (SAHPRA), which will enhance the medicine registration process. A Central Procurement Agency (CPA) is being established to guide the health sector to maximise benefits from the economies of scale. The CPA is being piloted in Gauteng and Limpopo Provinces.

The NHI policy and its phased implementation plan was finalised to ensure that all South Africans, irrespective of their socioeconomic status, have access to good quality and affordable health services.

A data warehouse was established in the Department which contains socioeconomic data and health indicators for all districts in South Africa. This information received influenced the selection of the pilot districts.

Consequently, the Department launched ten (10) pilot districts located across all 9 Provinces in 2012. KwaZulu-Natal identified an additional pilot site. Through the pilot process, the Department sought to examine various policy options for NHI which included: (a) single purchaser versus multi-purchaser model (b) separation of roles between the purchaser and provider of health services (c) role of General Practitioners (GPs) in supporting health care delivery in the public sector.

Progress is being made in several projects to lay a solid foundation for the NHI implementation in the first five years. These include: Establishing of the Office of Health Standards Compliance; Audit of public health facilities and quality improvement programmes; Appointment of District Clinical Specialist Support Teams; Training of Primary Health Care Agents; Improving Information Management and Systems Support; Strengthening Human Resources for Health, and the expansion of the Mindset Health Television Channel to health facilities in the districts in which the NHI will be implemented.

This Annual Report is a summary of key milestones achieved and a glimpse of a future healthcare appropriate to all South Africans irrespective of their social status. The key areas are discussed in detail to illustrate the huge strides being made by the Department to reverse the burden of disease.

A dedicated team in the National Department of Health, who take their role as public servants very seriously, have worked hard to ensure that contributions by

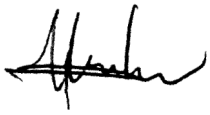
various clusters are duly recognised for the production of this 2012-13 Annual Report.

I would like to acknowledge the work of the Auditor-General South Africa, who conducted an audit of the annual financial statements and performance information. I extend my appreciation to the Audit Committee which provided a critical appraisal of the annual report.

I am humbled by the efforts of the Annual Report writing team.

Finally, I would like to acknowledge the role and support of our implementing partners and funders.

South Africans can be proud of their contribution, in many immeasurable ways, towards achievement of improved health outcomes.



MS. MP MATSOSO
Director-General: Health
Date: 28/08/2013

PART A
GENERAL INFORMATION


health
health

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1.2 List of Abbreviations and Acronyms

ABET	Adult Basic Education and Training
AFHR	African Forum for Health Research
AFCON	African Cup of Nations
AGSA	Auditor-General of South Africa
AIDS	Acquired Immune Deficiency Sydrome
APP	Annual Performance Plan
ART	Antiretroviral Therapy
ARV	Antiretroviral Drugs
APP	Annual Performance Plan
BAS	Basic Accounting System
BCP	Business Continuity Plan
BBB-EE	Broad Based Black Economic Empowerment
BME	Benefit Medical Examination
CARMMA	Campaign on Accelerated Reduction of Maternal and Child Mortality in Africa
CCM	Chronic Care Model
CCOD	Compensation Commissioner for Occupational Diseases
CEO	Chief Executive Officer
CD4	T. Helper cells, cluster of differentiation 4
CHBAH	Chris Hani Baragwanath Academic Hospital
CHC	Community Health Centre
CIDA	Canadian International Development Aid
CHW	Community Health Worker
CMS	Council for Medical Schemes
CORE	Code of Remuneration
CPT	Cotrimoxazole Prophylaxis Therapy
CSIR	Council for Scientific and Industrial Research
CSTL	Care and Support for Teaching and Learning
DBE	Department of Basic Education
DCST	District Clinical Specialist Team
DDG	Deputy Director General
DEA	Department of Environmental Affairs
DFID	Department for International Development
DG	Director-General
DHA	District Health Authority
DHIS	District Health Information System
DHMIS	District Health Management Information System
DHMT	District Health Management Team
DHS	District Health System
DHP	District Health Plan
DORA	Division of Revenue Act
DPSA	Department of Public Service and Administration
DRP	Disaster Recovery Plan
DBSA	Development Bank of Southern Africa
DORA	Division of Revenue Act
DPSA	Department of Public Service and Administration
EA	Executive Authority
EAP	Employee Assistance Programme
EEL	Essential Equipment List
EHP	Environmental Health Practitioner
EMIS	Education and Management Information System
EMP	Environmental Management Plan
EPI	Expanded Programme on Immunisation
EU	European Union
FAO/WHO	Food and Agricultural Organisation/ World Health Organisation
FDC	Fixed Dose Combination
FET	Further Education and Training
FIT	Facility Improvement Team
FSHPC	Forum for Statutory Health Professions Council
HAART	Highly Active Antiretroviral Therapy
HCT	HIV Counselling and Testing
HDI	Human Development Index
HFIT	Health Facility Improvement Team
HIG	Health Infrastructure Grant
HIV	Human Immuno-Deficiency Virus
HPCSA	Health Professions Council of South Africa
HPTDG	Health Professionals Training and Development Grant
HPV	Human Papilloma Virus
HR	Human Resources
HRG	Hospital Revitalization Grant
HRP	Human Resources Plan
HST	Health System Trust
HT	Health Technology
HW SETA	Health and Welfare Sector Education and Training Authority
ICCM	Integrated Chronic Care Model
ICT	Information Communication Technology
IHR	International Health regulations
IMR	Infant Mortality Rate
IPT	Isoniazid Preventive Therapy
ISHP	Integrated School Health Programme
IT	Information Technology
IUSS	Infrastructure Unit Support System
IYM	In-Year Monitoring
LFA	Local Funding Agency

MBFI	Mother Baby Friendly Initiative
MBOD	Medical Bureau for Occupational Diseases
MCC	Medicines Control Council
MCWH	Mother, Child and Women's Health
MDG	Millennium Development Goals
MDR-TB	Multi-drug Resistant Tuberculosis
MISP	Master Information Systems Plan
M&E	Monitoring and Evaluation
MMC	Male Medical Circumcision
MMR	Maternal Mortality Ratio
MOZIZA	Mozambique-Zimbabwe-South Africa
MOU	Memorandum of Understanding
MRC	Medical Research Council
MTEF	Medium Term Expenditure Framework
NCE	New Chemical Entity
NCDs	Non-Communicable Diseases
NCOP	National Council of Provinces
NDoH	National Department of Health
NEMA	National Environmental Health Act
NHI	National Health Insurance
NHI-CG	National Health Insurance Conditional Grant
NHIRD	National Health Information Repository and Data Warehouse
NHISSA	National Health Information Systems Committee of South Africa
NHLS	National Health Laboratory Services
NGO	Non-Government Organisation
NHREC	National Health Research Ethics Committee
NHRC	National Health Research Committee
NICD	National Institute for Communicable Diseases
NIDS	National Indicator Data Set
NPM	Nutrient Profiling Model
NSDA	Negotiated Service Delivery Agreement
NTSG	National Tertiary Services Grant
NTSP	National Tertiary Services Plan
NWU	North West University
OHS	Occupational Health and Safety
OHSA	Occupational Health and Safety Act
OHSC	Office of Health Standard Compliance
OHU	Occupational Health Unit
OSD	Occupation-specific Dispensation
ODA	Overseas Development Aid
PERSAL	Personnel Salary System
PFMA	Public Finance Management Act
PHC	Primary Health Care
PMDS	Personnel Management and Development Plan
PMIS	Project Management Information System
PMTCT	Prevention of Mother to Child Transmission
PoE	Port of Entry
PPP	Public Private Partnership
PSCBC	Public Sector Coordinating Bargaining Council
RAF	Road Accident Fund
RED	Reach Every District
RFQ	Request for Quotation
RFP	Request for Proposal
SLA	Service Level Agreement
SADHS	South African Demographic and Health Survey
SAHPRA	South African Health Products Regulatory Authority
SANAC	South African National AIDS Council
SAPS	South African Police Services
SANHANES	South African National Health and Nutritional Examination Survey
SARRAH	Support for HIV and Health in South Africa
SCM	Supply Chain Management
SCOPA	Select Committee on Public Accounts
SDC	Step Down Care
SDIP	Service Delivery Improvement Plan
SOP	Standard Operating Procedures
STI	Sexually Transmitted Infections
UCT	University of Cape Town
USAID	United States Agency for International Development
WBOT	Ward Based PHC Outreach Team
WHO	World Health Organisation
WISN	Work Indicators for Staffing Needs

1.3 Strategic Overview

Vision

A long and healthy life for all South Africans.

Mission

To improve the health status through the prevention of illnesses and the promotion of healthy lifestyles and consistently to improve the health care delivery system by focusing on access, equity, efficiency, quality and sustainability.

Strategic Outcome Orientated Goals

The major strategic framework for the work of the National Department of Health (NDoH) during 2012/13 was the Negotiated Service Delivery Agreement (NSDA) 2010 to 2014, which provides key strategies for accelerating progress towards the vision of "A Long and Healthy Life for all South Africans".

The four outputs required from the health sector in terms of the NSDA are:

(a) Increased life expectancy;
(b) Reduction in maternal and child mortality rates;
(c) Combating HIV and AIDS and decreasing the burden of disease from Tuberculosis; and
(d) Strengthening health system effectiveness.

These outputs are interlinked. An effective and well-functioning health system is essential for the attainment of the desired improved health outcomes. The NSDA 2010 to 2014 informed the development, implementation and monitoring of the Annual Performance Plan (APP) of the NDoH for 2012/13.

1.4 Legislative and other Mandates

Legislation governing the functioning of the Department is outlined below, with a brief description of their provisions.

1.4.1 Legislation falling under the Portfolio Responsibilities of the Minister

- **Constitution of the Republic of South Africa Act, 108 of 1996**
  Pertinent sections provide for the right of access to health care services, including reproductive health and emergency medical treatment
- **National Health Act, 61 of 2003**
  Provides for a transformed national health system for the entire Republic.
- **Medical Schemes Act, 131 of 1998**
  Provides for the regulation of the medical schemes industry to ensure consonance with national health objectives.
- **Medicines and Related Substances Act, 101 of 1965**
  Provides for the registration of medicines and other medicinal products to ensure their safety, quality and efficacy. The Act also provides for transparency in the pricing of medicines.
- **Mental Health Care Act, 17 of 2002**
  Provides a legal framework for mental health in the Republic and in particular the admission and discharge of mentally ill health patients in institutions, with emphasis on human rights for mentally ill patients.
- **Choice on Termination of Pregnancy Act, 92 of 1996**
  Provides a legal framework for termination of pregnancies based on choice under certain circumstances.
- **Sterilisation Act, 44 of 1998**
  Provides a legal framework for sterilisations, also for persons with mental health challenges.
- **SA Medical Research Council Act, 58 of 1991**
  Provides for the establishment of the SA Medical Research Council and its role in relation to health research.
- **Tobacco Products Control Amendment Act, 63 of 2008**
  Provides for the control of tobacco products, prohibition of smoking in public places and advertisements of tobacco products, as well as sponsoring of events by the tobacco industry.

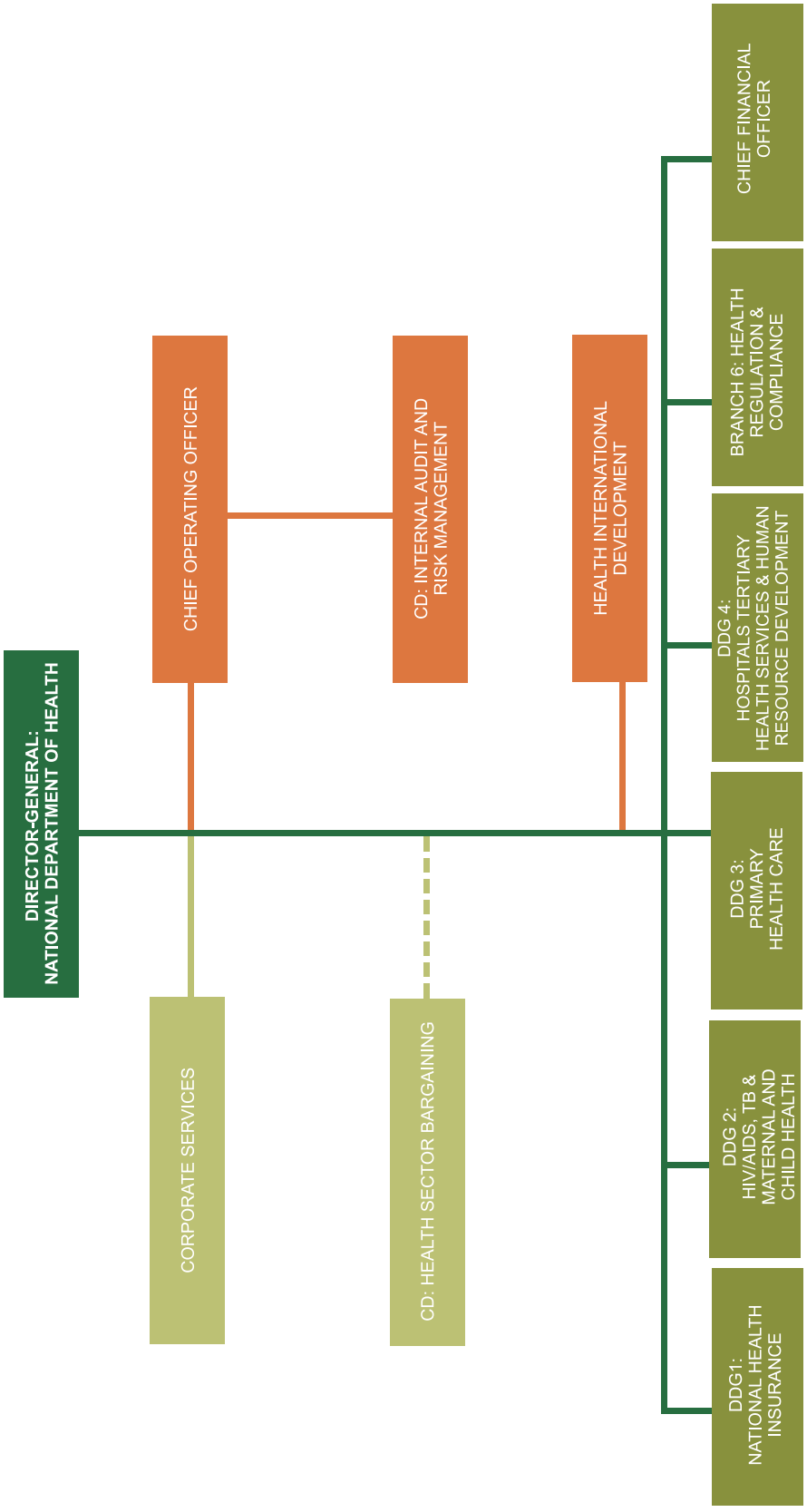
- **National Health Laboratory Service Act, 37 of 2000**
  Provides for a statutory body that provides laboratory services to the public health sector.
- **Health Professions Act, 56 of 1974 as amended**
  Provides for the regulation of health professions, in particular, medical practitioners, dentists, psychologists and other related health professions, including community service by these professionals.
- **Pharmacy Act, 53 of 1974 as amended**
  Provides for the regulation of the pharmacy profession, including community service by pharmacists.
- **Nursing Act, 33 of 2005**
  Provides for the regulation of the nursing profession.
- **Allied Health Professions Act, 63 of 1982 as amended**
  Provides for the regulation of health practitioners like chiropractors, homeopaths and others, and for the establishment of a council to regulate these professions.
- **Dental Technicians Act, 19 of 1979**
  Provides for the regulation of dental technicians and for the establishment of a council to regulate the profession.
- **Hazardous Substances Act, 15 of 1973**
  Provides for the control of hazardous substances, in particular those emitting radiation.
- **Foodstuffs, Cosmetics and Disinfectants Act, 54 of 1972 as amended**
  Provides for the regulation of foodstuffs, cosmetics and disinfectants, in particular, setting quality and safety standards for the sale, manufacturing and importation thereof.
- **Occupational Diseases in Mines and Works Act, 78 of 1973**
  Provides for medical examinations on persons suspected of having contracted occupational diseases especially in controlled mines and works and for compensation in respect of those diseases.
- **Council for Medical Schemes Levies Act, 58 of 2000**
  Provides for a legal framework for the Council to charge medical schemes certain fees.
- **Human Tissue Act, 65 of 1983**
  Provides for the administration of matters pertaining to human tissue

4.2 Other legislation in terms of which the Department operates

- **Public Service Act, 103 of 1994**
  Provides for the administration of public sector employees in its national and provincial spheres, as well as provides for the powers of Ministers to employ and dismiss.
- **Promotion of Administrative Justice Act, 3 of 2000**
  Amplifies the constitutional provisions pertaining to Administrative law by codifying it.
- **Promotion of Access to Information Act, 2 of 2000**
  Amplifies the constitutional provision pertaining to accessing information under the control of various bodies.
- **Labour Relations Act, 66 of 1996**
  Regulates the rights of workers, employers and trade unions.
- **Compensation for Occupational Injuries and Diseases Act,130 of 1993**
  Provides for compensation for disablement caused by occupational injuries or diseases sustained or contracted by employees in the course of their employment, and for death resulting from such injuries or disease.
- **Basic Conditions of Employment Act, 75 of 1997**
  Provides for the minimum conditions of employment that employers must comply with in their workplaces.
- **Occupational Health and Safety Act, 85 of 1993**
  Provides for the requirements that employers must comply with in order to create a safe working environment for employees in the workplace.
- **The Division of Revenue Act, 5 of 2012**
  Provides for the manner in which revenue generated may be disbursed.
- **Skills Development Act, 97 of 1998**
  Provides for the measures that employers are required to take to improve the levels of skills of employees in workplaces.
- **Preferential Procurement Policy Framework Act, 5 of 2000**
  Provides for the implementation of the policy on preferential procurement pertaining to historically disadvantaged entrepreneurs.
- **Employment Equity Act, 55 of 1998**
  Provides for the measures that must be put into operation in the workplace in order to eliminate discrimination and promote affirmative action.

- **State Information Technology Act, 88 of 1998**
  Provides for the creation and administration of an institution responsible for the State's information technology system.
- **Child Care Act, 74 of 1983**
  Provides for the protection of the rights and well being of children.
- **The Competition Act, 89 of 1998**
  Provides for the regulation of permissible competitive behaviour, regulation of mergers of companies and matters related thereto.
- **The Copyright Act, 98 of 1998**
  Provides for the protection of intellectual property of a literary, artistic or musical nature that is reduced to writing.
- **The Patents Act, 57 of 1978**
  Provides for the protection of inventions, including gadgets and chemical processes.
- **The Merchandise Marks Act, 17 of 1941**
  Provides for the covering and marking of merchandise, and incidental matters.
- **Trade Marks Act, 194 of 1993**
  Provides for the registration of trade marks, certification trade marks and collective trademarks and matters incidental thereto.
- **Designs Act, 195 of 1993**
  Provides for the registration of designs and matters incidental thereto.
- **Promotion of Equality and the Prevention of Unfair Discrimination Act, 4 of 2000**
  Provides for the further amplification of the constitutional principles of equality and elimination of unfair discrimination.
- **State Liability Act, 20 of 1957**
  Provides for the circumstances under which the State attracts legal liability.
- **Broad-Based Black Economic Empowerment Act, 53 of 2003**
  Provides for the promotion of black economic empowerment in the manner that the State awards contracts for services to be rendered, and incidental matters.
- **Unemployment Insurance Contributions Act, 4 of 2002**
  Provides for the statutory deduction that employers are required to make from the salaries of employees.
- **Public Finance Management Act, 1 of 1999**
  Provides for the administration of State funds by functionaries, their responsibilities and incidental matters.
- **Protected Disclosures Act, 26 of 2000**
  Provides for the protection of "whistle-blowers" in the fight against corruption.
- **Control of Access to Public Premises and Vehicles Act, 53 of 1985**
  Provides for the regulation of individuals entering government premises, and incidental matters.
- **Conventional Penalties Act, 15 of 1962**
  Provides for the enforceability of penal provisions in contracts.
- **Intergovernmental Fiscal Relations Act, 97 of 1997**
  Provides for the manner of harmonisation of financial relations between the various spheres of government, and incidental matters.
- **Public Service Commission Act, 46 of 1997**
  Provides for the amplification of the constitutional principles of accountability, good governance, and incidental matters.

1.5 Organisational Structure: Office of the Director-General



1.6 Entities Reporting to the Minister

The table below indicates the entities that report to the Minister

Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
Council for Medical Schemes	Medical Schemes Act, 131 of 1998	Transfer payment	Regulates the Private Medical Scheme Industry.
South African Medical Research Council	South African Medical Research Council Act, 58 (1991)	Transfer payment	The objectives of the Council are to promote the improvement of health and quality of life through research, development and technology transfer
National Health Laboratory Service	National Health Laboratory Service Act, 37 of 2000	Transfer payment	The service supports the Department of Health by providing cost effective laboratory services to all public clinics and hospitals.
Compensation Commissioner for Occupational Diseases	Occupational Diseases in Mines and Works Act, 78 of 1973	Transfer payment	The Commissioner is responsible for the payment of benefits to workers and ex-workers in controlled mines and works who have been certified to be suffering from cardiopulmonary diseases because of work exposures.
Health Professions Council of SA	Health Professions Act, 65 of 1974	Not applicable	Regulates the medical, dental and related professions.
SA Nursing Council	Nursing Council Act, 33 of 2005	Not applicable	Regulates the nursing profession.
SA Pharmacy Council	Pharmacy Act, 53 of 1974	Not applicable	Regulates the pharmacy profession.
Dental Technicians Council	Dental Technicians Act, 19 of 1979	Not applicable	Regulates the dental technicians professions.
Allied Health Professions Council	Allied Health Professions Act, 63 of 1982	Not applicable	Regulates all allied health professions falling within the mandate of council
Interim Traditional Health Practitioners Council	Traditional Health Practitioners Act, 22 of 2007	Not applicable	Regulates traditional health practice and traditional health practitioners including students engaged in or learning traditional health practice in South Africa

PART B
PERFORMANCE INFORMATION


Promex
DIESEL


health
OUTCOME 2
A long and healthy life for all South Africans
KEY STRATEGIC OUTPUTS


NHI Pilot Project
SCHOOL HEALTH PROGRAMME
ORAL CARE

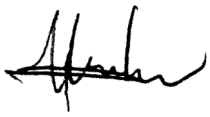
2.1 Statement of Responsibility for Performance Information

for the Year ended 31 March 2013

The Accounting Officer is responsible for the preparation of the Department's performance information and for the judgements made in this information.

The Accounting Officer is responsible for establishing and implementing a system of internal control designed to provide reasonable assurance as to the integrity and reliability of performance information.

In my opinion, we are making progress while we continue to address challenges with the performance information.



Ms M P Matsoso
Accounting Officer
Date: 31 July 2013

2.2 Auditor General's Report: Predetermined Objectives

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

Refer to page 137 of the report of the Auditor General, published as Part E: Financial Information.

2.3 Overview of the Department's Performance

2.3.1 Service Delivery Environment

During the reporting period, South Africa continued to confront the quadruple burden of diseases consisting of; HIV and TB, high maternal and child mortality, increasing burden of non-communicable diseases (NCDs) and violence and injuries.

A 10% improvement in life expectancy of South Africans, as shown in the Medical Research Council (MRC) Rapid Mortality Surveillance System results, is largely attributed to the scale up in coverage of the antiretroviral therapy (ART) programme and the success of the prevention of mother to child transmission (PMTCT) programme.

2.3.2 Service Delivery Improvement Plan

The Department has a draft Service Delivery Improvement Plan (SDIP). The tables below highlight the SDIP and the achievements to date.

Main services provided and standards

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
Ensuring that the organisational structure is linked to the strategic objectives of the Department	Management and employees of the National Department of Health, the public	DPSA, Cabinet	An organisational structure that supports the strategic objectives of health in the country	The three tiers of the organisational structure have been fully implemented. The matching and placing at the fourth tier has commenced.
Ensuring implementation of the recruitment and selection policy to fast track the filling of critical posts	Management of the National Department of Health	DPSA, the public	Effective recruitment and retention of human resources	There is compliance within the developed recruitment and selection policy .
Ensuring that posts are correctly graded to ensure adequate remuneration	Employees of the National Department of Health	DPSA, organised labour organisations	A job evaluation system that is applied to ensure equal pay for work of equal value	There is compliance within the developed job evaluation policy.
Ensuring that all newly appointed employees are subjected to the National Vetting Strategy	Employees of the National Department of Health	DPSA, Cabinet	All newly appointed employees subjected to Personnel Suitability Checks	A vetting unit that works closely with SSA has been created in the Department.
Providing HR advice and directives	Employees of the National Department of Health	DPSA, other Government Departments	Sound HR advice and directives	HR advice and directives are continuously provided in line with the regulatory framework.
Ensuring on-going consultation with stakeholders on matters of mutual interest	Organised labour organisations	PHSDSBC	Functioning bargaining structures in place	Regular engagement with stakeholders takes place in the Bargaining Chamber

Facilitating the improvement of the administration of the performance management and development system	Employees of the National Department of Health	DPSA, Cabinet	A functional performance management and development system	A performance management and development system has been reviewed and is in line with the strategic direction of the Department.

Consultation arrangements with customers

Type of arrangement	Actual Customers	Potential Customers	Actual achievements
Accessibility to all HR services and information	All employees in the National Department of Health	Other state departments and organs of state	Information is accessible on request, but also on a regularly updated Departmental intranet site and through circulars.
Active engagement with organised labour in the PHSDSBC on matters of mutual interest	Organised labour organisations	PHSDSBC	Regular engagement with stakeholders takes place in the Bargaining Chamber.

Service delivery access strategy

Access Strategy	Actual achievements
Personal interaction, circulars, briefings to Management, induction sessions and workshops	Information is available and accessible based on the requirements from clients.

Service information tool

Types of information tool	Actual achievements
Quarterly reporting against the Annual Performance Plan and Operational Plans	Quarterly reporting against set targets
Publishing of the Human Resources Plan	Annual reporting against a HR Action Plan
Placement of circulars on the intranet	Regular updates on directives done

Complaints mechanism

Complaints Mechanism	Actual achievements
Grievance and complaints procedure	HR related grievances are addressed in collaboration with Employment Relations and the relevant line managers.

2.3.3 Organisational Environment

The Department continued to implement the organisational structure as approved by the Department of Public Service and Administration (DPSA) in 2012/13. A Chief Operating Officer and a Deputy Director-General (DDG) for Primary Health Care (PHC) Services were appointed to strengthen leadership and management capacity.

The Department's Human Resources Plan (HRP) for 2012 – 2014 was approved and filed with the DPSA on March 2013. This Corporate HR Plan will be used to guide the Department in ensuring that it is adequately resourced in order to deliver on its mandate.

2.3.4 Key Policy Developments and Legislative Changes

A total of 83 regulations were published by the Department to enhance the legislative framework required to improve service delivery and strengthen health system effectiveness.

The Mental Health Amendment Bill, 2012 was certified by the Chief State Law Advisor in November 2012, and referred to Parliament for introduction. The purpose of the Bill is to amend the Mental Health Care Act, 2002, so as to insert a new section that provides for the delegation of powers by the head of the National Department to other officials in the National Department. This delegation will improve service delivery in the area of mental health care, in that the reviews of mental health care users will be finalised quicker. The Director-General will be able to concentrate on other priorities while this administrative work is done by other officials.

Significant progress has been made towards the establishment of the Office of Health Standards Compliance, as a National Quality Management and Accreditation Body. With respect to improving the quality of health care in the public sector, progress was made towards the finalisation of the National Health Amendment Bill, which provides the legal framework for the establishment of an independent Office of Health Standards Compliance. The Amendment Bill was tabled before the National Council of Provinces (NCOP) on 4 September 2012. Briefings and public hearings were subsequently held in all nine provinces. The mandates and final mandates were discussed at the NCOP on the 23rd October 2012 and 13 November 2012 respectively, and the Bill was approved in the NCOP sitting on 4th December 2012, after which it was returned to the National Assembly. The Portfolio Committee on Health sat on 30th January 2013 to review the Bill prior to its final approval. The National Health Amendment Bill has received overwhelming support during the public hearings.

The National Department of Health has made progress in the drafting and finalisation of the White Paper on National Health Insurance (NHI). Significant revisions have been effected to the Green Paper on NHI taking into consideration the comments and inputs received from the public and other stakeholders. The White Paper on National Health Insurance will be submitted to the Inter-Ministerial Committee prior to it being processed for Cabinet presentation and approval.

The next phase of work regarding the National Health Insurance policy processes will focus on the drafting of the National Health Insurance Bill and the supporting implementation and transitional plan.

2.4 Performance Information by Programme

2.4.1 Programme 1: Administration and Corporate Services

Purpose: Provide overall management of the Department and centralised support services. This programme consists of five sub-programmes:

- Ministry
- Management
- Financial Management
- Corporate Services
- Office Administration

Strategic Objective	Performance Indicator	Baseline (Actual Output) 2011/2012	Actual Performance Against Target		Deviation from planned target to actual achievements for 2012/13	Comments on deviation
			Planned Target for 2012/13	Actual achievement for 2012/13		
To ensure effective financial management and accountability	Unqualified Audit Opinion from Auditor-General	Unqualified Audit opinion	Unqualified audit opinion	Unqualified audit opinion	None	None
	Audit Opinion of the Auditor-General: Provincial DoHs	One Province obtained an unqualified audit opinion	6 Provincial DoH with unqualified audit outcomes	2 Provincial DoHs obtained unqualified audit opinion	4 Provincial departments did not obtain unqualified opinion	Provincial AGSA reports highlighted immovable tangible assets, receivable for expenditure, impairments, contingent liabilities , fruitless and wasteful expenditure employee benefits, accruals, commitments and incorrect classification of expenditure
	Total number of Provinces with Financial Improvement Plans	9	9	9	0	N/A
To ensure that Information Communication Technology (ICT) supports the business objectives of the Department	Master Information Systems Plan (MISP) to support the business functions produced	A draft framework of MISP was produced	Approved MISP and phase 1 of the MISP implemented	A draft Information and Communication Technology (ICT) strategic plan was developed which would form the basis of the MISP	The development of the MISP not finalised	The development of the MISP was delayed until the finalisation of the ICT strategic plan.
	Produce an ICT Business Continuity Plan (BCP) which incorporates a Disaster Recovery Plan (DRP)	A draft DRP was produced, as part of the development of an ICT Business Continuity Plan	ICT Business Continuity Plan tested and distributed	The BCP and DRP had to be reviewed to be aligned to the business processes of the Department. The EMC data backup solution project was completed as the first step of data protection and forms part of disaster recovery	ICT BCP was not tested and distributed	The existing DRP needs to be aligned to the Department's business continuity requirements
	Governance body for all ICT services established	Steering Committee was functional and effective	Functional Information Technology Committee (ITC) for the Department	Functional IT Steering Committee and IT Subcommittee	None	None

Overview of Performance

The Department set itself the objective of ensuring effective financial management and accountability in the health sector.

The global economic and financial crisis had a severe impact on South Africa's growth and revenue collections. The space within the fiscal envelope is narrowing. For the 2013 Medium Term Expenditure Framework (MTEF), National Treasury has recommended that National and Provincial Departments identify efficiency savings and reprioritise funds to priority areas. The impact of spending pressures experienced by Provincial Health Departments over the past three years has been such, that there has been a need to limit the provision of services or alternatively accrue expenditures in excess of the respective Provincial Health Budgets. The Department has instructed Provincial Health Departments to protect a select number of non-negotiable items in their Goods and Services budgets. Given the significant budget pressures, Provinces must review their budget allocations to ensure personnel expenditure is controlled and that the non-negotiables are protected.

The purpose of the non-negotiables is to address these challenges with a continuous system of monitoring, reporting and accounting. The aim of the non-negotiables is to ensure that Provincial budgets at any time, during and for the entire financial year, have adequate funding for essential services.

These non-negotiables will be measured both in terms of input costs and in terms of outputs delivered. There are 12 non-negotiable areas:

1. Infection control and cleaning
2. Medicines
3. Medical supplies, including dry dispensary
4. Medical waste
5. Laboratory services : National Health Laboratory Services
6. Blood supply services
7. Food services and relevant supplies
8. Laundry services
9. Security services
10. Essential equipment and maintenance equipment
11. Maintenance of infrastructure
12. Children's vaccines

Currently, the non-negotiables only track expenditure against budgeted amounts for the respective line items. Unfortunately, although these line items constitute critical spending areas, they do not have a direct relationship with service delivery. As such, this system does not adequately address whether the amounts budgeted are the correct amounts, nor does it relate to over- or under-spending. For example, spending on children's vaccines could be low, because of the inability to provide the service or because it is inappropriately budgeted or because the prices of vaccines have changed. During 2013/14, further work will be undertaken to determine the optimal budget level per non-negotiable per Province based on empirical, statistical and economic data.

In order to achieve improved provincial audit outcomes interns were allocated to provinces to address previous years audit outcomes. The focus was mainly on Finances, Human Resources and Information Technology (IT). Specific focus areas for many provinces were Asset Management and Revenue. Gauteng, in particular, also made significant progress in the field of Revenue Management.

The Department set itself the objective of ensuring ICT supports the business objectives of the Department. The desired technology architecture scenario must be articulated in business terms for this process to continue. The Master Information Systems Plan has to be informed by an ICT strategic plan that is aligned with the Departmental requirements and objectives. The Department has developed a draft ICT Strategic Plan which will be finalised during 2013/14.

Changes to planned targets

There were no changes to the planned targets for the Sub-Programmes in Programme 1.

Linking performance with budgets

Sub-Programme	2012/2013			2011/2012		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Ministry	26 833	25 547	1 286	26 738	27 279	-541
Management	33 257	30 567	2 690	39 967	31 465	8 502
Corporate Services	169 082	158 081	11 001	149 794	145 315	4 479
Office Accommodation	93 526	92 978	548	88 662	92 082	-3 420
Financial Management	79 736	83 305	-3 569	42 101	32 166	9 935
Total	402 434	390 478	11 956	347 262	328 307	18 955

2.4.2 Programme 2: National Health Insurance, Health Planning and Systems Enablement

Purpose: Improve access through the development and implementation of policies to achieve universal coverage through integrated health systems planning, improving access to quality health services, reporting, monitoring and evaluation and research.

This programme consists of five sub-programmes:

Technical Policy and Planning provides advisory and strategic technical assistance on policy and planning and supports policy implementation. A National Health Information Warehouse is being developed in the NDoH, in preparation for the implementation of National Health Insurance and which will support health planning in general.

Health Information Management and Monitoring and Evaluation develops and maintains a national health information system, and commissions and co-ordinates research. This entails the development and implementation of disease surveillance programmes, coordination of health research and the monitoring and evaluation of strategic health programmes. An integrated system to monitor the implementation of Annual Performance Plans and identify risks at National, Provincial and District level will be implemented in 2012/13.

Sector-wide Procurement provides rules and regulations that are set in place to govern the process of acquiring goods and services required by the Department to function. Over the medium term, thirty percent of licensed medicine prescribers will be inspected annually for compliance with the relevant legislation.

Health Financing and National Health Insurance undertakes health economics research, develops policy for medical schemes and public-private partnerships, and provides technical oversight for the Council for Medical Schemes (CMS). The programme develops and implements policies, legislation and other necessary frameworks for the expansion of health insurance to the broader population, and oversees the coordination of research into alternative health care financing mechanisms for achieving universal health coverage.

International Health and Development develops and implements bilateral and multilateral agreements to strengthen the health system, including agreements on the recruitment of health workers from other countries, and provides technical capacity to South Africa in fields such as health technology management and surveillance systems, amongst others.

Strategic Objective	Performance Indicator	Baseline (Actual Output) 2011/2012	Actual Performance Against Target		Deviation from planned target to actual achievements for 2012/13	Comments on deviation
			Planned Target for 2012/13	Actual Achievement for 2012/13		
Facilitate and coordinate evidence based planning for all levels of the health care system, aligned to the health sector's 10 Point Plan and Negotiated Service Delivery Agreement (NSDA)	Revised guidelines for planning developed and implemented	Planning guidelines revised and implemented.	1 National APP and 9 Provincial Annual Performance Plans (APPs) developed according to guidelines.	1 National APP and 9 Provincial APPs developed according to guidelines.	None	None
	9 Provincial Annual Performance Plans (APPs) analysed and feedback provided	• Seven Provincial APPs were analysed and feedback provided. • All Provinces were supported on the development of APPs.	9 Provincial APPs analysed and feedback provided.	9 Provincial APPs analysed and feedback provided.	None	None
To develop and implement an integrated monitoring and evaluation system aligned to outcomes contained in the NSDA	Integrated monitoring and evaluations system developed and implemented	• A M&E plan for the NSDA 2010–2014 was produced and accepted by the Health Data Advisor Coordination Committee (HDACC) of the Department as a working document. • A M&E framework for the National Strategic Plan for HIV & AIDS and TB 2012 – 2016 was produced • Targets for the outcomes and impact indicators of the Global Fund Rounds were revised in alignment with the 2012–16 NSP targets. • The Global AIDS Report 2012 was produced. • The National Health Information Repository and Data Warehouse (NHIRD) was established in the Department and Provincial Departments. • Master trainers and users of the tiered ART, M&E system were trained.	Monitoring and evaluation system for Health implemented and maintained.	Different components of the monitoring and evaluation system are being implemented and maintained. This includes the NSDA M&E plan, District Health Information System Policy, 3 Tier ART M&E system, maintenance of the NHIRD.	None	None
Monitor HIV & Syphilis prevalence by conducting the Annual National HIV survey	Annual National Antenatal Sentinel HIV and Syphilis Survey report published.	2010 Annual National Antenatal Sentinel HIV and Syphilis Prevalence Report was published in November 2011.	2011 Annual National HIV and Syphilis prevalence estimates and trends report published.	2011 National Antenatal Sentinel HIV and Syphilis prevalence survey report was published on 10 December 2012.	None.	None.
To develop and manage eHealth	eHealth strategy developed and implemented.	New indicator	eHealth strategy finalised.	eHealth strategy was developed and finalised in July 2012.	None.	None.
Strengthen research and development	National health research priority identified	National Health Research Summit Report which includes research priorities was finalised and approved by the Minister.	National Health Research Priority List published.	The National Health Research Priority List was published.	None.	None.

Strategic Objective	Performance Indicator	Baseline (Actual Output) 2011/2012	Actual Performance Against Target		Deviation from planned target to actual achievements for 2012/13	Comments on deviation
			Planned Target for 2012/13	Actual Achievement for 2012/13		
Prepare for the implementation of the National Health Insurance (NHI)	Policy and legal framework for implementation of NHI developed.	• Methodology and selection of 10 pilot sites was finalised in March 2012. • The 10 pilot sites were officially announced by the Minister of Health on 22 March 2012. • NHI conditional grant framework was developed and approved as part of the DORA 2012/13. • NHI conditional grant of R1billion over the MTEF period was approved .	• NHI White Paper prepared. • Draft NHI legislation prepared for public consultation.	• Draft White Paper on NHI. • Draft Bill on NHI. • Draft implementation plan.	Final NHI White Paper was not prepared.	Consultation processes in line with cabinet guidelines underway.
	Phased in implementation of NHI	New indicator	NHI Pilots in 10 selected districts initiated.	NHI pilots in 10 selected districts were initiated.	None.	None.
Provide stewardship and leadership for improving health outcomes through working with international development partners, SADC and AU	Number of Cross border initiatives facilitated to manage communicable diseases along South Africa's border	• More than three cross border initiatives were facilitated, including: • SADC HIV/AIDS cross- border initiative in the Zeerust, Ladybrand, Ficksburg and Oshoek border areas. • LSDI for a malaria control cross-border project at selected sites in South Africa, Mozambique and Swaziland. • MOZIZA cross-border malaria initiative. • Mobilisation of US $3 million from the African Renaissance Fund for the implementation of the MOU with Sierra Leone for the financing of the Cuban Medical Brigade. • Development of financing mechanism for mobile populations in the SADC region on 24 January 2012.	4 Cross border initiatives facili-tated.	7 cross border initiatives facilitated.	+3	South Africa's involvement in additional projects in SADC Region requested.

Overview of Performance

Sub-Programme: Technical Policy and Planning

For the financial year 2012/13, the Department set itself the strategic objective of facilitating and coordinating planning for all levels of the health care system, aligned with the health sector's 10 Point Plan for 2009-2014 and the NSDA for 2010 to 2014.

Customised health sector guidelines were developed for Provincial APPs and District Health Plans (DHPs). The Department supported the Provinces in reviewing all of Provincial APPs and providing feedback to improve planning in the health sector. The target was achieved.

The Department has expanded the development of the National Health Information Repository and Data-Warehouse (NHIRD). The purpose of the NHIRD is to create a national health information warehouse wherein information from different repositories will be stored and updated on a regular basis. The NHIRD allows for data to be visually demonstrated in the form of interactive graphs and maps. The system also allows for the comparative analysis of data and information.

The current phase in the development of the NHIRD is a system and model for advanced geo-spatial analysis and planning. During the reporting period, geo-spatial display and analysis for PHC re-engineering thematic areas were prepared for 11 NHI pilot districts. Individual facility reports based on the results of the Health Facility Audit were prepared for each of the facilities in the NHI and Facility Improvement Districts.

Data and information from the NHIRD were used to prepare profiles for all nine Provinces and 52 Districts. The system will be further expanded in 2013/14 with a focus on the use of the NHIRD through scenario-planning models. The NHIRD is a crucial step towards evidence based health planning and decision making to improve the county's health outcomes.

Sub-Programme: Health Information Management, Monitoring and Evaluation

The key strategic objective of the Department for 2012/13 was to develop an overarching Monitoring and Evaluation (M&E) system for the health sector.

Key strategic objectives set in the APP for 2012/13 to 2014/15 are:

1. To develop and implement an integrated monitoring and evaluation system aligned to the outcomes contained in the NSDA.
2. To monitor HIV and Syphilis prevalence by conducting the Annual National HIV Survey.
3. To develop and manage eHealth.
4. To strengthen research development.

The M&E plan for the NSDA 2010 to 2014 was produced and implemented during the reporting period and significant progress has been made in the development of other related M&E systems. The Health Data Advisory and Co-ordination Committee (HDACC), which was established by the Department in 2010 to gain consensus on key health outcome indicators in South Africa, has also advanced considerably. As part of their contribution to the work of HDACC, the Medical Research Council (MRC) of South Africa and the School of Actuarial Sciences at the University of Cape Town (UCT), released data from the Rapid Mortality Surveillance (RMS) System on four key outcome indicators for South Africa in August 2012. The data reflected that the life expectancy of South Africans has increased from 56.5 years in 2009 to 60 years in 2011. The Infant Mortality Rate (IMR) decreased from 40 deaths per 1000 live births in 2009 to 30 deaths per 1000 live births in 2011; and the Under-5 Mortality Rate decreased from 56 deaths per 1000 live births in 2009 to 42 deaths per 1000 live births in 2011. These achievements far exceeded the targets set for 2014 in the NSDA of the Health Sector for 2010 to 2014. The persistent challenge was the population-based Maternal Mortality Ratio (MMR), which was estimated at 333 per 100 000 live births in 2009. The WHO estimate for 2010 was 300 deaths per 100 000 live births. Institutional and facility based MMR has shown heartening developments.

A number of activities which are part of the M&E system were accomplished during 2012/13; these included the National Indicator Data Set (NIDS), M&E systems, Mobile Reporting systems and the three Tier ART M&E system. A revised NIDS for 2013 was approved for implementation during the period April 2013 to March 2015.

The process to develop the overarching M&E system for the health sector started in the third quarter of the reporting period, with technical assistance from the

WHO. The first draft has been developed and will be finalised in the 2013/14 reporting period.

The 2011 National HIV Antenatal Sentinel HIV and Syphilis Prevalence Survey Report was published and distributed widely. Data collection for these estimates and trends for the 2012 Survey was completed.

The NDoH participated in the 2nd African Conference on Civil Registration and Vital Statistics held in Durban from 7 to 9 September 2012 and was hosted by the Department of Home Affairs. The department contributed towards the successful hosting of the 2013 African Confederation Cup of Nations (AFCON) event. Enhanced disease surveillance, detection and assessment of public health risk, in support of the Joint Operation Centre, was conducted to monitor potential risk to officials, players and the general public.

Under the auspices of the National Health Information Systems for South Africa (NHISSA) Committee, an eHealth Strategy for South Africa was produced and approved by National Health Council in July 2012. NHISSA also provided oversight and feedback to the Council for Scientific and Industrial Research (CSIR), which was commissioned to develop a Health Normative Standards Framework for South Africa. This work was completed during 2012/13. All Health Information Systems utilised in the public health sector will therefore have to comply with a defined set of norms and standards, to facilitate interoperability and to promote consistency and comprehensiveness of the data collected in health facilities across all nine Provinces. The International Classification of Diseases (ICD) 10 Committee published the ICD10 Phase 3 Notice to healthcare stakeholders and the ICD10 Updated Master Industry.

The National Health Research Summit identified the key priorities for strengthening health research, innovation and development in South Africa. Consensus was reached at this Summit about the major national health research priorities, linked to the four outputs of the NSDA 2010 - 2014, namely: Increasing life expectancy; Decreasing maternal and child mortality; Combating HIV and AIDS and STIs and Decreasing the burden of disease from Tuberculosis; and Strengthening health systems effectiveness. These priorities are articulated in finer detail in the Research Summit report published in the South African Medical Journal in April 2012.

One of the recommendations arising from the Summit was to address the shortage of Human Resources for Health research and this was realised with the launch of the National Health Scholars Programme. By providing scholarships, the Programme seeks to grow a new cadre of academic health professionals, in all fields of health care, including nursing, dentistry, medicine, pharmacy and physiotherapy. This programme seeks to produce 1000 PhD graduates in all fields of Health Sciences over the next 10 years. The Department funded the first intake of 13 PhD candidates and through private sector collaboration a fund has been created to support the Programme.

The Department commissioned an independent audit of 33 Research Ethics Committees on behalf of the National Health Research Ethics Council (NHREC). A report has been produced and shared with relevant structures for follow-up and implementation.

The Human Sciences and Research Council was appointed to conduct the South African National Health and Nutritional Examination Survey (SANHANES). The preliminary results were presented to the Department; this is one of the two national surveys co-funded by the Department to collect population-level health indicators.

Sub-Programme: National Health Insurance

The Department set itself the strategic objective of preparing for the implementation of the National Health Insurance (NHI). During 2012/13, the Department continued with the implementation of health services delivery innovations and preparations for NHI in the 10 pilot districts. The Provincial Departments of Health established NHI pilot management teams/committees to oversee the implementation, co-ordination and regular monitoring and evaluation of the performance of the NHI pilot sites. In supporting the Provinces in their execution of the commitments outlined in approved business plans, the Department mobilised additional external funding for the appointment of Provincial NHI Coordinators, as full time NHI Project Managers. A majority of the Provinces have appointed individuals to these posts to improve planning, monitoring and evaluation, reporting and coordination of NHI activities.

The NHI Conditional Grant has mostly contributed to the refurbishment of health facilities, staff training and the provision of equipment. The NHI pilot districts purchased equipment using the Primary Health Care (PHC) Essential Equipment List (EEL). This process

was initiated as part of the preparations for PHC facilities to receive the essential equipment needed for rendering PHC services in readiness for the expanded programme of work on the contracting of General Practitioners.

The Minister of Health's road-show in each of the NHI districts involved a wide range of stakeholders, including: independent doctors, mayors and councillors responsible for health , religious leaders, traditional leaders, managers of health facilities, health workers and their unions and principals and school governing bodies.

An independent rapid assessment of the NHI pilot districts, a 12 month progress report by Support for HIV and Health in South Africa (SARRAH) highlighted the following:

There has been significant progress in introducing the NHI pilot districts, with the architecture completed and the recruitment of full time NHI Project Managers taking place. The District Health Management Teams (DHMT) have also begun to prioritise NHI roll-out. The District Clinical Specialist Teams (DCST) have been established, although are not yet at capacity in terms of staffing.

Through the various quality improvement interventions and the work of the Health Facility Improvement Teams (HFITs), visible improvement can be seen in the pilot districts. However, a slight fall in the achievement of the six priority standards in some of the pilot districts has been noticed, although these results should be interpreted with caution.

Ward-Based PHC Outreach Teams (WBOT) and School Health Teams have been established in every pilot district and there are plans to increase the number of teams in order to meet the national norms in the 2013/14 financial year.

Critically, the number of staff posts at health facilities is insufficient to meet the demand of the catchment area. It is anticipated that the adoption of the WHO Workload Indicator for Staffing Norms (WISN) model, along with the requisite funding, will significantly improve the situation by creating and filling additional posts. The pilot districts will also be taking on nationally contracted General Practitioners who will work alongside nurses in PHC facilities.

To address the spending inadequacies encountered in the 2012/13 financial year proactively, the National Health Insurance Conditional Grant (NHI-CG) has been split into two components. The first component, the direct allocation, has been reduced to R48.5 million for the next financial year with a reduction in the number of focus areas and interventions to be piloted. The second component is the indirect allocation, which will be part of the National Health Grant in the 2013/14 financial year, focusing on two areas: (1) Contracting of General Practitioners, and (2) the strengthening of revenue management and development of alternative reimbursement mechanisms, namely a Diagnosis Related Grouper, for the 10 central hospitals.

The District Health Management Teams (DHMT) have also begun to prioritise the piloting of interventions to prepare for the phased NHI roll-out. The District Clinical Specialist Teams (DCST) have been established, although are not yet at fully functional capacity in terms of staffing across all pilot districts. The case is similar for the roll-out of the Integrated School Health Programme, which forms part of the integral interventions being implemented primarily in the pilot districts. The Department successfully procured mobile units and distributed them to all pilot districts. The mobile units have been operating to different levels of success in the districts.

The second component is the indirect allocation, which will be part of the National Health Grant in the 2013/14 financial year, focusing on two areas: (1) Contracting of general practitioners, and (2) the strengthening of revenue management and development of alternative reimbursement mechanisms, namely a Diagnosis Related Grouper, for the 10 central hospitals. The indirect component was created to ensure that the Department has more direct control and influence on the scope of activities being undertaken and that the desirable levels of financial and non-financial performance in the 2013/14 financial year.

Sub-Programme: International Relations

The key objective of the Department for the financial year 2012/13, was to provide stewardship and leadership for improving health outcomes, through working with international development partners, the Southern African Development Community (SADC) and the African Union (AU).

In 2012/13 more than four cross-border initiatives were facilitated, including several consultation meetings on the existing cross-border initiatives. The implementation of the Cuban Medical Brigade was facilitated to provide health services and training in Sierra Leone under the SA-Cuba-Sierra Leone Trilateral Project. With respect to management of cross-border TB, the Heads of Government signed the Declaration on TB in the Mining Sector on 18 August 2012. Cross-border referral of eight Swazi patients to the Eastern Cape was facilitated, so that the patients could undergo surgery at Madzikane public hospital in Mount Frere during 16 – 22 October 2012. Exchange of technical missions was also facilitated, with Tanzania, Botswana, Namibia, Zimbabwe and Malawi.

The Department continued its cordial relations with development partners and donors, and renewed agreements and sustain bilateral and multilateral relations. The Department has relationships with four key donors who provide both financial and technical assistance, namely: The European Union, The Department for International Development (DFID), Germany and the USA.

During 2012/13, the Minister participated at the high-level Conference of European and Developing Countries Clinical Trials Partnership in Cape Town. Three coordinating meetings were held with development partners; Ambassadors; High Commissioners and/or Representatives.

Changes to planned targets

There were no changes to the planned targets for the Sub-Programmes in Programme 2.

Linking performance with budgets

Sub-Programme	2012/2013			2011/2012		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Technical Policy and Planning	12 382	12 399	-17	6 025	2 552	3 473
Health Information Management, Monitoring and Evaluation	43 076	41 721	1 355	54 184	52 774	1 410
Sector-wide Procurement	20 454	19 838	616	15 666	15 570	96
Health Financing and National Health Insurance	172 956	166 377	6 579	49 355	39 806	9 549
International Health and Development	54 926	52 951	1 975	52 083	51 252	831
Total	**303 794**	**293 286**	**10 508**	**177 313**	**161 954**	**15 359**

2.4.3 Programme 3: HIV and AIDS, TB, and Maternal, Child and Women's Health

Purpose: Develop national policy and coordinate and fund HIV and AIDS and STIs; Tuberculosis, Maternal and Child Health, and Women's Health programmes. Develop and oversee implementation of policies, strengthen systems, set norms and standards and monitor programme implementation.

This programme consists of three sub-programmes:

HIV and AIDS programme develops national policies and supports national HIV and AIDS and sexually transmitted infections programmes, including coordinating the implementation of the National Strategic Plan on HIV, STIs and TB (2012 to 2016). In the medium term, the aim is to increase a combination of prevention interventions to reduce new infections.

Tuberculosis: develops national policies and guidelines and sets norms and standards for Tuberculosis in line with the vision outlined in the National Strategic Plan on HIV, STIs and TB (2012 to 2016).

Maternal, Child and Women's Health: develops and monitors policies, guidelines, and sets norms and standards for maternal, child and women's health.

Strategic Objective	Performance Indicator	Baseline (Actual Output) 2011/2012	Actual Performance Against Target		Deviation from planned target to actual achievements for 2012/13	Comments on deviation
			Planned Target for 2012/13	Actual achievements for 2012/13		
To scale up combination of prevention interventions to reduce new infections	Number of Medical Male circumcisions conducted	347973	600 000	422 262	-177 738	70.4% of target was achieved. The time to perform the circumcision takes longer than expected and so there was insufficient capacity to reach the target
	Number of HIV tests done	New indicator	18 million	8 978 177	-9 021 823	In the 2010/11 HCT campaign tested 20 million people. This enthused us to set a target of 18 million for 2012/13: however, campaigns by their nature yield higher results. After completing the campaign the numbers have decreased as usual but beyond what we expected.
To improve the quality of life of people living with HIV&AIDs by providing an appropriate package of care, treatment and support services to at least 80 per cent of people living with HIV and AIDS	Number of new patients put on ART per year	617 147	500 000	612 118	+112 118	More than 100% of target achieved due to: • HCT campaign with high testing resulted in new patients been diagnosed with HIV and some of those were eligible for ART • The policy to change eligibility criteria for ≤350 CD4 count resulted in more patients being reached and put on ART, also fast tracking of eligible patients, i.e TB/HIV co-infection and Pregnant women irrespective of the CD4 count • High number of nurses trained on NIMART, made this possible and • Implementation of HIV Tier.net improved recording and reporting supported by technical facility visits conducted

Strategic Objective	Performance Indicator	Baseline (Actual Output) 2011/2012	Actual Performance Against Target		Deviation from planned target to actual achievements for 2012/13	Comments on deviation
			Planned Target for 2012/13	Actual achievements for 2012/13		
To reduce infant, child and youth morbidity and mortality	National Immunisation coverage rate (children under the age of 1 year)	95.2%	90% (1 066 401)	94.0%	+4.0%	Exceeded the target. Emphasis has been placed on the Reach Every District (RED) strategy .The StatsSA estimates for the children under the age of 1 year population was 968 799. This is the target population and the denominator for this indicator. The crude number for children under age one that were immunised in 2012/13 was 912 137. This is 94% of 968 799.
	Measles immunisation coverage rate (second dose)	85.3%	90% (1 066 041)	82.7%	-7.3%	This indicator requires caregivers to bring their children, who are not ill, to the clinic for immunisation. Demand for this service requires intense social mobilisation & public education. The newly established ward-based PHC outreach teams are mandated to improve on the demand for immunisation services. The uptake for the second dose of measles is not as good as it is for the first dose. This is continued to be addressed through health education.
	% of quintile 1 schools visited by the school health team to provide integrated school health programme (ISHP) services	New indicator	80% (6454 schools)	160% (10 354 schools)	+3 900	The schools visited included quintile 1 and quintile 2 schools. To date, a manual information system has been used, which has led to double counting of some schools. This will be rectified in 2013/14 when this indicator is part of the DHIS.
	% of Grade 1 learners in quintile 1 and 2 schools assessed using the ISHP leaner assessment	New indicator	80% (680 000 learners)	75% (512 498 learners)	-167 502	The target included Grade R (pre-school learners), in addition to the grade 1 learners, and so the target was set too high. Data from DBE's Education, Management Information System (EMIS), shows that: Actual number of grade 1 learners in quintile 1 & 2 schools was 308 646 + 282 788 = 591 434. True target that should have been used was 80% of 591 434 = 473147. The difference in the APP target of 680 000 minus 473147 = 206 853 EMIS Grade R learners in quintile 1 schools was 214 360. EMIS also shows that in some schools the quintile is unknown. During the planning stage of the programme & determining targets, additions and subtractions would sometimes occur with the quintile classifications such that the grade R learners in quintile 1 schools may well have been around 206 853.

Strategic Objective	Performance Indicator	Baseline (Actual Output) 2011/2012	Actual Performance Against Target		Deviation from planned target to actual achievements for 2012/13	Comments on deviation
			Planned Target for 2012/13	Actual achievements for 2012/13		
	% of Grade 8 learners in quintile 1 schools assessed using the ISHP learner assessment	New indicator	50% (65 100 learners)	129% (84 281 learners)	+19 181	This is a new service and indicator without a baseline and so was an estimate. There was a lack of capacity and resources to reach high schools (Grade 8) such that some provinces only received training towards the end of the financial year. The norm for nurse: learner ratio is one nurse to 2000 learners. There were 236 dedicated school health nurses employed. Target was 680 000 grade 1 learners and 65 100 grade 8 learners =745 100. The ratio was actually one nurse to 3 157 learners. Therefore there weren't enough nurses to deliver the services to all the schools. The high school component of training was delivered late so in addition the same inadequate number of nurses were not capacitated to render services at high school. High school services are different from what is offered at primary school.
To reduce maternal mortality	Antenatal care coverage rate	New Indicator	100%	98.5%	-1.5%	This is a new indicator and the target was set at 100% whilst the Department was fully cognizant that pregnant women have the right to choose not to attend public antenatal care . The variance is related to the fact that ANC attendance is voluntary and not compulsory.
	Antenatal coverage before 20 weeks	40.2%	50%	44.0%	-6.0%	Seeking antenatal care before 20 weeks of pregnancy has multifactorial challenges including cultural beliefs and individual preference of usage of the public service.
	Proportion of deliveries taking place in health facilities under the supervision of trained personnel	89.3%	92%	91.3%	-0.7%	In rural areas public health facilities may not be easily accessible which leads to home deliveries.
	% of Mothers and Babies that received post-natal care within 6 days after delivery	56.9% mothers and 57.8% babies	75%	65.2% Mothers 66.2% babies	-9.8% -8.8%	Mothers especially in rural areas find difficulty in returning to health facilities due to cultural factors e.g. a mother who has just delivered has to spend days indoors. This is more dominant in rural areas where tradition and culture is keenly observed.
To improve access to sexual and reproductive health services	Cervical cancer screening coverage	55%	54%	55.4%	+1.4%	The improvement is linked to improved training of health care providers to take cervical swabs with assistance from the National Health Laboratory Services. This improvement has resulted in better quality of Pap smear-taking and has translated into better coverage.
	Couple year protection rate	32.5%	35%	37.8%	+2.8%	Comprehensive Sexual and Reproductive Health training in the insertion of intrauterine contraceptive devices improved the Couple Year Protection Rate.
	% of facilities with contraceptive services	New indicator	80%	100%	+20%	The target was set without taking into account the fact that all public health facilities provide at the least a condom distribution service. This by definition represents contraceptive services.

Strategic Objective	Performance Indicator	Baseline (Actual Output) 2011/2012	Actual Performance Against Target		Deviation from planned target to actual achievements for 2012/13	Comments on deviation
			Planned Target for 2012/13	Actual achievements for 2012/13		
Expand the PMTCT coverage to pregnant women	% of pregnant women tested for HIV	98.8%	98%	98.2%	+0.2%	The HIV Counselling and Testing campaign may have raised awareness that contributed to the increase.
	Antenatal client initiated on HAART rate	80.4%	85%	81.6%	-3.4%	Initiation of HAART could only be done after CD4 counts were done and some women struggled to come back for the results and initiation.
	% of babies testing PCR positive 6 weeks after birth out of all babies tested	4.0%	3.0%	2.5%	+0.5%	The District PMTCT Elimination Plans and their implementation contributed to the reduction.
To reduce the burden of TB	TB cure rate	73.1%	80%	73.8%	-6.2%	The TB programme's cohort system makes treatment outcomes to be reported a year later. This means that, for the 2012/13 financial year, the applicable financial year for reporting treatment outcomes (including cure rates) is 2011/12. As the programme collects and analyses data on a calendar basis, the applicable calendar year for the cure rate is 2010, in terms of which, the target was 75%, against which, 73.80% cure rate was achieved - just 1.20% shy of the target. However, the indicated performance might be lower than what actually exists due to challenges with recording and reporting. That performance may be better in facilities than reported has been observed in visits to health facilities. Cure rates observed from facilities were better in 7 of the facilities, compared with 4 as indicated in the ETR.Net.
	TB treatment defaulter rate	6.8%	5%	6.1%	+1.1%	Although the defaulter rate target of 5% is correct, there was better performance observed in health facilities compared to that indicated in the ETR.Net, as is the case with the cure rate Defaulter rates observed from facilities were better in 5 of the facilities, compared with 4 as indicated in the ETR.Net.

Strategic Objective	Performance Indicator	Baseline (Actual Output) 2011/2012	Actual Performance Against Target		Deviation from planned target to actual achievements for 2012/13	Comments on deviation
			Planned Target for 2012/13	Actual achievements for 2012/13		
Combating TB and HIV by reducing co-infection burden	Percentage of HIV positive patients screened for TB	94.1%	85%	90.6%	+ 5.6 %	Exceeded target due to additional training and mentorship
	Percentage of TB patients tested for HIV	82.9%	90%	85.3%	-4.7%	There was better performance observed in health facilities compared to that indicated in the ETR.Net. HIV testing rates observed from facilities were better in 4 of the facilities, compared with 2 as indicated in the ETR. Net.
	Percentage of eligible TB/ HIV co-infected patient receiving Cotrimoxazole Prophylaxis Therapy (CPT)	76.2%	80%	74.1%	-5.9%	Anecdotally, some clinicians are apparently downplaying the need to prescribe CPT due to the widespread availability of ARVs.
	Number of HIV positive patients eligible to receive Isoniazid Preventive Therapy (IPT)	360 168	400 000	374 073	-25 927	Some doctors are reluctant to treat unless absolutely sure that patients do not have TB but improved by 4% from baseline

Sub-Programme: HIV and AIDS

In line with the country's National Strategic Plan on HIV, STIs and TB 2012-2016, the Department's two strategic objectives for 2012/13 were to scale up a combination of prevention interventions to reduce new HIV infections and to improve the quality of life of people living with HIV and AIDS by providing an appropriate package of care, treatment and support services to at least 80% of people living with HIV and AIDS.

The prevention of HIV infection is the cornerstone of the public sector's efforts to combat HIV and AIDS. The health sector implements a combination of prevention interventions to achieve maximum impact in the reduction of new HIV infections. These interventions include HIV Counselling and Testing (HCT), male and female condom distribution, high transmission areas (HTA) management, medical male circumcision (MMC), sexually transmitted infections (STIs) management and youth HIV prevention through behavioural change interventions.

The HCT is the entry point to all HIV programmes. Following the HCT campaign 8,772,423 people were tested in the financial year 2011/12. During 2012/13, 18 million people were targeted for testing representing an increase of more than 100% from the previous year. During the financial year 8,978,177 people were tested, which represents 49.8 % of the target.

The doubling of the target for HIV tests from 9 million (2011/12) to18 million was an ambitious one and difficult to reach particularly without a sustained campaign.

The NDoH has implemented a HCT revitalisation strategy aimed at increasing demand and acceptability. The revitalisation strategy will focus on three goals, namely, ensuring HIV positive patients are linked to care; patients are provided with behavioural change counselling and are screened for NCDs and TB as well as HCT. The HCT revitalisation campaign is planned in order to expand access to HCT services and strengthen provider initiated counselling and testing (PICT) during 2013.

MMC is one of the key HIV prevention strategies. During 2012/13, a total of 422,262 MMCs were performed. This performance was lower than the target of 600,000. The actual performance of MMC was negatively affected by the seasonality of circumcision practice because most men prefer the winter season. Limited personnel was another factor because the programme is doctor-driven and the procedure took longer to perform than anticipated. Lack of uniformity of traditional practices, and resistance from some traditional leaders to embrace MMC, remain a challenge to the uptake of the programme.

The target of initiating 500,000 new patients on antiretroviral treatment (ART) during 2012/13 was exceeded. A total of 612,118 new patients were placed on ART. The Department is on track to reach the target of 3 million patients on ART by 2015/16. The rapid increase of patients on ART is supported by the number of nurses trained and certified to initiate ARV treatment. The trained nurses increased from 10,000 in the 2011/12 financial year to 23,000 nurses by the end of the 2012/13 financial year.

In December 2012, the Minister announced that the Department would introduce the provision of the fixed dose combination (FDC) of antiretroviral triple therapy in April 2013. It is anticipated that use of FDC will improve access to ART and increase the adherence of patients on treatment.

Community Health Workers (CHW) who provide valuable services including adherence support to more than 1 million HIV beneficiaries in all districts and 36,000 CHWs have received stipends from the home-based community care programme.

Strategies to improve HIV performance in 2013/14

The strategy of the Department to improve the uptake of MMC includes increasing MMC sites from 460 to 508 by the end of the 2013/14 financial year. Additional support for MMC will be provided to the provinces including fast tracking of procurement of MMC packs and recruiting doctors. The Department will expand its communication strategy to strengthen the demand for MMC. The Department will also strengthen its capacity to mobilise and promote the benefits of safe circumcision in traditional settings. A new MMC device will be introduced in the 2013/14 financial year that will also assist in the scale of the MMC programme.

The NDoH recognised that the doubling of the target for HIV tests from 9 to 18 million was overly ambitious. As a result the Department has made an adjustment of the HCT target for the 2013/14 financial period to 13 million in line with the planned annual 30% increase in the number of tests conducted. In addition, the Minister

of Health will implement an HCT revitalization strategy aimed at increasing demand and acceptability of HCT in the 2013/14 financial year.

Sub-Programme: TB Control and Management

The Department has set two strategic objectives, namely, reducing the burden of TB; and combating TB and HIV by reducing the co-infection burden.

The trend in declining registrations continued, with about 330 000 TB patients registered during the reporting period, down from approximately 390 000 previously. Although cure and defaulter rates have not reached the 2012/13 targets, they continue to move in the right direction at 74% and 6% respectively.

Household intensified case finding, which proved successful in 2011/12 financial year, was decreased due to the lack of nurses who had been mainly drawn from health facilities. This effort will be taken up by the ward based Primary Health Care outreach teams in order to strengthen and institutionalise this intervention.

South Africa continued to lead the world with the largest roll-out of GeneXpert technology. South Africa continues to procure more than 50% of the global supply of GeneXpert tests. More than 1.3 million tests were conducted between March 2011 to March 2013. The positivity rate, that is the proportion of people identified with TB out of those tested, has slightly declined from 17% to 14% of people suspected of having TB infection. This is still significantly higher than the usual yield of between 4% -8% using old technology. Resistance to Rifampicin, which is a proxy for MDR-TB remained stable at 7%.

The NSP, amongst other things, instructs that key populations with elevated risk of being infected with TB and HIV be prioritised for enhanced support. The Deputy President, supported by the Minister of Health, highlighted this point during commemoration of World TB Day. There will be a focus on miners, children and inmates in correctional services facilities, who will receive specific attention. It is recognised that these three groups have particular risks of contracting TB and that these groups have received relatively less attention than required in the past.

During support and supervisory visits to provinces it was noted that the TB programme performance was actually better than what was recorded in the M&E system. However, weaknesses in the M&E system undermine the correct reflection of achievements against targets.

Strategies to improve TB performance in 2013/14

The M&E system will be strengthened by the establishment of data-mopping teams that will be deployed to specific geographic areas (provinces, districts, sub-districts, facilities) where these challenges are more pronounced. Resources found to appoint provincial TB M&E officers will provide additional capacity to provinces.

A review of TB and HIV integration will be undertaken at facility level, to identify facilities that should be prioritised for enhanced support aimed at bringing closer collaboration between TB and HIV services management.

Sub-Programme: Maternal, Child and Women's Health

The NDoH implemented strategic interventions to improve Maternal, Child and Women's Health, and to enhance progress towards the health-related Millennium Development Goals (MDGs) 4 and 5. In May 2012, the Campaign on Accelerated Reduction of Maternal and Child Mortality in Africa (CARMMA) was launched. Seven elements of CARMMA that were approved by the National Health Council are being implemented in all provinces with a dashboard of indicators to monitor progress.

Linked to CARMMA implementation is the re-engineering of primary health care services with a focus on improving maternal, neonatal and child health. This involves the appointment of district clinical specialist teams (DCSTs); improving school health services and strengthening community services through increasing the quantity and quality of ward-based PHC outreach teams, consisting of community health workers under the leadership of a nurse.

A Strategic Plan for Maternal, New-born, Child and Women's Health (MNCWH) and Nutrition in South Africa 2012-2016 was launched. This Plan employs priority health interventions for reducing maternal and child mortality as a service package for maternal, new-born, child and women's health including community interventions using community caregivers.

The MRC Report on Rapid Mortality Surveillance (2012), shows significant reduction in mortality rates in South Africa. The under five mortality rate has decreased from 56 deaths per 1000 live births in 2009 to 42 in 2011. Infant mortality rate per 1000 live births has decreased from 40 in 2009 to 30 in 2011. Neonatal mortality rate per 1000 live births has been constant at 14 between 2009 and 2011.

The major causes of under-five mortality are: pneumonia; diarrhoea; TB; HIV; severe malnutrition and new-born conditions. The most important of these new-born conditions are prematurity; infection and birth asphyxia. Interventions focusing on packages of services applicable to the different levels of care have been developed and are being implemented across the country.

Improving Child Health

Immunisation is an essential intervention to protect children against vaccine-preventable diseases. The national full immunisation coverage rate for children under the age of 1 was 94%, which exceeded the planned target of 90%.The measles second-dose coverage at 18 months was 82.7% slightly below the target of 90%. A concerted multi-sectoral effort to improve demand for these services needs to be scaled up and implemented across the country.

Integrated School Health Programme (ISHP)

In his 2010 State of the Nation Address, the President committed the government to reinstating health programmes in public schools in South Africa. Strengthening of school health services represents one of the three key components of the health sector's efforts to re-engineer and strengthen primary health care delivery. The provision of school health services is a key component of the Care and Support for Teaching and Learning (CSTL) programme which aims to realise the educational rights of all children, including those who are most vulnerable, through schools becoming inclusive centres of learning, care and support.

The Integrated School Health Programme (ISHP) was launched by President Zuma in Cullinan, in Gauteng, in October 2012. Other key documents in the ISHP are currently being finalised – these include a national strategy document, the ISHP communication strategy, which outlines the recording and reporting system for the Programme, the toolkit for school governing bodies and a memorandum of understanding between the Departments of Basic Education, Health and Social Development. A training package was developed for school health nurses, and training has taken place in all provinces.

The greatest challenge to the rendition of an efficient and effective public health care service has been human resource shortages necessitating the implementation of bold steps to increase both the numbers and competencies of health care providers. Improving the availability, skills and competencies of mid-level health care workers and community caregivers is one strategy being adopted to address this challenge. Additionally, the appointment of DCSTs is an initiative that will improve the quality of clinical care throughout the district health system

Community involvement and participation is also needed for early identification, testing and treatment for children with HIV. Although coverage of Grade R and Grade1 learners has increased substantially, coverage of secondary school learners remains low. Learners in all educational phases should be screened during 2013/14. This will require additional school health nurses as well as other resources such as transport, medication and equipment.

Strategies to Improve Child Health Performance in 2013/14

A measles and polio immunisation campaign was carried out in April and May 2013. School health services was strengthened, especially in Grades 4 and 8. Dashboards for improving the monitoring and implementation of the strategic plan and CARMMA were introduced. The introduction of the Human Papilloma Virus (HPV) vaccine in 2014/15 will require the mobilisation of resources in addition to those that are part of the ISHP.

Improving Maternal and Neonatal Health

The two strategic objectives for 2012/13 were to reduce maternal mortality and to expand PMTCT coverage to pregnant women and their babies. Adequate and appropriate antenatal care is critical for ensuring that both the mother and the baby are carefully monitored during pregnancy in order to identify any risks and to intervene appropriately and timeously. In keeping with World Health Organisation (WHO) guidelines, the public health sector encourages all pregnant women to

seek antenatal care before 20 weeks of pregnancy.

During 2012/13, 98.5% of pregnant women attended antenatal services, marginally below the target of 100%. This suggests that antenatal care services in South Africa were accessed at least once by almost all pregnant women.

During 2012/13, an average of 44% of pregnant women across the nation sought antenatal care before 20 weeks. This was below the national target of 50%. A total of 65.2% of mothers received post-natal care within six days after delivery, against a national target of 75%. The provision of post-natal care to new-born babies and their mothers is essential for identifying and addressing health problems and risks promptly, as this is an important part of the continuum of care.

Given the prevalence of HIV in South Africa, all pregnant women are encouraged to present within 14 weeks of the start of pregnancy in order to determine their HIV status and if necessary, be enrolled on the PMTCT programme. During 2012/13, 98.2% of pregnant women were tested for HIV meeting the target of 98%. The proportion of babies testing PCR positive was 2.5%, below the target of 3%.

Strategies to improve Maternal and Neonatal Health in 2013/14

All hospital Chief Executive Officers (CEOs) have received letters from the Department, highlighting trends in their reported maternal and neonatal mortality rates. This letter also set targets for the institutions for 2013/14 based on the trend indicators. The hospitals will be supported by the DCSTs in this endeavour.

On-going and intensified training of doctors and midwives in the management of obstetric emergencies will also improve maternal and neonatal outcomes. In addition, 50 district hospitals with poor neonatal care will be provide with CPAP machines and training in neonatal resuscitation.

Improving Women's Health

The strategic objective set for improving women's health was to improve access to sexual and reproductive health services. All public sector health facilities are providing family planning services with a varying mix of contraceptives. The couple year protection rate of 37.8% was recorded, marginally exceeding the 35% national target set for 2012/13. During the financial year 2012/13 the updated National Contraception and Fertility Planning Policy and Service Delivery Guidelines were approved by the National Health Council. One of the key changes in the policy is to increase the range of contraceptive commodities available in the public sector thereby increasing the contraceptive method mix. The most notable additions are sub-dermal contraceptive implants and a greater variety of intra-uterine devices. These increases to the method mix should give more choice and security of contraceptive protection to women, thus improving family planning.

Cervical cancer screening is a crucial intervention to improve women's health. During 2012/13, a cervical screening coverage rate of 55.4% was achieved, higher than the national target of 54%.

Strategies to improve Women's Health in 2013/14

The new contraceptive policy will be launched in 2013/2014. As a result more nurses will be trained and a greater variety of contraceptive methods will be available in clinics.

Changes to planned targets

There were no changes to the planned targets for the Sub-Programmes in Programme 3.

Linking performance with budgets

Sub-Programme	2012/2013			2011/2012		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
HIV and AIDS	9 182 503	9 127 936	54 567	7 950 551	7 865 134	85 417
Tuberculosis	20 510	13 426	7 084	17 954	16 584	1 370
Maternal and Child health	27 333	24 112	3 221	46 237	45 413	824
Total	**9 230 346**	**9 165 474**	**64 872**	**8 014 742**	**7 927 131**	**87 611**

2.4.4 Programme 4: Primary Health Care Services (PHC)

Purpose: Develop and oversee implementation of legislation, policies, systems, norms and standards for a uniform District Health System (DHS), environmental health, communicable and non-communicable diseases, health promotion and nutrition.

This programme consists of sub-programmes:

District Services and Environmental Health promotes, co-ordinates and institutionalises the DHS, integrates the implementation of programmes, including the PHC approach and environmental health for all levels of the health care system, inclusive of community-based services, and ensures that there are norms and standards for all aspects of the system.

Communicable Diseases develops policies and supports Provinces to ensure the control of infectious diseases, and supports the National Institute of Communicable Diseases (NICD).

Non-Communicable Diseases establishes policy, legislation and guidelines, and assists Provinces in implementing programmes for and monitoring chronic disease, disability, elderly people, eye care, oral health, mental health, substance abuse and injury prevention.

Health Promotion and Nutrition formulates and monitors policies, guidelines, and norms and standards for health promotion and nutrition.

Strategic Objective	Performance Indicator	Baseline (Actual Output) 2011/2012	Actual Performance Against Target		Deviation from planned target to actual achievements for 2012/13	Comments on deviation
			Planned Target for 2012/13	Actual achievements for 2012/13		
To strengthen the integrated delivery of PHC through the implementation of the PHC re-engineering strategy	PHC Utilisation rate	2.5 visits	52.8 visits	2.5 visits	-0.3	The Provinces of Gauteng, North West, Mpumalanga and Western Cape; all have a lower than 2.5 utilisation rate.
	No of ward-based PHC outreach teams (WBOTs) established	New Indicator	500	945	445	Focussed facilitation from the department and co-operation from the provinces resulted in good achievement.
	Fixed PHC facilities with monthly supervisory visits	66.6%	80%	76%	-4%	The target has not been met, but improvement of just less than 10% on the baseline has been achieved. Substantial shortages of staff which translate into an absence of dedicated supervisors in some areas.
	Number of districts implementing the district specialist teams	New Indicator	10 districts	34 districts with at least 3 members of the District Specialist Team appointed.	Teams established in 24 districts more than planned.	The planned target was based on the NHI pilot sites and implementation was expanded beyond the pilot sites.
To support the implementation of a functional District Health System in line with the National Health Act	DHS policy revised and approved	New indicator	Draft DHS policy	Draft DHS policy in place.	None.	None.
	Number of District Health Plans (DHPs) analysed and feedback provided	45 DHPs	52 DHPs	51 DHPs.	1 DHP less than the target.	One DHP, (Metro City of Cape Town) is not accounted for. This Metro's planning cycle follows the Municipal planning cycle which is not aligned with the Department's planning cycle
	Framework for addressing the social determinants of health	New indicator	Draft framework for addressing the social determinants of health developed.	Draft Framework for addressing the social determinants of health developed.	None	None
Improve nutritional status of people living with HIV and AIDS and TB	Proportion of PHC facilities implementing nutritional intervention for People Living with HIV & AIDS and TB	84%	85%	Data not available.	Data not available.	Data on this indicator was not reported on in 2012/13. Facilities were not able to segregate nutritional supplements issued for other conditions.

Strategic Objective	Performance Indicator	Baseline (Actual Output) 2011/2012	Actual Performance Against Target		Deviation from planned target to actual achievements for 2012/13	Comments on deviation
			Planned Target for 2012/13	Actual achievements for 2012/13		
Reduction of vitamin A deficiency in under 5 year olds	Vitamin A supplementation coverage among children 12-59 months	43%	42%	42.8%	None	None
Improve initiation and support for exclusive breastfeeding	Proportion of health facilities in which deliveries are done that are Mother Baby Friendly Initiative (MBFI) accredited	New indicator	55% (300 facilities)	51% (278 facilities)	4% (22 facilities)	Poor preparedness of facilities. Targeted facilities in the Free State and Northern Cape could not be assessed due to budgetary constraints in these two Provinces.
To strengthen the implementation of Health Promotion Initiatives	Integrated Health Promotion Strategy Developed and Implemented	Final draft strategy developed in March 2012.	Implementation of Integrated Health Promotion Strategy.	The strategy was not implemented.	Strategy not implemented but a draft strategy is in place.	Certain components of the strategy were concluded since further consultation with stakeholders was required.
To strengthen quality of Environmental Health Services	Norms and Standards for Environmental Health Services	Draft norms and standards were developed covering the following areas: • Health related water quality monitoring • Health surveillance of premises • Environmental health and port health • Control of hazardous substances • Waste management • Chemical safety	Norms and Standards for Environmental Health Services policy finalised.	Norms and standards for Environmental Health Services were developed and finalised.	None	None
	Number of Ports of entry designated in terms of International Health Regulations (IHR)	New Indicator	24 ports of entry	27 ports of entry were assessed and found ready for designation. Draft Regulations for South Africa developed to effect designation.	27 Ports were assessed and found ready but none of the Ports have been designated. Regulations yet to be approved.	The official designation of the ports of entry was not completed because the Regulations have not yet been finalized.

Strategic Objective	Performance Indicator	Baseline (Actual Output) 2011/2012	Actual Performance Against Target		Deviation from planned target to actual achievements for 2012/13	Comments on deviation
			Planned Target for 2012/13	Actual achievements for 2012/13		
	Number of Provinces that comply with NEMA	9	9	The Department has complied fully with the requirements of Chapter 3 of NEMA with regard to the 2011/12 financial year. The NEMA report is produced every two years. The next one is due in the 2013/14 year. This compliance report included the performance of all 9 Provinces.	None	None
To eliminate Malaria by 2018 by reducing the local transmission of malaria cases to 0 per 1000 population at risk, through the implementation of the malaria elimination strategy	Malaria incidence per 1000 population at risk	Cumulative incidence for confirmed local incidence is 0.48 (2 443) and 0.73 (3 715) for aggregate of local cases and cases of unknown origin.	0.4 confirmed local cases. 0.58 -aggregate of local cases and of cases of unknown origin.	0.18 (n=919) confirmed local cases. 0.28 (n=1404) -aggregate of local cases and of cases of unknown origin.	None	None
To prevent and manage non-communicable diseases by implementing the Chronic Care Model (CCM).	Number of districts implementing the Chronic Care Model (CCM)	3 Districts implementing the CCM.	3 Districts implementing the CCM.	3 Districts implementing the CCM.	None	None
Introduce legislation and regulations to reduce NCDs	Legislation on alcohol advertising	New Indicator.	Legislation on alcohol advertising passed.	Draft legislation prepared.	Legislation on alcohol advertising not passed.	Consultation processes in line with Cabinet processes are underway.
	Regulations on salt content in processed foods	New Indicator.	Regulations on salt in food enacted.	Regulations on salt in food passed.	None	None
Strengthen the health system to increase cataract surgery rates	Increased cataract surgery rates	New Indicator	Cataract surgery rates of 1 500 per million population reached in 3 Provinces.	1 Province reached the target and 2 Provinces reached the 80% of the target.	2 of the targeted Provinces did not reach the target.	The current achievement was enabled through partnerships with NGOs that provided international ophthalmologists to assist with cataract surgery. Lack of consumables, staff shortages (especially ophthalmologists) and unavailability of theatre time are some of the challenges experienced.

Overview of Performance

Sub-Programme: District Services and Environmental Health

For 2012/13, the Department set the following three objectives for the District Health Services (DHS) and Environmental Health programme: to strengthen the integrated delivery of Primary Health Care (PHC) through the implementation of the PHC re-engineering strategy, to support the implementation of a functional District Health System in line with the National Health Act, and to strengthen Environmental Health Services.

With regard to improving the PHC utilization rate, performance fell 0.3% short of the target of 2.8%. Over the years it has been difficult to achieve this target since communities bypass PHC facilities and go to hospitals as outpatients. The Department is addressing this by improving the quality of services at PHC facilities. However, the soon-to-be implemented contracting of GPs at PHC level will assist with this problem. The PHC reengineering priority that relates to Ward-Based Outreach Teams (WBOT) also focuses on assisting with health issues in the community and if this is successful, individuals will have less reason to visit PHC facilities.

The establishment of WBOTs remains a key policy priority for the provision of integrated PHC service delivery. During 2012/13, the Department produced provincial guidelines on the establishment of WBOTs. The Annual Performance Plan (APP) required a target of 500 Ward-Based PHC Outreach Teams across the country. This target was exceeded such that as at the end of the financial year 945 WBOTs were registered to report on the District Health Information System (DHIS). Training materials have been developed for the expansion of the work of community health workers (CWH) who are part of the WBOTs, to include prevention, screening and support for people with Non-Communicable Diseases (NCDs). This will be rolled out in phase two of the training for CHWs.

The Department conducted training of facility supervisors using the supervision manual. The training included PHC supervisors, facility managers, programme coordinators, maintenance managers, finance managers, environmental health managers, and pharmacy and supply chain managers. The training in some Provinces also included development partners. The supervision manual was revised as a result of the new initiatives and new policies that have been developed. These include CARMMA, HCT, MCWH Strategy, PHC re-engineering, Core Standards and the Integrated Chronic Care Management (ICCM) model. The revised manual will be published during the 2013/14 financial year.

The Department assessed a total of 51 District Health Plans (DHPs), compared to the target of 52 districts. The target was not achieved as one district in the Western Cape (WC) did not submit their District Health Plans for assessment. Feedback sessions were held in provinces to ensure alignment between the APPs and the DHPs, as well as the revised National Indicator Data Set (NIDS).

A draft District Health System (DHS) policy has been developed through consultation. This draft will be finalised in the 2013/14 financial year. The draft framework for the Social Determinants of Health has been developed, which aims to mobilize and organise stakeholders in supporting the delivery of positive health outcomes.

Supported by the Health Systems Trust (HST), general guidelines for PHC facilities, clinic committees and hospital boards were developed. A capacity-building manual for governance structures was also designed. This guide will assist the provinces in the establishment and training of such structures, in both hospitals and PHC facilities.

The Department finalised the national norms and standards for environmental health. These norms and standards aim at ensuring a standardised approach in the provision of environmental health services in the country, and to set a benchmark in the delivery of quality environmental health services.

The Department complied fully with the requirements of Chapter 3 of the National Environmental Management Act (NEMA). The Department's Annual NEMA Compliance Report 2011/12 was adopted by the Subcommittee for Environmental Management Plans. The NEMA report is produced every two years, with the next one being due in the 2013/14 year.

Progress was made in ensuring compliance with international law in terms of management of the port health services. With technical assistance from WHO, a total of 27 ports of entry (PoE) were assessed in terms of the 2005 International Health Regulations. The

core capacity assessments in support of that process have been finalised. Three additional PoEs, namely, Richards Bay Harbour, Port of Nqurgha and Oshoek Ground Crossing were identified as requiring attention, due to increasing travel and trade trends. However in order for the Minister of Health to designate the ports of entry, South African Health Regulations in line with the International Health Regulations should be developed.

An analysis of the reported pesticide/chemical notification by Provinces for the 2012/2013 fiscal years was conducted. The analysis was based on pesticide/ chemical notifications in terms of age distribution, gender distribution, occupation, pesticide/chemical trade name, active ingredient, cause of poisoning, source of poisoning, environmental health practitioner (EHP) intervention and the number of cases reported on the prescribed notification form, by comparison to cases reported for the Environmental Management Plan (EMP) and by Tygerberg Hospital Poison Information Centre (July to September 2012 Quarterly Report). The result of the analysis was presented at the Inter-Provincial meeting, as well as to the National Committee on Chemicals Management established and chaired by the Department of Environmental Affairs (DEA) as required by the Rotterdam Convention.

Sub-Programme Communicable Diseases

For the financial year 2012/13, the NDoH set itself the objective of eliminating Malaria by 2018, by reducing the local transmission of malaria cases to 0 per 1,000 population at risk, through the implementation of the Malaria Elimination strategy. There was an overall decrease in malaria cases and deaths in the financial year 2012/13 (6,613 cases and 64 deaths) compared to the previous year (8746 cases and 82 deaths). The cumulative incidence for confirmed local cases was 0.18 (n=919) and 0.28 (n=1404) for the aggregate of local cases and cases of unknown origin.

Decreasing the malaria-related morbidity and mortality contributed towards increasing life expectancy in South Africa. Malaria cases decreased by 24% and deaths by 22% in 2012/13 compared to 2011/12. The regular monitoring of malaria thresholds and strengthening of malaria surveillance will continue.

Sub-Programme Non-Communicable Diseases

For the financial year 2012/13, the Department set itself three objectives with regard to Non Communicable Diseases (NCDs), namely, introduction of legislation and regulations to reduce NCDs, prevention and management of non-communicable diseases by implementing the Integrated Chronic Care Management (ICCM) model and strengthening the health system to increase cataract surgery rates.

The burgeoning epidemic of NCDs globally and in South Africa has been fully recognised and acknowledged by the Department. Following the setting of 10 targets to be reached by 2020 (at the 2011 Summit on Prevention and Control of Non-Communicable Diseases), the Department developed a five year strategic plan during 2012/13 outlining the activities that must be undertaken to reach these targets. This plan focuses on both combating the major risk factors for NCDs, as well as health system changes to improve screening, care and treatment of NCDs. Simultaneously, the Department introduced regulations, prepared legislation and began implementation of health system changes in line with the goals of the strategy.

This included regulations around salt in certain foodstuffs, measures to stop the marketing of alcohol products and ICCM in three districts.

Substance abuse has been identified by Government as a major impediment to development, with significant health impacts on all four of South Africa's burden of disease. The Department, through the participation of the Minister and Deputy-Minister, has been active in the Inter-Ministerial Committee set up by Cabinet to combat substance abuse collectively. A range of interventions has been agreed upon for implementation in 2013/14. South Africa has also co-chaired the World Health Organisation Global Network on Alcohol-Related Harm, through which we have been able to share good practices and learn from other countries.

Mental health was also prioritised during 2012/13, initially through the hosting of a summit of all stakeholders by the Minister and Deputy Minister and later, through the development of an Action Plan.

Various critical interventions in this hitherto neglected area have been identified for urgent action during the next Medium Term Expenditure Framework (MTEF) period.

Chronic NCDs link closely with a range of other disease areas such as HIV, TB, maternal and child health, and mental health. Significant efforts have been made towards service integration rather than 'verticalisation' of chronic NCDs. The ICCM model, is a good example of our efforts to integrate communicable and non-communicable chronic diseases to provide holistic care and improved patient satisfaction. A step-by-step manual has been developed to assist in introducing the model into the National Health Insurance (NHI) pilot sites and then into all PHC facilities. Chronic NCDs are now also an integral part of the primary care manual that guides service delivery.

The achievement of increased cataract surgery rates, albeit short of the set target, was enabled through partnerships with NGOs that provided international ophthalmologists to assist with cataract surgery waiting lists. Continued success in this area is a challenge because the five "fixed eye centres" that are operative, are too few to meet the need. Moreover, attempts to get faster turn around through changed methods of surgery used successfully in some other developing countries is proving difficult in South Africa, where there is still a large degree of scepticism towards the changed methods. Nonetheless, being committed to optimal vision for all South Africans, the Department has set even higher targets for the next financial year.

Sub-Programme Health Promotion And Nutrition

For the financial year 2012/13, the Department set itself the following objectives: improving the nutritional status of people living with HIV, AIDS and TB, reducing Vitamin A deficiency in children under 5 years, improvement of the initiation and support for exclusive breastfeeding, and strengthening the implementation of health promotion initiatives

Vitamin A was given to 42.8% of children aged 12 to 59 months during 2012/13, which was 0.8% above the 42% target for 2012/13.

For the 545 facilities with maternity beds, an annual target of having at least 300 that are 'Mother-Baby-Friendly' was set at 55%. At the end of the financial year, 278 (51%) of the facilities were accredited. Poor preparedness of facilities in the Provinces of Limpopo, Eastern Cape and North West along with the withdrawal of Free State and Northern Cape from the assessment process due to budgetary constraints, resulted in the target not being reached.

The Health Promotion strategy is currently in draft form and will be adopted in the 2013/14 financial year.

Linking performance with budgets

Sub-programme Name	2012/2013			2011/2012		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	Over/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
District services and environmental health	26 225	24 932	1 293	51 671	45 010	6 661
Communicable diseases	44 567	43 624	943	14 506	9 706	4 800
Non-communicable diseases	24 434	22 692	1 742	679 030	674 479	4 551
Health promotion and nutrition	18 616	14 114	4 502	16 496	12 288	4 208
Total	**113 842**	**105 362**	**8 480**	**761 703**	**741 483**	**20 220**

2.4.5 Programme 5: Hospitals, Tertiary Services and Workforce Development

Purpose: Develop policies, delivery models and clinical protocols for hospitals and emergency medical services. Ensure that Academic Medical Centres and health workforce programmes are aligned.

There are five sub-programmes:

Health Facilities Infrastructure Management focuses on the coordination and funding of health infrastructure to enable Provinces to plan, manage, modernise, rationalise and transform infrastructure, health technology, hospital management and improvement of the quality of care in line with national policy objectives.

Tertiary Health Care Planning and Policy focuses on developing credible, long-term provision of tertiary and high-quality specialised services in a modernised and reconfigured manner; and identifies tertiary and regional hospitals that should serve as centres of excellence for disseminating quality improvements. The sub-programme is responsible for the management of the National Tertiary Services grant. The purpose of the grant is to provide strategic funding to enable provinces to plan, modernise, rationalise and transform the tertiary hospital services platform, in line with national policy objectives, including access and equity.

Hospital Management deals with national policy on hospital and emergency medical services by focusing on developing an effective referral system, to ensure clear delineation of responsibility by level of care, clear guidelines for referral and improved communication, and development of specific detailed hospital plans.

Human Resources for Health is responsible for medium- to long-term human resources planning in the national health system. This entails implementing the national Human Resources for Health plan; facilitating capacity development for sustainable health workforce planning; and developing and implementing human resources information systems for planning and monitoring purposes.

Nursing Services is responsible for developing policy frameworks to oversee the development of the required nursing skills and capacity in the system.

Strategic Objective	Performance Indicator	Baseline (Actual Output) 2011/2012	Actual Performance Against Target		Deviation from planned target to actual achievements for 2012/13	Comments on deviation
			Planned Target (2012/13)	Actual Achievement (2012/13)		
Accelerate the delivery of health infrastructure	National Infrastructure Plan developed in collaboration with Provincial Infrastructure Units	All provinces submitted user-brief management plans including infrastructure plans. The user-brief asset management plans constitutes the basis for the development of a three year national infrastructure plan	Updated National Infrastructure Plan developed	The target not achieved, only three years MTEF project list as drawn from provincial U-AMPs was developed and completed on the second quarter of the financial year.	The plan did not address other sections that should be part of the plan	There was an oversight when the three years MTEF project list was developed
	Monitor revitalisation and maintenance of Hospitals, Community Health Centres and Clinics	New indicator	Revitalisation and maintenance of Hospitals, Community Health Centres and Clinics funded through Hospital Revitalisation Grant (HRG) and Health Infrastructure Grant (HIG) monitored	85 facilities received funding from HRG, and 354 projects from HIG for revitalisation and maintenance. Three national progress review meetings were conducted to monitor facilities funded through HRG and HIG. Provincial site visits were also conducted.	Fourth National Progress Review meeting was delayed.	Delay of the fourth National Progress Review meeting was due to reform of Grant frameworks.
	Implementation of Five PPP Tertiary Flagship Projects	New indicator	Complete feasibility studies for three projects and issue RFQs and RFP	Draft feasibility study for Chris Hani Baragwanath Academic Hospital (CHBAH) Draft RFQ for CHBAH done.	Feasibility studies for Dr G Mukhari Academic and New Limpopo Academic hospitals incomplete. RFQs not issued. RFP not issued	There was a delay in finalising the clinical package due to redesignation of Dr G Mukhari Hospital and the proposed New Limpopo Academic Hospital as central hospitals. Awaiting National Treasury approval of RFQs.RFP's are only issued after RFQ's.
	Revitalisation of nursing college and schools	New indicator	Maintenance of existing prioritised Nursing College and Schools through the new Nursing College/ School Grant	32 projects were funded from the Grant.	None	None
			Developed and conclude the Master Plan plus feasibility study for the Nursing College and Schools	Final draft of the Nursing College Master Plan has been submitted. Feasibility Study is in progress	Master Plan not finalised Feasibility Study not finalised	Master Plan delayed due to the change in the scope of work. The feasibility study was delayed because information was required from unfinalised Master Plan.

Strategic Objective	Performance Indicator	Baseline (Actual Output) 2011/2012	Actual Performance Against Target		Deviation from planned target to actual achievements for 2012/13	Comments on deviation
			Planned Target (2012/13)	Actual Achievement (2012/13)		
	Sustainable set of universally adopted national norms and standards, guidelines and benchmarks for all levels of health care facilities	Scheduled workshops were held to discuss and evaluate the report put together by the team led by the CSIR, based on the information gathered from various stakeholders. One more workshop will take place in the next financial year. The costing model for strategic decisions on health infrastructure has been completed	Health infrastructure norms and standards for all levels finalised and approved	32 standard documents have been developed	Standards not yet finalised and approved.	These standards are at different stages of development. Finalisation of standards was delayed due to other work assigned to CSIR.
	Infrastructure Project management information system (PMIS) established	New Indicator	Implementation, configuration and maintenance of the infrastructure PMIS	The PMIS was configured, maintained and implemented.	None	None
To ensure appropri-ate health technology are available and efficiently managed	Health Technology Strategy developed and approved	The draft Health Technology Strategy is undergoing review by the HT team	Implementation of Health Technology Strategy commenced	Implementation of Strategy commenced . Completed review of regulations, Medical equipment maintenance pilot project in Eastern Cape completed. Review of RT tender specifications. SAHPRA establishment proposal processes completed.	None	None
	Essential Equipment lists for the different levels of care developed	The EELs were completed for different hospital levels (clinic to tertiary).	Revise EELs based on feedback.	EELs completed.	None.	None
	Optimisation of Health Technology maintenance	Health Technology Strategy in place but health technology standards not developed.	Standards for use and maintenance of Health Technology finalised.	Draft Standards and guidelines for maintenance of Health Technology developed.	Guidelines not finalised.	There is a need to extended consultations with other stakeholders in Provincial Departments.

Strategic Objective	Performance Indicator	Baseline (Actual Output) 2011/2012	Actual Performance Against Target		Deviation from planned target to actual achievements for 2012/13	Comments on deviation
			Planned Target (2012/13)	Actual Achievement (2012/13)		
Improve health workforce planning management and development	Develop Norms and standards for health workforce	Development of norms and standards for health workforce for PHC and secondment health care commenced during the reporting period.	Human Resource for Health norms and standards implementation monitoring and gap analysis.	Human Resource for Health norms and standards implementation commenced in all 9 provinces focusing on the NHI pilot sites using Workload Indicators of Staffing Need (WISN) Model. Implementation monitoring reports received from 8 of 9 provincial Departments of Health.	North West Provincial Departments implementation monitoring report outstanding.	Lack of capacity at the North West provincial level.
	Community health worker policy finalised	Development of the policy on the CHW remuneration packages, job descriptions and their training and placement was explored with the Quality Council for Trades and Occupations. This was part of the implementation of the re-engineered PHC model Models for the placement of CHWs were assessed with the DPSA.	Standardised training programme in place. Work with FET and HWSETA to implement. Monitor and evaluate training.	A total of 4872 Community Health Workers were trained according to a standardised training manual.	The legal process with the assistance of the relevant Health Professional Council, the HW SETA and the Quality Council for Trades and Occupations has not been completed.	The development of a formal qualification for the CHWs could not be completed. A decision was taken to strengthen the re-engineering of PHC to commence with the deployment of CHWs in various health districts as part of the Ward-Based PHC Outreach Teams.

Overview of performance

Sub-Programme: Health Facilities Infrastructure Management

With regard to health infrastructure, the strategic objective for 2012/13 of this sub-programme was to accelerate delivery of health infrastructure maintenance.

The Department supported Provincial Departments of Health in several ways. The Department provided funding to Provincial infrastructure projects through Conditional Grants. Amongst others, the sub-programme supported implementation of infrastructure projects by providing guidance on infrastructure planning and design through the Infrastructure Unit Systems Support (IUSS). The support translated into better performance on Conditional Grant spending. The overall expenditure for three Conditional Grants is at 85% of the total budget available.

The Department produced a draft feasibility study and Request for Quotations (RFQ) for Chris Hani Baragwanath Academic Hospital (CHBAH). Challenges were experienced with the completion of the feasibility study at two of the three targeted public-private partnership (PPP) projects, namely, Dr G Mukhari Hospital and the newly proposed Limpopo Academic Hospital as central hospitals. Stage 1 of the feasibility studies had to be revisited and reviewed before continuing.

The Department has developed the National Infrastructure Plan, and monitored revitalisation and maintenance of hospitals, community health centres and clinics funded through HRG and HIG. Progress was monitored by hosting three National Progress Review meetings, and conducting several site visits.

The Department has also embarked on a process of developing 46 sets of national norms and standards, guidelines and benchmarks for all levels of health care facilities.

A total 32 were developed and the remaining others are at different stages of completion due to reprioritisation of other activities.

The Project Monitoring Information System (PMIS) was configured, tested and piloted successfully during the financial year.

The system will be cascaded to Provincial Departments of Health in the 2013/14 financial year for reporting progress on infrastructure projects.

The Nursing College and Schools Master Plan was developed together with a feasibility study to link the required number of nursing professionals; the number of facilities needed and the size of the facilities. This was done to inform the planning of nursing colleges and schools that we are planning to rebuild. The National Strategic Plan for Nurse Education, Training and Practice 2012/13 to 2016/17 was finalised and launched at the Nursing Summit. The Nursing Strategic Plan is aimed at revitalisation and reconstruction of the nursing profession in South Africa.

With regard to health technology, which continues to play a critical role in the provision of health care, the strategic objective for 2012/13 was also to ensure appropriate health technology was available and affordable. Guidelines on management of medical equipment have been developed. In the past financial year, inputs were received on the review of Essential Equipment Lists (EELs) for all levels of health care. The revision of EELs was completed during the financial year. The Department has also developed draft standards and guidelines to optimise maintenance of Essential Equipment. The Department however was not able to adopt the draft standards due to a need for further consultations with Provincial counterparts.

Sub-Programme: Tertiary Health Care Planning and Policy

During 2012/13, this sub-programme continued to co-ordinate tertiary services (especially the Central Hospitals), monitor tertiary services and training grants, and assist the Health Leadership and Management Academy with the development of training programmes for hospital managers. Task teams were established for a National Tertiary Services Plan, the de-merger of MEDUNSA and the establishment of a Medical School in Limpopo. Technical support was provided to Transaction Advisors for the PPP development of a new hospital to replace the Dr George Mukhari Hospital. Work has started on the improved management of Central Hospitals including analysing different options for their future governance. A literature review was done on granting autonomy to Central Hospitals and a regulatory framework for Central hospitals is being prepared.

Support visits were undertaken to all provinces to National Tertiary Services Grant (NTSG) and expenditure of 99.4% of the allocated budget.

Sub-Programme: Hospital Management

Business plans for each Province with regard to the Health Professionals Training and Development Grant (HPTDG) were submitted and approved and visits were conducted to all provinces in order to support the implementation of HPTDG. The classification of hospitals was gazetted and implemented.

Sub-Programme: Human Resources for Health

The objective of the Sub-programme is to improve health workforce planning management and development.

Human Resources for Health (HRH) norms and standards implementation commenced in all nine Provincial Departments of Health, with a focus on the NHI pilot districts. Approximately 97 facilities were sampled and assessed using the WHO Workload Indicators for Staffing Need (WISN) tool in collaboration with the WHO HRH experts. Provinces were trained on the WISN model and methodology during September 2012, which was followed by development of implementation plans. The WISN results generated will be used for determining staffing norms and standards for the health workforce. Implementation monitoring reports were received from eight of the nine Provincial Departments of Health. The submission of the Implementation Report was delayed from the North West Department of Health due to capacity constraints.

In order to standardise training of CHWs, the Department developed a training manual which was used for the training programme of approximately 9855 community Health Workers since 2011. The development of a formal qualification for Community Health Workers still has to be finalised in collaboration with the HPCSA, HWSETA and Department of Basic Education before it can be implemented.

The National Strategy on Nurse Education, Training and Practice (Nursing Strategy) was finalised and launched.

Furthermore, 70 Forensic Interns were enrolled for the Forensic Toxicology Certificate at the University of Pretoria in April 2012; having successfully completed the course, they have been absorbed into the Forensic Chemistry Laboratories, with 13 in Cape Town, 12 in Durban, 30 in Johannesburg and 15 in Pretoria.

The challenges inherent in the various professional categorisations are being resolved following the completed review of the Occupation Specific Dispensation (OSD). The report has been completed and its recommendations are now being implemented.

In October 2012, the Minister of Health launched the Health Leadership and Management Academy, the main goal of which is to enhance the management capacity of the public health sector, ensure excellence, and achieve the objectives set in the HRH Strategy published in October 2011.

The establishment of the Academy was informed by the results of a research study, commissioned by the Minister of Health and executed by the Development Bank of Southern Africa (DBSA), to assess the functionality, efficiency and appropriateness of the organisational structure of hospitals, the appropriateness of the delegations given to hospital managers, and the qualifications of all hospital CEOs and district health managers.

The Academy seeks to address skills gaps at all levels including hospital and clinical management.

An Advisory Board has been established for the Academy, in partnership with local and international institutions (in Italy, the United Kingdom and the United States of America).

During 2012, 122 posts for hospital CEOs were advertised and 103 of these were subsequently filled. All managers will undergo training provided by the Academy. Eighty-eight (88) of the newly appointed CEO's attended a one-week orientation in the first week of February 2013.

To enhance the production of doctors in South Africa, the intake of medical students by academic institutions is being scaled up rapidly. A Public Health Education Fund has been created jointly with the private sector. A total of 23 private sector CEOs have pledged R40 million. From this amount, R20 million will be utilised to support training of 100 medical students from disadvantaged backgrounds, who demonstrate potential, but who would otherwise not have been accepted into academic institutions. On completion of their medical training, the doctors will return to serve their areas of origin.

The Cuban Medical Training programme is also being expanded. By the end of December 2012, a total of 920 South African students travelled to Cuba for medical training. The ultimate benefit of these efforts to all communities in South Africa is improved clinical care, with the net results of enhancing clinical outcomes.

Changes to planned targets

There were no changes to the planned targets for the Sub-Programmes in Programme 5.

Linking Performance with Budgets

Sub- Programme	2012/2013			2011/2012		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Health facilities infrastructure management	6 317 883	6 314 812	3 071	6 064 202	5 990 193	74 009
Tertiary health care planning and policy	8 957 488	8 946 481	11 007	8 052 171	8 051 782	389
Hospital management	26 632	25 126	1 506	12 257	13 132	-875
Human resources for health	2 119 876	2 111 834	8 042	2 016 520	2 000 989	15 531
Nursing services	1 250	503	747	-	-	-
Total	**17 423 129**	**17 398 756**	**24 373**	**16 145 150**	**16 056 096**	**89 054**

2.4.6 Programme 6: Health Regulation and Compliance Management

Purpose: Regulate procurement of medicines and pharmaceutical supplies, including food control; to trade in health products and health technology. It also promotes accountability and compliance by regulatory bodies for effective governance and quality of health care.

This programme consists of five sub-programmes:

Food Control regulates foodstuffs and non-medical health products to ensure food safety by developing and implementing food control policies, norms and standards, and regulations.

Public Entities Management provides policy framework for healthy public entities with regard to planning, budgeting procedures, financial reporting and oversight, ownership, governance, remuneration and accountability.

Office of Standards Compliance deals with quality assurance, compliance with national standards and patient complaints, and radiation control.

Compensation Commissioner for Occupational Diseases (CCOD) and Occupational Health is responsible for the payment of benefits to active and ex-workers in controlled mines and works who have been certified to be suffering from cardio-respiratory diseases as a result of the work exposures in the controlled mines or works. The focus over the medium-term is on management reforms and re-engineering of business processes around revenue to ensure sustainability of the Compensation Fund, reducing the turnaround period in settling claims, amending the Occupational Diseases in Mines and Works Act (1973) and improving governance and internal controls and relationships with the key stakeholders.

Pharmaceutical Trade and Product Regulation regulates the procurement of medicines and pharmaceutical supplies, regulates and provides the oversight on trade in health products to ensure access to safe and affordable medicines.

Strategic Objective	Performance Indicator	Baseline (Actual Output) 2011/2012	Actual Performance Against Target		Deviation from planned target to actual achievements for 2012/13	Comments on deviation
			Target (2012/13)	Actual Performance (2012/13)		
Improve the registration of medicines and reduce the time to market through reducing the backlog on medicine registrations by building in-house capacity; training and aggressive recruitment of evaluators; clinical trial management and performing inspections on an on-going basis	Registration timelines of 12 months for new chemical entities (NCE) and 6 months for generic medicines	• 386 genetics were registered in an average of 34 months. • 34 human NCEs were registered in 37 months. • 47 outlines (part of the backlog) were registered ranging from 50 months to 14 years. • 112 medicine applications were rejected after initial evaluation. • In total 422 medicines were registered in 2011/12 and 112 were rejected, resulting in the finalisation of 354 applications.	Registration time lines of 28 months for NCE and 15 months for generics.	• 21 human NCEs were registered, 8 from the backlog. 13 NCEs registered in an average of 36 months. • 706 generic medicines were registered. 224 of these were from the backlog. The remaining 482 were registered in an average of 34 months. • 8 veterinary medicines were registered in an average of 42 months • 117 medicine applications were rejected or withdrawn by the applicant. • 252 registrations were cancelled. • In total 735 products were registered in 2012/13. • The status of 1 104 products was finalised (735 + 117 + 252).	Variance for generic medicinesregistrations = 6 months Variance for NCE registrations = 21 months	• Lack of evaluators– in-house and external. New evaluators were appointed, but are still in training. • Difficulty in recruiting specialist evaluators' at the rates paid. • Applicants delay responding to MCC recommendations sometimes for up to 12 months. • Registration occurs at MCC meetings, which take place 6 times a year based on peer reviewed evaluators reports received from 5 expert committees.
To improve oversight over the registration of Pharmaceutical and related products	Establish the Pharmaceutical and Related Product Regulation and Management Authority	Publish Medicine and Related Substances Amendment Bill, 2012 on 15 March 2012	Finalisation of amendments of legislation and publication of regulations thereof. Preparation of MCC for transition to SAHPRA.	Draft amendments to the legislation submitted to Cabinet.	Finalisation of amendments to legislation to enable transition of the MCC to SAHPRA has not been achieved.	The model of the envisaged entity changed.

Strategic Objective	Performance Indicator	Baseline (Actual Output) 2011/2012	Actual Performance Against Target		Deviation from planned target to actual achievements for 2012/13	Comments on deviation
			Target (2012/13)	Actual Performance (2012/13)		
Improve the quality of health services	Establishment of an independent Office of Health Standards Compliance as a national quality certification body	Bill gazetted on 18 November 2011 and tabled in Parliament in February, public hearings were held in March 2012	Functional Office of Health Standards Compliance.	National Health Amendment Bill passed without opposition by NCOP in December 2012 after public hearings in all Provinces; referred for mediation after re-tabling to Portfolio Committee in February 2013.	OHSC not been established.	Only preparatory activities for OHSC were possible due to lack of legal mandate.
	% of complaints resolved within 25 days	40%	75%	57%	-18%	NDoH refers complaints to provinces for investigation. Response times from provinces are often outside the target time frame due to their own processes
	% of hospitals conducting a patient satisfaction survey at least once per year	384 of 400 hospitals i.e. 96%	90% of 400 public sector hospitals.	56 of 64 randomly selected public sector hospitals (87.5%).	-2.5%	The reporting system for hospitals to confirm whether a survey was conducted ceased. An alternative sampling strategy was used, involving 64 selected hospitals. The survey found that 56 hospitals in the sample complied. It is, therefore, estimated that 87.5% of the 400 public sector facilities have conducted a patient satisfaction survey.
	Number of health facilities assessed for compliance with the 6 priorities of the Core Standards	3 780 (90%)	20% (800) facilities assessed.	6.2% (235) facilities.	13.8% (565) facilities	The initial team of inspectors was small and was undergoing training. The numbers of inspectors increased towards the end of the financial year.

Strategic Objective	Performance Indicator	Baseline (Actual Output) 2011/2012	Actual Performance Against Target		Deviation from planned target to actual achievements for 2012/13	Comments on deviation
			Target (2012/13)	Actual Performance (2012/13)		
To improve access to Benefit Medical Examination (BME) Services for mineworkers	Number of service providers offering BME	• No additional Occupational Health Units (OHUs) established in district hospitals in 2011/2012 • 72 OHUs were established in 2010/2011.	220	151	-69	This unmet target is the result of inactive service providers. Clear service level agreements have been developed for all service providers to clarify what is expected.
	No of miners who undergo BME	10 284	18 000	12 242	-5758	Many vacant posts were not filled. New management structures created in the latter half of the year which assisted in achieving the set target, but due to time and capacity constraints, coupled with low resource availability, the target could not be reached

Strategic Objective	Performance Indicator	Baseline (Actual Output) 2011/2012	Actual Performance Against Target		Deviation from planned target to actual achievements for 2012/13	Comments on deviation
			Target (2012/13)	Actual Performance (2012/13)		
Strengthening food control risk management measures related to development/ publication/ implementation of relevant national legislation, based on international standards adopted by the FAO/ WHO Codex Alimentarius, where applicable.	Nutrient profiling model available and implemented to evaluate health claims and determine foodstuffs with an unhealthy nutrient profile, for listing in the 2nd phase of labelling regulations.	• Finalised ToRs for appointment of a consultant. • Finalised appointment of NWU as consultants to develop NPM (September 2011). • Service level agreement (SLA) signed (October 2011), project commenced on 1 November 2011 and scheduled to be completed by end of May 2012. • Received two progress reports from NWU on deliverables: 1 validity of the model (Software programme); 2 convergent validity and construct validity.	Nutrient profiling model finalised and development of2nd phase of labelling regulations commenced, to include measures for the approval of health claims and listing of foodstuff, with an unhealthy nutrient profile.	Nutrient Profile Model finalised and placed on the NDoH website.	2nd Phase of labelling regulations are still being developed to include criteria and measures to regulate health and nutrient claims.	The finalisation is also dependent on the standards adopted by the FAO/WHO Codex Alimentarius.
	Five sets of regulations drafted published for comments and/ or final regulations published.	• Nine sets of regulations drafted, published for comments and/ or final regulations published.	Five sets of regulations drafted, published for comments and/ or final regulations published.	Seven sets of regulations were drafted published and gazetted as draft and final regulations.	Target of five sets of regulations was exceeded by publication of two more sets of regulations.	The procedures followed to obtain Ministerial approval for publication of relevant regulations in the Government Gazette assisted in exceeding the target.
To strengthen and facilitate good corporate and management governance of public entities and statutory health professional	Public Health Entities governance and management framework.	Governance framework document and implementation plans were produced.	Public Health Entities' governance and management framework implemented and reports provided bi-annually.	The Public Health Entities 'governance and management framework reports were produced bi-annually.	None.	None.
Monitor compliance and implementation of policies and legislative prescripts relevant to public entities	Public entities' quarterly compliance report.	Section 50 of National Health Act No. 63 of 2003 was proclaimed to enable establishment of the Forum of Statutory Health Professional Councils (FSHPC).	Public entities' quarterly compliance report guided by performance guidelines.	Public entities quarterly compliance reports were produced.	None.	None.

Strategic Objective	Performance Indicator	Baseline (Actual Output) 2011/2012	Actual Performance Against Target		Deviation from planned target to actual achievements for 2012/13	Comments on deviation
			Target (2012/13)	Actual Performance (2012/13)		
Establish a forum of statutory health professional council in terms of Section 50 of the National Health Act, 2003	Functional Forum of Statutory Health Professional Councils (FSHPC).	New indicator.	Bi-annual submission of functionality reports of the FSHPC.	The Forum of Statutory Health Professional Council was established and bi-annual reports produced.	None.	None.
To strengthen Laboratory Services	Strategy for the reform of Laboratory Services.	New indicator.	Strategy for the reform of Laboratory Services (Forensic Laboratories and NHLS) developed.	A draft Medical Laboratory policy was developed	A Strategy was not developed for Laboratory Services	The investigation into the billing by the NHLS and reimbursement by provincial Departments delayed the development of the policy.

Overview of Performance

Sub-Programme: Food Control and Regulation

With respect to the regulation and management of food and non-medical health products, the strategic objective of the Department for 2012/13 was to strengthen food control risk management measures related to the development, publication and implementation of relevant national legislation. This work is based on international standards adopted by the Food Agriculture Organisation/World Health Organisation Codex Alimentarius, where applicable.

The Nutrient Profiling Model (NPM) was finalised and published to ensure that health and nutrient claims can be evaluated, and to identify foodstuffs with an unhealthy nutrient profile. A working document on the labelling regulations, which includes measures and criteria for health and nutrient claims, has been developed. There were seven sets of regulations drafted and published for comment and/or final regulations published. The Department also participated in 10 Codex related activities, and included Codex standards in the drafting of regulations.

The NPM remains a tool for screening of foods for which health and nutrient claims may be made. However, this screening must be deferred until measures and criteria can be developed in the second phase of the Labelling Regulations enabling full capacity for implementation in determining foods with healthy or unhealthy (undesirable) nutrient profiles.

Sub-Programme: Public Entities Management

The Public Entities and Statutory Councils sub-programme continued to support the oversight role of the Executive Authority (EA), including managing the appointment process on behalf of the EA, thereby ensuring that competent and capable candidates were appointed to the various Councils and Boards falling within the ambit of health legislation. During the period under review, recommendations were made for appointment of members to fill vacancies that existed in the various entities and statutory councils, including the positions of Chairperson for the Council for Medical Schemes; Chairperson for the Council for Medical Schemes Appeal Board; the Chairperson and Vice-Chairperson of the National Laboratory Service, and appointment of members of the Interim Traditional Health Practitioners' Council.

During the 2012/13 financial year, the Forum of Statutory Health Professional Councils (FSHPC) was established in terms of Section 50 of the National Health Act, 2003 (Act No. 61 of 2003). This is a Forum on which all the Statutory Health Professional Councils are represented. The functions of the Forum include protection of the interests of the public and service users, as well as promotion of good practice in health services and sharing of information between the various Health Professional Councils.

The Interim Traditional Health Practitioners Council was also established during the period under review. The Traditional Health Practitioners Act provides for the registration, training and practices of traditional health practitioners in the Republic to serve and protect the interests of members of the public who use these services. The Interim Council will contribute towards the management and governance of traditional health practitioners.

Sub-Programme: Compensation Commissioner for Occupational Diseases (CCOD) and Occupational Health

This sub-programme struggled to meet the set targets during the review period. This was largely due to inactive service providers and too many vacant posts to achieve the given target. Service Level Agreements have now been drafted to clarify expectations and to assist with monitoring progress. The management has also consolidated the activities of the Medical Bureau for Occupational Diseases (MBOD) and the Compensation Commissioner for Occupational Diseases (CCOD) in one building thus leading to an efficient claims assessment and payment process.

The sub-programme addressed the problem of vacancies by creating a new management structure which did assist to some degree ,but due to the time lost and low availability of resources, the targets were not reached.

Sub-Programme: Pharmaceutical Trade and Product Regulation

This sub-programme increased its output of applications finalised by 67% compared to the previous financial year. The registration of Antiretroviral (ARVs) medicines was fast-tracked, resulting in a number of Fixed Dose Combination (FDC) ARVs being made available to patients in the public sector in the 2013/14 financial

year. A 40% reduction of the backlog on finalising applications for generic medicines was achieved. The backlog on the finalisation of applications for new chemical entities (NCEs) was significantly reduced. The evaluation of Oncology medicines was expedited to respond to the prevailing burden of disease.

The key challenge faced by the sub-programme is the timely response to applications. This is largely due to an insufficient number of available evaluators. To address this, the medium-term plan is to establish a new independent regulatory authority with the necessary resources to employ suitably qualified evaluators who will review applications on an ongoing basis.

In the short-term, the authority will attempt to contract additional trainee evaluators from academic institutions to increase its evaluation capacity.

Sub-Programme: Office of Health Standards Compliance

The key strategic objective for 2012/13 of this sub-programme was to improve the quality of health services. Major steps were made toward the establishment of the independent Office of Health Standards Compliance (OHSC).

Significant progress was made with work done under the mandate of the Office of Health Standards Compliance in the Department. This included drafting of regulations, training of the initial team of inspectors through a structured in-house programme, extensive fieldwork, appointment of additional inspectors, refinement of tools and procedures, and extensive communication and training activities in all Provinces designed to enhance knowledge and understanding of the National Core Standards, the process and intent of audit, the proper management of patient complaints, and the roles of various components of the health system.

Significant gains were made towards the establishment of the independent OHSC. The National Health Amendment Bill was approved by the Portfolio Committee of the National Assembly after public hearings and deliberations. It was then processed through the National Council of Provinces and the respective Select Committees from August to December 2012 with the Department's participation in briefings in every Province and in many of the public hearings that were held across the country. A revised version of the Bill was approved in the National Council of Provinces in December 2012 without any opposing mandates. However, because changes were made to the Bill it needed to go for mediation, which was not concluded prior to end of the financial year. This led to a delay in the promulgation of the Bill.

The delay in the formal promulgation of the National Health Amendment Bill made it impossible to move towards establishing the public entity. This consequently caused a delay in spending of the ear-marked funds such as appointment of senior staff; an expanded staff complement; an information technology system; a call centre and independent offices.

The Parliamentary process provides the critical policy direction on the functions and approach of the future OHSC. The work in preparation for the future OHSC has focused on internal preparations to ensure that the functions to be shifted are in a state of optimal readiness. This was accompanied by significant emphasis on providing information and guidance to health facilities on the implications for them. Preparation has involved both technical and institutional developments and work on the drafting of the required regulations.

The future monitoring systems were also tested through the collection and analysis of additional reported information on the profiles of establishments in order to prioritize future inspections by identifying and focusing on those at higher risk. In addition, a high level assessment of the resources available to selected establishments was conducted to understand the factors contributing to the observed compliance situation and in order to inform the recommendations made on interventions.

Important advances were made on complaints management processes over the year, in preparation for the establishment of the future OHSC complaints management and Ombuds office. A data base was developed to log, manage and track all complaints referred to the unit and produce reports. A total of 804 complaints, enquiries and compliments were received during the year. Of these calls, 416 of these were complaints, 84% of which were resolved by the provinces during the course of the financial year. The target of resolving complaints within 25 working days was met in 57% of cases. From the Presidential Hotline, 134 complaints were managed, and 236 enquiries were referred to other investigative units. A total of 18 compliments were received. Efforts to improve the management of urgent complaints as well

as the response rate from Provincial offices include individual intervention in specific cases as well as regular communication with all Provincial Departments, reinforced by monthly reports to the Heads of Departments. A National Complaints Management Guideline is also being revised and strengthened through a process of country-wide seminars and workshops.

An alternative method for reporting on Patient Satisfaction Surveys, using the results obtained from the baseline audit and ongoing inspection audits, was implemented in order to measure on-site evidence of having conducted a Patient Satisfaction Survey.

The National Healthcare Facilities Baseline Audit, covering 3 880 public sector health facilities in the country was concluded in June 2012 and the final report was released in February 2013 after extensive validation of data. The results from the audit are being used to inform a number of different initiatives across the Department, the most significant of which are the Health Facility Improvement Teams (HFITs). HFITs were established in the following districts:

- O.R. Tambo (Eastern Cape);
- Mangaung (Free State);
- Sedibeng (Gauteng);
- Zululand (KZN);
- Vhembe (Limpopo);
- Gert Sibande (Mpumalanga);
- Dr. K. Kaunda (North West);
- Pixley ka Seme (Northern Cape); and
- Tshwane (Gauteng).

These teams have supported the development of Quality Improvement Plans for approximately 1000 health facilities in these districts. Tools to assist in increasing knowledge and skills for quality improvement have also been developed, including a planning template and a quality improvement guide. Once the methodology and approach have been tested and found to be successful, the approach will be rolled-out to more districts.

Changes to planned targets

There were no changes to the planned targets for the Sub-programmes in Programme 6.

Linking performance with budgets

Sub-programme	2012/2013			2011/2012		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Food control	9 992	9 928	64	6 039	5 847	192
Pharmaceutical trade and product regulation	86 181	77 707	8 474	72 761	67 059	5 702
Public entities' management	385 493	384 716	777	364 913	364 922	-9
Office of Health Standards Compliance	57 949	36 994	20 955	41 223	26 160	15 063
Compensation Commissioner for Occupational Diseases and Occupational Health	44 043	36 181	7 862	36 865	33 883	2 982
Total	**583 658**	**545 526**	**38 132**	**521 801**	**497 871**	**23 930**

2.5 Summary of Financial Information

2.5.1 Departmental Receipts

Departmental receipts	2012/2013			2011/2012		
	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Tax Receipts			-			-
Casino taxes			-			-
Horse racing taxes			-			-
Liquor licences			-			-
Motor vehicle licences			-			-
Sale of goods and services other than capital assets	31 892	37 750	-5 858	31 833	32 967	-32 967
Transfers received			-			-
Fines, penalties and forfeits			-			-
Interest, dividends and rent on land	300	460	-160	308	425	-425
Sale of capital assets			-	36	67	-67
Financial transactions in assets and liabilities	914	-4 380	3 466	15 682	21 841	-21 841
Total	**33 106**	**33 830**	**-2 552**	**-**	**55 300**	**-55 300**

The Department's main sources of revenue collection are drug and medical licences which includes dispensing, yellow fever licences, pharmacy licence applications, registration of human and animal medicines, licensing of manufacturers, distributors and wholesalers, issuing of permits for narcotics, as well as fees charged for review approval and monitoring of clinical trials.

An amount of R37 307 was collected from these aforesaid sources of revenue. However, the total amount of R4 380 million (reflected as negative) was surrendered in the previous financial year and allocated in this financial year under review. An amount of R903 000 was collected from other sales and services rendered by the Department.

2.5.2 Programme Expenditure

Programme	2012/2013			2011/2012		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	Over/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	402,434	390,478	11,956	347,262	328,307	18,955
National Health Insurance, Health Planning and Systems Enablement	303,794	293,286	10,508	177,313	161,954	15,359
HIV and AIDS, TB, Maternal and Child Health	9,230,346	9,165,474	64,872	8,014,742	7,927,131	87,611
Primary Health Care Services	113,842	105,362	8,480	761,703	741,483	20,220
Hospitals, Tertiary Health Services and Human Resource Development	17,423,129	17,398,756	24,373	16,145,150	16,056,096	89,054
Health Regulation and Compliance Management	583,658	545,526	38,132	521,801	497,871	23,930
Total	**28,057,203**	**27,898,882**	**158,321**	**25,967,971**	**25,712,842**	**255,129**

Out of a total allocation for the year under review amounting to R28 057 203 billion, the Department spent R27 898 882 billion, which is 99.4% of the available budget. An amount of R158 321 million was under spent, resulting in a 0.6% under-expenditure. The under expenditure is a significant decrease compared to the previous financial year.

The economic classifications in which underspending occurred are mainly Goods and Services, and Capital. Goods and Services (G&S) underspent mainly due to late commitments and deliveries. The budget allocation for Capital was underspent due to delayed deliveries of medical and IT equipment.

2.5.3 Transfer Payments, Excluding Public Entities

The table below reflects the transfer payments made for the period 1 April 2012 to 31 March 2013.

Transfers and subsidies	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as final % of appropriation %
Provinces and Municipalities	26,072,610	-	-	26,072,610	26,071,682	928	100.00%
Departmental Agencies and Accounts	376,670	-	26,992	403,662	392,711	10,951	97.30%
Universities and Technikons	3,000	-	25,000	28,000	21,000	7,000	75.00%
Public Corporations and Private Enterprises	40	-	-	40	40	-	100.00%
Non-Profit Institutions	195,310	-	5,945	201,255	196,214	5,042	97.50%
Households	-	-	1,124	1,124	1,120	3	99.70%
Gifts and Donations	-	-	-	-	-	-	
Total	**26,647,630**	**-**	**59,061**	**26,706,691**	**26,682,767**	**23,924**	**99.91%**

The table below reflects the transfer payments which were budgeted for in the period 1 April 2012 to 31 March 2013, but no transfer payments were made.

Name of transferee	Purpose for which the funds were to be used	Amount budgeted for (R'000)	Amount transferred (R'000)	Reasons why funds were not transferred
University of Limpopo (MEDUNSA)	Medical student intake	6,000	4,000	Uptake of Medical students fewer than expected
University of Cape Town	Medical student intake	5,000	4,000	
University of Witwatersrand	Medical student intake	9,000	9,000	
Walter Sisulu University	Medical student intake	4,000	0	Transfer to be effected in 2013/14
University of Stellenbosch	Medical student intake	4,000	4,000	
Topco Media	Top women award	40	40	
Non-Government Organisations	Health Awareness	201, 255	192, 214	Certain governance arrangements by some NGOs could not be confirmed

2.5.4 Public Entities

The Department promotes and enforces transparency and effective management in respect of revenue, expenditure, assets and liabilities of public entities. In executing its oversight role, the Department monitors the implementation of the PFMA, evaluates the effectiveness to determine the level of compliance as well as provides guidance on the correct interpretation of the PFMA.

In order to monitor and evaluate the effectiveness of compliance with the PFMA, the Department has developed a Performance Reporting tool wherein entities report on a quarterly basis on PFMA matters. The report consists of the following sections within the PFMA:

- Corporate Management
- Planning, Budgeting and Reporting
- Management of Working Capital
- Cash Management, Banking and Investment

Public Entity	Services rendered by the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
South African Medical Research Council	It is an independent statutory body to co-ordinate health and medical research activities throughout South Africa.	R283 863	R283 863	Refer to the Accounting Officer's report on Public Entities
Council for Medical Schemes	The Council for Medical Schemes regulates medical schemes established in terms of the Medical Schemes Act, 1998 (131 of 1998).	R4 310	R4 310	Refer to the Accounting Officer's report on Public Entities
National Health Laboratory Service	Provides quality, affordable and sustainable health laboratory services, trains for health science education and undertake innovative and relevant research.	R84 640	R84 640	Refer to the Accounting Officer's report on Public Entities

2.5.5 Conditional Grants and Earmarked Funds Paid

The table below describes each of the conditional grants and earmarked funds paid by the Department (Amounts are rounded off to the nearest thousand).

Conditional Grant 1: National Tertiary Services

Department/ Municipality to whom the grant has been transferred	Provincial Health Departments
Purpose of the grant	Ensure provision of tertiary health services for all South African citizens; to compensate tertiary facilities for the costs associated with provision of these services including cross-border patients.
Expected outputs of the grant	Provision of designated central and national tertiary services in 27 hospitals/complexes as agreed between the Province and the National Department of Health
Actual outputs achieved	The employment of specialists and goods and services for tertiary services
Amount per amended DORA (R'000)	R8 878 010
Amount transferred (R'000)	R8 878 010
Reasons if amount as per DORA not transferred	N/A
Amount spent by the Department/ Municipality (R'000)	R8 810 943
Reasons for the funds unspent by the entity	Four MRIs, one CAT scanner and one gamma camera were ordered but were not delivered in the last financial year
Monitoring mechanism by the transferring Department	The business plan is used as a monitoring mechanism

Conditional Grant 2: Comprehensive HIV and AIDS

Department to whom the grant has been transferred	Provincial Health Departments
Purpose of the grant	To enable the health sector to develop an effective response to HIV and AIDS including universal access to HIV Counselling and Testing; to support the implementation of the National Operational Plan for comprehensive HIV and AIDS treatment and care; to subsidise in-part funding for the antiretroviral treatment programme.
Expected outputs of the grant	• 3 466 fixed public health facilities offering ART services • 622 000 new patients initiated on ART • 2 768 475 patients on ART remaining in care • 867 021 968 male and 10 650 768 female condoms distributed • 71 856 Antenatal Care (ANC) clients initiated on life-long ART • 1 467 616 HIV positive clients screened for TB • 400 000 HIV positive patients initiated on IPT • 18000000 clients tested for HIV (including antenatal) • 600 000 Medical Male Circumcision performed • 29 164 Sexual assault cases offered ARV prophylaxis • 88 Step Down Care (SDC) facilities/units • 2518 Doctors and 31247 professional nurses trained on HIV/AIDS, STIs, TB and chronic diseases
Actual outputs achieved	• 3,507 fixed public health facilities offering ART services • 559,195 new patients started on ART • 1,900,000 patients on ART remaining in care • 501,451,958 male condoms were distributed • 11,199,885 female condoms were distributed • 58,263 Antenatal Care (ANC) clients initiated on life-long ART • 1,007,241 HIV positive clients screened for TB • 397,729 HIV positive patients that started on IPT • 9,005,323 of clients tested for HIV (including antenatal) • 411,049 Medical Male Circumcision performed • 26,180 Sexual assault cases offered ARV prophylaxis • 88 Step Down Care (SDC) facilities/units • 2,355 professional nurses trained on HIV/AIDS, STIs, TB and chronic diseases

Amount per amended DORA (R'000)	R8 762 848
Amount transferred (R'000)	R8 762 848
Reasons if amount as per DORA not transferred	N/A
Amount spent by the Department (R'000)	R8 807 986
Reasons for the funds unspent by the entity	N/A
Monitoring mechanism by the transferring department	• Monthly financial reports submitted by provinces • Quarterly programme performance data submitted by provinces and reviewed by the Programme • Monitoring visits conducted to provinces twice annually. • Facility support visits conducted to monitor programme and data management. National and Provincial Quarterly programme meetings conducted to review programme performance.

Conditional Grant 3: Hospital Revitalisation

Department to whom the grant has been transferred	Provincial Health Departments
Purpose of the grant	To provide funding to enable provinces to plan, manage, modernise, rationalise and transform health infrastructure, health technology, monitoring and evaluation of the health facilities in line with national policy objectives; to supplement expenditure on health infrastructure delivered through public-private partnerships.
Expected outputs of the grant	Provinces are expected to execute approved plan and spend the allocated budget
Actual outputs achieved	94 facilities received funding in this grant . All provinces perform very well except GP(52%), MP(67%) and FS (71%).
Amount per amended DORA (R'000)	R4 289 595
Amount transferred (R'000)	R4 289 595
Reasons if amount as per DORA not transferred	All funds were transferred to the provinces
Amount spent by the Department (R'000)	R3 660 304
Reasons for the funds unspent by the entity	Poor performance by the contractors, poor supervision by the Implementing Agent, and procurement still seen as a change in some provinces
Monitoring mechanism by the transferring department	• Monthly and quarterly progress reviews are being held to discuss the implementation of the projects. • Monthly expenditure reports are submitted. • The NDoH intervenes continuously to implement the projects. However, more capacity in the NDoH is required to control supervision of work on site.

Conditional Grant 4: Professional Training and Development

Department to whom the grant has been transferred	Provincial Health Departments
Purpose of the grant	Support Provinces to fund service costs associated with training of health science trainees on the public service platform; co-funding of the National Human Resource Plan for Health in expanding undergraduate medical education for 2012 and beyond (2025).
Expected outputs of the grant	• Number of health science students (under and post graduate) – 26 105 • Number of Registrars trained on the public platform – 2 768 • Number of Specialists – 1 049
Actual outputs achieved	• Number of health science students (under and post graduate) – 27 008 • Number of registrars trained on the public platform – 2 725 • Number of specialists – 1 155

Amount per amended DORA (R'000)	R2 076 176
Amount transferred (R'000)	R2 075 248
Reasons if amount as per DORA not transferred	An amount of R928 350 was withheld due to under spending in Eastern Cape . However, National Treasury gave instruction that the funds be released to the province as a roll-over from 2012/13 in 2013/14.
Amount spent by the Department (R'000)	R2 078 025
Reasons for the funds unspent by the entity	Challenges in the procurements process and in appointment and retention of health science personnel.
Monitoring mechanism by the transferring Department	Expenditure is monitored through in-year monitoring (IYM) and performance is measured through quarterly performance reports.

Conditional Grant 5: Health Infrastructure

Department to whom the grant has been transferred	Provincial Health Departments
Purpose of the grant	To supplement provincial funding of health infrastructure to address backlogs, accelerate the provision of health facilities and ensure proper life cycle maintenance of provincial health infrastructure.
Expected outputs of the grant	Provinces are expected to execute approved plan and spend the allocated budget
Actual outputs achieved	353 projects received funding in this financial year. A total of 298 projects were completed during 2012/13, with 36 being handed over and 262 still on retention. Provinces spend 94% of the total available budget. Seven provinces (i.e. EC, GP, KZN, LP,MP, NC and NW) spend 100% of their budget while WC spent 96% and FS spent 45% of the budget
Amount per amended DORA (R'000)	R1 800 981
Amount transferred (R'000)	R1 800 981
Reasons if amount as per DORA not transferred	All funds were transferred to the provinces
Amount spent by the Department (R'000)	R1 812 772
Reasons for the funds unspent by the entity	The Free State province did not process some of the payments because the registered rollover of R166million was not transferred to the Department by Provincial Treasury
Monitoring mechanism by the transferring department	• Monthly and quarterly progress reviews are held to discuss the implementation of the projects. • Monthly expenditure reports are submitted. • There is continuous intervention by the NDoH to implement the projects. However, more capacity in the NDoH is required to control supervision of work on site.

Conditional Grant 6: National Health Insurance

Department to whom the grant has been transferred	Provincial Health Departments
Purpose of the grant	To test innovations necessary for implementing National Health Insurance; to undertake health system strengthening initiatives and support selected pilot districts in implementing identified service delivery interventions; to strengthen the resource management of selected central hospitals.

Expected outputs of the grant	• Improved management of district health offices and facilities within selected pilot districts. • Strengthening the districts health systems and establishment of a functional District Health Authority (DHA) model that integrates health service provision and management functions and institutional and administrative implications for such arrangements is developed for scaling up. • A framework that enhances managerial autonomy, delegation of functions and accountability in districts and health facilities implemented for selected pilot districts. • Models for contracting private providers that include innovative arrangements for harnessing private sector resources a primary health care level. • A rational referral system based on a re-engineered primary health care platform with a particular focus in rural and previously disadvantaged areas of the selected pilot districts. • Revenue collection and management model for identified central hospital • Integrated procurement of basic equipment at health facilities, such as charts to conduct basic eye tests; Blood Pressure monitoring machines; and Scales. • Strengthening the School Health Programme, the District Clinical Specialist Teams. • Strengthening of the District Health Management Teams through procurement of computer and related equipment for improved performance of health districts. • Innovative models for contracting private practitioners that include arrangements for harnessing private sector resources at the primary health care level.
Actual outputs achieved	• Training and capacity building has been conducted in the districts, including the District Management Teams, with the view to improved management of district health offices and facilities within selected pilot districts. • Work has been done to facilitate appropriate patient referral systems and draft policies are in place and awaiting review. • Equipment has been procured for the PHC teams, School health Services and District Clinical Specialist Teams. • Work was done centrally to develop models for contracting private providers. The models are yet to be tested at primary health care level. • Revenue collection and management model for identified central hospital. Work has been undertaken on the development of systems to ensure improved revenue generation.
Amount per amended DORA (R'000)	R150 000
Amount transferred (R'000)	R150 000
Reasons if amount as per DORA not transferred	N/A
Amount spent by the Department (R'000)	R78 019
Reasons for the funds unspent by the entity	• Delays with the approval of the Grant Business Plan, which was approved on 10 July 2012. • Delays with the preliminary planning including NHI Master Plan for the District and Action Plan, which was concluded in the middle of September 2012. • Delays with the process for the appointment of posts, which have been referred to the PCMT committee by the provincial HR department and have since been rejected by the National Office, as unattainable. • Delays with the appointment and set-up of the District Clinical Specialist Team. • Challenges experienced with policies, processes and procedures relating to supply chain management (SCM) and resulted in slow procurement of goods and services • These challenges, accompanied by a lack of delegations at the district level also delayed procurement through delayed placement of orders.

Monitoring mechanism by the transferring department	• Monthly financial reports • Quarterly visits • Quarterly performance reports

Conditional Grant 7: Nursing Colleges and Schools

Department to whom the grant has been transferred	Provincial Health Departments
Purpose of the grant	To supplement provincial funding of health infrastructure to accelerate the provision of health facilities including office furniture and related equipment, and to ensure proper maintenance of provincial health infrastructure for nursing colleges and schools.
Expected outputs of the grant	Provinces are expected to execute approved plan and spend the allocated budget
Actual outputs achieved	32 projects received funding across nine provinces. Good performance was recorded in: KZN(100%), NW(100%), LP(95%), EC(85%), LP(62%), except MP(55%), WC (55%), FS (36%) and NC(16%).
Amount per amended DORA (R'000)	R100 000
Amount transferred (R'000)	R100 000
Reasons if amount as per DORA not transferred	Funds were fully transferred to the provinces
Amount spent by the Department (R'000)	R72 378
Reasons for the funds unspent by the entity	The grant commenced in 2012/13 financial year and most of the projects became active in the second and third quarters of the financial year. The procurement process also delayed the start of the other planned services.
Monitoring mechanism by the transferring department	• Monthly and quarterly progress reviews are being held to discuss the implementation of the projects. • Monthly expenditure reports are submitted. • The NDoH intervenes routinely to implement the projects, but needs more capacity to control supervision of work on site.

Conditional Grant 8: Africa Cup of Nations

Department to whom the grant has been transferred	Provincial Health Departments
Purpose of the grant	To provide health and medical services at the 2013 Africa Cup of Nations (AFCON) championship.
Expected outputs of the grant	Access to health care services for all participants in the AFCON games and a functional national health command centre to enhance surveillance and offer early warning systems to detect any outbreak prone diseases.
Actual outputs achieved	Emergency medical services were intensified in and around all the stadia hosting the AFCON. The national health command centre and the surveillance and early warning system functioned effectively throughout the duration of the AFCON. Campaigns on HIV and AIDS, TB and malaria were implemented under leadership of the Minister of Health with full participation of 16 participating team captains. Two of the 20 campaigns were approved for all the during all official events of the Confederation of African Football (CAF). A total of 82 billboard advertisements were placed in the five hosting provinces.
Amount per amended DORA (R'000)	R15 000
Amount transferred (R'000)	R15 000
Reasons if amount as per DORA not transferred	N/A
Amount spent by the Department (R'000)	R8 608
Reasons for the funds unspent by the entity	Use of existing campaigns in the provinces of Eastern Cape, KwaZulu-Natal and Free State
Monitoring mechanism by the transferring Department	N/A

2.5.6 Donor Funds

Belgium

Name of donor	Belgium
Full amount of the funding (R'000)	R4, 475
Period of the commitment	2009- 2011
Purpose of the funding	Consolidation of health capacity building in the National Department of Health
Expected outputs	Increased efficiency, effectiveness and quality of care in South Africa's healthsector and improved management capacity of government hospitals in preparation for the roll out of National Health Insurance
Actual outputs achieved	• Prieska Clinic: Renovations done on security doors; notice boards installed; loose tiles replaced and waiting area improved. • Loxton Clinic: All plumbing and electrical; clinic painting and tiling done. • Victoria West CDC and clinic: All plumbing and electrical work; clinic painting and tiling done. • Noupoort CHC: All plumbing, electrical work; ceilings and roof repaired. • Griekwastad CHC: Room divided to provide three separate consulting areas. • Pixley Ka Seme District: Medical gas banks revitalised. • De Aar Town Clinic: All carpets replaced with tiles and installed 6 wash basins. • Lowryville, Strydenburg and Richmond clinics: Two-room park homes purchased for each of the clinics. • Smitsdrift: Six-room park home purchased to provide a structure for the delivery of a total service package . • Manne Dipico Hospital, Victoria West CHC, Strydenburg, Kuyasa Van Wyksvlei Clinic: Additional water tanks provided to facilities. • All clinics: Fire fighting equipment serviced.
Amount received in current period (R'000)	R2, 886
Amount spent by the department (R'000)	R1,295
Reasons for the funds unspent	Payments to be made by NDoH were delayed by outstanding invoices and reports from Pixley Ka Seme District
Monitoring mechanism by the donor	Meetings, Reports, Evaluations, Audits

Centers for Disease Control (CDC)

Name of donor	Centers for Disease Control (CDC)
Full amount of the funding (R'000)	R58, 468
Period of the commitment	12 months
Purpose of the funding	Strengthen the capacity of National Department of Health to scale up PHC services to improve the management of HIV/AIDS services
Expected outputs	Strengthened capacity of National Department of Health to scale up PHC services for improved management of HIV/AIDS services
Actual outputs achieved	Approximately 75% of actual outputs achieved
Amount received in current period (R'000)	R33,459
Amount spent by the department (R'000)	R28,357
Reasons for the funds unspent	Redirection of the Department of Health's priorities constrained Programmes in adjusting to these changes.
Monitoring mechanism by the donor	The Donor has been allocated an office at NDOH. Monthly meetings with Programme Managers, Quarterly Cooperative Agreement (COAG) meetings entailing report back to the Deputy Director General: HIV/AIDS, TB and MCWH. Periodic reporting to the donor

Denmark

Name of donor	Denmark
Full amount of the funding (R'000)	R6,300
Period of the commitment	2008 - 2012
Purpose of the funding	Urban environmental management programme
Expected outputs	Roll-out of the national Health and Hygiene Education Strategy to all 9 provinces
Actual outputs achieved	All planned projects were rolled out and completed within the period of commitment
Amount received in current period (R'000)	R 851
Amount spent by the department (R'000)	None in the period of reporting
Reasons for the funds unspent	The full amount of the funding was utilised in the projects as planned and there was a surplus of R 851,204.94. Approval was granted for this surplus to be returned by the Urban Environmental Management unit .
Monitoring mechanism by the donor	Meetings, Reports, Evaluations, Audits

European Union

Name of donor	European Union
Full amount of the funding (R000)	R1 100,000
Period of the commitment	2007- 2014
Purpose of the funding	Expanded partnership for the delivery of Primary Health Care including HIV/AIDS
Expected outputs	Improved access to public health services and increase the quality of service delivery in primary health care
Actual outputs achieved	Strengthened health systems effectiveness
Amount received in current period (R'000)	R494,608
Amount spent by the department (R'000)	R160,720
Reasons for the funds unspent	The project components were new initiatives and the procurement processes took longer than anticipated.
Monitoring mechanism by the donor	• Quarterly meetings were used for monitoring the expenditure, and annual reports were used to evaluate performance of the whole budget. • The programme was audited by the Auditor-General during the overall audit of the Department

Global Fund- Single Stream Fund

Name of donor	Global Fund- Single Stream Fund
Full amount of the funding (R'000)	R402 203
Period of the commitment	April 2011 - March 2013
Purpose of the funding	Increasing access to Integrated Tuberculosis and HIV services at the Primary Health Care and Community Levels
Expected outputs	• 450 facilities utilising electronic ARV Register, • 1215 health professionals trained, • 2,329,377 adults and children with advanced HIV infection (currently) receiving antiretroviral therapy, • 458 Health Care Professional reporting on Adverse Drug Reactions, • 5379 Health Professionals trained on PMTCT and quality improvement, • 100% of pregnant women tested for HIV, • 100% of pregnant women assessed for eligibility of antiretroviral therapy, • 100% of HIV pregnant women who received antiretroviral to reduce the risk of mother to child transmission, • 100% of infants born to HIV-infected women who are started on cotrimoxazole prophylaxis within 2 months of birth,1,100 Health workers and managers trained on quality assurance, and • 100%of people tested for TB and who receive TB treatment
Actual outputs achieved	• A total of 1,451 facilities utilising electronic ARV Register, • 422 health professionals trained, • 2 362124 adults and children with advanced HIV infection (currently) receiving antiretroviral therapy, • 69 Health Care Professional reporting on Adverse Drug Reactions, • 0 Health Professionals trained on PMTCT and quality improvement, • 98.3% of pregnant women tested for HIV, • 76.8%of pregnant women assessed for eligibility of antiretroviral therapy, • 88.7% of HIV pregnant women who received antiretroviral to reduce the risk of mother to child transmission, • 84.5% of infants born to HIV-infected women who are started on cotrimoxazole prophylaxis within 2 months of birth, • 0 Health workers and managers trained on quality assurance, and • 90%of people tested for TB and who receive TB treatment.
Amount received in current period (R'000)	R402 203
Amount spent by the department (R'000)	56% of the budget was spent and R163 million was committed for drugs. R228 926
Reasons for the funds unspent	Under-spending was due to delays in the appointing service providers for supply of drugs and establishment of Domestic Distribution Center which happened in September 2012. The first order was issued in October 2012 and the suppliers managed to start delivering medication in January 2013. Further delays were caused by suppliers invoicing incorrect quantities at the incorrect price and this had to be corrected. Some suppliers changed names which resulted in new banking details verified by National Treasury. Most of the training within National Department of Health did not take place because the training plan was only approved by the Global Fund in November 2012
Monitoring mechanism by the donor	The National Department of Health as Principal Recipient and in line with the Global Fund requirements conducts the following activities to monitor the implementation and performance of programmes: • Quarterly Data verification and site visits on implemented activities; • Quarterly workshops and meetings with sub-recipient for programme management; • On-site technical assistance and capacity building. The Global Fund team conducts regular country visits which involve site visits. The NDoH submits quarterly reports to Global Fund which are verified by KPMG, the Local Funding Agent (LFA) prior submission. The LFA conducts field-trips to facilities as part of the verification and monitoring process. The Global Fund also conducts on-site data verification processes as part of quality checks. Periodically, the Global Fund commissions an audit through the Office of the Inspector-General (OIG) as part of weighing Global Fund's investments and identifying risks.

2.5.7 Capital Investment, Maintenance and Asset Management Plan

Capital investment

The National Department of Health made no capital investment and all capital investments are planned and incurred by National Department of Public Works. The Department provides assistance to the Provinces through the Infrastructure Support Unit, to plan and execute the flagship projects under a public-private partnership (PPP) agreement.

Asset Management

The Department rolled-out physical stock verification process to ensure the accuracy and completeness of the asset register. A number of obsolete and redundant assets were identified as part of the clean-up process, and a service provider was engaged to assist with the disposal thereof.

Barcoding of all assets was carried out and finalised, including donor-funded assets. Details of the movements of assets for the year under review are disclosed under Note 43 of the Financial Statement.

Maintenance

The Department leases both Government-owned buildings and private properties from the Department of Public Works. Maintenance of the buildings is, therefore, paid for by the Department of Public Works, which subsequently bills the Department of Health for the work and/or services rendered.

PART C
GOVERNANCE

3.1 Introduction

Commitment by the Department to maintain the highest standards of governance is fundamental to the management of public finances and resources. Users want assurance that the Department has good governance structures in place to effectively, efficiently and economically utilise the State's resources, which are funded by the tax payer.

3.2 Risk Management

The Risk Management Unit has been created , initially forms part of the Internal Audit Unit, under which its establishment and sustainability will be secured. The Risk Management Unit is being capacitated to enable it to function independently from the Internal Audit Unit and other functions.

A Risk Committee which is a sub-committee of the Audit Committee, has been established to focus on risk management processes exclusively. A risk assessment is conducted annually, and the risk register is updated accordingly.

The Risk Management Unit has initiated monitoring of the implementation of risk management processes, including addressing risks already identified. From 2013/14 onwards, all employees of the Department are required to include risk management as a key performance area in their performance agreements in terms of the risk policy, plan and strategy, incorporating a fraud prevention plan.

3.3 Fraud and Corruption

The Department has an approved Fraud Prevention Plan and Fraud Prevention Implementation Plan. The Fraud Prevention Plan includes the 'Whistle Blowing' Policy Statement. The Department is also currently subscribed to the National Anti-Corruption Hot-Line housed at the Public Service Commission. All cases received via the Hot-Line are referred by the Public Service Commission (PSC) to the Department for investigation and the Department provides feedback accordingly to the PSC on the progress of investigations. Other cases are reported to the Department anonymously by its own employees and by members of public, and these are investigated accordingly. The Department also co-ordinates some of the cases with the South African Police Services (SAPS) and other law enforcement agencies. Once the investigations are concluded, some cases will proceed into internal disciplinary processes whilst others that are of a criminal nature, are handed over to the SAPS.

3.4 Minimising Conflicts of Interest

The Department adopted the Code of Conduct prescribed by the Department of Public Service and Administration for minimising conflicts of interest. This is enforced by the policies established and adopted by the Department with regard to risk management, risk control and fraud prevention. Senior Management and other stakeholders are required in terms of the policy to disclose any conflict of interest inherent in doing business with the Department.

3.5 Code of Conduct

The Department has adopted and is adhering to the Public Service Code of Conduct as facilitated by the Department of Public Service and Administration. The Department has an active Directorate dealing specifically with the Code of Conduct and ethical guidelines and addressing violation thereof.

3.6 Health Safety and Environmental Issues

Occupational Health and Safety (OHS) issues are pertinent to the health and wellbeing of employees. The Occupational Clinic is part of the Health and Wellness Programme however it requires an Occupational Health Nurse who will manage and provide services to employees. The Occupational Clinic is currently operating as a First Aid Room, with an enrolled nurse providing the necessary services. The establishment of Registered Nurse posts have not yet been completed due to budgetary constraints. The completed injury on duty forms are processed by the Wellness or Employment Relations section and thereafter submitted to the Department of Labour.

3.7 Internal Audit Unit

The Department has a functional Internal Audit Unit which co-ordinates its efforts with other assurance providers. The Unit performs audits in terms of its approved audit plan, and reports functionally to the Audit Committee and administratively to the Accounting Officer.

3.8 Report of the Audit Committee

We are pleased to present our report of the National Department of Health in terms of the National Treasury Regulations and Guidelines, for the financial year ended 31 March 2013.

Composition of the Committee

The Committee is made up of members the majority of whom are independent and financially literate. The members are:

Name of Member	Designation	Date of appointment
Mr. Humphrey Buthelezi, CA(SA)	Chairman, Independent Professional and member of the IoD	16 March 2011
Ms Thandi Sihlaba	Risk Management Consultant, Member of the IoD, and Independent Member	16 March 2011
Mr. William Huma	Performance Management Expert, Fellow of the IoD, Advocate of the High Court of South Africa and Independent Member	16 March 2011
Ms PMK Mvulane, CA(SA), RA	Independent Professional and Independent Member	15 June 2012
Mr. T Mofokeng, CA(SA), CIA	Independent Professional and Independent Member	15 June 2012

Attendance at Meetings

The terms of reference require the Committee to meet at least 4 times a year, as a minimum. For the year under review, the Committee had 4 formal and 2 special meetings as indicated below:

Name of Member	Types and Number of Meetings Attended		
	Normal	Special	Total Meetings
Mr H Buthelezi (Chairperson)	0	1	1
Adv. W Huma	4	2	6
Ms T Sihlaba	4	2	6
Ms PMK Mvulane	2	0	2
Mr. T Mofokeng	1	0	1

Responsibility of the Audit Committee

The Audit Committee operated in terms of the formal charter (terms of reference) which was approved by the Executive Authority. These terms of reference are in line with Section 38(1) (a) of the Public Finance Management Act, (Act 1 of 1999 as amended by Act 29 of 1999) and the National Treasury Regulation 3.1. We further confirm that we carried out our duties in compliance with this charter.

The Effectiveness of the Internal Control Systems

The system of internal control applied by the National Department of Health over the financial affairs and risk management is considered effective and reliable though there is room for improvement as indicated in the management reports of both the external and internal auditors.

In line with the Public Finance Management Act, the Internal Audit provides the Audit Committee and management with assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management processes, as well as the identification of corrective actions and suggested enhancements to the controls and business processes. The Committee reviewed the internal audit reports for the year under review and provided advice on issues raised. From both the interim and final management reports of the Auditor-General South Africa, it was noted that there were material deficiencies in the system of internal control regarding performance management on provincial indicators. Accordingly, we report that the system of internal control over the financial reporting for the year under review was effective but requiring some improvements.

Risk Committee

In order to strengthen the internal control environment of the NDOH, the Audit Committee has established a Risk Committee to focus on issues of risk management and risk governance. This Committee has had meetings for the year under review to develop and adopt a risk management strategy, framework and policy to govern its work going forward. These documents have been adopted by the NDOH.

Performance Committee

A performance Committee has also been established to enhance standards related to the reporting of performance information for the NDOH. This Committee has also had meetings for the period under review to enhance the policy for performance information and align the systems utilized by the NDOH in compiling the annual performance information.

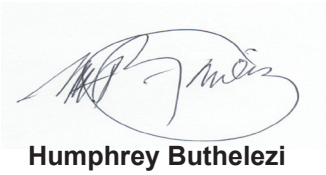
Evaluation of the Annual Financial Statements
We have:

- discussed and reviewed the audited annual financial statements together with the relevant accounting policies, to be included in the annual report, with the Accounting Officer and the Auditor-General South Africa;
- reviewed the Auditor-General South Africa's management report and the related management responses thereto;
- reviewed the Department's compliance with legal and regulatory provisions; and
- reviewed significant adjustments arising from the audit.
- We concur and accept the Auditor-General South Africa's unqualified audit opinion on the annual financial statements for the year under review.

Internal Audit Function

We have assessed that the internal audit function is operating its risk based audit plan and has appropriately identified significant audit risks and related controls pertinent to the Department for the following financial year.

Auditor General South Africa
We have met with the representatives of the Auditor General South Africa and confirm that they are independent of the Department, have not provided any other non-audit services and there are no unresolved matters.



Humphrey Buthelezi
Chairman: Audit Committee
31 July 2013


CH-452

PART D
HUMAN RESOURCES MANAGEMENT

4.1 Legislation that Governs Human Resources Management

- **Constitution of the Republic of South Africa Act, 108 of 1996**
  Pertinent sections provide for the rights of access to health care services, including reproductive health and emergency medical treatment.
- **Public Service Act, 103 of 1994**
  Provides for the administration of the public in its national and Provincial spheres, as well as provides for the powers of Ministers to appoint and dismiss.
- **Public Service Commission Act, 46 of 1997**
  Provides for the amplification of the constitutional principles of accountability governance, and incidental matters.
- **Basic Conditions of Employment Act, 75 of 1997**
  Provides for the minimum conditions of employment with which employers must comply in their workplaces.
- **Skills Development Act, 97 of 1998**
  Provides for the measures that employers are required to take to improve the skill levels of employees in workplaces.
- **Employment Equity Act, 55 of 1998**
  Provides for the measures that must be put into operation in the workplace in order to eliminate discrimination and promote affirmative action.
- **Labour Relations Act, 66 of 1996**
  Regulates the rights of workers, employers and trade unions.
- **Occupational Health and Safety Act, 85 of 1993**
  Provides for the requirements with which employers must comply in order to create a safe working environment for employees in the workplace.
- **Compensation for Occupational injuries and Diseases Act, 130 of 1993**
  Provides for compensation for disablement caused by occupational injuries or diseases sustained or contracted by employees in the course of their employment, and/or for death resulting from such injuries or disease.
- **Unemployment Insurance Contributions Act, 4 of 2002**
  Provides for the statutory deduction that employers are required to make from the salaries of employees.
- **Promotion of Administrative Justice Act, 3 of 2000**
  Amplifies the constitutional provisions pertaining to Administrative law by codifying it.
- **Promotion of Access to Information Act, 2 of 2000**
  Amplifies the constitutional provision pertaining to accessing information under the control of various bodies.
- **White Paper on Public Service Delivery-Batho Pele; and White Paper on Transformation of Public Service**
- **Public Finance Management Act, 1 of 1999**
  Provides for the administration of State funds by functionaries, their responsibilities and incidental matters.

4.2 Human Resources Management

4.2.1 Introduction

In line with the Service Delivery Charter (Statement of Public Service Commitment), this is a component of the performance management system that sets out the Department's commitment to providing services at specified levels, in order to effect strategic developmental outcomes, within the constraints of available resources. The main aim is to make a clear commitment to the internal service beneficiaries on expected services and to the compliance with and fulfilment of each of the Batho Pele Principles. The Department has set the minimum standards for the level and quality of the Human Resource services we provided.

For the year under review, Human Resources oversight and control mechanisms have improved in the areas of developing check-lists for recruitment processes as well as implementation of exit processes to determine causes of staff turnover. One of the achievements in this area relates to the development of the Human Resource Plan and the reduction of the vacancy rate. Through the implementation of a robust recruitment strategy as espoused by the DPSA, the Department was able to achieve 6.96% vacancy rate during this period, against the DPSA recommended target of 10% or below for all Departments. These control measures responded to the prior year's audit findings.

4.2.2 Organisational Development

The implementation of the new organisational structure began on 01 April 2012. The first phase of matching and placing employees on the three-tiers of the structure (Director-General, Deputy Director-Generals and Chief Directors levels) has been completed. The second phase of the matching process (Director and below) is in progress, which will allow for a greater alignment of functions.

4.2.3 Recruitment

The Department is currently reviewing its recruitment strategy in order to attract and recruit critical and scarce skills, as well as candidates from designated groups, within prescribed timeframes.

4.2.4 Building Employees' Capacity and Capabilities

A generic skills audit was conducted at Senior Management Service (SMS) level and this will be cascaded at all levels within the Department in the 2013/14 performance cycle. The skills audit will yield a competency profile providing valuable information regarding occupational, core, critical competencies and scarce skills within the Department. A workforce competency profile offers a strategic direction in terms of Human Resource Planning. A workplace skills plan will identify the skills development interventions required to address competency gaps within the Department.

4.2.5 Performance Management

The Department has created a dedicated Performance Management and Development System (PMDS) Unit at a Directorate level to provide advisory and administrative support in ensuring linkages between individual and organisational performance. Furthermore, an electronic PMDS system has been implemented to minimise the administrative burden of the process.

4.2.6 Employee Wellness

The Department is committed to promoting quality of work-life, and ensures compliance with the Occupational Health and Safety Act (OHSA) and the creation of a conducive work environment for its employees.

4.2.7 Labour Relations

Awareness campaigns on the Code of Conduct are led during orientation and induction of newly appointed employees, while Code of Conduct booklets are distributed to existing staff to improve their ethical conduct and professionalism.

4.2.8 Human Resources Challenges

The following Human Resources challenges have been identified:

- Misalignment of functional, budget, and Personnel Salary System (PERSAL) structures;
- Vacancies in critical and specialist posts;
- Difficulty in attracting and recruiting of employees from designated groups;
- Misalignment of training and development interventions to strategic objectives; and
- Lack of uniformity and synergy on implementation and application of HR processes

These challenges will be addressed as priorities in 2013/14, as part of the implementation of the Human Resources Plan for 2012 to 2014.

4.2.9 Human Resources Priorities for 2012 to 2014

Priority 1: To manage the re-engineering of business processes and systems in the Department.

- To manage the re-engineering of business processes and systems for all Clusters, based on mandatory functions.

Priority 2: To strengthen the organisational structure and evaluation of staff utilisation in the Department.

- To align the fourth tier structure with the top three tier structures.
- To develop an evidence-based matching and placing plan to improve utilisation of available human resources.

Priority 3: To strengthen the capacity of employees in the Department through Human Resource Development initiatives.

- To train PERSAL Users in Human Resources Information Systems.
- To facilitate the reduction of out-of-adjustment cases and audit queries.
- To implement the supply of employees in line with the Human Resources Plan of the Department.
- To develop semi-skilled and unskilled employees through Adult Basic Education and Training (ABET) Programme.
- To train employees on accredited training programmes.
- To promote, implement and monitor Programmes for Learnerships, Internship and Traineeship.

Priority 4: To enhance employee health and wellness in the workplace.

- To expand and monitor the implementation of Occupational Health Programmes.
- To expand and monitor safety programmes and systems in the workplace.
- To strengthen the Employee Assistance Programme (EAP).

Priority 5: To enforce the implementation and compliance of Performance Management Development System in the Department.

- To improve and monitor the implementation of PMDS.
- To ensure that the PMDS value chain is captured and updated on PERSAL.

Priority 6: To implement Human Resources Strategic Planning and Reporting

- To align Human Resources Planning and consolidate Human Resource Management reports.

4.3 Human Resources Oversight Statistics

The following tables summarize the final audited personnel related expenditure by Programme and by salary bands. In particular, it provides an indication of the following:

- Amount spent on personnel.
- Amount spent on salaries, overtime, homeowner's allowances and Medical Aid.

Table 4.3.1 Personnel Expenditure by Programme

Programme	Total Expenditure (R'000)	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Professional and Special Services Expenditure (R'000)	Personnel Expenditure as a % of total expenditure	Average personnel cost per employee (R'000)
Administration	R390,478	R144,167	R2, 376	R 36,350	35.8%	R 290,659.27
NHI, Health PLN & Sys Enable	R293, 286	R73,943	R2, 777	R 1,263	24.0%	R 462,143.75
HIV&AIDS, TB & Child Health	R9,165, 474	R 57,532	R0	R 9,452	0.6%	R 569,623.76
Primary Health Care Services	R105, 362	R 37,008	R13	R 4,364	32.2%	R 381,525.77
Hosp, Tertiary Ser & HR Dev	R17,398,756	R 65,441	R0	R 112,943	0.4%	R 328,849.25
Health Regul& Compliance MNG	R545,526	R 104,164	R6	R 21,530	17.7%	R 322,486.07
Z=Total as on Financial Systems (BAS)	**R27, 898,882**	**R 482,255**	**R5,172**	**R 185,901**	1.7%	**R 350,475.29**

Table 4.3.2 Personnel Expenditure by Programme

Programme	Total Voted Expenditure (R'000)	Compensation of Employees Expenditure (R'000)	Training Expenditure (R'000)	Professional and Special Services (R'000)	Compensation of Employees as % of Total Expenditure *1	Average Compensation of Employees Cost per Employee (R'000) *2	Employment
Administration	R390,478	R 144,167	R2,376	R 36,350	37,366%	R 290,659.27	496
NHI, Health PLN & Sys Enable	R293, 286	R 73,943	R2,777	R 1,263	25,212%	R 462,143.75	160
HIV&AIDS, TB & Child Health	R9,165,474	R 57,532	R0	R 9,452	0,628%	R 569,623.76	101
Primary Health Care Services	R105,362	R 37,008	R13	R 4,364	35,125%	R 381,525.77	97
Hosp, Tertiary Ser & HR Dev	R17,398,756	R 65,441	R0	R 112,943	0,376%	R 328,849.25	199
Health Regul & Compliance MNG	R545, 526	R 104,164	R6	R 21,530	19,094%	R 322,486.07	323
Z=Total as on Financial Systems (BAS)	**R27,898,882**	**R 482,255**	**R5,172**	**R 185,901**	**1,729%**	**R 350,475.29**	**1 376**

* Employment includes Minister and Deputy Minister who are accounted for on level 16
* 1: Personnel expenditure divided by total voted expenditure multiplied by 100
* 2: Personnel expenditure divided by number of employees in programme
* 3: Employment in numbers
Office Note: Employment numbers are exclusive of Periodic Appointments; The Periodic appointments cannot be considered employees of the Department as they are paid only for services rendered for example the Medicine Control Council.

Table 4.3.3 Personnel Costs by Salary Band

Salary band	Personnel Expenditure (R'000)	% of total personnel cost *1	No. of employees	Average personnel cost per employee *2
Lower skilled (Levels 1-2)	R 1,894	0.39%	46	R 41,174
Skilled (level 3-5)	R 43,777	9.08%	305	R 143,531
Highly skilled production (levels 6-8)	R 115,130	23.87%	473	R 243,404
Highly skilled supervision (levels 9-12)	R 146,261	30.33%	448	R 326,475
Senior and Top management (levels 13-16)	R 74,640	15.48%	0	R 0
Contract (Levels 1-2)	R 25,412	5.27%	104	R 244,337
Contract (Levels 3-5)	R 8,206	1.70%	0	R 0
Contract (Levels 6-8)	R 3,851	0.80%	0	R 0
Contract (Levels 9-12)	R 15,097	3.13%	0	R 0
Contract (Levels 13-16)	R 33,740	7.00%	0	R 0
Periodical Remuneration	R 14,247	2.95%	0	R 0
Abnormal Appointment	R0	0%	0	R0
Total	**R 482,255**	**100%**	**1 479**	**R 350,475**

* Includes Minister and Deputy Minister
* 1: Personnel per salary band divided by total multiplied by 100
* 2: Personnel per salary band divided by number of employees per salary band (in hundreds)
Office Note: Employment numbers are exclusive of Periodic Appointments; The Periodic appointments cannot be considered employees of the Department as they are paid only for services rendered for example the Medicine Control Council.

Table 4.3.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by Programme

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000	Salaries as a % of personnel costs *1	Amount (R'000)	Overtime as a % of personnel costs *2	Amount (R'000)	HOA as a % of personnel costs *3	Amount (R'000)	Medical aid as a % of personnel costs
Administration	R 131,224	91.0%	R 2,834	2.0%	R 4,546	3.2%	R 5,563	3.9%
NHI, Health PLN & System Enablement	R 69,746	94.3%	R 603	0.8%	R 1,660	2.2%	R 1,934	2.6%
HIV&AIDS, TB & Child Health	R 54,450	94.6%	R 83	0.1%	R 1,237	2.2%	R 1,762	3.1%
Primary Health Care Services	R 34,579	93.4%	R 63	0.2%	R 1,113	3.0%	R 1,253	3.4%
Hosp, Tertiary Ser& HR Dev	R 59,556	91.0%	R 1,298	2.0%	R 1,951	3.0%	R 2,636	4.0%
Health Regulation& Compliance MNG	R 96,429	92.6%	R 576	0.6%	R 2,802	2.7%	R 4,357	4.2%
Total	**R 445,984**	**92.5%**	**R 5,457**	**1.1%**	**R 13,309**	**2.8%**	**R 17,505**	**3.6%**

*1: Salaries divided by total Personnel expenditure in table 4.3.2 multiplied by 100
* 2: Overtime divided by total Personnel expenditure in table 4.3.2 multiplied by 100
* 3: Home Owner allowance divided by total Personnel' expenditure in table 4.3.2 multiplied by 100
* 4: Medical Assistance divided by total Personnel expenditure in table 4.3.2 multiplied by 100

Table 4.3.5 Salaries, Overtime, Home Owners Allowance and Medical Aid by Salary Band

Salary Bands	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000	Salaries as a % of personnel costs *1	Amount (R'000)	Overtime as a % of personnel costs *2	Amount (R'000)	HOA as a % of personnel costs *3	Amount (R'000)	Medical aid as a % of personnel costs
Skilled (level 1-2)	R 1,155	60.98%	R 0	0%	R 163	8.61%	R 300	15.84%
Skilled (level 3-5)	R 28,230	64.49%	R 2,117	4.84%	R 3,071	7.02%	R 3,617	8.26%
Highly skilled production (levels 6-8)	R 81,617	70.89%	R 2,232	1.94%	R 4,572	3.97%	R 6,978	6.06%
Highly skilled supervision (levels 9-12)	R 151,145	103.34%	R 1,060	0.73%	R 3,563	2.44%	R 5,243	3.58%
Senior management (level 13-16)	R 58,540	78.43%	R 0	0%	R 1,280	1.71%	R 961	1.29%
Contract (Levels 1-2)	R25,113	98.83%	R0	0%	R0	0%	R0	0%
Contract (Levels 3-5)	R8,160	99.44%	R10	0.12%	R0	0%	R0	0%
Contract (Levels 6-8)	R3,720	96.60%	R36	0.93%	R1	0.03%	R0	0%
Contract (Levels 9-12)	R13,453	89.11%	R2	0.01%	R197	1.30%	R143	0.95%
Contract (Levels 13-16)	R68,967	204.40%	R0	0%	R462	1.37%	R263	0.78%
Periodical Remuneration	R5,884	41.30%	R0	0%	R0	0%	R0	0%
Total	**R 445,984**	**92.48%**	**R5,457**	**1.13%**	**R13,309**	**2.76%**	**R17,505**	**3.63%**

* 1: Salaries divided by total Personnel expenditure in table 4.3.2 multiplied by 100
* 2: Overtime divided by total Personnel expenditure in table 4.3.2 multiplied by 100
* 3: Home Owner allowance divided by total Personnel' expenditure in table 4.3.2 multiplied by 100
* 4: Medical Assistance divided by total Personnel expenditure in table 4.3.2 multiplied by 100

4.4 Employment and Vacancies

The tables in this section summarise the situation with regard to employment and vacancies.

The following tables provide information on the number of posts on the establishment, the number of employees, the vacancy rate, and whether there are any staff that are additional to the establishment.

This information is presented in terms of three key variables:

- Programme
- Salary band
- Critical occupations

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

Table 4.4.1 Employment and Vacancies by Programme

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate *1	Number of employees additional to the establishment
Administration	505	463	8.3%	11
NHI, Health PLN & Sys Enable	165	160	3.0%	392
HIV & AIDS, TB & Chil Health	143	136	4.9%	7
Primary Health Care Services	104	97	6.7%	18
Hosp, Tertiary Ser & HR Dev	218	196	10.1%	9
Health Regul & Compliance MNG	344	324	5.8%	11
TOTAL	**1 479**	**1 376**	**6.96%**	**448**

* 1: Number of permanent posts minus number of filled posts divided by number of permanent posts multiplied by 100

Table 4.4.2 Employment and Vacancies by Salary Band

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate*1	Number of employees additional to the establishment
Lower skilled (Levels 1-2)	46	46	0.00%	0
Skilled(Levels 3-5)	314	305	2.87%	0
Highly skilled production (Levels 6-8)	500	473	5.40%	0
Highly skilled supervision (Levels 9-12)	482	448	7.05%	2
Senior management (Levels 13-16)	116	83	28.45%	0
Contract (Levels 1-2),	0	0	0.00%	385
Contract (Levels 3-5),	0	0	0.00%	19
Contract (Levels 6-8),	0	0	0.00%	11
Contract (Levels 9-12),	0	0	0.00%	24
Contract (Levels 13-16),	21	21	0.00%	7
TOTAL	**1 479**	**1 376**	**6.96%**	**448**

Table 4.4.3 Employment and vacancies by critical occupations

Critical Occupations	Number of Posts on approved establishment	Number of Posts Filled	Vacancy Rate *1	Number of employees additional to the establishment
Administrative related, Permanent	185	179	3.24%	16
Ambulance and related workers, Permanent	1	1	0.00%	0
Artisan project and related superintendents, Permanent	1	1	0.00%	0
Auxiliary and related workers, Permanent	6	6	0.00%	0
Biochemistry pharmacol. zoology & life scie.techni, Permanent	82	81	1.22%	1
Cleaners in offices workshops hospitals etc., Permanent	59	58	1.69%	0
Client inform clerks(switchbrecept inform clerks), Permanent	4	3	25.00%	0
Communication and information related, Permanent	12	11	8.33%	1
Computer programmers., Permanent	1	1	0.00%	0
Computer system designers and analysts., Permanent	5	4	20.00%	0
Custodian personnel, Permanent	1	1	0.00%	0
Dental practitioners, Permanent	1	1	0.00%	0
Dieticians and nutritionists, Permanent	6	4	33.33%	0
Engineering sciences related, Permanent	1	1	0.00%	0
Engineers and related professionals, Permanent	1	1	0.00%	0
Environmental health, Permanent	4	3	25.00%	0
Finance and economics related, Permanent	14	13	7.14%	0
Financial and related professionals, Permanent	24	18	25.00%	2
Financial clerks and credit controllers, Permanent	27	26	3.70%	115
Food services aids and waiters, Permanent	17	16	5.88%	0
General legal administration & rel. professionals, Permanent	10	4	60.00%	0
Head of department/chief executive officer, Permanent	1	1	0.00%	0
Health sciences related, Permanent	93	89	4.30%	11
Human resources &organisatdevelopm& relate prof, Permanent	13	12	7.69%	105
Human resources clerks, Permanent	27	26	3.70%	0
Human resources related, Permanent	23	20	13.04%	2
Information technology related, Permanent	17	15	11.76%	121
Language practitioners interpreters & other commun, Permanent	2	2	0.00%	0
Legal related, Permanent	1	1	0.00%	0
Librarians and related professionals, Permanent	1	1	0.00%	0
Library mail and related clerks, Permanent	25	24	4.00%	2
Light vehicle drivers, Permanent	3	2	33.33%	0

Critical Occupations	Number of Posts on approved establishment	Number of Posts Filled	Vacancy Rate *1	Number of employees additional to the establishment
Logistical support personnel, Permanent	23	18	21.74%	3
Material-recording and transport clerks, Permanent	51	46	9.80%	2
Medical practitioners, Permanent	5	5	0.00%	0
Medical research and related professionals, Permanent	31	29	6.45%	5
Medical specialists, Permanent	3	2	33.33%	2
Medical technicians/technologists, Permanent	1	1	0.00%	0
Messengers porters and deliverers, Permanent	20	19	5.00%	0
Natural sciences related, Permanent	2	2	0.00%	0
Other administrat& related clerks and organisers, Permanent	200	197	1.50%	34
Other administrative policy and related officers, Permanent	75	69	8.00%	1
Other information technology personnel., Permanent	13	7	46.15%	5
Other occupations, Permanent	54	52	3.70%	0
Other occupations, Temporary	0	0	0.00%	1
Pharmacists, Permanent	17	15	11.76%	7
Pharmacologists pathologists & related professional, Permanent	26	23	11.54%	0
Physicists, Permanent	48	35	27.08%	0
Professional nurse, Permanent	3	1	66.67%	0
Radiography, Permanent	2	2	0.00%	0
Secretaries & other keyboard operating clerks, Permanent	89	88	1.12%	3
Security guards, Permanent	3	3	0.00%	0
Security officers, Permanent	49	47	4.08%	0
Senior managers, Permanent	93	86	7.53%	9
Social sciences related, Permanent	1	1	0.00%	0
Social work and related professionals, Permanent	0	0	0.00%	0
Staff nurses and pupil nurses, Permanent	1	1	0.00%	0
Statisticians and related professionals, Permanent	1	1	0.00%	0
TOTAL	**1 479**	**1 376**	**6.96%**	**448**

* 1: Number of permanent posts minus number of filled posts divided by number of permanent posts multiplied by 100

4.5 Job Evaluation

Within a nationally determined framework, executing authorities may evaluate or re-evaluate any job within the organisation. In terms of the Regulations, all vacancies on salary levels 9 and higher must be evaluated before they are filled.

The following table summarises the number of jobs that were evaluated. The table also provides statistics on the number of posts that were upgraded or downgraded.

Table 4.5.1 Job Evaluation by Salary Band

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated *1	% of posts evaluated by salary bands *2	Posts Upgraded*3		Posts downgraded*4	
				Number	% of posts evaluated	Number	% of posts evaluated
Contract (Levels 1-2)	0	0	0.00%	1	0.00%	0	0.00%
Contract (Levels 3-5)	0	0	0.00%	6	0.00%	0	0.00%
Contract (Levels 6-8)	0	0	0.00%	0	0.00%	0	0.00%
Contract (Levels 9-12)	0	0	0.00%	0	0.00%	0	0.00%
Contract (Band A)	11	0	0.00%	0	0.00%	0	0.00%
Contract (Band B)	5	0	0.00%	0	0.00%	0	0.00%
Contract (Band C)	4	0	0.00%	0	0.00%	0	0.00%
Contract (Band D)	1	0	0.00%	0	0.00%	0	0.00%
Lower skilled (Levels 1-2)	46	1	2.17%	1	2.17%	0	0.00%
Skilled (Levels 3-5)	314	186	59.24%	128	40.00%	0	0.00%
Highly skilled production (Levels 6-8)	500	174	34.80%	0	0.00%	94	19.54%
Highly skilled supervision (Levels 9-12)	482	17	3.53%	0	0.00%	3	0.61%
Senior Management Service Band A	77	11	14.29%	0	0.00%	0	0.00%
Senior Management Service Band B	33	2	6.06%	0	0.00%	0	0.00%
Senior Management Service Band C	3	0	0.00%	0	0.00%	0	0.00%
Senior Management Service Band D	3	0	0.00%	0	0.00%	0	0.00%
TOTAL	**1 479**	**391**	**26.44%**	**136**	**9.22%**	**97**	**6.58%**

*1 Although only 391 posts were evaluated, the rest of the posts were benchmarked.
*2 Number of posts Evaluated divided by Number of Posts multiplied by 100
*3 Number of posts Upgraded divided by Number of Posts multiplied by 100
*4 Number of posts Downgraded divided by Number of Posts multiplied by 100

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

Table 4.5.2 Profile of employees whose positions were upgraded due to their posts being upgraded

Beneficiary	African	Asian	Coloured	White	Total
Female	29	0	2	2	33
Male	22	1	0	0	23
Total	51	1	2	2	56
Employees with a disability	1				1

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

Table 4.5.3 Employees with salary levels higher than those determined by job evaluation, by occupation

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Clerks	168	5	6	JECC OF DEC 2012
Total	168	5	6	JECC OF DEC 2012

The following table summarises the beneficiaries of the above in terms of race, gender, and disability.

Table 4.5.4 Profile of employees who have salary levels higher than those determined by job evaluation

Beneficiary	African	Asian	Coloured	White	Total
Female	75	5	9	33	122
Male	40	1	1	4	46
Total	115	6	10	37	168
Employees with a disability	**1**				

Total Number of Employees whose remuneration exceeded the grade determined by job evaluation in 2012/13	**168**

4.6 Employment Changes

This section provides information on changes in employment over the financial year. Turnover rates provide an indication of trends in the employment profile of the Department. The following tables provide a summary of turnover rates by salary band and critical occupations.

Table 4.6.1 Annual Turnover Rates by Salary Band

Salary Band	Number of employees at beginning of period-April 2012	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Lower skilled (Levels 1-2)	67	3	13	18.57%
Skilled (Levels3-5)	361	56	25	6.00%
Highly skilled production (Levels 6-8)	614	43	20	3.04%
Highly skilled supervision (Levels 9-12)	623	69	33	4.77%
Senior Management Service Band A	85	7	3	3.26%
Senior Management Service Band B	27	5	1	3.13%
Senior Management Service Band C	4	0	0	0.00%
Senior Management Service Band D	2	0	0	0.00%
Contract (Levels 1-2),	0	128	0	0.00%
Contract (Levels 3-5),	5	47	52	100.00%
Contract (Levels 6-8),	5	15	18	90.00%
Contract (Levels 9-12),	6	23	8	27.59%
Contract (Band A),	11	5	3	18.75%
Contract (Band B),	5	1	3	50.00%
Contract (Band C),	4	4	1	12.50%
Contract (Band D),	0	0	0	0.00%
Interns	0	486	314	64.61%
Committee Members	0	68	22	32.35%
TOTAL	**1 819**	**960**	**516**	**18.57%**

Table 4.6.2 Annual Turnover Rates by Critical Occupation

Occupation	Number of employees at the Beginning of Period -April 2012	Appointments and transfers into the Department	Terminations and transfers into the Department	Turnover Rate *1
Administrative related	144	28	19	11.05%
Ambulance and related workers	1			0.00%
Artisan project and related superintendents	0			0.00%
Auxiliary and related workers	6			0.00%
Biochemistry pharmacol. zoology & life scie. techni	31	22	7	13.21%
Chemists	31			0.00%
Cleaners in offices workshops hospitals etc.	36	2	5	13.16%
Client inform clerks(switchb, recept, inform clerks)	15			0.00%

Occupation	Number of employees at the Beginning of Period -April 2012	Appointments and transfers into the Department	Terminations and transfers into the Department	Turnover Rate *1
Communication and information related	2	1	2	66.67%
Computer programmers.	10			0.00%
Computer system designers and analysts.	2			0.00%
Custodian personnel	1			0.00%
Dental practitioners	3			0.00%
Dieticians and nutritionists	5	1		0.00%
Diplomats	0		1	0.00%
Engineering sciences related	1			0.00%
Engineers and related professionals	2	1		0.00%
Environmental health	3	1		0.00%
Finance and economics related	10	1	5	45.45%
Financial and related professionals	34	5	8	20.51%
Financial clerks and credit controllers	31	3	18	52.94%
Food services aids and waiters	20	141		0.00%
General legal administration & rel. professionals	5	1	1	16.67%
Head of department/chief executive officer	4	1		0.00%
Health sciences related	123	17	7	5.00%
Human resources & organisatdevelopm & relate prof	15	3	2	11.11%
Human resources clerks	35		3	8.57%
Human resources related	23	125	4	2.70%
Information technology related	16	137	7	4.58%
Language practitioners interpreters & other commun	3		1	33.33%
Legal related	1			0.00%
Librarians and related professionals	1			0.00%
Library mail and related clerks	26	4	2	6.67%
Light vehicle drivers	2			0.00%
Logistical support personnel	16	5		0.00%
Material-recording and transport clerks	14	18	2	6.25%
Medical practitioners	3	70	21	28.77%
Medical research and related professionals	30	10	2	5.00%

Occupation	Number of employees at the Beginning of Period -April 2012	Appointments and transfers into the Department	Terminations and transfers into the Department	Turnover Rate *1
Medical specialists	3			0.00%
Medical technicians/ technologists	2			0.00%
Messengers porters and deliverers	34	1	2	5.71%
Natural sciences related	12			0.00%
Other administrat & related clerks and organisers	346	271	337	54.62%
Other administrative policy and related officers	150	7	7	4.46%
Other information technology personnel.	7	10	5	29.41%
Other occupations	133		1	0.75%
Pharmacists	47	11	5	8.62%
Pharmacologists pathologists & related professional	36		3	8.33%
Physicists	10	2	2	16.67%
Professional nurse	3	2	2	40.00%
Radiography	1			0.00%
Secretaries & other keyboard operating clerks	119	14	21	15.79%
Security guards	11			0.00%
Security officers	75	25	6	6.00%
Senior managers	122	19	7	4.96%
Social Work and related professionals	1		1	100.00%
Staff nurses and pupil nurses	1			0.00%
Statisticians and related professionals	1	1		0.00%
TOTAL	**1819**	**960**	**516**	**18.57%**

*1:Terminations divided by employment at beginning of period multiplied by 100

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

Table 4.6.3 Reasons Why Staff Left the Department

Termination Type	Number	% of Total Resignations
Death	9	1.74%
Resignation	96	18.60%
Expiry of contract	357	69.19%
Dismissal – operational changes	0	0%
Dismissal – misconduct	5	0.97%
Dismissal – inefficiency	0	0%
Discharged due to ill-health	0	0%

Retirement	8	1.55%
Transfer to other Public Service Departments	41	7.95%
Other	0	0%
Total number of employees who left as a % of total employment	**516**	**28.37%**

Table 4.6.4 Promotions by Critical Occupation

Occupation	Employment at Beginning of Period (April 2012)	Promotions to another Salary Level	Salary Level Promotions as a % of Employment *1	Progressions to another Notch within Salary Level	Notch progressions as a % of Employment *2
Administrative related	144	26	18.06%	138	95.83%
Ambulance and related workers	1		0.00%	1	100.00%
Artisan project and related superintendents	0		0.00%		0.00%
Auxiliary and related workers	6	3	50.00%	6	100.00%
Biochemistry pharmacol. zoology & life scie. techni	31	2	6.45%	30	96.77%
Chemists	31		0.00%		0.00%
Cleaners in offices workshops hospitals etc.	36	27	75.00%	29	80.56%
Client inform clerks (switch recept inform clerks)	15		0.00%	5	33.33%
Communication and information related	2	1	50.00%	2	100.00%
Computer programmers.	10		0.00%	2	20.00%
Computer system designers and analysts.	2		0.00%	2	100.00%
Custodian personnel	1		0.00%	1	100.00%
Dental practitioners	3		0.00%	1	33.33%
Dieticians and nutritionists	5		0.00%	1	20.00%
Diplomats	0		0.00%		0.00%
Engineering sciences related	1		0.00%	1	100.00%
Engineers and related professionals	2		0.00%		0.00%
Environmental health	3		0.00%	2	66.67%
Finance and economics related	10	1	10.00%	7	70.00%
Financial and related professionals	34	3	8.82%	18	52.94%
Financial clerks and credit controllers	31	7	22.58%	31	100.00%
Food services aids and waiters	20	7	35.00%	10	50.00%
General legal administration & rel. professionals	5	2	40.00%	1	20.00%
Head of department/chief executive officer	4		0.00%	1	25.00%
Health sciences related	123	6	4.88%	48	39.02%
Human resources & organisat develop & relate prof	15	3	20.00%	10	66.67%
Human resources clerks	35	2	5.71%	32	91.43%

Occupation	Employment at Beginning of Period (April 2012)	Promotions to another Salary Level	Salary Level Promotions as a % of Employment *1	Progressions to another Notch within Salary Level	Notch progressions as a % of Employment *2
Human resources related	23	2	8.70%	23	100.00%
Information technology related	16		0.00%	16	100.00%
Language practitioners interpreters & other commun	3		0.00%	1	33.33%
Legal related	1		0.00%		0.00%
Librarians and related professionals	1		0.00%		0.00%
Library mail and related clerks	26	5	19.23%	18	69.23%
Light vehicle drivers	2		0.00%	2	100.00%
Logistical support personnel	16	2	12.50%	7	43.75%
Material-recording and transport clerks	14	9	64.29%	13	92.86%
Medical practitioners	3		0.00%	2	66.67%
Medical research and related professionals	30	1	3.33%	22	73.33%
Medical specialists	3		0.00%	4	133.33%
Medical technicians/technologists	2		0.00%	2	100.00%
Messengers porters and deliverers	34	9	26.47%	7	20.59%
Natural sciences related	12		0.00%	1	8.33%
Other administrat & related clerks and organisers	346	19	5.49%	156	45.09%
Other administrative policy and related officers	150	12	8.00%	42	28.00%
Other information technology personnel.	7	2	28.57%	4	57.14%
Other occupations	133		0.00%	16	12.03%
Pharmacists	47		0.00%	11	23.40%
Pharmacologists pathologists & related professiona	36	2	5.56%	21	58.33%
Physicists	10		0.00%	8	80.00%
Professional nurse	3	1	33.33%		0.00%
Radiography	1		0.00%	1	100.00%
Secretaries & other keyboard operating clerks	119	6	5.04%	41	34.45%
Security guards	11		0.00%	2	18.18%
Security officers	75	4	5.33%	38	50.67%
Senior managers	122	3	2.46%	36	29.51%
Social Work and related professionals	1	1	100.00%	1	100.00%
Staff nurses and pupil nurses	1		0.00%		0.00%
Statisticians and related professionals	1		0.00%	1	100.00%
TOTAL	**1819**	**168**	**9.24%**	**875**	48.10%

*1 Promotions to another Salary Level divided by Employment at beginning of period multiplied with 100

*2 Progressions to another Notch within Salary Level divided by Employment at the beginning of the period multiplied by 100

Table 4.6.5 Promotions by Salary Band

Salary Band	Employees 1 April 2012	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Lower skilled (Levels 1-2)	67	0	0.00%	6	8.96%
Skilled (Levels 3-5)	361	61	16.90%	175	48.48%
Highly skilled production (Levels 6-8)	614	55	8.96%	276	44.95%
Highly skilled supervision (Levels 9-12)	623	40	6.42%	261	41.89%
Senior Management (Level 13-16)	118	8	6.78%	45	38.14%
Contract (Levels 1-2)	0	0	0.00%	97	0.00%
Contract (Levels 3-5)	5	4	80.00%	0	0.00%
Contract (Levels 6-8)	5	0	0.00%	1	20.00%
Contract (Levels 9-12)	6	0	0.00%	6	100.00%
Contract (Levels 13-16)	20	0	0.00%	8	40.00%
TOTAL	**1819**	**168**	**9.24%**	**875**	**48.10%**

4.7 Employment Equity

Table 4.7.1 Total Number of Employees (including employees with disabilities) in each of the following occupational categories as at 31 March 2013

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	23	2	3	10	22	2	4	6	**72**
Professionals	100	6	4	22	143	7	8	26	**316**
Technicians and associate professionals	138	8	4	10	187	9	6	34	**396**
Clerks	121	3	1	7	202	16	5	62	**417**
Service and sales workers	54	0	0	1	22	0	1	0	**78**
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	**0**
Craft and related trades workers	1	0	0	0	0	0	0	0	**1**
Plant and machine operators and assemblers	0	0	0	1	1	0	0	0	**2**
Elementary occupations	36	2	0	0	49	7	0	0	**94**
Total	**473**	**21**	**12**	**51**	**626**	**41**	**24**	**128**	**1376**
Employees with disabilities	3	0	0	2	4	0	0	4	**13**

Table 4.7.2 Total Number of Employees (including employees with disabilities) in each of the following

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management (L15-L16)	1	0	0	0	3	0	1	1	6
Senior Management (L13-L14)	30	3	1	11	6	2	2	6	61
Professionally qualified and experienced specialists and mid-management	98	7	6	23	120	13	14	31	312
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	189	7	1	13	3	14	6	84	317
Semi-skilled and discretionary decision making	136	4	2	3	154	10	0	3	312
Unskilled and defined decision making	3	0	0	0	6	0	0	0	9

Contract (Top Management), Permanent	0	0	2	1	2	1	0	0	6
Contract (Senior Management), Permanent	6	0	0	0	26	0	1	3	36
Contract (Professionally qualified), Permanent	2	0	0	0	1	1	0	0	4
Contract (Skilled technical), Permanent	0	0	0	0	304	0	0	0	304
Contract (Semi-skilled), Permanent	7	0	0	0	1	0	0	0	8
Contract (Unskilled), Permanent	1	0	0	0	0	0	0	0	1
TOTAL	**473**	**21**	**12**	**51**	**626**	**41**	**24**	**128**	**1376**

Table 4.7.3 Recruitment

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	5	1	0	1	1	0	2	1	11
Senior Management	2	0		0	0	0	0	0	2
Professionally qualified and experienced specialists and mid-management	21	1	0	0	33	1	4	5	65
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	10	2		1	12	0	0	0	25
Semi-skilled and discretionary decision making	35	1	1		38	4	0	1	80
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Employees with disabilities	0	0	0	0	0	0	0	0	0
Contract (Top Management)	3		1		4	1	1	1	11
Contract (Senior Management)	0	0	0	0	0	0	0	0	0
Contract (Professionally qualified)	4	3		2	11	1	2	5	28
Contract (Skilled technical)	9	0	0		7		1	1	18
Contract (Semi-skilled)	260	1	4	10	424	4	1	16	720
Contract (Unskilled)	0	0	0	0	0	0	0		0
TOTAL	**349**	**9**	**6**	**14**	**530**	**11**	**11**	**30**	**960**

Table 4.7.4 Promotions

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	5	0	0		3	0	0	0	8
Professionally qualified and experienced specialists and mid-management	17	1	0	0	17	0	0	3	38
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	13	1	1	0	21	0	0	1	37
Semi-skilled and discretionary decision making	30				45	3		3	81
Unskilled and defined decision making	0	0	0	0	0	0	0		0
EMPLOYEES WITH DISABILITIES	0	0	0	0	0	0	0	0	0
Contract (Professionally qualified)	0	0	0	0	0	0	0	0	0
Contract (Skilled technical)	0	0	0	0		0	0		
Contract (Semi-skilled)	1	0	0	0	3	0	0	0	4
Contract (Unskilled)	0	0	0	0	0	0	0	0	0
	66	**2**	**1**	**0**	**89**	**3**	**0**	**7**	**168**

Table 4.7.5 Terminations

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	
Senior Management	3	0	1	1	0	0	0	0	5
Professionally qualified and experienced specialists and mid-management	12	0	1	1	11	0	2	3	30
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	5	0		0	15	0	0	4	24
Semi-skilled and discretionary decision making	23	0	2	4	9	1		8	47
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Employees with Disabilities	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Contract (Top Management), Permanent	4	0	0	1	1	0	0	0	6
Contract (Senior Management), Permanent	0	0	0	0	0	0	0	0	0
Contract (Professionally qualified), Permanent	3	0	0	0	1	0	0	0	4

Contract (Skilled technical), Permanent	8				8		3	4	23
Contract (Semi-skilled), Permanent	138	4	0	0	226	7	1	1	377
Contract (Unskilled), Permanent									0
TOTAL	**196**	**4**	**4**	**7**	**271**	**8**	**6**	**20**	**516**

Table 4.7.6 Disciplinary Action

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

Table 4.7.7 Skills Development

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	10			5	5		2	3	**25**
Professionals	52	2	2	3	49	2	5	7	**122**
Technicians and associate professionals	42		2	2	39	2		4	**91**
Clerks	28			0	46	2	2	7	**85**
Service and sales workers	0	0	0	0	1		1	0	**2**
Skilled agriculture and fishery workers	2			0	0	0	0	0	**2**
Craft and related trades workers	0	0	0	0	0	0	0	0	**0**
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	**0**
Elementary occupations	1				1			0	**2**
Total	**135**	**2**	**4**	**10**	**141**	**6**	**10**	**21**	**329**
Employees with disabilities	3	0	1	0	0	0	0	1	**5**

4.8 Performance Rewards

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

Table 4.8.1 Performance Rewards by Race, Gender and Disability

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost	Average cost per employee
African, Male	178	472	38%	R 1,906,972.00	R 10,713.33
Asian, Male	2	12	17%	R 29,974.00	R 14,987.00
Coloured Male	5	21	24%	R 45,015.00	R 9,003.00
White Male	13	51	25%	R 226,691.00	R 17,437.77
African Female	257	626	41%	R 2,444,829.00	R 9,512.95
Asian Female	12	24	50%	R 218,022.00	R 18,168.50
Coloured Female	16	41	39%	R 171,968.00	R 10,748.00
White Female	68	128	53%	R 907,785.00	R 13,349.78
Employees with a disability	3	12	25%	R25,651,00	R8,550.33
Total	**554**	**1376**	**40%**	**R5,976,907.00***	**R10,788.64**

* Office note: the difference of R206,000.00 between the annual financial statements and the oversight report is due to qualifying employees leaving the employment of NDoH prior to effecting of performance incentives

Table 4.8.2 Performance Rewards by Salary Band for Personnel Below Senior Management Service

Salary Band	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost	Average cost per employee
Lower Skilled (Levels 1-2)	44	46	96%	R 115,567.00	R 2,626,522.73
Skilled (level 3-5)	123	305	40%	R 492,128.00	R 4,001,040.65
Highly skilled production (level 6-8)	203	473	43%	R 1,703,342.00	R 8,390,847.29
Highly skilled supervision (level 9-12)	167	448	37%	R 3,082,231.00	R 18,456,473.05
Contract (Levels 1-2)	0	0	0%	R0	R0
Contract (Levels 3-5)	0		0%	R0	R0
Additional Employment (Levels 6-8)	2	11	18%	R18,176.46	R9,088,230.00
Additional Employment (Levels 9-12)	4	24	17%	R46,293.00	R11,573,250.00
TOTAL	**543**	**1307**	**42%**	**R5,457,737.46**	**R10,051,081.00**

NB: Number of permanent employees on salary levels 1 to 12 is 1272, plus 35 additional employment on salary level 6 to 12

Table 4.8.3 Performance Rewards by Critical Occupation

Critical Occupations	Number of Beneficiaries	Total Employment	% of Total Employment *1	Cost (R)	Average Cost per Beneficiary (R) *2
Administrative related	85	185	45.95%	R 1,203,292.83	R 14,156.39
Ambulance and related workers	1	1	100.00%	R 18,902.52	R 18,902.52
Artisan project and related superintendents	1	1	100.00%	R 6,872.58	R 6,872.58
Auxiliary and related workers	2	8	25.00%	R 10,916.10	R 5,458.05
Biochemistry pharmacol. zoology & life scie. techni	22	99	22.22%	R 313,451.27	R 14,247.79
Cleaners in offices workshops hospitals etc.	48	58	82.76%	R 158,268.56	R 3,297.26
Client inform clerks (switch recept inform clerks)	4	5	80.00%	R 21,938.88	R 5,484.72
Communication and information related	10	14	71.43%	R 194,367.02	R 19,436.70
Computer programmers.	1	2	50.00%	R 5,730.69	R 5,730.69
Computer system designers and analysts.	1	4	25.00%	R 10,097.85	R 10,097.85
Custodian personnel	0	1	0.00%	0	R 0.00
Dental practitioners	0	1	0.00%	0	R 0.00
Dieticians and nutritionists	3	4	75.00%	R 62,594.60	R 12,518.92
Engineering sciences related	0	1	0.00%		R 0.00
Engineers and related professionals	1	1	100.00%	R 20,896.89	R 20,896.89
Environmental health	0	3	0.00%	0	R 0.00
Finance and economics related	1	16	6.25%	R 15,633.75	R 15,633.75
Financial and related professionals	11	18	61.11%	R 185,262.57	R 16,842.05
Financial clerks and credit controllers	4	34	11.76%	R 23,471.78	R 5,867.95
Food services aids and waiters	16	16	100.00%	R 49,520.91	R 3,095.06
General legal administration & rel. professionals	0	4	0.00%	0	R 0.00
Head of department/chief executive officer	0	3	0.00%	0	R 0.00
Health sciences related	25	89	28.09%	R 407,603.09	R 16,304.12
Human resources &organisat develop & relate prof	0	15	0.00%	0	R 0.00
Human resources clerks	11	32	34.38%	R 120,616.95	R 10,965.18

Critical Occupations	Number of Beneficiaries	Total Employment	% of Total Employment *1	Cost (R)	Average Cost per Beneficiary (R) *2
Human resources related	9	19	47.37%	R 201,718.08	R 22,413.12
Information technology related	3	15	20.00%	R 14,998.83	R 4,999.61
Language practitioners interpreters & other commun	1	2	50.00%	R 10,536.90	R 10,536.90
Legal related	0	1	0.00%	0	R 0.00
Librarians and related professionals	0	1	0.00%	0	R 0.00
Library mail and related clerks	17	30	56.67%	R 86,073.26	R 5,063.13
Light vehicle drivers	0	2	0.00%		R 0.00
Logistical support personnel	1	16	6.25%	R 11,018.21	R 11,018.21
Material-recording and transport clerks	9	43	20.93%	R 56,896.98	R 6,321.89
Medical practitioners		5	0.00%		
Medical research and related professionals	20	28	71.43%	R 410,661.87	R 20,533.09
Medical specialists	1	2	50.00%	R 33,564.15	R 33,564.15
Medical technicians/ technologists	2	2	100.00%	R 46,040.09	R 15,346.70
Messengers porters and deliverers	18	19	94.74%	R 64,449.48	R 3,580.53
Natural sciences related		5	0.00%		R 0.00
Other administrat & related clerks and organisers	140	185	75.68%	R 1,038,746.22	R 7,419.62
Other administrative policy and related officers	1	69	1.45%	R 9,948.75	R 9,948.75
Other information technology personnel.	1	9	11.11%	R 12,651.08	R 12,651.08
Other occupations		4	0.00%		R 0.00
Pharmacists	3	0	0.00%	R 61,289.40	R 20,429.80
Pharmacologists pathologists & related professiona	6	15	40.00%	R 170,144.78	R 28,357.46
Physicists	1	22	4.55%	R 25,744.79	R 25,744.79
Professional nurse	1	30	3.33%	R 9,973.95	R 9,973.95
Radiography	1	3	33.33%	R 10,628.31	R 10,628.31
Rank: Unknown	0	2	0.00%	0	R 0.00
Secretaries & other keyboard operating clerks	30	85	35.29%	R 229,079.85	R 7,636.00
Security guards	2	3	75.00%	R 105,636.72	R 4,062.95
Security officers	28	51	55.00%	R 13,946.85	R 13,946.85
Senior managers	11	68	16.18%	R 519,169.05	R 47,197.19

Critical Occupations	Number of Beneficiaries	Total Employment	% of Total Employment *1	Cost (R)	Average Cost per Beneficiary (R) *2
Social sciences related	0	1	0.00%	0	R 0.00
Social work and related professionals	0	0	0.00%	0	0
Staff nurses and pupil nurses	1	1	100.00%	R 4,550.91	R 4,550.91
Statisticians and related professionals		1	0.00%		R 0.00
Total	**554**	**1376**	40.26%	**R 5,976,907.34**	**R 541,733.43**

Notes: The CORE classification, as prescribed by the DPSA, should be used for completion of this table.

Table 4.8.4 Performance Related Rewards (cash bonus), by Salary Band for Senior Management Service

Salary Band	Beneficiary Profile			Cost		
	Number of beneficia-ries	Number of employees	% of Total within Salary Bands	Total Cost (R'000)	Average Cost per Employee	Total cost as a % of the Total Personnel Expenditure
Band A	8	73	10.96%	R 320,808.45	R 40,101.06	R 68,989,113.00
Band B	3	21	14.29%	R 198,360.60	R 66,120.20	R 22,434,924.00
Band C	0	7	0.00%	R0	R0	R 14,526,402.00
Band D	0	3	0.00%	R0	R0	R 5,330,218.00
Total	**11**	**104**	**10.58%**	**R 519,169.00**	**R 47,197.18**	**R 111,280,657.00**

4.9 Foreign Workers

The tables below summarise the employment of foreign nationals in the Department in terms of salary band and major occupation.

Table 4.9.1 Foreign Workers by Salary Band

Salary Band	01 April 2012		31 March 2013		Change	
	Number	% of total	Number	% of total	Number	% Change
Lower skilled	0	0	0	0%	0	0%
Highly skilled production (Lev. 6-8)	0	0%	0	0	0	0%
Highly skilled supervision (Lev. 9-12)	1	25.00%	1	16.67%	0	0.00%
Contract (level 9-12)	0	0	0	0%	0	0%
Contract (level 13-16)	2	50.00%	2	33.33%	0	0.00%
Periodical remuneration	1	25%	3	50%		100%
Total	**4**	**100%**	**6**	**100%**	**0**	**100%**

Table 4.9.2 Foreign Workers by Major Occupation

Major Occupation	01 April 2012		31 March 2013		Change	
	Number	% of total	Number	% of total	Number	% Change
Professionals and managers	4	100.00%	6	100.00%	2	100.00%
Total	**4**	**100.00%**	**6**	**100.00%**	**2**	**100.00%**

4.10 Leave utilisation

The Public Service Commission identified the need for careful monitoring of sick leave within the public service. The following tables provide an indication of the use of sick leave and disability leave. In both cases, the estimated cost of the leave is also provided.

Table 4.10.1 Sick Leave

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 Skills (Level 1-2)	94	85.11%	9	0.75%	10	25
Skilled (levels 3-5)	1722	78.16%	246	20.55%	7	574
Highly skilled production (levels 6-8)	2681	82.95%	406	33.92%	7	1,798
Highly skilled supervision (levels 9 -12)	2142	76.33%	328	27.40%	7	2,896
Top and Senior management (levels 13-16)	254	82.28%	46	3.84%	6	762
Contract (Levels 1-2)	254	70.47%	104	8.69%	2	45
Contract (Levels 3-5)	94	80.85%	26	2.17%	4	31
Contract (Levels 6-8)	38	76.32%	9	0.75%	4	24
Contract (Levels 9-12)	65	90.77%	13	1.09%	5	89
Contract (Levels 13-16)	53	81.13%	10	0.84%	5	168
TOTAL	**7397**	**79.49%**	**1197**	**100.00%**	**6**	**6412**

Table 4.10.2 Disability Leave (temporary and permanent)

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)						
Skilled (Levels 3-5)	301	70.1	10	21.28%	30	71
Highly skilled production (Levels 6-8)	669	100	25	53.19%	27	378
Highly skilled supervision (Levels 9-12)	333	70	9	19.15%	37	299
Senior management (Levels 13-16)	44	100	3	6.38%	15	129
Total	**1347**	**85.9**	**47**	**100.00%**	**29**	**877**

The table below summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the PSCBC in 2000 requires management of annual leave to prevent high levels of accrued leave being paid at the time of termination of service.

Table 4.10.3 Annual Leave

Salary Band	Total days taken	Number of Employees using annual leave	Average per employee
Lower skilled (Levels 1-2)	242	22	11
Skilled Levels 3-5)	5 929	18	326
Highly skilled production (Levels 6-8)	9 533	19	494
Highly skilled supervision(Levels 9-12)	8 174	18	462
Senior management (Levels 13-16)	1 823	22	83
Contract (Levels 1-2)	3 177	8	383
Contract (Levels 3-5)	373	8	45
Contract (Levels 6-8)	172	11	16
Contract (Levels 9-12)	362	11	34
Contract (Levels 13-16)	438	17	26
TOTAL	**30 223**	**16**	**1880**

Table 4.10.4 Capped Leave

Salary Band	Total days of capped leave taken	Number of Employees using capped leave	Average number of days taken per employee	Average capped leave per employee as at 31 March 2013
Lower skilled (Levels 1-2)	8	2	4	58
Skilled Levels 3-5)	25	4	6	35
Highly skilled production (Levels 6-8)	64	14	5	31
Highly skilled supervision(Levels 9-12)	47	9	5	32
Senior management (Levels 13-16)	59	4	15	50
Contract (Levels 13-16)	13	1	13	19
TOTAL	**216**	**34**	**6**	**34**

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

Table 4.10.5 Leave Pay-outs

Reason	Total Amount	Number of Employees	Average per employee 2,323.59
Leave pay-out for 2011/12 due to non-utilisation of leave for the previous cycle	R87,000.00	4	R 21,750.00
Capped leave pay-outs on termination of service for 2012/13	R278,000.00	13	R 21,384.62
Current leave pay-outs on termination of service for 2012/13	R748,000.00	462	R 1,619.05
Total	**R1,113,000.00**	**479**	**R2,323.59**

4.11 HIV/AIDS and Health Promotion Programmes

Table 4.11.1 Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
None	

Table 4.11.2 Details of Health Promotion and HIV/AIDS Programmes

Question	Yes	No	Details, if yes
1. Has the Department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	X		Advocate MT Ngake; Director: Employment Relations, Equity and Employee Wellness is the chairperson of the Integrated Employee Health and Wellness Committee
2. Does the Department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? Are there employees dedicated to deal with wellness matters?	X		Three Employees are available. The budget is combined with the Directorate: Employment Relations
3. Has the Department introduced an Employee Assistance or Health Promotion Programme for its employees? If so, indicate the key elements/services of this Programme.	X		The EAP core service is to support troubled employees, offer counselling, do referrals and follow-up and look at prevention programmes that will enhance productivity.
4. Has the Department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	X		The Peer Educators Committee has been established and rallies across the workplace of the Department under the leadership of Ms More, composed of employees affected by HIV and those who support the Programme, together with recognised Labour and the Chairperson.
5. Has the Department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	X		Yes. All Departmental policies/ workplace guidelines (such as those for Recruitment and Leave) are developed to ensure that no discrimination is perpetrated against employees on the basis of HIV/AIDS status.
6. Has the Department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	X		Discrimination against employees who are HIV positive is deemed as misconduct and measures are in place through Employment Equity Directorate to report such cases.
7. Does the Department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.	X		On consultation with the EAP Officer and the Departmental Nurse, employees are counselled and encouraged to test.

8. Has the Department developed measures and/or indicators to monitor and evaluate the impact of its health promotion programme? If so, list these measures/ indicators.	x		The Integrated Employee Health and Wellness Strategy provides for reporting of all wellness related activity in a confidential report. This contributes to Departmental Statistics, as received from accredited, credible service providers that partner with the Department during health promotion activities.

4.12 Labour Relations

Table 4.12.1 Collective Agreements

Subject Matter	Date
PHSDSBC Resolution 1 of 2012: Agreement on the Purchase of Office Space for the PHSDSBC	14/06/2012
PHSDSBC Resolution 2 of 2012: OSD Agreement for Engineers, Artisans, Technicians and Scientist	06/12/2012

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

Table 4.12.2 Misconduct and Disciplinary Hearings Finalised

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	**0**	**0**
Verbal warning	**0**	**0**
Written warning	**0**	**0**
Final written warning	**0**	**0**
Suspended without pay	**0**	**0**
Fine	**0**	**0**
Demotion	**0**	**0**
Dismissal	**5**	**100%**
Not guilty	**0**	**0**
Case withdrawn	**0**	**0**
Total	**5**	

Table 4.12.3 Types of Misconduct Addressed at Disciplinary Hearings

Type of misconduct (based on annexure A)	Number	% of total
Misuse of State Property(Vehicle)	1	20%
Misrepresentation	1	20%
Fruit less Expenditure	1	20%
Forgery	1	20%
Absenteeism	1	20%
Total	5	100%

Table 4.12.4 Grievances Logged

	Number	% of Total
Number of grievances resolved	**10**	**100**
Number of grievances not resolved	0	0
Total number of grievances lodged	10	100%

Table 4.12.5 Disputes Logged

	Number	% of Total
Number of disputes upheld	0	0
Number of disputes dismissed	0	0
Total number of disputes lodged	0	0

Table 4.12.6 Strike Actions

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

Table 4.12.7 Precautionary Suspensions

	Total
Number of people suspended	0
Number of people whose suspension exceeded 30 days	0
Average number of days suspended	0
Cost (R'000) of suspension	0

4.13 Skills Development

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

Table 4.13.1 Training Needs Identified

Occupational Category	Gender	Number of employees as at 1 April 2012	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	39	0	8	2	10
	Male	44	0	13	2	15
Professionals	Female	183	0	108	27	135
	Male	130	0	71	25	96
Technicians and associate professionals	Female	232	0	112	27	139
	Male	156	0	65	26	91
Clerks	Female	281	0	155	29	184
	Male	126	0	69	13	82

Service and sales workers	Female	34	0	0	2	2
	Male	55	0	32	3	35
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	1	0	0	0	0
Plant and machine operators and assemblers	Female	1	0	0	0	0
	Male	1	0	0	0	0
Elementary occupations	Female	56	0	0	9	9
	Male	37	0	0	4	4
Sub Total	Female	826	0	383	96	479
	Male	550	0	250	73	323
Total		**1376**	**0**	**633**	**169**	**802**

Table 4.13.2 Training Provided for the Period

Occupational Category	Gender	Number of employees as at 1 April 2012	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	**Female**	39	0	11	2	**13**
	Male	44	0	17	1	**18**
Professionals	**Female**	183	0	60	23	**83**
	Male	130	0	61	19	**80**
Technicians and associate professionals	**Female**	232	0	30	20	**50**
	Male	156	0	31	21	**52**
Clerks	**Female**	281	0	39	21	**60**
	Male	126	0	21	11	**32**
Service and sales workers	**Female**	34	0	0	2	**2**
	Male	55	0	0	2	**2**
Skilled agriculture and fishery workers	**Female**	0	0	0	0	**0**
	Male	0	0	0	0	**0**
Craft and related trades workers	**Female**	0	0	0	0	**0**
	Male	1	0	0	0	**0**
Plant and machine operators and assemblers	**Female**	1	0	0	0	**0**
	Male	1	0	0	0	**0**
Elementary occupations	**Female**	56	0	0	1	**1**
	Male	37	0	1	0	**1**
Sub Total	**Female**	826	0	140	69	209
	Male	550	0	131	54	185
Total		**1376**	**0**	**271**	**123**	**394**

4.14 Injury on Duty

The following tables provide basic information about injury on duty.

Table 4.14.1 Injury on Duty

Nature of Injury on Duty	Number	% of total
Required basic medical attention only	6	100
Temporary Total Disablement	0	0
Permanent Disablement	0	0
Fatal	0	0
Total	6	100

4.15 Appointment of Consultants

Table 4.15.1 Report on consultant appointments using appropriated funds

Project Title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand
-	-	-	-
Total number of projects	Total individual consultants	Total duration: Work days	Total contract value in Rand
-	-	-	-

Table 4.15.2 Analysis of consultant appointments using appropriated funds, i.t.o. HDIs

Project Title	% of Ownership by HDI groups	% of Management by HDI groups	Nr of Consultants from HDI groups that work on the project
-	-	-	-
-	-	-	-

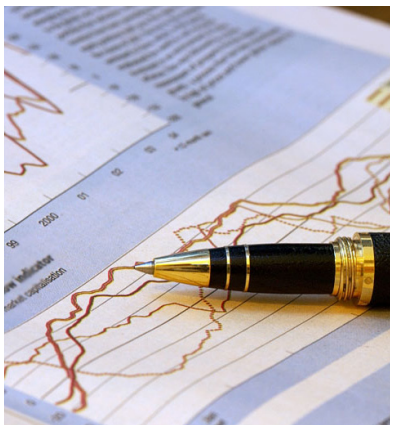
Table 4.15.3 Report on consultant appointments using Donor funds

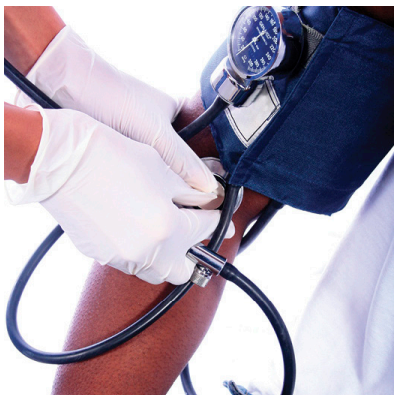
Project Title	Total number of consultants that worked on the project	Duration: workdays	Donor and contract value in Rand
Appointment of consultants to maintain the national health information repository and data warehouse	15	666	2 749 298.33
Appointment of a consultant to implement the HR Strategy	1	242	882 455.00
Total number of projects	**Total number of individuals**	**Total duration of workdays**	**Total contract value in Rand**
2	16	908	3 631 753.33

Table 4.15.4 - Analysis of consultant appointments using Donor funds, i.t.o. HDIs

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
Appointment of a service provider to maintain the national health information repository and data warehouse	Level 4 BBB-EE compliance	Level 4 BBB-EE compliance	Making use of a panel as and when required
Appointment of a consultant to implement the HR Strategy	0	0	0

PART E
FINANCIAL INFORMATION





Report of the Accounting Officer
for the year ended 31 March 2013

REPORT BY THE ACCOUNTING OFFICER TO THE EXECUTIVE AUTHORITY AND PARLIAMENT OF THE REPUBLIC OF SOUTH AFRICA.

1. General Review of State of Financial Affairs

1.1 Strategic Issues Facing the Department

(a) In the 2012/13 financial year, South Africa continued to grapple with a quadruple burden of disease consisting of HIV and AIDS and TB; high maternal and child mortality; non-communicable diseases; and violence and injuries.

(b) The Health Sector's Negotiated Service Delivery Agreement (NSDA) for 2010 - 2014 served as the strategic framework for addressing this burden of disease. The NSDA is a charter outlining consensus between different stakeholders on key interventions, to ensure achievement of the set goals, as well as their respective roles in this process. The NSDA presents four key outputs that the health sector must achieve, namely:

- Increasing Life Expectancy;
- Decreasing Maternal and Child Mortality rates;
- Combating HIV and AIDS and Tuberculosis;
- Strengthening Health Systems Effectiveness.

(c) These outputs are consistent with government's outcome-based approach to improving service delivery, enhancing accountability to the public, and enhancing performance management.

(d) An increased life expectancy for all South Africans is the highest impact that the country seeks to attain. It lies at the summit of the 4 outputs on which the health sector seeks to deliver.

(e) The second layer consists of improving health outcomes such as infant and child mortality rates, and morbidity and mortality from HIV and AIDS and Tuberculosis. This is by virtue of the fact that improved health outcomes will contribute to enhancing life expectancy.

(f) Strengthening the effectiveness of the health system is the foundation on which successful interventions to improve health outcomes can be built. International experience points to the fact that only a strengthened health system, further fortified by effective inter-sectoral collaboration to address social determinants of health, can improve health outcomes. A weak health system will collapse in the face of major health demands.

(g) Significant milestones were achieved through various strategic interventions implemented by the health sector, in partnerships with communities across the country. These are outlined in sections 1.2 and 1.3 below.

1.2 Significant events that have taken place during the year

(a) The health sector successfully mobilised resources from National Treasury for the NHI pilot sites. National Treasury approved the creation of the NHI Conditional Grant to the amount of R1 billion over the MTEF period. These resources will assist pilot districts to strengthen their health systems and to undertake preparatory work in readiness for the phased implementation of NHI.

(b) The names of the pilot sites and their respective Provinces are as follows:

- OR Tambo (Eastern Cape)
- Thabo Mofutsanyana (Free State)
- City of Tshwane (Gauteng)
- uMgungundlovu (KwaZulu-Natal)
- Umzinyathi (KwaZulu-Natal)
- Vhembe (Limpopo)
- Gert Sibande (Mpumalanga)
- Dr. Kenneth Kaunda (North West)
- Pixley ka Seme (Northern Cape)
- Eden (Western Cape)
- KwaZulu-Natal also identified its own NHI pilot site, Amajuba District, which increased the total number of pilot sites to eleven (11).

Additionally, health system strengthening initiatives were undertaken in 7 Central Hospitals as part of the NHI pilots grant funding. The focus of these initiatives was to improve the revenue collection and revenue management capacity at identified central hospitals, namely: Charlotte Maxeke Academic Hospital, Chris Hani Baragwanath Hospital, Dr. George Mukhari and Steve Biko Academic Hospitals (all located in Gauteng); Inkosi Albert Luthuli Hospital and King Edward VIII (located in KwaZulu-Natal); and Universitas Academic Hospital (located in the Free State).

Report of the Accounting Officer
for the year ended 31 March 2013

(c) The primary intention of the pilots is to undertake real-life demonstration of the various aspects of NHI as outlined in the Green Paper. The real-life demonstrations will be implemented at district level in alignment with the NHI implementation strategy of initially focusing on primary health care services. The NHI pilots will involve testing a set of interventions and delivery models based on a defined purchaser-provider split in which the district health authorities will contract with different providers to provide a comprehensive set of services. The focus is to assess whether the new interventions can reduce the burden of disease and improve health outcomes especially maternal, child and infant mortality.

(d) A new indirect Schedule 6A grant has been established called the National Health Grant. This grant will have two components, one for National Health Insurance (NHI) and one for Health Facility Revitalisation. The National Department will play a larger role than previously in delivering some of these services with the concurrence of provinces and in the establishment of NHI. This has been introduced as a measure to deal with under-spending and weaknesses in performance on these grants.

(e) Between April and June 2012, the Ministry of Health conducted stakeholder engagements and consultation meetings across NHI districts.

(f) The ultimate benefit of NHI to all communities in South Africa is that it will ensure that all South Africans, irrespective of their socioeconomic status, have access to good quality and affordable health services. Successful implementation of NHI requires a well-functioning health system, that is adequately funded to ensure the provision of good quality health services to the population.

(g) Key milestones have been made towards the development of a new re-engineered Primary Health Care (PHC) model for South Africa. The model consists of four streams namely: District Specialist Clinical Support Teams; Primary Health Care Ward Based Outreach Teams, the School-based Health programme and the Contracting of General Practitioners to work in Primary Health Care Facilities.

(h) The District Specialist Teams consists of:
- Principal Obstetrician and Gynaecologist;
- Principal Paediatrician;
- Principal Family Physician;
- Anaesthetist;
- Advanced Midwife;
- Advanced PHC nurse; and
- Advanced Paediatric nurse.

As at March 2013, District Specialist Teams with at least three specialists were established in 34 districts. A total of 174 specialist doctors and nurses have been appointed.

(i) Ward-based PHC Outreach Teams: At the end of March 2013, a total of 945 Ward-based PHC Outreach Teams were established throughout the country. These teams are led by a professional nurse, and have 6 Community Health Care (CHWs) each. Approximately 9000 CHW's have been trained according to a standardised training manual during 2012/13.

(j) The President of the Republic of South Africa formally launched the Integrated School Health Programme (ISHP) on the 11th October 2012, in Tshwane District, which is also a pilot district for NHI. The programme was launched at both a primary and secondary school. During 2012/13 a total of 10114 Quintile 1 schools were visited by School Health Teams to provide services as part of the ISHP.

(k) Prevention is the mainstay of efforts to combat HIV and AIDS. During 2012/13, a total of 9 005 323 people accepted HIV testing as part of HIV Counselling and Testing (HCT) services. A total of 559 195 new patients were placed on Antiretroviral Therapy (ART) during 2012/13.

(l) Follow-ups of new-borns (post-natal care) and their mothers constitute an essential part of the continuum of care. During 2012/13, a total of 66.2% % of newborn babies and 65.2 % of mothers received post-natal care within 6 days after delivery.

(m) To protect South African children against vaccine preventable diseases, a national full immunisation coverage rate of 94.7% was achieved.

(n) Intervention for the Limpopo Department of Health under Section 100 (1) (b) continued. At

Report of the Accounting Officer
for the year ended 31 March 2013

the commencement of the intervention during the first eight months of the prior year, the main focus was related to the audit findings and the projected over expenditure and the stabilization of the cash flow. The national department then realized that while financial management was being stabilized, service delivery was in some instances negatively affected. This was mainly at hospital level which were frequently in the media due to poor services and non-functioning medical equipment.

(o) Additional capacity was then put in place with a focus on assessing hospital functionality. In August 2013, the Department embarked on an exercise of visiting all the 40 hospitals and to focus on identifying what the challenges are, in relation to functionality of hospitals and their feeder clinics. The following key challenges were identified: poor management, poor contract management, and shortage of staff. Intervention measures, such as repairs of boilers and procurement of autoclaves and other medical equipment have been put in place to address some of these challenges.. Reform of procurement processes is also underway, including replacement of quotation basis with utilisation of transversal Treasury contracts, to ensure value for money and economies of scale. The procurement reform includes piloting direct deliveries of medicines to hospitals and reduction of stock levels at the depot.

(p) A project for the improvement of revenue management was implemented in Chatlotte Maxeke Hospital. The project objective was to reduce Medicom backlog in the hospital due to system down-time and to increase data quality by correcting errors in patient contact details. The entire Medicom backlog of patient admissions dating back to April 2012 was cleared; 400 downtime patients were registered daily and 400 patient files were checked daily to ensure accurate data is captured on the system.

(q) The receipt allocation of this hospital was in backlog and displayed an incorrect age analysis. The Road Accident Fund (RAF) and Medical Scheme receipt allocations were earmarked for correction. Through the project a total of R36,5 million receipts were reconciled to the invoices, i.e. R14 million (RAF) and R21,5 million (Medical Schemes) which improved revenue performance by R7, 7 million. The billing backlog to April 2012 for support services was cleared and R4,1 million in potential revenue from medical aid schemes from claims rejected due to inaccurate information was traced.

1.3 Major Projects Undertaken or Completed During the Year

(a) Progress was made towards the finalisation of the National Health Amendment Bill, which provides the legal framework for the establishment of an independent Office of Health Standards and Compliance. The Amendment Bill was tabled before the National Council of Provinces (NCOP) on 4 September 2012. All nine Provincial briefings and public hearings were subsequently held during which the National Health Amendment Bill received overwhelming support. The final mandates were discussed at the NCOP on 23 October 2012 and 13 November 2012 respectively. The Bill was formally adopted by NCOP during December 2012. The National Health Amendment Bill provides for the establishment of the Office of Health Standards and Compliance which will have two units: (a) Office of the Health Inspectorate and (b) Office of the Ombudsperson. In preparation for the establishment of the Office of the Inspectorate, a total of 17 inspectors were appointed and trained, some have undergone training in the UK. “Mock” or training inspections were conducted by the Department in preparation for the future OHSC. These inspections covered 235 facilities, which constitutes 6.2% of all facilities, as well as 14 district offices regarding their support to the facilities in their area.

(b) In 2011, the public health sector commissioned a comprehensive audit of all public health facilities, which was conducted by an independent Non-Government Organisation (NGO), the Health Systems Trust (HST). The aim of the audit was to assess the infrastructure, human resources, quality of care and services provided at these facilities. The results of the audit pointed to the need to strengthen the quality of care provided at public health facilities. In response to these findings, the public health sector established health facility improvement teams in the following districts:

- O.R. Tambo (Eastern Cape);
- Mangaung (Free State);
- Sedibeng (Gauteng);
- Zululand (KZN);
- Vhembe (Limpopo);

Report of the Accounting Officer
for the year ended 31 March 2013

- Gert Sibande (Mpumalanga);
- Dr. K. Kaunda (North West); and
- Pixley ka Seme (Northern Cape)
- Tshwane (Gauteng).

The health facility improvement teams (HFIT) have supported the development of quality improvement plans for health facilities in the above mentioned districts.

The ultimate benefit of these efforts for all South Africans is that health care services provided in the public sector will be of unquestionable quality, in keeping with international benchmarks, and will ensure patient safety and improved clinical outcomes.

(c) In October 2012, the Minister of Health launched the Health Leadership and Management Academy. The main goal of the Academy is to enhance the management capacity of the public health sector, ensure excellence, and achieve the objectives set in the HRH Strategy published in October 2011.

The establishment of the Academy was evidence-based. This process was informed by the results of a research study commissioned by the Minister of Health and executed by the Development Bank of Southern Africa (DBSA), to assess the functionality, efficiency and appropriateness of the organisational structure of hospitals, the appropriateness of the delegations given to hospital managers and the qualifications of all Hospital CEOs and District Health Managers.

The Health Leadership and Management Academy seeks to address skills gaps at all levels including hospital and clinical management.

An Advisory Board has also been established for the Health Leadership and Management Academy, in partnership with local and international institutions in Italy, the United Kingdom (UK) and the United States of America (USA).

(d) During 2012, 122 posts for hospital CEOs were advertised and 103 of these were subsequently filled. All managers will undergo training provided by the Health Leadership and Management Academy. Eighty-eight of the newly appointed CEO's attended a one week orientation in February 2013.

(e) To enhance the production of doctors in South Africa, the intake of medical students by academic institutions is being scaled up rapidly. A Public Health Education Fund has been created, jointly with the private sector. A total of 23 private sector CEOs have pledged a total of R40 million. From this amount, R20 million will be utilised to support training of 100 medical students from disadvantaged backgrounds, who demonstrate potential, but who would otherwise not have been accepted into academic institutions. On completion of their medical training, the doctors will return to serve their areas of origin.

(f) During 2012, the NDoH produced draft Workload Indicators for Staffing Need (WISN) with technical support from the World Health Organisation (WHO). The outcomes of the WISN model will be used for the development of staffing norms which will be implemented in all health facilities.

(g) The eHealth strategy for the public health sector for 2012/13-2016/17 was approved by the Minister on the 09th July 2012. The eHealth Strategy provides the roadmap for achieving a well-functioning national health information system with the patient located at the centre. The Strategy also seeks to ensure that the Integrated National Patient-Based Information System will be based on agreed upon scientific standards for inter-operability, which improves the efficiency of clinical care, produces the indicators required by management, and facilitates patient mobility. The architecture of this system will also enable an interface with other transversal systems used in health sector. Such a system is also a critical enabling factor for the implementation of the NHI. The Department commissioned the Centre for Scientific and Industrial Research (CSIR) to produce a normative standards framework for health information systems used in South Africa. This will ensure that the health sector invests in information systems that comply with an approved set of norms and standards, are inter-operable with other systems, and can generate real time, good quality and comprehensive data.

(h) In May 2012, a commitment was given by the National Health Council to implement Campaign for the Accelerated Reduction in Maternal and Child Mortality in Africa (CARMMA).

Report of the Accounting Officer
for the year ended 31 March 2013

(i) A Strategic Plan for Maternal, New-born, Child and Women's Health (MNCWH) and Nutrition in South Africa 2012 to 2016 was launched and will employ priority health interventions for reducing maternal and child mortality as a service package for maternal, new-born, child and women's health, including community interventions that will be delivered using community caregivers.

(j) During the reporting period, a total of 1 902 infrastructure projects (contracts) were being implemented in the health sector. These were funded from three sources, namely; the Hospital Revitalisation Grant; Health Infrastructure Grants and the Provincial Equitable Share. The latter is managed by Provinces.

(k) To help accelerate the delivery of health infrastructure, the NDoH has introduced PMSU and Provincial Technical Assistance to address capacity in order to manage the delivery of infrastructure projects in provinces.

(l) The NDoH continued with the construction and rehabilitation of health facilities, to enhance patient experiences of health care delivery, and to improve health worker morale by providing a conductive working environment. During the reporting period, an additional four hospitals (Mamelodi, Chris Hani Baragwanath Phase1, Vryburg and Moses Kotane) were completed, which increased the number of hospitals completed through the Hospital Revitalisation Grant to 17. A new state-of-the-art facility, Khayelitsha Hospital, was also opened in the Western Cape Province in April 2012.

(m) Key milestones were also achieved towards the improvement of five tertiary hospitals through Public Private Partnership (PPP). These hospitals were registered with the National Treasury PPP unit. They were:
- Nelson Mandela Academic in the Eastern Cape
- Chris Hani Baragwanath in Gauteng
- Dr. George Mukhari in Gauteng
- King Edward the VIII in KwaZulu-Natal
- Limpopo Academic Hospital in Limpopo.

(n) A business plan for the revitalisation of nursing colleges was implemented.

1.4. Spending trends

Out of a total allocation for the year under review amounting to R28 057 203 billion, the Department spent R27 894 223 billion, which is 99.4% of the budget available. An amount of R162 980 million was under spent, resulting in a 0.6% under expenditure. The under expenditure is a significant decrease compared to the previous financial year, by 36 % in monetary terms.

The economic classifications which were under-spent were mainly Goods and Services and Capital. Goods and services (G&S) were under-spent mainly due to late commitments and deliveries. Capital expenditure was under-spent due to delayed deliveries of IT equipment.

Programme 1: Administration

The Administration programme conducts the overall management of the Department. Activities include policy-making by the offices of the Minister, Deputy Minister and Director-General, and the provision of centralised support services, including strategic planning, legal, financial, communication, and human resource services to the Department.

The programme shows an expenditure of R385 819 (95.9%), with an under expenditure of R16 615 million (4.1%), against a budget of R402 434 million.

The under expenditure on goods and services is related mainly to the earmarked funds for hospital tariffs system review, which could not be fully utilised. The 48% under-spending on capital can be ascribed to the suppliers not being able to deliver the ordered IT equipment before year end.

Programme 2: Heath Planning and Systems Enablement

The purpose of this programme is to improve access and quality of health services through planning, integration of health systems, reporting, monitoring and evaluation and research.

Five sub-programmes are allocated to this programme and are as follows:
- Technical Policy and Planning
- Health Information Management, Monitoring

Report of the Accounting Officer
for the year ended 31 March 2013

and Evaluation
- Sector Wide Procurement
- Health Financing and NHI
- International Health and Development

The programme shows an expenditure amounting to R293 286 (96,5%), with an under expenditure of R10 508 million (3,5%), against a budget of R303 794 million. The under expenditure is mainly attributed to slow spending on the NHI funding received.

Programme 3: HIV and AIDS, TB and Maternal, Child and Women's Health

The purpose of this programme is to coordinate, manage and fund HIV and AIDS, Tuberculosis (TB) and Maternal, Child and Women's Health programmes. The programme also develops and oversees implementation of policies, systems and norms and standards.

Three sub-programmes are allocated to the programme and are as follows:
- HIV and AIDS
- Maternal, Child and Women's Health
- Tuberculosis

From a total allocation of R9 230 346 billion, the programme has spent 99,3% of its allocated funds amounting to R9 165 474 billion, with an under expenditure of R64 872 million (0,7%).

Programme 4: Primary Health Care Services (PHC)

The purpose of this programme is to develop and implement a uniform District Health System. The programme also develops policy for district health services (PHC and district hospitals), identifies and promotes centres of excellence and supports planning, delivery and monitoring of these services.

Four sub-programmes are allocated to the programme and are as follows:
- District Services and Environmental Health
- Communicable Diseases
- Non–Communicable Diseases
- Health Promotion and Nutrition

The total allocation for the programme amounted to R113 842 million. The programme shows an expenditure outcome of R105 362 million, which is 92,6%, with an under expenditure of R8 480 million (7,4%). The under-spending relates to slow spending by the Cluster: Non-Communicable Diseases.

Programme 5: Hospitals, Tertiary Services and Workforce Development

The purpose of this programme is to develop policies, delivery models and clinical protocols for hospital and emergency medical services. The programme also ensures that Academic Medical Centres (AMCs) and health workforce development programs are aligned.

Five sub-programmes are allocated to the programme and are as follows:
- Health Facilities Infrastructure Management
- Tertiary Health Care Planning and Policy
- Hospital Management
- Nursing Services
- Human Resources for Health

The programme has spent R17 398 756 (99.9%) of its allocated funds, amounting to R17 423 129 billion, which resulted in an under expenditure of R24 373 million (0.1%).

Programme 6: Health Regulation and Compliance Management

The purpose of this programme is to regulate procurement of medicines and pharmaceutical supplies, including trade in health products, promotes accountability and compliance by regulatory bodies for effective governance and quality of health care.

The five sub-programmes are as follows:
- Food Control
- Public Entity Management
- Office of Standards Compliance
- Compensation Commissioner for Occupational Diseases
- Pharmaceutical Trade and Product Regulation

The programme has spent R545 526 million (93,5%) of its R583 658 million allocated funds, with an under expenditure of R38 132 million (6,5%). The under-spending can be attributed to the delays in the implementation of planned activities in the

Report of the Accounting Officer
for the year ended 31 March 2013

Office of Standards Compliance.

1.5. Virement

The following virements were affected during the financial year under review.

The Director-General granted approval for the virement of R35 million within the Compensation of Employees budget, R66,5 million within the Goods and Services budget and R1,124 million from Goods and Services to Transfers and Subsidies (leave gratuity pay-outs).

National Treasury approved the following new or increased transfers:

- 25 March 2013: A new transfer of R10,951 million to SANAC.
- 5 March 2013: New transfers for increased student intakes to the following institutions: Stellenbosch – R4 million, UCT – R4 million, Wits – R9 million, Medunsa – R4 million and Walter Sisulu – R4 million.
- 19 November 2012: Increase transfer of R5 million to MRC.
- 19 November 2012: A new transfer of R4,041 million to CSIR was approved.
- 19 November 2012: A new transfer of R7 million to SANHANES.
- 20 October 2012: A new transfer of R4,6 million to HISP.

2. Services rendered by the Department

2.1 Activities

The NDoH develops policies to regulate the public health sector to ensure that South Africa has a health service that meets international requirements and standards. The Department also renders a laboratory service to the public through its forensic laboratories. The Radiation Control Unit is responsible for inspections of radiation equipment ensuring that the industry complies with norms and standards.

2.2 Tariff Policy

The majority of revenue collected by the NDoH is derived from applications for registration of medicines, which falls under the Medicines Control Council (MCC). The balance originates from laboratory tests, which are being done by the three forensic laboratories in Pretoria, Johannesburg and Cape Town. These are under the control of the Department. These fees are reviewed regularly and recover cost.

2.3 Free Services

The Department does not provide any free services.

2.4 Inventories

The value of Inventories at year end was R9 million. Further reference must be made to Annexure 6 in the Annual Financial Statements for the detail of inventory at hand at year end.

3. Capacity Constraints

The NDoH, during 2012/3, introduced an Internship Programme to support the implementation of key strategies and plans namely:

- The Human Resources Strategy for the Health Sector;
- National Health Insurance (NHI); and
- Response to audit findings identified by the Auditor General

As a result, a total of 371 interns were recruited and placed across the country in the following Provincial Departments for a twelve calendar-month period, namely; Eastern Cape, Free State, Gauteng, KwaZulu-Natal, Limpopo, Northern Cape, North West and the National Department of Health, respectively. These placements were divided in accordance with the graduates' field of academic study on Information Technology, Human Resources and Financial Management.

The Interns were allocated with effect from 03 June 2012 at 7 Provincial Head offices and the Compensation Commission of Occupational Diseases (CCOD). Provincial Departments were requested to provide a deployment plan that will ensure the proper utilisation of Interns to address challenges within the three strategic areas mentioned above. Over and above this, training exposure from the NDoH and Provincial Departments of Health further provided on the job training for the Interns and also provided formal training related to the Public Service Transversal

Report of the Accounting Officer
for the year ended 31 March 2013

Systems such as PERSAL and BAS.

The National Department's Human Resources Plan (HRP) for 2012 – 2014 was approved and filed with the Department of Public and Service Administration on March 2013. This Corporate HR Plan will be used as a vehicle to steer the Department in ensuring that it is adequately resourced in order to deliver on its mandate. The departmental HR Planning Strategic objectives are as follows:

- **Priority 1**: To manage the re-engineering of business processes and systems in the department.
- **Priority 2**: To strengthening of the organisational structure and evaluation of staff utilisation in the Department.
- **Priority 3**: To strengthening the capacity of employees in the Department through Human Resource development initiatives.
- **Priority 4**: To enhance employee health and wellness in the workplace.
- **Priority 5**: To enforce the implementation and compliance of PMDS in the Department.
- **Priority 6**: To Implement HR Strategic Planning and Reporting.

The departmental HR Planning Strategic objectives are aligned to the strategic outputs of the NSDA; particularly output 4: "Strengthening Health System effectiveness" and the 10-Point Plan. None of these strategic objectives would be achieved if human resources are not used optimally, as indicated below:

- The re-engineering of business processes will ensure that the most effective means are used to execute tasks thus ensuring efficiencies;

- The evaluation of staff utilisation will determine whether the organisational structure is adequate to support service delivery and will assist in determining whether or not employees competencies are in line with their job functions ("matching and placing");

- Ensuring that an effective employee health and wellness programme is in place will contribute to productivity enhancement as a healthy work-force is a productive work-force.

- In identifying key talent management and retention strategies the Department will ensure that critical human resources are continuously re-trained/developed in their areas of specialisation in order for them to have sufficient relevant insight so as to support the achievement of the departmental objectives.

- The implementation and compliance of PMDS will ensure that good performance is rewarded while allowing for poor performance to be identified and managed promptly.

During this reporting period the department worked tirelessly in ensuring that vacant posts are filled. To this end a vacancy rate of 6.7% was achieved by the end of March 2013. Out of the total allocation of R486 551 million for Compensation of Employees (CoE), the Department spent 99,1% of its CoE budget, resulting in an under-expenditure of R4,296 million.

4. Utilisation of Donor Funds

The development partners and organisations continue to support the country and in particular the health sector, in achieving its set goals and objectives, through the Official Development Assistance (ODA).The funds are deposited in the Government Fund and are drawn by the Department to implement agreed projects and programmes. Cash given during the year, amounted to R935 544 million for various projects. The expenditure amounted to R420 755 million. Funds are being received from the European Union for the Primary Health Care Sector Support Programme, Belgium for TB and HIV and STI prevention and Capacity building in human resource; the Global Fund for TB and AIDS and Malaria prevention; CDC (USA) for HIV and AIDS activities; Canada CIDA and Human Resource, Denmark Urban Environmental Management, USAID HIV and AIDS.

5. Trading Entities and Public Entities

Medical Schemes Council
The Council for Medical Schemes regulates medical schemes established in terms of the Medical Schemes Act, 1998 (Act No. 131 of 1998). The council's vision is to be a custodian of equitable access to medical schemes in order to support the improvement of universal access to health care.

Report of the Accounting Officer
for the year ended 31 March 2013

The Council sources its revenue through levies and fees from medical schemes, administrators, brokers and managed care organisations. Council receives a mandatory grant from HWSETA in accordance with the Skills Development Act, 1999 (Act No.1 of 1999) and the Department's vote amounted to R4 310 million in 2012/13.

South African National AIDS Council Trust (SANACT)
After many years of being dormant the SANAC Trust is now active with the appointment of a new CEO in February 2012. One hundred percent of the R15 million budgeted in the period under review has been spent. As this has been a transition year, R4049 million was expensed by the Department on behalf of the Trust. The remaining amount ofR10951 million has been approved by Treasury for transfer to the Trust account. Due to delays in the transfer process, at the end of the financial year an application had to be made to Treasury to rollover these funds. Treasury approval is being awaited. The SANAC Trust is being independently audited by the Auditor General for the period under review

Trading Entity

Mines and Works Compensation Fund
The Compensation Commissioner for Occupational Diseases (CCOD) is responsible for the payment of benefits to workers and ex-workers in controlled mines and works who have been certified to be suffering from cardio-pulmonary diseases because of work exposures. The Mines and Works Compensation Fund derives its funding from levies collected from controlled mines and works. The Fund comprises four accounts viz., the Mine's Account, the Works Account, the Research Account and the State Account and also gets appropriations from Parliament. Payments to beneficiaries are made in terms of the Occupational Diseases in Mines and Works Act (78 of 1973).

The CCOD prepares and produces a separate Annual Financial Statement and an Annual Report due to its status as a Trading Entity. The expenditure incurred by the Department covers both the CCOD and the Medical Bureau for Occupational Diseases (MBOD), which conducts the clinical examinations, reviews clinical and post-mortem assessments and certifies workers and ex-workers for benefit payments. The expenditure for the administration of the CCOD and the MBOD amounted to R43m in the 2012/13 financial year

6. Organisations to whom transfer payments have been made

Ninety-five percent (95%) of the budget of the National Department of Health consists of transfer payments made to third parties. These can be classifies as follows –

Conditional Grants: These grants transfer the major Conditional Grants to Provinces to fund specific functions as follows;

-National Tertiary Services: R8,878 billion
-Health Professions Training & Development: R2,075 billion
-Hospital Revitalisation: R4,289 billion
-Health Infrastructure: R1,801 billion
-Comprehensive HIV and AIDS Plan: R8,763 billion
-National Health Insurance: R150 million
-Africa Cup of Nations: R15 million
-Nursing colleges and schools: R100 million

These funds flow to Provincial Health Departments, from where spending takes place, on items as contained in a pre-approved business plan by both Provincial and National Accounting Officers. More details of the transfers per Province are contained in the disclosure notes and annexure of the financial statements.

There are no transfers of Conditional Grants by the NDoH to municipalities and the Department can certify that all Conditional Grant funding, which was transferred, was in fact transferred into the primary bank account of the Province concerned.

In terms of the Division of Revenue Act and the relevant framework, the performance of Provinces was monitored by the Department through periodic prescribed reports. These reports were submitted by the Provinces and the NDoH also conducted visits for verification, support and intervention purposes, as well as ensuring that transferred funds are utilised for intended purposes.

Where non-compliance occurred in terms of the Act, it was rectified by means of discussion and in

Report of the Accounting Officer
for the year ended 31 March 2013

some cases delaying transfers.

Public Entities– transfers are made to the public entities under the auspices of the National Department of Health and have been listed earlier in the report.

Non-Government Organisations (NGO's) – NGO's range from national NGO's that are delivering health services, and cover diverse institutions from LoveLife to Soul City to a range of smaller NGO's who are active in the field of HIV and AIDS. Details of the institutes funded can be found in ***Annexure 1 D*** of the Annual Financial Statements.

7. Public Private Partnerships (PPP)

The PPP hospital flagship projects (Chris Hani Baragwanath Academic, Dr G Mukhari Academic, New Limpopo Academic, King Edward VIII and Nelson Mandela Academic hospitals) are at various stages of feasibility studies, with Chris Hani Baragwanath Academic and the New Limpopo Academic hospitals being at the most advanced phases. Two other hospitals were added to the programme, a tertiary hospital for Mpumalanga and Tygerberg Hospital in the Western Cape.

The PPP agreement with the Biovac Institute is still in effect until 2016. The agreement mandates the institute to source and supply EPI vaccines of good quality, at competitive prices, to the Provincial Health Departments.

8. Corporate Governance Arrangements

The Department has a Risk Management Unit which is currently in the Internal Audit Directorate for assistance with it's establishment and sustainability. A subcommittee of the Audit Committee has been established to look exclusively at the Risk Management processes. The risk assessment is conducted annually, and the risk register is updated accordingly. The Department has also made progress in establishing proper capacity. Positions for a Chief Directorate Internal Audit and Risk Management has been advertised and appointments at operational level were done. In addition to this, the Department has engaged National Treasury and subsequently a secondee from the Treasury has been actively supporting the Department.

The Department has adopted a risk policy, plan and strategy which include a Fraud Prevention Plan. Fraud awareness campaigns are conducted through a series of workshops with units in the Department to institutionalise risk management and to instil a fraud prevention culture.

The department has a fully functional Internal Audit Unit which coordinates its efforts with other assurance providers. The unit performs audits in terms of its approved audit plan and reports functionally to the Audit Committee and administratively to the Accounting Officer.

The Audit Committee has been active with the appointment of the new committee members during 2012/13. It has established two sub committees for Risk Management and Performance Management. These committees meet quarterly or as the need arise.

9. Discontinued activities/activities to be discontinued

No activities were discontinued during the year under review.

10. New / proposed activities

None.

11. Asset management

The Department has progressed from a Qualified audit for 2010/11 to an Unqualified audit for 2011/12. All efforts have been put in place to maintain this audit outcome, including the use of a formal asset management plan. Reconciliations, Disclosure Notes and Asset Registers are maintained on a daily basis and there is great success in maintaining this throughout the year with Asset Registers, Disclosure Notes, Trail Balance and Recons balancing throughout the year. Additional targets this year included, in addition to achieving an Unqualified audit again, Annual Verification, Departmental Asset Management Policy, Intangible assets and the Donor funded Asset Registers. The Policy has been applied in particular to addressing asset definition and the resultant clearing out of many assets which do not fall within the parameters. Application of this policy also enabled the separation of assets less

Report of the Accounting Officer
for the year ended 31 March 2013

than R5000. Intangible assets underwent a full review and now reflect true value. Donor funded asset registers are in the process of receiving a full review and should be complete. Annual verification remains a challenge and this should improve substantially next year due to the large reduction of the asset register size; this reduction is due to policy application as well as a substantial number of authorised disposals and transfers. The number of assets has been reduced by over 30%.

12. Events after the reporting date

None to report.

13. Performance information

The on-going interventions aimed at addressing the findings of the 2011/12 audit of performance information include the following:

- Implementation of the electronic Tool (eTool) of the District Health information System (DHIS) across Provinces. This started in the 20 facilities which were audited in 2011/12 but number of facilities has increased to about 120 facilities. It is planned that the eTool will be roll-out over a three year period. The daily capturing using e-tool is aimed to:-

(a) Reduce manual steps in the data collection process;
(b) Ensure daily data capturing of data from registers- as opposed to monthly capturing; and
(c) Ensure consistency between data from different source systems.

- Finalisation, printing and distribution the Standard Operating Procedures (SOPs): Facility Level for the DHMIS Policy. The Facility Level SOPs were approved in November 2012. These SOPs outline the roles and responsibilities of facility level personnel with regard to data management within facilities. Training of district and sub-district personnel on these SOPs was conducted in February 2013. The draft SOPs for data management at district, provincial and national levels are being finalised.
- Revision of the National Indicator Data Set (NIDS) 2013/14-2014/15 was completed and final revised NIDS approved. The revised NIDS includes certain validation rules at the level of indicator and data elements definitions.
- Development of the new password functionalities in DHIS 1.4.1.1 to provide the ability to password protect data elements, indicators and validation rules to prevent users without specific password to change their set-up. This version was to be rolled out for implementation with the revised NIDS.
- Finalisation, distribution and training on SOPs for TIER.Net system for monitoring the provision of Antiretroviral Therapy (ART). These SOPs were approved in the March 2013. Training was done in February 2013.
- All new registers for National DoH and Provincial DoHs from 2013 onwards will be pre-numbered. However, provinces have indicated that the pre-numbering data collection tools are prohibitive.
- An action oriented research project was initiated to explore the rationalisation of registers and make recommendations.
- A total of 16 four to five day training workshops were conducted in eight provinces to train districts and sub-district level personnel on the revised NIDS, new DHIS functionalities and aforementioned SOPS. Further training is planned for the 2012/13.
- All provinces have formulated plans to address the findings of the 2011/12 audit of Performance Information and various strategies to improve the quality of performance Information is discussed at the regular meetings of the National Health Information Systems Committee of South Africa (NHISSA).

14. SCOPA resolutions

The department appeared at the Select Committee on Public Account but has not received any SCOPA resolutions yet for the 2011/12 financial year. Prior year resolutions have been dealt with.

15. Prior modifications to audit reports

None.

16. Exemptions and deviations received from the National Treasury

None received.

Report of the Accounting Officer
for the year ended 31 March 2013

17. Other

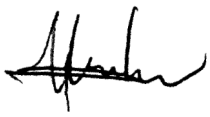
None received.

18. Acknowledgements

I wish to express my appreciation to the Minister of Health, the Deputy Minister, as well as all members of staff for their hard work, loyalty and commitment in pursuing the objectives of National Department of Health.

19. Approval

The Annual Financial Statements set out on pages 141 to 226 have been approved by the Accounting Officer.



MS. M.P. MATSOSO
Director-General
31 July 2013

Accounting Officer's Statement of Responsibilty
for the year ended 31 March 2013

ACCOUNTING OFFICER'S STATEMENT OF RESPONSIBILITY FOR THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

The Accounting Officer is responsible for the preparation of the Department's Annual Financial Statements (AFS) and for the judgements made in this information.

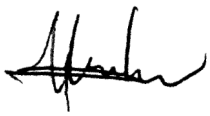
The Accounting Officer is responsible for establishing, and implementing a system of internal control designed to provide reasonable assurance as to the integrity and reliability of the Annual Financial Statements.

In my opinion, the Financial Statements fairly reflects the operations of the Department for the financial year ended 31 March 2013.

The external auditors are engaged to express an independent opinion on the AFS of the Department.

The National Department of Health's AFS for the year ended 31 March 2013 have been examined by the external auditors and their report is presented on page 158.

The Annual Financial Statements of the Department set out on page 141 to page 226 have been approved.



MS M.P. MATSOSO
Accounting Officer
National Department Of Health
Date: 31 July 2013

Report of the Auditor General
for the year ended 31 March 2013

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON VOTE NO.16: NATIONAL DEPARTMENT OF HEALTH
REPORT ON THE FINANCIAL STATEMENTS

1. Introduction

I have audited the financial statements of the National Department of Health set out on pages 141 to 204, which comprise the appropriation statement, the statement of financial position as at 31 March 2013, the statement of financial performance, statement of changes in net assets and the cash flow statement for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation 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), Division of Revenue Act of South Africa, 2012 (Act No. 5 of 2012) (DORA) and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-General's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the *General Notice* issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the National Department of Health as at 31 March 2013, 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.

Additional matters

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

Unaudited supplementary schedules

8. The supplementary information set out in Annexures 1A to 6B on pages 205 to 226 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

9. The financial reporting framework prescribed by the National Treasury and applied by the department is a compliance framework. The wording of my opinion on a compliance framework should reflect that the financial statements have been prepared in accordance with this framework and not that they "present fairly". Section 20 (2) (a) of the PAA, however, requires me to express an opinion on

Report of the Auditor General
for the year ended 31 March 2013

the fair presentation of the financial statements. The wording of my opinion therefore reflects this requirement.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

10. In accordance with the PAA and the *General Notice* issued in terms thereof, I report the following findings relevant to performance against predetermined objectives, compliance with laws and regulations and internal control, but not for the purpose of expressing an opinion.

Predetermined objectives

Introduction

11. I performed procedures to obtain evidence about the usefulness and reliability of the information in the NDoH's annual performance report as set out on pages 38 to 42 pertaining to Programme 3 and pages 55 to 57 pertaining to Programme 5 of the annual report.

12. The reported performance against predetermined objectives was evaluated against the overall criteria of usefulness and reliability. The usefulness of information in the annual performance report relates to whether it is presented in accordance with the National Treasury's annual reporting principles and whether the reported performance is consistent with the planned objectives. The usefulness of information further relates to whether indicators and targets are measurable (i.e. well defined, verifiable, specific, measurable and time bound) and relevant as required by the National Treasury *Framework for managing programme performance information.*

    The reliability of the information in respect of the selected programmes is assessed to determine whether it adequately reflects the facts (i.e. whether it is valid, accurate and complete).

13. The material findings are as follows:

Usefulness of information

Presentation

Reasons for variances not supported by reliable information

14. The National Treasury *Guide for the preparation of the annual report* requires that explanations for variances between the planned and reported (actual) targets should be provided in all instances and should also be supported by adequate and reliable corroborating evidence.

15. I was unable to obtain sufficient appropriate audit evidence relating to the reliability of selected indicators in programme 3 (Refer to reasons in paragraph 17). Consequently, I could not obtain sufficient appropriate audit evidence to satisfy myself as to the reliability of the reasons for major variances for this programme.

Reliability of information

Programme 3 - HIV and AIDS, TB and Maternal, Child and Women's Health

16. The material findings on the reliability of information are as follows:

Reported indicators not supported by sufficient appropriate evidence

17. Although the department has approved policies and procedures to support the identifying, collecting, collating, verifying and storing of information, these policies and procedures are in the process of being implemented at facilities that fall under the control of the provincial departments of health. As a result of the control processes not being fully implemented at provincial facilities, the manual registers supporting the totals recorded in the information systems of the department did not agree to the amounts reported in the annual performance report.

18. The scope of the audit was further limited by management to the inspection of manual registers as we were not allowed access to the primary source information. In respect of thirteen indicators selected for programme 3, tested at 20 facilities at provincial level, the manual registers supporting the totals recorded in the information systems of the department did not agree to amounts reported. Due to the inadequate control processes and limitations placed on the audit, it was also not possible to perform alternative audit procedures to acquire assurance regarding the validity, accuracy and completeness of the reported performance information.

Report of the Auditor General
for the year ended 31 March 2013

19. For three indicators selected relating to programme 3, I was unable to obtain sufficient, appropriate audit evidence to satisfy myself that actual reported performance is valid, accurate and complete. This was primarily due to the lack of a properly documented management system.

Programme 5 - Hospitals, Tertiary Services and Workforce Development

20. There were no material findings on the annual performance report concerning the reliability of information for Programme 5 – Hospitals, Tertiary Services and Workforce development.

Additional matter

21. I draw attention to the matter below. This matter does not have an impact on the predetermined objectives audit findings reported above.

Material adjustments to the annual performance report

22. Material audit adjustments in the annual performance report were identified during the audit, all of which were corrected by management.

Compliance with laws and regulations

23. I performed procedures to obtain evidence that the entity has complied with applicable laws and regulations regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key applicable laws and regulations as set out in the *General Notice* issued in terms of the PAA are as follows:

Annual financial statements, annual and performance reports

24. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework in certain instances as required by section 40(1) (b) of the PFMA. Material misstatements in the submitted financial statements were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.

Strategic planning and performance management

25. The department is in the process of implementing policies and procedures relating to performance management. Due to internal controls not being fully implemented the department did not have and maintain an effective and efficient system of internal control regarding performance management, which described and represented how the department's processes of performance monitoring, measurement, review and reporting were conducted, organised and managed, as required by section 38(1) (a) (i) of the PFMA for the period under review.

Conditional grants

26. The expenditure and non-financial information were not adequately monitored for the programmes funded by the Health Infrastructure grant, the Health Professions Training and Development grant, the National Tertiary Services grant, the 2013 Africa Cup of Nations: Medical Services grant, the HIV and AIDS grant, the Hospital Revitalisation grant, the Nursing Colleges and Schools grant and the National Health Insurance grant in accordance with the frameworks for the allocations, as required by sections 9 (1) (b) and 10 (5) of the Division of Revenue Act.

27. Quarterly performance reports were not submitted within 45 days after the end of each quarter to the National Treasury, as required by sections 9 (1) (d) and 10 (7) of the Division of Revenue Act in respect of the Health Infrastructure grant, the Health Professions Training and Development grant, the National Tertiary Services grant, the HIV and AIDS grant, the National Health Insurance grant, the Hospital Revitalisation grant and the Nursing Colleges and Schools grant.

28. Service level agreements for utilisation of the 2013 Africa Cup of Nations: Medical Services grant allocation made to Eastern Cape, Mpumalanga and North-West provincial departments of health were not received and approved in accordance with the framework on the allocation and section 10 (1)(c) of the Division of Revenue Act.

Report of the Auditor General
for the year ended 31 March 2013

29. Business plans for utilisation of the HIV and AIDS grant allocation made to all provincial departments of health were not approved prior to the start of the financial year, as required by section 10 (1) (a) of the Division of Revenue Act.

Procurement and contract management

30. Nine (2012: Eleven) employees of the department performed remunerative work outside their employment in the department without written permission from the relevant authority as required by section 30 of the Public Service Act.

Human resource management and compensation

31. The accounting officer did not ensure that annual leave taken by employees were recorded in a timely manner thereby ensuring that all leave is accounted for accurately and in full as required by Public Service Regulation 1/V/F (b).

Internal control

32. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with laws and regulations. The matters reported below under the fundamentals of internal control are limited to the significant deficiencies that resulted in the basis for the findings on the annual performance report and the findings on compliance with laws and regulations included in this report.

Leadership

33. The accounting officer has developed and approved policies and procedures for the reporting of performance information where information is derived from provincial departments of health. The provincial departments are in the process of implementing these policies and procedures.

Financial and performance management

34. Management did not adequately implement internal controls designed to effectively monitor conditional grants.

OTHER REPORTS

Investigations

35. An investigation into a contract for the acquisition of an Oracle HR system is currently in progress.

Aid assistance

36. An audit was performed on the aid assistance received by the department in respect of the Global Funds Grant: Strengthening National and Provincial Capacity for Prevention, Treatment, Care and Support Related to HIV and Tuberculosis for the year ended 31 March 2012. The audit is in the process of being finalised.

An audit was performed on the aid assistance received by the department in respect of the Global Funds Grant: Expanding Services and Strengthening Systems for the Implementation of the Comprehensive Plan for HIV and AIDS in South Africa for the year ended 31 March 2012. The audit is in the process of being finalised.

An audit was performed on the aid assistance received by the department in respect of the Global Funds Grant: To leverage partnerships to achieve the goals of South Africa's HIV and AIDS and STI National Strategic Plan 2007 – 2011 for the year ended 31 March 2012. The audit was finalised in June 2013.

Pretoria
31 July 2013

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Vote 16
Appropriation Statement
for the year ended 31 March 2013

Appropriation per programme									
	2012/13							2011/12	
APPROPRIATION STATEMENT	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. ADMINISTRATION									
Current payment	389 525	-	(500)	389 025	379 609	9 416	97,6%	332 642	316 824
Transfers and subsidies	479	-	190	669	666	3	99,6%	4 707	4 609
Payment for capital assets	13 340	-	(600)	12 740	5 515	7 225	43,3%	9 913	6 566
Payment for financial assets	-	-	-	-	4 688	(4 688)		-	308
	403 344	**-**	**(910)**	**402 434**	**390 478**	**11 956**		**347 262**	**328 307**
2. HEALTH PLANNING AND SYSTEMS ENABLEMENT									
Current payment	162 868	-	(25 641)	137 227	127 562	9 665	93,0%	166 131	152 592
Transfers and subsidies	150 462	-	13 914	164 376	164 381	(5)	100,0%	9 287	8 686
Payment for capital assets	2 191	-	-	2 191	1 161	1 030	53.0%	1 895	673
Payment for financial assets	-	-	-	-	182	(182)		-	3
	315 521	**-**	**(11 727)**	**303 794**	**293 286**	**10 508**		**177 313**	**161 954**
3. HIV & AIDS, TB & MATERNAL, CHILD & WOMEN'S HEALTH									
Current payment	327 114	-	(65 201)	261 913	216 034	45 879	82,5%	340 307	257 031
Transfers and subsidies	8 948 982	-	17 999	8 966 981	8 948 442	18 539	99,8%	7 673 185	7 667 790
Payment for capital assets	1 452	-	-	1 452	944	508	65,0%	1 250	791
Payment for financial assets	-	-	-	-	54	(54)		-	1 519
	9 277 548	**-**	**(47 202)**	**9 230 346**	**9 165 474**	**64 872**		**8 014 742**	**7 927 131**

Appropriation per programme									
	2012/13							2011/12	
APPROPRIATION STATEMENT	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. PRIMARY HEALTH CARE SERVICES									
Current payment	114 917	-	(6 445)	108 472	100 631	7 841	92,8%	148 560	129 818
Transfers and subsidies	2 764	-	1 347	4 111	3 531	580	85,9%	593 522	592 383
Payment for capital assets	1 259	-	-	1 259	514	745	40,8%	19 621	19 268
Payment for financial assets	-	-	-	-	686	(686)		-	14
	118 940	**-**	**(5 098)**	**113 842**	**105 362**	**8 480**		**761 703**	**741 483**
5. HOSPITAL, TERTIARY SERVICES & WORKFORCE DEVELOPMENT									
Current payment	182 957	-	40 200	223 157	206 389	16 768	92,5%	184 757	97 286
Transfers and subsidies	17 160 962	-	25 059	17 186 021	17 181 217	4 804	100,0%	15 959 463	15 958 663
Payment for capital assets	13 951	-	-	13 951	11 136	2 815	79,8%	930	147
Payment for financial assets	-	-	-	-	14	(14)		-	-
	17 357 870	**-**	**65 259**	**17 423 129**	**17 398 756**	**24 373**		**16 145 150**	**16 056 096**
6. HEALTH REGULATION AND COMPLIANCE MANAGEMENT									
Current payment	196 561	-	(1 474)	195 087	159 864	35 223	81,9%	153 185	129 884
Transfers and subsidies	383 981	-	552	384 533	384 530	3	100,0%	366 710	366 710
Payment for capital assets	3 438	-	600	4 038	1 101	2 937	27,3%	1 906	1 275
Payment for financial assets	-	-	-	-	31	(31)		-	2
	583 980	**-**	**(322)**	**583 658**	**545 526**	**38 132**		**521 801**	**497 871**
TOTAL	**28 057 203**	**-**	**-**	**28 057 203**	**27 898 882**	**158 321**	**99,4%**	**25 967 971**	**25 712 842**

Vote 16
Appropriation Statement
for the year ended 31 March 2013

	2012/13		2011/12	
	Final Appropriation	Actual Expenditure	Final Appropriation	Actual Expenditure
TOTAL (brought forward)	**28 057 203**	**27 898 882**	**25 967 971**	**25 712 842**
Reconciliation with statement of financial performance				
ADD				
Departmental receipts	33 830		55 300	
Aid assistance	937 690		529 638	
Actual amounts per statement of financial performance (total revenue)	**29 028 723**		**26 552 909**	
ADD				
Aid assistance		422 748		111 861
Actual amounts per statement of financial performance (total expenditure)		**28 321 630**		**25 824 703**

Vote 16
Appropriation Statement
for the year ended 31 March 2013

Appropriation per economic classification									
	2012/13							2011/12	
	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	486 551	-	-	486 551	482 255	4 296	99,1%	425 168	409 701
Goods and services	887 391	-	(59 061)	828 330	707 834	120 496	85,5%	900 414	673 734
Transfers and subsidies									
Provinces and municipalities	26 072 610	-	-	26 072 610	26 071 682	928	100,0%	24 034 782	24 034 782
Departmental agencies and accounts	376 670	-	26 992	403 662	392 711	10 951	97,3%	367 022	367 022
Universities and technikons	3 000	-	25 000	28 000	21 000	7 000	75,0%	14 533	12 762
Public corporations and private enterprises	40	-	-	40	40	-	100,0%	-	-
Non-profit institutions	195 310	-	5 945	201 255	196 213	5 042	97,5%	185 426	179 264
Households	-	-	1 124	1 124	1 121	3	99,7%	5 111	5 011
Gifts and Donations	-	-	-	-	-	-		-	-
Payments for capital assets									
Buildings & other fixed structures	-	-	15	15	-	15	-	-	-
Machinery & equipment	35 631	-	(3 557)	32 074	20 371	11 703	63.5%	35 381	28 587
Software and other intangible assets	-	-	3 542	3 542	0	3 542	-	134	133
Payments for financial assets	-	-	-	-	5 655	(5 655)		-	1 846
Total	**28 057 203**	**-**	**-**	**28 057 203**	**27 898 882**	**158 321**	**99,4%**	**25 967 971**	**25 712 842**

Detail per Programme 1 - Administration

Detail per sub-programme	2012/13 Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	2011/12 Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1.1 MINISTRY									
Current payment	27 277	-	(800)	26 477	25 462	1 015	96,2%	26 404	27 099
Transfers and subsidies	-	-	7	7	6	1	85,7%	-	-
Payment for capital assets	349	-	-	349	78	271	22,3%	334	178
Payment for financial assets	-	-	-	-	1	(1)		-	2
1.2 MANAGEMENT									
Current payment	41 080	-	(9 300)	31 780	29 547	2 233	93,0%	35 079	27 353
Transfers and subsidies	-	-	79	79	79	-	100,0%	4 000	3 903
Payment for capital assets	928	470	-	1 398	941	457	67,3%	888	209
Payment for financial assets	-	-	-	-	-	-		-	-
1.3 CORPORATE SERVICES									
Current payment	156 096	-	2 000	158 096	153 210	4 886	96.9%	140 813	138 319
Transfers and subsidies	479	-	104	583	581	2	99,7%	704	704
Payment for capital assets	11 003	-	(600)	10 403	4 263	6 140	41%	8 277	6 006
Payment for financial assets	-	-	-	-	27	(27)		-	286
1.4 OFFICE ACCOMMODATION									
Current payment	89 526	-	4 000	93 526	92 978	548	99,4%	88 662	92 082
1.5 FINANCIAL MANAGEMENT									
Current payment	75 546	-	3 600	79 146	78 412	734	99,1%	41 684	31 971
Transfers and subsidies	-	-	-	-	-	-	-	3	2
Payment for capital assets	1 060	(470)	-	590	233	357	39,5%	414	173
Payment for financial assets	-	-	-	-	4 660	(4 660)	-	-	20
Total	**403 344**	**-**	**(910)**	**402 434**	**390 478**	**11 956**	**97%**	**347 262**	**328 307**

Vote 16
Appropriation Statement
for the year ended 31 March 2013

	2012/13							2011/12	
Programme 1 per Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	140 382	-	4 500	144 882	144 167	715	99,5%	123 366	120 554
Goods and services	249 143	-	(5 000)	244 143	235 442	8 701	96,4%	209 276	196 270
Transfers and subsidies to:									
Departmental agencies & accounts	479	-	-	479	479	-	100,0%	424	424
Households	-	-	190	190	187	3	98,4%	4 283	4 185
Payment for capital assets									
Machinery and equipment	13 340	-	(4 100)	9 240	5 515	3 725	59,7%	9 852	6 505
Software and other intangible assets	-	-	3 500	3 500	-	3 500		61	61
Payment for financial assets					4 688	(4 688)		-	308
Total	**403 344**	**-**	**(910)**	**402 434**	**390 478**	**11 956**	**97,0%**	**347 262**	**328 307**

Detail per Programme 2– Health Planning & Systems Enablement

Detail per sub-programme	2012/13 Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	2011/12 Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
2.1 TECHNICAL POLICY AND PLANNING									
Current payment	14 873	-	(2 500)	12 373	12 248	125	99,0%	6 025	2 552
Transfers and subsidies	-	-	9	9	15	(6)	166,7%	-	-
Payment for financial assets	-	-	-	-	136	(136)		-	-
2.2 HEALTH INFORMATION MANAGEMENT, MONITORING AND EVALUATION									
Current payment	42 374	-	(14 241)	28 133	27 237	896	96,8%	44 411	43 974
Transfers and subsidies	462	-	13 677	14 139	14 139	-	100,0%	9 255	8 655
Payment for capital assets	804	-	-	804	315	489	39,2%	518	145
Payment for financial assets	-	-	-	-	30	(30)		-	-
2.3 SECTOR WIDE PROCUREMENT									
Current payment	20 883	-	(1 000)	19 883	19 274	609	96,9%	15 138	15 426
Transfers and subsidies	-	-	216	216	215	1	99,5%	32	31
Payment for capital assets	355	-	-	355	339	16	95,5%	496	110
Payment for financial assets	-	-	-	-	10	(10)		-	3
2.4 HEALTH FINANCING AND NHI									
Current payment	31 766	-	(9 200)	22 566	16 159	6 407	71,6%	48 995	39 576
Transfers and subsidies	150 000	-	12	150 012	150 012	-	100,0%	-	-
Payment for capital assets	378	-	-	378	200	178	52,9%	360	230
Payment for financial assets	-	-	-	-	6	(6)		-	-
2.5 INTERNATIONAL HEALTH AND DEVELOPMENT									
Current payment	52 972	-	1 300	54 272	52 644	1 628	97,0%	51 562	51 064
Payment for capital assets	654	-	-	654	307	347	46,9%	521	188
Total	**315 521**	**-**	**(11 727)**	**303 794**	**293 286**	**10 508**	**96,5%**	**177 313**	**161 954**

Vote 16
Appropriation Statement
for the year ended 31 March 2013

	2012/13							2011/12	
Programme 2 per Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	75 867	-	(1 500)	74 367	73 943	424	99,4%	61 495	55 415
Goods and services	87 001	-	(24 141)	62 860	53 619	9 241	85,3%	104 636	97 177
Transfers and subsidies to:									
Provinces & municipalities	150 000	-	-	150 000	150 000	-	100,0%	-	-
Departmental agencies & accounts	462	-	9 041	9 503	9 503	-	100,0%	6 255	6 255
Non-profit institutions	-	-	4 600	4 600	4 600	-	100,0%	3 000	2 400
Households	-	-	273	273	278	(5)	101,8%	32	31
Payment for capital assets									
Machinery and equipment	2 191	-	(42)	2 149	1 161	988	54%	1 837	616
Software and other intangible assets	-	-	42	42	-	42	0%	58	57
Payment for financial assets	-	-	-	-	182	(182)		-	3
Total	**315 521**	**-**	**(11 727)**	**303 794**	**293 286**	**10 508**	**96,5%**	**177 313**	**161 954**

Vote 16
Appropriation Statement
for the year ended 31 March 2013

Detail per Programme 3 – HIV & AIDS, TB & MATERNAL, CHILD AND WOMEN'S HEALTH

Detail per sub-programme	2012/13							2011/12	
	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 HIV AND AIDS									
Current payment	269 178	-	(54 401)	214 777	178 879	35 898	83,3%	277 579	195 775
Transfers and subsidies	8 948 942	-	17 999	8 966 941	8 948 402	18 539	99,8%	7 672 373	7 667 384
Payment for capital assets	785	-	-	785	601	184	76,6%	599	456
Payment for financial assets	-	-	-	-	54	(54)		-	1 519
3.1 TUBERCULOSIS									
Current payment	25 536	-	(5 200)	20 336	13 240	7 096	65,1%	17 773	16 516
Payment for capital assets	174	-	-	174	186	(12)	106,9%	181	68
3.2 MATERNAL, CHILD & WOMEN'S HEALTH									
Current payment	32 400	-	(5 600)	26 800	23 915	2 885	89,2%	44 955	44 740
Transfers and subsidies	40	-	-	40	40	-	100,0%	812	406
Payment for capital assets	493	-	-	493	157	336	31,8%	470	267
Total	**9 277 548**	**-**	**(47 202)**	**9 230 346**	**9 165 474**	**64 872**	**99,3%**	**8 014 742**	**7 927 131**

Vote 16
Appropriation Statement
for the year ended 31 March 2013

	2012/13							2011/12	
Programme 3 per Economic classification	**Adjusted Appropriation**	**Shifting of Funds**	**Virement**	**Final Appropriation**	**Actual Expenditure**	**Variance**	**Expenditure as % of final appropriation**	**Final Appropriation**	**Actual expenditure**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payments									
Compensation of employees	58 789	-	(750)	58 039	57 532	507	99,1%	57 690	52 135
Goods and services	268 325	-	(64 451)	203 874	158 502	45 372	77,7%	282 617	204 896
Transfers and subsidies to:									
Provinces and municipalities	8 762 848	-	-	8 762 848	8 762 848	-	100,0%	7 492 962	7 492 962
Departmental agencies & accounts	-	-	17 951	17 951	7 000	10 951	39,0%	-	-
Universities and technikons	3 000	-	-	3 000	-	3 000		6 533	5 562
Public corporations & private enterprises	40	-	-	40	40		100,0%	-	-
Non-profit institutions	183 094	-	-	183 094	178 506	4 588	97,5%	173 687	169 264
Households	-	-	48	48	48	-	100,0%	3	2
Payment for capital assets									
Machinery and equipment	1 452	-	-	1 452	944	508	65,0%	1 235	776
Software and other intangible assets	-	-	-	-	-	-	-	15	15
Payment for financial assets	-	-	-	-	54	(54)		-	1 519
Total	**9 277 548**	**-**	**(47 202)**	**9 230 346**	**9 165 474**	**64 872**	**99,3%**	**8 014 742**	**7 927 131**

Detail per Programme 4 – Primary Health Care Services

Detail per sub-programme	2012/13 Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	2011/12 Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
4.1 DISTRICT SERVICES AND ENVIRONMENTAL HEALTH									
Current payment	22 112	-	2 955	25 067	23 904	1 163	95,4%	51 274	44 950
Transfers and subsidies	-	-	847	847	846	1	99,9%	101	-
Payment for capital assets	311	-	-	311	99	212	31,8%	296	46
Payment for financial assets	-	-	-	-	83	(83)		-	14
4.2 COMMUNICABLE DISEASES									
Current payment	46 608	-	(2 500)	44 108	43 406	702	98,4%	14 069	9 279
Payment for capital assets	459	-	-	459	218	241	47,5%	437	427
4.3 NON-COMMUNICABLE DISEASES									
Current payment	24 864	-	(3 300)	21 564	19 594	1 970	90,9%	68 042	63 636
Transfers and subsidies	2 114	-	500	2 614	2 393	221	91,5%	592 322	592 090
Payment for capital assets	256	-	-	256	102	154	39,8%	18 666	18 753
Payment for financial assets	-	-	-	-	603	(603)		-	-
4.4 HEALTH PROMOTION AND NUTRITION									
Current payment	21 333	-	(3 600)	17 733	13 727	4 006	77,4%	15 175	11 953
Transfers and subsidies	650	-	-	650	292	358	44,9%	1 099	293
Payment for capital assets	233	-	-	233	95	138	40,8%	222	42
Total	**118 940**	**-**	**(5 098)**	**113 842**	**105 362**	**8 480**	**92,6%**	**761 703**	**741 483**

Vote 16
Appropriation Statement
for the year ended 31 March 2013

	2012/13							2011/12	
Programme 4 per Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	41 848	-	(4 100)	37 748	37 008	740	98,0%	65 993	64 128
Goods and services	73 069	-	(2 345)	70 724	63 623	7 101	90,0%	82 567	65 690
Transfers and subsidies to:									
Provinces and municipalities	-	-	-	-	-	-		590 380	590 380
Non-profit institutions	2 764	-	1 345	4 109	3 529	580	85,9%	2 642	1 503
Households	-	-	2	2	2	-	100,0%	500	500
Payment for capital assets									
Machinery and equipment	1 259	-	-	1 259	514	745	40,8%	19 621	19 268
Payment for financial assets	-	-	-	-	686	(686)		-	14
Total	**118 940**	**-**	**(5 098)**	**113 842**	**105 362**	**8 480**	**92,6%**	**761 703**	**741 483**

Detail per Programme 5 – Hospital, Tertiary Services and Workforce Development

Detail per sub-programme	2012/13 Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	2011/12 Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
5.1 HEALTH FACILITIES INFRASTRUCTURE MANAGEMENT									
Current payment	82 213	-	43 500	125 713	122 868	2 845	97,7%	138 492	64 879
Transfers and subsidies	6 191 776	-	-	6 191 776	6 191 902	(126)	100,0%	5 925 260	5 925 260
Payment for capital assets	394	-	-	394	42	352	10,7%	450	54
5.2 TERTIARY HEALTH CARE PLANNING AND POLICY									
Current payment	59 455	3 000	4 000	66 455	57 489	8 966	86,5%	3 293	2 873
Transfers and subsidies	8 878 010	-	21	8 878 031	8 878 031	-	100%	8 048 878	8 048 878
Payment for capital assets	13 002	-	-	13 002	10 961	2 041	84,3%	-	31
5.3 HOSPITAL MANAGEMENT									
Current payment	12 308	-	(1 000)	11 308	10 086	1 222	89,2%	11 964	13 121
Transfers and subsidies	15 000	-	16	15 016	15 015	1	100,0%	-	-
Payment for capital assets	308	-	-	308	25	283	8,1%	293	11
5.4 NURSING SERVICES									
Current payment	1 500	-	(300)	1 200	503	697	41,9%	-	-
Payment for capital assets	50	-	-	50	-	50		-	-
5.5 HUMAN RESOURCES FOR HEALTH									
Current payment	27 481	(3 000)	(6 000)	18 481	15 443	3 038	83,6%	31 008	16 413
Transfers and subsidies	2 076 176	-	25 022	2 101 198	2 096 269	4 929	99,8%	1 985 325	1 984 525
Payment for capital assets	197	-	-	197	108	89	54,8%	187	51
Payment for financial assets	-	-	-	-	14	(14)		-	-
Total	**17 357 870**	**-**	**65 259**	**17 423 129**	**17 398 756**	**24 373**	**99,9%**	**16 145 150**	**16 056 096**

Vote 16
Appropriation Statement
for the year ended 31 March 2013

	2012/13							2011/12	
Programme 5 per Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	67 257	-	(800)	66 457	65 441	1 016	98,5%	33 484	28 471
Goods and services	115 700	-	41 000	156 700	140 948	15 752	89,9%	151 273	68 815
Transfers and subsidies to:									
Provinces and municipalities	17 159 762	-	-	17 159 762	17 158 834	928	100,0%	15 951 440	15 951 440
Universities and Technikons	-	-	25 000	25 000	21 000	4 000	84,0%	8 000	7 200
Non-profit institutions	1 200	-	-	1 200	1 326	(126)	110,5%	-	-
Households	-	-	59	59	57	2	96,6%	23	23
Payment for capital assets									
Buildings & other fixed structures	-	-	15	15	-	15		-	-
Machinery and equipment	13 951	-	(15)	13 936	11 136	2 800	79,9%	930	147
Payment for financial assets	-	-	-	-	14	(14)		-	-
Total	**17 357 870**	**-**	**65 259**	**17 423 129**	**17 398 756**	**24 373**	**99,9%**	**16 145 150**	**16 056 096**

Detail per Programme 6 – Health Regulation and Compliance Management

Detail per sub-programme	2012/13 Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	2011/12 Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
6.1 FOOD CONTROL									
Current payment	7 084	-	2500	9 584	9 568	16	99,8%	5 994	5 825
Transfers and subsidies	-	-	361	361	360	1	99,7%	-	2
Payment for capital assets	47	-	-	47	-	47		45	20
6.2 PUBLIC ENTITIES MANAGEMENT									
Current payment	3 328	300	800	4 428	3 651	777	82,5%	1 250	1 259
Transfers and subsidies	381 065	-	-	381 065	381 065	-	100,0%	363 663	363 663
6.3 OFFICE OF STANDARD COMPLIANCE									
Current payment	61 540	-	(4 324)	57 216	36 703	20 513	64,1%	40 537	25 495
Transfers and subsidies	-	-	12	12	11	1	91,7%	-	-
Payment for capital assets	721	-	-	721	280	441	38,8%	686	665
6.4 COMPENSATION COMMISSIONER FOR OCCUPATIONAL DISEASES									
Current payment	39 878	(300)	(800)	38 778	32 822	5 956	84,6%	33 139	30 749
Transfers and subsidies	2 916	-	72	2 988	2 988	-	100,0%	2 858	2 857
Payment for capital assets	2 277	-	-	2 277	368	1 909	16,2%	868	277
Payment for financial assets	-	-	-	-	3	(3)		-	-
6.5 PHARMACEUTICAL TRADE & PRODUCT REGULATION									
Current payment	84 731	-	350	85 081	77 120	7 961	90,6%	72 265	66 556
Transfers and subsidies	-	-	107	107	106	1	99,1%	189	188
Payment for capital assets	393	-	600	993	453	540	45,6%	307	313
Payment for financial assets	-	-	-	-	28	(28)		-	2
Total	**583 980**	**-**	**(322)**	**583 658**	**545 526**	**38 132**	**93,5%**	**521 801**	**497 871**

Vote 16
Appropriation Statement
for the year ended 31 March 2013

	2012/13							2011/12	
Programme 6 per Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	102 408	-	2 650	105 058	104 164	894	99,1%	83 140	88 998
Goods and services	94 153	-	(4 124)	90 029	55 700	34 329	61,9%	70 045	40 886
Transfers and subsidies to:									
Departmental agencies & accounts	375 729	-	-	375 729	375 729	-	100,0%	360 343	360 343
Non-profit institutions	8 252	-	-	8 252	8 252	-	100,0%	6 097	6 097
Households	-	-	552	552	549	3	99,5%	270	270
Payment for capital assets									
Machinery and equipment	3 438	-	600	4 038	1 101	2 937	27,3%	1 906	1 275
Payment for financial assets	-	-	-	-	31	(31)		-	2
Total	**583 980**	**-**	**(322)**	**583 658**	**545 526**	**38 132**	**93,5%**	**521 801**	**497 871**

Vote 16
Notes to the Appropriation Statement
for the year ended 31 March 2013

1. **Detail of transfers and subsidies as per Appropriation Act (after Virement):**

   Detail of these transactions can be viewed in the note on Transfers and subsidies, disclosure notes and Annexure 1 (A-H) to the Annual Financial Statements.

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

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

3. **Detail on payments for financial assets**

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

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

4.1 Per Programme	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
Administration	402 434	390 478	11 956	96%
The underspending can be attributed to hardware for ICT solution which could not be ordered before financial year-end and the earmarked allocation for hospital tariffs could not be spent before year-end.				
NHI, Health Planning and System Enablement	303 794	293 286	10 508	97%
Underspending can be attributed to earmarked funds for the Hospital re-imbursement tool not spent and an underspending on the travelling budget for the NHI & Health Financing subprogramme.				
HIV & AIDS, TB, Maternal and Child Health	9 230 346	9 165 474	64 872	99%
The transfer to SANAC was approved by National Treasury during the latter part of March 2013, leaving the Department with insufficient time to verify the banking details before transferring the funds. Outstanding invoices by GCIS for the Media campaign as well as outstanding condom invoices contributed to the underspending.				
Primary Health Care Services	113 842	105 362	8 480	93%
Underspending on the Goods and Services budget of Non-Communicable Diseases and the non-finalizing of the Round About Project.				
Hospitals, Tertiary Services & Human Resource Development	17 423 129	17 398 756	24 373	100%
Health Regulation and Compliance Management	583 658	545 526	38 132	93%
Both the Subprogrammes for Office of Standards of Compliance and the Compensation Commissioner for Occupational Diseases underspent on their respective Goods and Services budget.				

Vote 16
Notes to the Appropriation Statement
for the year ended 31 March 2013

4.2 Per Economic classification	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
Current payments:				
Compensation of employees	486 551	482 255	4 296	99,12%
Goods and services	828 330	707 834	120 496	85,25%
Transfers and subsidies:				
Provinces and municipalities	26 072 610	26 071 682	928	100,00%
Departmental agencies and accounts	403 662	392 711	10 951	97,29%
Universities and technikons	28 000	21 000	7 000	75,00%
Public corporations and private enterprises	40	40	-	100,00%
Non-profit institutions	201 255	196 213	5 042	97,50%
Households	1 124	1 121	3	99,73%
Payments for capital assets:				
Buildings and other fixed structures	15	-	15	86,67%
Machinery and equipment	32 074	20 371	11 703	58,24%
Software and other intangible assets	3 542	-	3 542	99,89%
Payment for financial assets	-	5 655	(5 655)	

Underspending on Transfer payments is as a result of the late approval of new transfers to the following institutions: SANAC and Walter Sisulu University, of which banking details could not timeously be verified. Underspending on capital can be attributed to non-finalizing in the procurement in IT equipment and purchase of specialized laboratory equipment; the underspending on Goods and Services can mainly be attributed to the underspending on condoms, outstanding invoices for a media campaign facilitated by GCIS and the slow spending on earmarked funds for the Clusters: Office of Standards Compliance and CCOD.

Vote 16
Notes to the Appropriation Statement
for the year ended 31 March 2013

4.3 Per conditional grant	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
Health				
National Tertiary Services Grant	8 878 010	8 878 010	-	100%
Comprehensive HIV/AIDS (Health) Grant	8 762 848	8 762 848	-	100%
Hospital Revitalisation Grant	4 289 595	4 289 595	-	100%
Health Professionals Training and Development Grant	2 076 176	2 075 248	928	99,96%
Health Infrastructure Grant	1 800 981	1 800 981	-	100%
Africa Cup of Nations Grant	15 000	15 000	-	100%
Nursing Colleges & Schools Grant	100 000	100 000	-	100%
National Health Insurance Grant	150 000	150 000	-	100%

Vote 16
Statement of Financial Performance
for the year ended 31 March 2013

PERFORMANCE	*Notes*	2012/13	2011/12
		R'000	R'000
REVENUE			
Annual appropriation	*1*	28 057 203	25 967 971
Departmental revenue	*2*	33 830	55 300
Aid assistance	*3*	937 690	529 638
TOTAL REVENUE		**29 028 723**	**26 552 909**
EXPENDITURE			
Current expenditure			
Compensation of employees	*4*	482 255	409 702
Goods and services	*5*	707 834	673 733
Aid assistance	*3*	379 400	111 348
Total current expenditure		**1 569 489**	**1 194 783**
Transfers and subsidies			
Transfers and subsidies	*7*	26 682 767	24 598 841
Total transfers and subsidies		**26 682 767**	**24 598 841**
Expenditure for capital assets			
Tangible capital assets	*8*	63 719	29 101
Software and other intangible assets	*8*	-	133
Total expenditure for capital assets		**63 719**	**29 234**
Payment for financial assets	*6*	5 655	1 845
TOTAL EXPENDITURE		**28 321 630**	**25 824 703**
SURPLUS/(DEFICIT) FOR THE YEAR		**707 093**	**728 206**
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds		158 321	255 129
Annual appropriation		158 321	255 129
Conditional grants		-	-
Departmental revenue	*13*	33 830	55 300
Aid assistance	*3*	514 942	417 777
SURPLUS/(DEFICIT) FOR THE YEAR		**707 093**	**728 206**

Vote 16
Statement of Financial Position
for the year ended 31 March 2013

POSITION	Notes	2012/13 R'000	2011/12 R'000
ASSETS			
Current assets		**850 902**	**807 026**
Cash and cash equivalents	9	801 605	754 609
Prepayments and advances	10	26 515	15 283
Receivables	11	22 782	37 134
TOTAL ASSETS		850 902	807 026
LIABILITIES			
Current liabilities		**849 150**	**805 789**
Voted funds to be surrendered to the Revenue Fund	12	158 321	255 129
Departmental revenue to be surrendered to the Revenue Fund	13	372	5 967
Payables	14	173 155	123 819
Aid assistance repayable	3	514 786	418 514
Aid assistance unutilised	3	2 516	2 360
TOTAL LIABILITIES		**849 150**	**805 789**
NET ASSETS		**1 752**	**1 237**
Represented by:			
Recoverable revenue		1 752	1 237
TOTAL		**1 752**	**1 237**

Vote 16
Statement of change in net assets
for the year ended 31 March 2013

NET ASSETS	2012/13	2011/12
	R'000	R'000
Recoverable revenue		
Opening balance	1 237	1 197
Transfers:	**515**	**40**
Debts recovered (included in departmental receipts)	(655)	(726)
Debts raised	1 170	766
Closing balance	**1 752**	**1 237**
TOTAL	**1 752**	**1 237**

Vote 16
Cash Flow Statement
for the year ended 31 March 2013

CASH FLOW	Notes	2012/13	2011/12
		R'000	R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		**29 028 723**	**26 552 842**
Annual appropriated funds received	1.1	28 057 203	25 967 971
Departmental revenue received	2	33 830	55 233
Aid assistance received	3	937 690	529 638
Net (increase)/decrease in working capital		52 456	82 425
Surrendered to Revenue Fund		(294 554)	(117 422)
Surrendered to RDP Fund/Donor		(418 514)	(69 351)
Current payments		(1 569 489)	(1 194 783)
Payment for financial assets		(5 655)	(1 845)
Transfers and subsidies paid		(26 682 767)	(24 598 841)
Net cash flow available from operating activities	15	**110 200**	**653 025**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	8	(63 719)	(29 234)
Proceeds from sale of capital assets	2.3	-	67
Net cash flows from investing activities		**(63 719)**	**(29 167)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		515	40
Net cash flows from financing activities		**515**	**40**
Net increase/(decrease) in cash and cash equivalents		46 996	623 898
Cash and cash equivalents at beginning of period		754 609	130 711
Cash and cash equivalents at end of period	16	**801 605**	**754 609**

Vote 16
Accounting Policies
for the year ended 31 March 2013

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 Statement

1.1 Basis of Preparation

The financial statements have been prepared on a modified cash basis of accounting, except where stated otherwise. Under this basis, the effects of transactions and other events are recognised in the financial records when the resulting cash is received or paid. The "modification" results from the recognition of certain near-cash balances in the financial statements as well as the revaluation of foreign investments and loans and the recognition of resulting revaluation gains and losses.

In addition supplementary information is provided in the disclosure notes to the financial statements where it is deemed to be useful to the users of the financial statements.

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.

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

Any amount due from the National 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 Revenue Fund, unless stated otherwise.

Any amount owing to the National 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.

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 Revenue Fund, unless stated otherwise.

Vote 16
Accounting Policies
for the year ended 31 March 2013

Any amount owing to the National 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**

Aid 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.

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.

Vote 16
Accounting Policies
for the year ended 31 March 2013

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.

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

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

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

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

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

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.

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

Vote 16
Accounting Policies
for the year ended 31 March 2013

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.

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

Subsequent Recognition

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

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

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.

4.8.3 **Intangible Assets**

Initial Recognition

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

All intangible assets acquired prior to 1 April 2002 can be included in the asset register at R1.

Subsequent Expenditure

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

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

Vote 16
Accounting Policies
for the year ended 31 March 2013

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.

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 a capital expense in the statement of financial performance and are not apportioned between the capital and the interest portions. The total finance lease payment 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 discloser notes to the financial statement.

5.8 **Impairment**
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.

5.9 **Provisions**
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. These receivables are written off when identified as irrecoverable and are disclosed separately.

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 Revenue Fund when the underlying asset is disposed and the related funds are received.

Vote 16
Accounting Policies
for the year ended 31 March 2013

7.2 **Recoverable Revenue**
Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National 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

Vote 16
Notes to the Annual Financial Statements
for the year ended 31 March 2013

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:

	2012/13			
	Final Appropriation	Actual Funds Received	Funds not requested/ not received	Appropriation received 2011/12
	R'000	R'000	R'000	R'000
Administration	402 434	402 434	-	342 941
Health Planning and Systems Enablement	303 794	303 794	-	177 313
HIV & AIDS, TB & Maternal, Child and Women's Health	9 230 346	9 230 346	-	8 014 742
Primary Health Care Services	113 842	113 842	-	761 703
Hospital, Tertiary Services and Workforce Development	17 423 129	17 423 129	-	16 149 471
Health Regulation & Compliance Management	583 658	583 658	-	521 801
Total	**28 057 203**	**28 057 203**	**-**	**25 967 971**

2. Departmental revenue

	Notes	2012/13	2011/12
		R'000	R'000
Sales of goods and services other than capital assets	*2.1*	**37 750**	**32 967**
Interest, dividends and rent on land	*2.2*	460	425
Sales of capital assets	*2.3*	-	67
Transactions in financial assets and liabilities	*2.4*	(4 380)	21 841
Total revenue collected		**33 830**	**55 300**
Departmental revenue collected		**33 830**	**55 300**

Vote 16
Notes to the Annual Financial Statements
for the year ended 31 March 2013

2.1 Sales of goods and services other than capital assets

	Notes	2012/13	2011/12
	2	R'000	R'000
Sales of goods and services produced by the department		**37 714**	**32 922**
Sales by market establishment		145	113
Administrative fees		37 307	32 557
Other sales		262	252
Sales of scrap, waste and other used current goods		36	45
Total		**37 750**	**32 967**

2.2 Interest, dividends and rent on land

	2	R'000	R'000
Interest		460	425
Total		**460**	**425**

2.3 Sales of capital assets

	2	R'000	R'000
Tangible assets		**-**	**67**
Machinery and equipment	29	-	67
Total		**-**	**67**

2.4 Transactions in financial assets and liabilities

	2	R'000	R'000
Receivables		-	585
Stale cheques written back		51	8
Other Receipts including Recoverable Revenue		(4 431)	21 248
Total		**(4 380)**	**21 841**

Vote 16
Notes to the Annual Financial Statements
for the year ended 31 March 2013

3. Aid assistance

3.1 Aid assistance received in cash from RDP

	2012/13 R'000	2011/12 R'000
Foreign		
Opening Balance	420 064	72 448
Revenue	935 544	527 225
Expenditure	**(420 953)**	**(110 258)**
Current	(377 605)	(109 745)
Capital	(43 348)	(513)
Prepayments	-	
Surrendered to the RDP	(418 514)	(69 351)
Closing Balance	**516 141**	**420 064**

3.2 Aid assistance received in cash from other sources

	R'000	R'000
Local		
Opening Balance	810	-
Revenue	2 146	2 413
Expenditure	**(1 795)**	**(1 603)**
Current	(1 795)	(1 603)
Closing Balance	**1 161**	**810**

3.3 Total assistance

	R'000	R'000
Opening Balance	420 874	72 448
Revenue	937 690	529 638
Expenditure	**(422 748)**	**(111 861)**
Current	(379 400)	(111 348)
Capital	(43 348)	(513)
Surrendered / Transferred to retained funds	(418 514)	(69 351)
Closing Balance	**517 302**	**420 874**

Vote 16
Notes to the Annual Financial Statements
for the year ended 31 March 2013

3.4 Analysis of balance

	2012/13	2011/12
	R'000	R'000
Aid assistance unutilised	2 516	2 360
RDP	1 354	1 550
Other sources	1 162	810
Aid assistance repayable	514 786	418 514
RDP	514 786	418 514
Closing balance	**517 302**	**420 874**

4. Compensation of employees

4.1 Salaries and Wages

	R'000	R'000
Basic salary	326 010	275 645
Performance award	5 772	5 668
Service Based	408	551
Compensative/circumstantial	4 393	4 135
Periodic payments	22	53
Other non-pensionable allowances	88 319	74 316
Total	**424 924**	**360 368**

4.2 Social contributions

	R'000	R'000
Employer contributions		
Pension	39 781	33 881
Medical	17 505	15 415
Bargaining council	45	38
Total	**57 331**	**49 334**
Total compensation of employees	**482 255**	**409 702**
Average number of employees	1 479	1 455

Vote 16
Notes to the Annual Financial Statements
for the year ended 31 March 2013

5. Goods and services

	Notes	2012/13	2011/12
		R'000	R'000
Administrative fees		289	198
Advertising		12 559	35 714
Assets less then R5,000	5.1	3 624	2 679
Bursaries (employees)		797	1 474
Catering		2 917	2 998
Communication		15 469	17 475
Computer services	5.2	9 191	31 595
Consultants, contractors and agency/outsourced services	5.3	230 366	159 231
Entertainment		72	122
Audit cost – external	5.4	23 763	21 757
Inventory	5.5	169 396	175 078
Operating leases		85 930	92 567
Property payments	5.6	9 582	3 810
Rental and hiring		23	-
Travel and subsistence	5.7	97 773	82 405
Venues and facilities		7 292	15 047
Training and staff development		5 172	5 745
Other operating expenditure	5.8	33 619	25 838
Total		**707 834**	**673 733**

Reclassified operating leases and property payments for 2011/12.

5.1 Assets less than R5,000

	R'000	R'000
Tangible assets	**3 624**	**2 679**
Machinery and equipment	3 624	2 679
Intangible assets	-	-
Total	**3 624**	**2 679**

Vote 16
Notes to the Annual Financial Statements
for the year ended 31 March 2013

5.2 Computer services

	Notes	2012/13	2011/12
	5	R'000	R'000
SITA computer services		2 110	24 554
External computer service providers		7 081	7 041
Total		**9 191**	**31 595**

5.3 Consultants, contractors and agency/outsourced services

	5	R'000	R'000
Business and advisory services		185 901	108 598
Laboratory services		9	-
Legal costs		14 592	34 964
Contractors		9 794	6 637
Agency and support/outsourced services		20 070	9 032
Total		**230 366**	**159 231**

5.4 Audit cost – External

	5	R'000	R'000
Regularity audits		23 763	21 757
Performance audits		-	-
Total		**23 763**	**21 757**

5.5 Inventory

	5	R'000	R'000
Food and food supplies		52	-
Fuel, oil and gas		927	134
Other consumable materials		6 938	6 397
Materials and supplies		53	-
Stationery and printing		16 882	24 312
Medical supplies		112 416	124 208
Medicine		32 128	20 027
Total		**169 396**	**175 078**

Vote 16
Notes to the Annual Financial Statements
for the year ended 31 March 2013

5.6 **Property payments**

	Notes	2012/13	2011/12
	5	R'000	R'000
Municipal services		8 532	3 632
Property management fees		406	178
Property maintenance and repairs		644	-
Other		-	-
Total		**9 582**	**3 810**

5.7 **Travel and subsistence**

	5	R'000	R'000
Local		80 623	65 691
Foreign		17 150	16 714
Total		**97 773**	**82 405**

5.8 **Other operating expenditure**

	5	R'000	R'000
Professional bodies, membership and subscription fees		20 909	18 955
Resettlement costs		585	2 436
Other		12 125	4 447
Total		**33 619**	**25 838**

6. **Payments for financial assets**

		R'000	R'000
Other material losses written off	6.1	52	1 500
Debts written off	6.2	5 603	345
Total		**5 655**	**1 845**

Vote 16
Notes to the Annual Financial Statements
for the year ended 31 March 2013

6.1 Other material losses written off

	Notes	2012/13	2011/12
	6	R'000	R'000
Nature of losses			
Global Fund		52	1 500
Total		**52**	**1 500**

6.2 Debts written off

	6	R'000	R'000
Nature of debts written off			
Salary debt		27	15
Tax debt		97	20
Annexure 9 medication		2	2
Travel and subsistence		9	-
State Guarantee		20	-
Bursary		186	-
Debts written off to fruitless and wasteful expenditure		602	19
Debts written off to irregular expenditure		-	289
BAS fraud written off		4 660	-
Total debt written off		5 603	345

7. Transfers and subsidies

		R'000	R'000
Provinces and municipalities	31	26 071 682	24 034 782
Departmental agencies and accounts	Annex 1A	392 711	367 022
Universities and technikons	Annex 1B	21 000	12 762
Public corporations and private enterprises	Annex 1C	40	-
Non-profit institutions	Annex 1D	196 214	179 264
Households	Annex 1E	1 120	4 509
Gifts, donations and sponsorships made	Annex 1H	-	502
Total		**26 682 767**	**24 598 841**

Vote 16
Notes to the Annual Financial Statements
for the year ended 31 March 2013

8. **Expenditure for capital assets**

	Notes	2012/13	2011/12
		R'000	R'000
Tangible assets		**63 719**	**29 101**
Buildings and other fixed structures		-	-
Machinery and equipment	8.1	63 719	29 101
Software and other intangible assets		**-**	**133**
Computer software		-	133
Total		**63 719**	**29 234**

8.1 **Analysis of funds utilised to acquire capital assets – 2012/13**

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible assets	**20 371**	**43 348**	**63 719**
Buildings and other fixed structures	-	-	-
Machinery and equipment	20 371	43 348	63 719
Software and other intangible assets	**-**	**-**	**-**
Computer software	-	-	-
Total	**20 371**	**43 348**	**63 719**

Vote 16
Notes to the Annual Financial Statements
for the year ended 31 March 2013

Analysis of funds utilised to acquire capital assets – 2011/12

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible assets	**28 588**	**513**	**29 101**
Machinery and equipment	28 588	513	29 101
Software and other intangible assets	**133**	**-**	**133**
Computer software	133	-	133
Total	**28 721**	**513**	**29 234**

9. Cash and cash equivalents

	2012/13	2011/12
	R'000	R'000
Consolidated Paymaster General Account	801 580	754 584
Cash on hand	25	25
Total	**801 605**	**754 609**

10. Prepayments and advances

	Notes		
		R'000	R'000
Travel and subsistence		360	451
Advances paid	*10.1*	26 155	14 832
Total		**26 515**	**15 283**

10.1 Advances paid

		R'000	R'000
National departments	*Annexure 6A*	26 155	14 832
Provincial departments		-	-
Total		**26 155**	**14 832**

Vote 16
Notes to the Annual Financial Statements
for the year ended 31 March 2013

11. **Receivables**

	Notes	2012/13				2011/12
		R'000 Less than one year	R'000 One to three years	R'000 Older than three years	R'000 Total	R'000 Total
Claims recoverable	11.1 Annexure 3	8 640	9 667	-	18 307	28 999
Recoverable expenditure	11.2	244	953	-	1 197	5 653
Staff debt	11.3	864	45	54	963	533
Other debtors	11.4	1 177	805	333	2 315	1 949
Total		**10 925**	**11 470**	**387**	**22 782**	**37 134**

11.1 **Claims recoverable**

	11	2012/13 R'000	2011/12 R'000
National departments		5 107	23 470
Provincial departments		13 200	5 529
Total		**18 307**	**28 999**

11.2 **Recoverable expenditure (disallowance accounts)**

	11	R'000	R'000
Salary debt		215	40
Damages and Losses		982	5 613
Total		**1 197**	**5 653**

11.3 **Staff debt**

	11	R'000	R'000
Bursary debt		552	226
Salary overpayments		203	186
Loss / Damage to State Property		18	52
Other		190	69
Total		**963**	**533**

Vote 16
Notes to the Annual Financial Statements
for the year ended 31 March 2013

11.4 **Other debtors**

	Notes	2012/13	2011/12
	11	R'000	R'000
Schedule 9 medication		43	76
Laboratory tests		2	1
Other debtors		243	72
Ex-employees		2 027	1 800
Total		**2 315**	**1 949**

12. **Voted funds to be surrendered to the Revenue Fund**

	R'000	R'000
Opening balance	255 129	67 933
Transfer from statement of financial performance	158 321	255 129
Paid during the year	(255 129)	(67 933)
Closing balance	**158 321**	**255 129**

13. **Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund**

	R'000	R'000
Opening balance	5 967	156
Transfer from Statement of Financial Performance	33 830	55 300
Paid during the year	(39 425)	(49 489)
Closing balance	**372**	**5 967**

14. **Payables – current**

		Total	Total
		R'000	R'000
Advances received	*14.1*	172 738	11 744
Clearing accounts	*14.2*	417	7
Other payables	*14.3*	-	112 068
Total		**173 155**	**123 819**

Vote 16
Notes to the Annual Financial Statements
for the year ended 31 March 2013

14.1 Advances received

	Notes	2012/13	2011/12
	14	R'000	R'000
National departments	Annexure 6B	147 281	-
Provincial departments		23 859	11 744
Other institutions		1 598	-
Total		**172 738**	**11 744**

14.2 Clearing accounts

	14	R'000	R'000
Income Tax		388	-
Pension Fund		10	6
Bargaining Council		-	1
Garnishee Orders		6	-
Housing (Commercial banks)		2	-
Medical Aids		11	-
Total		**417**	**7**

14.3 Other payables

	14	R'000	R'000
National Treasury		-	106 905
ANCRA		-	1 303
Compensation fund for mines		-	2 777
TB care		-	1 083
Total		**-**	**112 068**

Vote 16
Notes to the Annual Financial Statements
for the year ended 31 March 2013

15. **Net cash flow available from operating activities**

	2012/13 R'000	2011/12 R'000
Net surplus/(deficit) as per Statement of Financial Performance	707 093	728 206
Add back non cash/cash movements not deemed operating activities	(596 893)	(75 181)
(Increase)/decrease in receivables – current	14 352	(19 825)
(Increase)/decrease in prepayments and advances	(11 232)	(3 802)
Increase/(decrease) in payables – current	49 336	106 052
Proceeds from sale of capital assets	-	(67)
Expenditure on capital assets	63 719	29 234
Surrenders to Revenue Fund	(294 554)	(117 422)
Surrenders to RDP Fund/Donor	(418 514)	(69 351)
Net cash flow generated by operating activities	**110 200**	**653 025**

16. **Reconciliation of cash and cash equivalents for cash flow purposes**

	R'000	R'000
Consolidated Paymaster General account	801 580	754 584
Cash on hand	25	25
Total	**801 605**	**754 609**

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

Vote 16
Disclosure Notes to the Annual Financial Statements
for the year ended 31 March 2013

17. Contingent liabilities and contingent assets

17.1 Contingent liabilities

		Notes	2012/13 R'000	2011/12 R'000
Liable to	**Nature**			
Motor vehicle guarantees	Employees	*Annexure 2A*	101	273
Housing loan guarantees	Employees	*Annexure 2A*	701	761
Claims against the department		*Annexure 2B*	3 504	-
Intergovernmental payables (unconfirmed balances)		*Annexure 4*	29 014	86
Total			**33 320**	**1 120**

18. Commitments

	R'000	R'000
Current expenditure	**228 607**	**189 366**
Approved and contracted	217 264	174 265
Approved but not yet contracted	11 343	15 101
Capital expenditure (including transfers)	**4 853**	**5 726**
Approved and contracted	1 556	3 632
Approved but not yet contracted	3 297	2 094
Total Commitments	**233 460**	**195 092**

Labour Saving Devices: Were taken out due to reporting on leases.

Tenders: Tender commitments of R29 920 798.13 included in the above may run for longer than a year as this is dependent on the period agree in the contract/ service agreement for each tender.

Vote 16
Disclosure Notes to the Annual Financial Statements
for the year ended 31 March 2013

19. **Accruals**

			2012/13	2011/12
			R'000	R'000
Listed by economic classification				
	30 Days	**30+ Days**	**Total**	**Total**
Goods and services	12 928	14 745	27 673	21 776
Capital assets	119	-	119	3 195
Total	**13 047**	**14 745**	**27 792**	**24 971**

	R'000	R'000
Listed by programme level		
Administration	3 868	6 490
Health Planning and System Enablement	2 700	769
HIV & AIDS, TB, Maternal Child & Women's Health	4 551	4 708
Primary Health Care Services	1 549	2 599
Hospital and Tertiary Services, Workforce Development	11 915	7 611
Health Regulation & Compliance	3 209	2 794
Total	**27 792**	**24 971**

Included in the abovementioned amount is an amount of R10 458 198.00 which relates to invoices recieved in respect of health infrastructure

Vote 16
Disclosure Notes to the Annual Financial Statements
for the year ended 31 March 2013

	Notes	2012/13	2011/12
		R'000	R'000
Confirmed balances with other departments	*Annexure 4*	171 140	118 649
Confirmed balances with other government entities	*Annexure 4*	-	5 163
Total		**171 140**	**123 812**

20. Employee benefits

	R'000	R'000
Leave entitlement	20 633	15 650
Service bonus (Thirteenth cheque)	13 241	11 217
Performance bonus	-	-
Capped leave commitments	16 767	15 982
Total	**50 641**	**42 849**

Included in the leave entitlement is an amount of R504 788,00 for negative leave credits.

21. Lease commitments

21.1 Operating leases expenditure

2012/13	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000
Not later than 1 year	83 700	2 471	86 171
Later than 1 year and not later than 5 years	359 643	715	360 358
Later than five years	252 823	-	252 823
Total lease commitments	**696 166**	**3 186**	**699 352**

2011/12	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000
Not later than 1 year	82 068	2 583	84 651
Later than 1 year and not later than 5 years	352 868	2 797	355 665
Later than five years	352 484	-	352 484
Total lease commitments	**787 420**	**5 380**	**792 800**

Vote 16
Disclosure Notes to the Annual Financial Statements
for the year ended 31 March 2013

22. Receivables for departmental revenue

	Notes	2012/13	2011/12
		R'000	R'000
Sales of goods and services other than capital assets		4	3
Total		**4**	**3**

23. Irregular expenditure

23.1 Reconciliation of irregular expenditure

		R'000	R'000
Opening balance		34 364	44 533
Add: Irregular expenditure – relating to prior year		-	4 432
Add: Irregular expenditure – relating to current year	23.2	2 375	24 614
Less: Amounts condoned	23.3	(3 948)	(39 215)
Less: Amounts not recoverable (not condoned)	23.4	(2 742)	-
Less: Amounts not recoverable (not condoned)		-	-
Irregular expenditure awaiting condonation	23.5	**30 049**	**34 364**
Analysis of awaiting condonation per age classification			
Current year		2 274	10 973
Prior years		27 775	23 391
Total		**30 049**	**34 364**

An amount of R316 000,00 was added under irregular expenditure - prior - as well as under the analysis awaiting condonement - prior year. The reason for this was that this amount was deducted in prior years under amount not condoned by the state tender board for the 2002/03 to 2006/07 financial year. These amount were reconsidered for condonation by the irregular expenditure advisory committee. This is an ongoing process.

Vote 16
Disclosure Notes to the Annual Financial Statements
for the year ended 31 March 2013

23.2 **Details of irregular expenditure – current year**

Incident	Disciplinary steps taken/criminal proceedings	2012/13 R'000
Appointment of preferred consultant	Under investigation	101
Purchasing of condoms	Under investigation	1 645
Printing of business cards	Under investigation	6
Payment made above the contract value	Under investigation	106
Advertisement for less than 21 days	Under investigation	293
Competitive bidding process not followed – Bulelwa	Under investigation	33
Payment made above the approved quote	Under investigation	79
Procurement process not followed – Bytes	Under Investigation	112
Total		**2 375**

23.3 **Details of irregular expenditure condoned**

Incident	Condoned by (condoning authority)	2012/13 R'000
Omega Outsource Solutions	Director-General	245
Race Against Malaria	Director-General	73
Capacity Building course for Districts and Development	Director-General	69
Supply of anti-virus software	Director-General	211
Fraud hotline	Director-General	59
Supply of software – Oracle	Director-General	405
Utilizing of a helicopter during a MINMEC meeting	Director-General	55
IT integration – MBOD – NCOH – CCOD	Director-General	400
Replacement of a detector assembly – Microcept	Director-General	38
SADC Health Minister's meeting	Director-General	23
Department's celebration of women's month	Director-General	23
Women's day celebration – Umzumbe	Director-General	55
Procurement of service – Dikarabong – Mental Health Survey	Director-General	602
Procurement of video for RAM rally	Director-General	53
Printing of report – Pre Rand Printers	Director-General	8
Freelance Writing Services	Director-General	56
Service of medical equipment	Director-General	38
Meeting for the implementation of a Comprehensive Plan	Director-General	43
Annual Midwifery Congress	Director-General	190

Vote 16
Disclosure Notes to the Annual Financial Statements
for the year ended 31 March 2013

Human Resource Plan for Health	Director-General	74
Purchase of furniture	Director-General	201
Layout, design and translate: Down Syndrome booklet	Director-General	147
Orb Diagnostics: Mission consumables	Director-General	87
Gender Focal Point Launch	Director-General	31
Removal of furniture: A P Sepokwane Construction	Director-General	12
Catering services – Theleze Investments	Director-General	3
Cabinet Unit – Queens Lifestyle	Director-General	11
Catering – Thakopalang Caterers	Director-General	3
Placements of advertisements – Independent Newspapers	Director-General	48
Venue hire: Hilton Sandton	Director-General	12
Purchasing of file drawer cabinet	Director-General	11
Expenditure incurred without following tender procedures – CE AT AUP – Informal Audit Communication	Director-General	662
Total		**3 948**

23.4 **Details of irregular expenditure recoverable (not condoned)**

Incident	Condoned by (condoning authority)	2012/13 R'000
Appointment of a preferred consultant	National Treasury	2 742
Total		**2 742**

Vote 16
Disclosure Notes to the Annual Financial Statements
for the year ended 31 March 2013

23.5 **Details of irregular expenditure under investigation**

Incident	2012/13 R'000
Laboratory Services	1 501
Venue Hire	430
Hiring of temporary IT staff	485
Malaria day event	800
Appointment of KPMG	3 397
World AIDS day – Deviation from procurement procedures	2 676
Procurement of non profit volunteers for the 2010 FIFA World Cup	1 963
SA Clinical Trial register – Wits Health Consortium	855
2010 World TB Day	1 990
Payments made to Magauta not according to timesheets	545
Procurement procedures not followed – Xabiso consulting	613
Nursing summit – Competative bidding process not followed	845
Purchasing of condoms – UNITRADE	10 296
Purchase of furniture	113
Purchase of a scanner – Waymark Infotech	25
Workshop held at Protea Hotel Centurion	9
National Traditional Medicine Day celebrations: 6 September 2007: Limpopo Province	300
Utilizing of a helicopter	74
Hiring of a venue	279
Utilizing of a helicopter	97
Purchasing of blue lights	5
Removal of furniture	63
Décor and labour – Bonisiwe marketing communication	60
Hiring of temporary workers – Express personnel services	94
Failure to obtain three written quotations	5
Presidential launch of the HIV Counselling and Testing (HCT) campaign as well as the Provincial launch – Gauteng and KZN – 25 and 30 April 2010 – marquee	831
Additional transport utilise during the National Nursing Summit: 4 to 7 April 2011: Mobile meetings	128
Off site storage: Metro file (Pty) Ltd	32
Workshop to consolidate interventions in 18 priority districts: Birchwood Hotel and Conference Centre: 14 to 15 July 2009	47
GroupWise and ZenWorks support and maintenance, client migration of GroupWise and ZenWorks and End User Support: Xepa Consulting	296
Catering during a workshop on National Health Insurance: 29 to 30 August 2011: Modifho-Fela caterers	3
Lesbian, gay, bi-sexual, transgendered and inter-sexed consultative planning meeting: 4 to 5 May 2011 in Cape Town at Cape Town Lodge – Informal Audit Communication	96
Business conducted with an employee within the National Department of Health – Management Sciences for Health Inc – Informal Audit Communication	400

Vote 16
Disclosure Notes to the Annual Financial Statements
for the year ended 31 March 2013

Assets purchased at Waltons without obtaining 3 quotations – Informal Audit Communication	67
Printing of business cards – Mhluli Manqoba Trading cc – IAQ 27 of 2012/13	6
Payment made above the contract value – KPMG – IAQ 35 of 2012/13	106
Advertisement for less than 21 days	292
Competitive bidding process not followed – Bulelwa	33
Payment made above the approved quote	79
Procurement process not followed – Bytes	112
Total	**30 049**

24. Fruitless and wasteful expenditure

24.1 Reconciliation of fruitless and wasteful expenditure

	Notes	**2012/13**	**2011/12**
		R'000	**R'000**
Opening balance		7 215	2 684
Fruitless and wasteful expenditure – relating to prior year		626	-
Fruitless and wasteful expenditure – relating to current year	24.2	28	4 550
Less: Amounts condoned		(602)	(19)
Less: Amounts transferred to receivables for recovery		-	-
Fruitless and wasteful expenditure awaiting condonation		**7 267**	**7 215**
Analysis of awaiting condonement per economic classification			
Current		7 267	4 550
Total		**7 267**	**4 550**

24.2 Analysis of Current year's fruitless and wasteful expenditure

Incident	**Disciplinary steps taken/ criminal proceedings**	**2012/13 R'000**
No shows: Accommodation / shuttle services	Under investigation	6
No shows: Accommodation / shuttle services	Under investigation	1
No shows: Accommodation / shuttle services	Under investigation	1
No shows: Accommodation / shuttle services	Under investigation	1
No shows: Accommodation / shuttle services	Under investigation	1
No shows: Accommodation / shuttle services	Under investigation	1
No shows: Accommodation / shuttle services	Under investigation	1
No shows: Accommodation / shuttle services	Under investigation	1
No shows: Accommodation / shuttle services	Under investigation	1

Vote 16
Disclosure Notes to the Annual Financial Statements
for the year ended 31 March 2013

No shows:	Accommodation / shuttle services	Under investigation	1
No shows:	Accommodation / shuttle services	Under investigation	2
No shows:	Accommodation / shuttle services	Under investigation	1
No shows:	Accommodation / shuttle services	Under investigation	3
No shows:	Accommodation / shuttle services	Under investigation	1
No shows:	Accommodation / shuttle services	Under investigation	1
No shows:	Accommodation / shuttle services	Under investigation	1
No shows:	Accommodation / shuttle services	Under investigation	1
No shows:	Accommodation / shuttle services	Under investigation	1
No shows:	Accommodation / shuttle services	Under investigation	1
No shows:	Accommodation / shuttle services	Under investigation	1
Total			**28**

25. **Related party transactions**

The following entities fall under the Minister of Health's portfolio:

- Medical Research Council
- National Health Laboratory Services
- Medical Schemes Council
- Compensation Commissioner for Occupational Diseases, and
- South African National AIDS Council

The transfer payments made to the related parties are disclosed in Annexure 1A, as no other transactions were concluded between the Department and the relevant entities during the 2012/13 financial year. Transactions made on behalf of SANAC are included in the expenditure of the National Department of Health.

The Department occupied office space at Total House, 209 Smith Street, Braamfontein, which was leased to the Department of Minerals and Energy. The Department did not pay any rentals/used the premises free of charge. The Department vacated the building in December 2012.

Vote 16
Disclosure Notes to the Annual Financial Statements
for the year ended 31 March 2013

26. **Key management personnel**

	No. of Individuals	2012/13	2011/12
		R'000	R'000
Political office bearers (provide detail below)	2	3 699	3 468
Officials:			
Level 15 to 16	13	15 966	17 159
Level 14 (incl. CFO if at a lower level)	39	36 444	31 858
Family members of key management personnel	1	513	454
Total		**56 622**	**52 939**

The Minister's salary was R2 046 971,82 and that of the Deputy Minister was R1 652 223,87 for the financial year 2012/13.

27. **Public Private Partnership**

The Health Sector Public Private Partnership (PPP) Programme has identified and registered seven PPP projects with the National Treasury. All projects are at the project preparation period of the PPP project cycle as reflected in the Treasury Regulation 16. The projects are investigating the feasibility of redeveloping and building new hospitals through a PPP procurement as follows:

- The redevelopment of Chris Hani Baragwanath Academic Hospital (Gauteng)
- A proposed New Limpopo Hospital (Limpopo)
- The redevelopment of Dr George Mukhari Hospital (Gauteng)
- The redevelopment of King Edward VIII Hospital (KwaZulu/Natal)
- The redevelopment of Nelson Mandela Hospital (Eastern Cape)
- The redevelopment of Tygerberg Hospital (Western Cape)
- A proposed New Mpumalanga Tertiary Hospital (Mpumalanga)

Chris Hani Baragwanath Academic, Dr G Mukhari hospital, New Limpopo hospital, King Edward VIII and Nelson Mandela hospitals are at varying stages of feasibility phase with Chris Hani Baragwanath and the New Limpopo hospitals at the most advanced stages of the feasibility studies. Mpumalanga hospital and Tygerberg hospital in the Western Cape are still at the inception phase of project preparation.

Vote 16
Disclosure Notes to the Annual Financial Statements
for the year ended 31 March 2013
Status of projects as of 31 March 2013

Name of PPP	Status per AFS 2011-12	Status per AFS 2012-13	Comments
Chris Hani Baragwanath hospital for reconstruction revitalization and upgrading Gauteng	Feasibility	Feasibility	Finalising feasibility Draft Request For Pre-Qualification(RFQ) completed – awaiting approval
Dr George Mukhari Academic Hospital Gauteng	Feasibility	Feasibility	Impacted by regulation no. 34521 on categories of public hospitals which categories the hospital as central hospital,
New Limpopo Academic Hospital- Limpopo	Feasibility	Feasibility	Impacted by regulation no. 34521 on categories of public hospitals
Replacement/ Refurbishment of King Edward VIII Hospital – KwaZulu-Natal	Feasibility	Feasibility	First draft of needs analysis completed
Nelson Mandela Academic Hospital Eastern Cape	Feasibility	Feasibility	Data collection for needs analysis
Tygerberg Hospital Redevelopment – Western Cape	N/A	Inception	Awaiting the appointment of transactional Advisors
Tertiary Hospital – Mpumalanga	N/A	Inception	Awaiting the appointment of transactional Advisors

All the projects are still at feasibility phase with no closed PPP agreements in place.

Biovac PPP
The PPP agreement with Biovac Institute is still in effect until 2016. The agreement mandates the institute to source and supply EPI vaccines of good quality at competitive prices to the provincial health departments. The Department of Health is a 35% shareholder in the company.

Based on draft annual financial statements of The Biological & Vaccines Institute of Southern Africa (Pty) Ltd as of 31 December 2012, the shareholding amounts to R43 716 338, calculated at 35% of R124 903 824 *(Previous period R39 226 041, calculated at 35% of R112 074 403).* A formal valuation of the company (as of 31 December 2012) has not been performed.

28. **Impairment**

	2012/13 R'000	2011/12 R'000
Debtors	54	525
Other	333	-
Total	**387**	**525**

Vote 16
Disclosure Notes to the Annual Financial Statements
for the year ended 31 March 2013

29. **Movable Tangible Capital Assets**

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013

	Opening balance	Curr Year Adjustments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	**157 922**	**(10 692)**	**20 490**	**238**	**167 482**
Transport assets	3 274	(490)	-	-	2 784
Computer equipment	55 221	482	7 640	238	63 105
Furniture and office equipment	12 543	(8 389)	1 953	-	6 107
Other machinery and equipment	86 884	(2 295)	10 897	-	95 486
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	**157 922**	**(10 692)**	**20 490**	**238**	**167 482**

29.1 Additions

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013

	Cash	Non-cash	(Capital Work in Progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	**20 371**			**119**	**20 490**
Transport assets	-	-	-	-	-
Computer equipment	7 626	-	-	14	7 640
Furniture and office equipment	1 848	-	-	105	1 953
Other machinery and equipment	10 897	-	-	-	10 897
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	**20 371**	**-**	**-**	**119**	**20 490**

Vote 16
Disclosure Notes to the Annual Financial Statements
for the year ended 31 March 2013

29.2 Disposals

DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013

	Sold for cash	Transfer out or destroyed or scrapped	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT		**238**	**238**	
Transport Assets	-	-	-	-
Computer equipment	-	238	238	-
Furniture and Office Equipment	-	-	-	-
Other machinery and equipment	-	-	-	-
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	**-**	**238**	**238**	**-**

29.3 Movement for 2011/12

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2012

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	**132 575**	**30 954**	**5 607**	**157 922**
Transport assets	3 644	-	370	3 274
Computer equipment	49 763	9 729	4 271	55 221
Furniture and office equipment	11 202	1 693	352	12 543
Other machinery and equipment	67 966	19 532	614	86 884
TOTAL MOVABLE TANGIBLE ASSETS	**132 575**	**30 954**	**5 607**	**157 922**

29.4 Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013

	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Opening balance	119	40 062	40 181
Current Year Adjustments to Prior Year Balances	(119)	(2 574)	(2 693)
Additions	-	3 624	3 624
Disposals	-	3 940	3 940
TOTAL	**-**	**37 172**	**37 172**

Vote 16
Disclosure Notes to the Annual Financial Statements
for the year ended 31 March 2013

	Intangible assets	Machinery and equipment	Total
Number of R1 minor assets	-	801	801
Number of minor assets at cost	-	38 110	38 110
TOTAL NUMBER OF MINOR ASSETS	**-**	**38 911**	**38 911**

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2012

	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Opening balance	119	30 144	30 263
Additions	-	11 714	11 714
Disposals	-	1 796	1 796
TOTAL	**119**	**40 062**	**40 181**

	Intangible assets	Machinery and equipment	Total
Number of R1 minor assets	-	515	515
Number of minor assets at cost	-	42 094	42 094
TOTAL NUMBER OF MINOR ASSETS	**-**	**42 609**	**42 609**

29.5 Moveable assets written off

MOVEABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2013

	Machinery and equipment	Total
	R'000	R'000
Assets written off	-	-
TOTAL MOVEABLE ASSETS WRITTEN OFF	**-**	**-**

MOVEABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2012

	Machinery and equipment	Total
	R'000	R'000
Assets written off	98	98
TOTAL MOVEABLE ASSETS WRITTEN OFF	**98**	**98**

Vote 16
Disclosure Notes to the Annual Financial Statements
for the year ended 31 March 2013

30. Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013

	Opening balance	Current Year Adjustments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	63 645	(21 818)	-	-	41 827
TOTAL INTANGIBLE CAPITAL ASSETS	**63 645**	**(21 818)**	**-**	**-**	**41 827**

30.1 Additions

ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013

	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	-	-	-	-	-
TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS	**-**	**-**	**-**	**-**	**-**

Vote 16
Disclosure Notes to the Annual Financial Statements
for the year ended 31 March 2013

30.2 Disposals

DISPOSALS OF INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013

	Sold for cash	Transfer out or destroyed or scrapped	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	-	-	-	-
TOTAL DISPOSALS OF INTANGIBLE CAPITAL ASSETS	-	-	-	-

30.3 Movement for 2011/12

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2012

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	63 512	133	-	63 645
TOTAL INTANGIBLE CAPITAL ASSETS	**63 512**	**133**	**-**	**63 645**

31. STATEMENT OF CONDITIONAL GRANTS PAID TO THE PROVINCES

NAME OF PROVINCE / GRANT	GRANT ALLOCATION				TRANSFER			SPENT			2011/12
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by department	Amount spent by department	% of available funds spent by department	Division of Revenue Act
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000
National Tertiary Services											
Eastern Cape	682 445	-	-	682 445	682 445	-	-	682 445	668 149	98%	609 327
Free State	786 724	-	-	786 724	786 724	-	-	786 724	778 270	99%	715 204
Gauteng	3 044 567	-	-	3 044 567	3 044 567	-	-	3 044 567	3 044 567	100%	2 759 968
KwaZulu/Natal	1 323 114	-	-	1 323 114	1 323 114	-	-	1 323 114	1 324 487	100%	1 201 831
Limpopo	288 427	-	-	288 427	288 427	-	-	288 427	276 607	93%	267 314
Mpumalanga	91 879	-	-	91 879	91 879	-	-	91 879	91 879	100%	91 879
Northern Cape	266 621	-	-	266 621	266 621	-	-	266 621	260 666	98%	235 948
North West	211 765	-	-	211 765	211 765	-	-	211 765	192 850	91%	194 280
Western Cape	2 182 468	-	-	2 182 468	2 182 468	-	-	2 182 468	2 182 468	100%	1 973 127
Comprehensive HIV and AIDS											
Eastern Cape	1 060 852	-	-	1 060 852	1 060 852	-	-	1 060 852	1 110 315	105%	864 173
Free State	615 160	-	-	615 160	615 160	-	-	615 160	648 684	105%	530 440
Gauteng	1 901 293	-	-	1 901 293	1 901 293	-	-	1 901 293	1 905 215	100%	1 620 673
KwaZulu/Natal	2 225 423	-	-	2 225 423	2 225 423	-	-	2 225 423	2 253 755	101%	1 889 427
Limpopo	713 432	-	-	713 432	713 432	-	-	713 432	634 889	89%	624 909
Mpumalanga	575 032	-	-	575 032	575 032	-	-	575 032	586 097	102%	490 366
Northern Cape	248 372	-	-	248 372	248 372	-	-	248 372	228 064	92%	212 923
North West	685 204	-	-	685 204	685 204	-	-	685 204	706 124	103%	599 437
Western Cape	738 080	-	-	738 080	738 080	-	-	738 080	734 843	100%	660 614

NAME OF PROVINCE / GRANT	GRANT ALLOCATION				TRANSFER			SPENT			2011/12
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by department	Amount spent by department	% of available funds spent by department	Division of Revenue Act
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000
Forensic Pathology Services											
Eastern Cape	-	-	-	-	-	-	-	-	-	-	73 506
Free State	-	-	-	-	-	-	-	-	-	-	39 451
Gauteng	-	-	-	-	-	-	-	-	-	-	97 966
KwaZulu/Natal	-	-	-	-	-	-	-	-	-	-	161 550
Limpopo	-	-	-	-	-	-	-	-	-	-	42 308
Mpumalanga	-	-	-	-	-	-	-	-	-	-	53 114
Northern Cape	-	-	-	-	-	-	-	-	-	-	24 240
North West	-	-	-	-	-	-	-	-	-	-	28 019
Western Cape	-	-	-	-	-	-	-	-	-	-	70 226
Hospital Revitalisation											
Eastern Cape	402 679	-	-	402 679	402 679	-	-	402 679	414 544	103%	411 048
Free State	472 384	-	166 000	638 384	638 384	-	-	638 384	462 127	72%	417 883
Gauteng	795 439	-	-	795 439	795 439	-	-	795 439	411 137	52%	857 465
KwaZulu/Natal	566 605	-	20 000	586 605	586 605	-	-	586 605	586 542	100%	547 698
Limpopo	301 193	-	-	301 193	301 193	-	-	301 193	344 706	114%	371 672
Mpumalanga	300 000	-	-	300 000	300 000	-	-	300 000	240 821	80%	356 557
Northern Cape	346 083	-	-	346 083	346 083	-	-	346 083	366 207	106%	406 892
North West	423 127	-	-	423 127	423 127	-	-	423 127	392 610	93%	370 074
Western Cape	496 085	-	-	496 085	496 085	-	-	496 085	441 610	89%	481 501

NAME OF PROVINCE / GRANT	GRANT ALLOCATION				TRANSFER			SPENT			2011/12
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by department	Amount spent by department	% of available funds spent by department	Division of Revenue Act
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000
Professional Training and Development											
Eastern Cape	178 730	-	-	178 730	177 802	928	-	177 802	172 934	97%	170 071
Free State	130 930	-	-	130 930	130 930	-	-	130 930	143 946	110%	124 444
Gauteng	725 310	-	-	725 310	725 310	-	-	725 310	725 310	100%	690 803
KwaZulu/Natal	261 860	-	-	261 860	261 860	-	-	261 860	261 860	100%	249 917
Limpopo	103 913	-	-	103 913	103 913	-	-	103 913	92 307	89%	99 730
Mpumalanga	85 208	-	-	85 208	85 208	-	-	85 208	86 090	101%	80 718
Northern Cape	68 583	-	-	68 583	68 583	-	-	68 583	73 936	108%	65 510
North West	93 522	-	-	93 522	93 522	-	-	93 522	93 522	100%	88 323
Western Cape	428 120	-	-	428 120	428 120	-	-	428 120	428 120	100%	407 794
Health Infrastructure											
Eastern Cape	258 862	-	-	258 862	258 862	-	-	258 862	306 177	118%	300 264
Free State	139 073	-	-	139 073	139 073	-	-	139 073	81 950	59%	131 717
Gauteng	110 361	-	-	110 361	110 361	-	-	110 361	110 361	100%	142 694
KwaZulu/Natal	393 367	-	180 000	573 367	573 367	-	-	573 367	572 520	100%	358 471
Limpopo	267 888	-	-	267 888	267 888	-	-	267 888	266 729	100%	270 802
Mpumalanga	108 971	-	-	108 971	108 971	-	-	108 971	114 394	105%	146 368
Northern Cape	98 258	-	-	98 258	98 258	-	-	98 258	110 038	112%	89 501
North West	112 790	-	-	112 790	112 790	-	-	112 790	121 622	108%	145 466
Western Cape	131 411	-	-	131 411	131 411	-	-	131 411	128 981	98%	119 179

Vote 16
Disclosure Notes to the Annual Financial Statements
for the year ended 31 March 2013

NAME OF PROVINCE / GRANT	GRANT ALLOCATION				TRANSFER			SPENT			2011/12
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by department	Amount spent by department	% of available funds spent by department	Division of Revenue Act
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000
National Health Insurance											
Eastern Cape	11 500	-	-	11 500	11 500	-	-	11 500	8093	70%	-
Free State	16 500	-	-	16 500	16 500	-	-	16 500	9 337	57%	-
Gauteng	31 500	-	-	31 500	31 500	-	-	31 500	8066	26%	-
KwaZulu/Natal	33 000	-	-	33 000	33 000	-	-	33 000	16 127	49%	-
Limpopo	11 500	-	-	11 500	11 500	-	-	11 500	4 118	36%	-
Mpumalanga	11 500	-	-	11 500	11 500	-	-	11 500	5 570	48%	-
Northern Cape	11 500	-	-	11 500	11 500	-	-	11 500	8 005	70%	-
North West	11 500	-	-	11 500	11 500	-	-	11 500	8 818	77%	-
Western Cape	11 500	-	-	11 500	11 500	-	-	11 500	9 885	86%	-
Nursing Colleges and School											
Eastern Cape	14 660	-	-	14 660	14 660	-	-	14 660	12 394	85%	-
Free State	9 160	-	-	9 160	9 160	-	-	9 160	3 265	36%	-
Gauteng	12 480	-	-	12 480	12 480	-	-	12 480	7 702	62%	-
KwaZulu/Natal	16 480	-	-	16 480	16 480	-	-	16 480	16 480	100%	-
Limpopo	12 400	-	-	12 400	12 400	-	-	12 400	11 777	95%	-
Mpumalanga	9 740	-	-	9 740	9 740	-	-	9 740	5 391	55%	-
Northern Cape	6 080	-	-	6 080	6 080	-	-	6 080	977	16%	-
North West	8 680	-	-	8 680	8 680	-	-	8 680	8 680	100%	-
Western Cape	10 320	-	-	10 320	10 320	-	-	10 320	5 712	55%	-

NAME OF PROVINCE / GRANT	GRANT ALLOCATION				TRANSFER			SPENT			2011/12
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by department	Amount spent by department	% of available funds spent by department	Division of Revenue Act
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000
Africa Cup of Nations											
Eastern Cape	-	-	3 000	3 000	3 000	-	-	3 000	2 353	78%	-
Free State	-	-	-	-	-	-	-	-	-		-
Gauteng	-	-	3 000	3 000	3 000	-	-	3 000	-		-
KwaZulu/Natal	-	-	3 000	3 000	3 000	-	-	3 000	1 672	56%	-
Mpumalanga	-	-	3 000	3 000	3 000	-	-	3 000	3 000	100%	-
North West	-	-	3 000	3 000	3 000	-	-	3 000	1 583	53%	-
	25 691 610	**-**	**381 000**	**26 072 610**	**26 071 682**	**928**	**-**	**26 071 682**	**25 329 035**		**24 034 782**

National Health certifies that all transfers were deposited into the primary bank account of the province or where applicable, into the CPD account of the province.

ANNEXURE 1A
STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

	TRANSFER ALLOCATION				TRANSFER		2011/12
DEPARTMENT/ AGENCY/ ACCOUNT	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Compensation Fund	2 916	-	-	2 916	2 916	100%	2 777
Medical Research Council	283 863	-	-	283 863	283 863	100%	271 205
Medical Schemes Council	4 310	-	-	4 310	4 310	100%	4 194
National Health Laboratory Services	84 640	-	-	84 640	84 640	100%	82 167
National Health Laboratory Services (Cancer Register)	462	-	-	462	462	100%	855
Service Sector Education and Training Authority	479	-	-	479	479	100%	424
Human Science Research Council	7 000	-	-	7 000	7 000	100%	5 400
Council for Science and Industrial Research	4 041	-	-	4 041	4 041	100%	-
SA Medical Research Council	5 000	-	-	5 000	5 000	100%	-
	392 711	**-**	**-**	**392 711**	**392 711**		**367 022**

ANNEXURE 1B

STATEMENT OF TRANSFERS TO UNIVERSITIES AND TECHNIKONS

	TRANSFER ALLOCATION				TRANSFER			2011/12
UNIVERSITY/TECHNIKON	Adjusted Appropriation R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	Amount not transferred R'000	% of Available funds Transferred %	Appropriation Act R'000
University of Limpopo (MEDUNSA)	6 000	-	-	6 000	4 000	2 000	50%	562
University of Cape Town	5 000	-	-	5 000	4 000	1 000	25%	-
University of Witwatersrand	9 000	-	-	9 000	9 000	-		5 000
Walter Sisulu University	4 000	-	-	4 000	-	4 000		7 200
University of Stellenbosch	4 000	-	-	4 000	4 000	-		-
	28 000	**-**	**-**	**28 000**	**21 000**	**7 000**		**12 762**

ANNEXURE 1C

STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPORATION/ PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2011/12
	Adjusted appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	Capital	Current	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Private Enterprises									
Transfers									
Topco media – Top Womens Award	40	-	-	40	40	100%	-	-	-
TOTAL	**40**	**-**	**-**	**40**	**40**		**-**	**-**	**-**

ANNEXURE 1D

STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2011/12
	Adjusted Appropriation Act	Roll overs	Adjustments	Total Avail-able	Actual Transfer	% of Available funds transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
Health Systems Trust	8 252	-	-	8 252	8 252	100%	6 097
Life Line	17 627	-	-	17 627	17 627	100%	16 478
Love Life	66 124	-	-	66 124	66 124	100%	62 023
SA Council for the Blind	651	-	-	651	651	100%	620
Soul City	13 876	-	-	13 876	13 876	100%	12 977
South African Aids Vaccine Institute	12 977	-	-	12 977	12 977	100%	12 359
South African Community Epidemiology Network on Drug Abuse	408	-	-	408	351	86%	303
South African Federation for Mental Health	290	-	-	290	290	100%	277
National Council against Smoking	650	-	-	650	293	45%	293
Maternal, Child and Woman's Health: NGO: SA Inherited Disorders Association	-	-	-	-	-		406
Downs Syndrome SA	165	-	-	165	-		10
Health Information System Programme	4 600	-	-	4 600	4 600	100%	2 400
Non-Communicable Diseases NGO	1 100	-	-	1 100	1 100	100%	-
Health Facilities and Infrastructure Management	1 200	-	-	1 200	1 326	111%	-
District Services and Environmental Health	845	-	-	845	844	100%	-
HIV and AIDS: NGO's	72 490	-	-	72 490	-		-
Zivikele Training	-	-	-	-	-		600
AIDS Sexually and Health Youth	-	-	-	-	-		1 600
Education Support Services	-	-	-	-	-		4 409
National Institute Community Development and Management	-	-	-	-	1 500		2 100
Community Responsiveness Program	-	-	-	-	1 500		1 900
Ukhamba Projects	-	-	-	-	3 193		1 700
Community Media Trust	-	-	-	-	2 000		3 144

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2011/12
	Adjusted Appropriation Act	Roll overs	Adjustments	Total Avail-able	Actual Transfer	% of Available funds transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Friends for Life	-	-	-	-	1 506		2 173
South African Catholic Bishop's Conference	-	-	-	-	1 530		1 081
Zakheni Training and Development	-	-	-	-	3 000		2 500
Leseding Care Givers	-	-	-	-	3 700		2 702
Leandra Community Centre	-	-	-	-	1 942		843
Ikusasa Le Sizwe Community	-	-	-	-	1 920		1 717
Get Down Productions	-	-	-	-	1 382		1 800
Highveld East Aids Project Support	-	-	-	-	4 906		4 653
NAPWA	-	-	-	-	-		4 500
ESSA Christian AIDS Programme	-	-	-	-	2 260		1 500
COTLANDS	-	-	-	-	2 200		2 380
Thusanang Youth Activity	-	-	-	-	-		1 070
Seboka Training & Support Network	-	-	-	-	2 000		1 521
The AIDS Response Trust	-	-	-	-	1 588		1 597
The South African Red Cross	-	-	-	-	-		3 374
CATCHA Winterveldt Office	-	-	-	-	2 000		1 458
Muslim AIDS Programme	-	-	-	-	1 450		700
Johannesburg Society for the Blind	-	-	-	-	700		600
Tshwaraganang	-	-	-	-	2 340		1 492
Khulisa Social Solutions	-	-	-	-	-		2 452
Network AIDS Community of South Africa	-	-	-	-	1 500		2 850
National Lesbian, Gay, Bisexual, Transsexual and Intersexual Health	-	-	-	-	1 118		734
TBHIV Care Association	-	-	-	-	-		1 083
DOH Global Fund (ANCRA)	-	-	-	-	-		1 304
South African Anti-tuberculosis	-	-	-	-	-		469
Centre for Positive Care	-	-	-	-	2 000		1 030
South African Men's Action Group	-	-	-	-	600		917
South African Organisation	-	-	-	-	-		1 068

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2011/12
	Adjusted Appropriation Act	Roll overs	Adjustments	Total Avail-able	Actual Transfer	% of Available funds transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Educational Support Services Trust	**-**	**-**	**-**	**-**	**3 072**		**-**
Moretele Sunrise	-	-	-	-	3 000		-
The Tshepang Trust	-	-	-	-	2 404		-
Alliance Against HIV/AIDS	-	-	-	-	1 200		-
The AIDS Consortium	-	-	-	-	800		-
Disabled People South Africa	-	-	-	-	1 000		-
The Training Institute for Primary Health Care	-	-	-	-	1 500		-
BOKAMOSO	-	-	-	-	1 500		-
HIV/AIDS Prevention Work Group	-	-	-	-	1 062		-
Humana People to People	-	-	-	-	1 300		-
South African Organisation for Prevention of HIV/AIDS	-	-	-	-	3 230		-
TOTAL	**201 225**	**-**	**-**	**201 225**	**196 214**		**179 264**

ANNEXURE 1E

STATEMENT OF TRANSFERS TO HOUSEHOLDS

	TRANSFER ALLOCATION				EXPENDITURE		2010/11
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act
HOUSEHOLDS	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**
Transfers							
Leave Gratuity	1 124	-	-	1 124	1 113	99%	606
Severance package	-	-	-	-	-		3 903
Refund and Remission – Act of Grace	7	-	-	7	7	100%	-
TOTAL	**1 131**	**-**	**-**	**1 131**	**1 120**		**4 509**

ANNEXURE 1F

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2012/13 R'000	2011/12 R'000
Received in kind			
Bill and Melinda Gates Foundation	Travel and subsistence related	63	125
Centre for Disease Control, Atlanta	Registration fees, Travel and Subsistence, Printing and training	25 398	80
Commonwealth Secretariat	Travel and subsistence related	-	20
Department of International Development: NHI	Travel and subsistence related	-	13 950
Department of International Development: Other	Travel and subsistence related	-	925
GMP Inspections Applications	Inspection of good manufacturing practice	-	45
International Atomic Energy Agency	Travel and subsistence related	-	105
PHSDSBC	Travel and subsistence related	-	95
Roll Back Malaria Secretariat	Travel and subsistence related	-	136
South African Developing Countries	Travel and subsistence related	-	51
UNICEF	Travel and subsistence related	2 224	555
USAIDS	Travel and subsistence related	-	21
African Union Commission	Travel and subsistence related	-	67
American Association of Pharmaceutical Scientist	Travel and subsistence related	-	590
Atlantic Philantropies	Workshops	59	37
Cooperative Biological Engagement Program	Travel and subsistence related	35	80
Deutshe Gesellschaft fur international Zusamme	Workshops	-	40
GEPF	Travel and subsistence related	-	49
Global Fund	Travel and subsistence related	1 289	148
Harvard Kennedy School	Travel and subsistence related	-	26
International Academy for Design & Health	Travel and subsistence related	-	72
International Union Against TB and Lung Disease	Travel and subsistence related	-	13
JHHESA	Travel and subsistence related	-	28
JHPIEGO	Registration fees, travel and subsistence	-	57
Joint learning network	Travel and subsistence related	-	163
Management Sciences for Health	Data capturers for Health and printing	160	13
Medsafe	Travel and subsistence related	-	11

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2012/13 R'000	2011/12 R'000
Ministry of Health & Social Services: Namibia	Travel and subsistence related	-	69
MSH	Planning session	-	73
Multilateral Initiative on Malaria and partners	Travel and subsistence related	78	55
NEPAD Agency	Travel and subsistence related	23	54
O'neill Institute for National and Global Health Law	Travel and subsistence related	-	33
Open Medical Institute & Open Society Foundation	Travel and subsistence related	-	68
Organisation for Economic Cooperation and Development	Travel and subsistence related	-	113
Organizers Prince Mahidol Award Conference	Travel and subsistence related	-	18
PATH and USAIDS	Equipment and meetings, catering	-	13
PEPFAR	Travel, accommodation, recordings and registration fees	-	405 000
Pfizer	Vaccine	-	48
Pharmaceutical applicants	GCP inspections	-	45
Reckitt Benckiser, Zydus Health care, Gulf Drug	Travel and subsistence related	-	12
Red Cross & British Medical Association	Travel and subsistence related	-	14
SARN	Travel and subsistence related	-	4
SARPAM	Travel and subsistence related	-	63
Stop TB Partnership	Travel and subsistence related	-	49
UN Foundation	Travel and subsistence related	-	60
UNAIDS	Travel and subsistence related	14	75
UNFPA	Travel and subsistence related	-	36
UNITAID	Travel and subsistence related	-	365
University Research Council/Company	Travel and subsistence related	-	70
US Codex Office	Travel and subsistence related	-	75
US Codex Office and University of Maryland	Travel and subsistence related	-	56
USDA	Travel and subsistence related	-	1 050
VACFA	Travel and subsistence related	-	10
WHO and UNICEF	Travel and subsistence related	-	1 084
WHO/AFRO	Travel and subsistence related	-	43
World Bank Institute	Flagship course	-	18
Yale University	Travel and subsistence related	-	57

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2012/13 R'000	2011/12 R'000
Biovac	Venues and facilities	-	31
Clinton Foundation	Travel and subsistence related	-	20
ETCDA	Travel and subsistence related	-	1 020
World Health Organisation	Travel and subsistence related	-	1 033
African Development Bank	Travel and subsistence related	285	-
African Union Inter African Bureau for Animal Resources	Travel and subsistence related	21	-
Bank Health Result Trust	Travel and subsistence related	13	-
Board of Healthcare Funders	Travel and subsistence related	26	-
CABRI	Travel and subsistence related	19	-
Clinton Health Access Initiative	Travel and subsistence related	22	-
DFID	Registration fees and Road shows	563	-
DIA	Travel and subsistence related	20	-
EU	Printing and training	3 673	-
Dream Foundation	Travel and subsistence related	15	-
DFA	Travel and subsistence related	127	-
Futuresgroup (London)	Travel and subsistence related	97	-
GAIN	Travel and subsistence related	13	-
GAVI	Travel and subsistence related	129	-
Harvard University	Travel and subsistence related	106	-
International Atomic Energy Agency	Travel and subsistence related	107	-
International Office of Migration	Travel and subsistence related	123	-
International Training and Education Centre for Health SA (ITEC)	Travel and subsistence related	181	-
MACAO SAR Government	Travel and subsistence related	42	-
NORVATIS	Travel and subsistence related	22	-
Various Pharmaceutical Organisations	Travel and subsistence related	517	-
PRIME	Travel and subsistence related	33	-
RMCH	Travel and subsistence related	400	-
Rockefeller Foundation	Travel and subsistence related	17	-
Roll Back Malaria Secretariat	Travel and subsistence related	9	-
South African Development Countries	Travel and subsistence related	27	-

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2012/13 R'000	2011/12 R'000
Sanofi Pasteur	Travel and subsistence related	82	-
Secretariat of the Stockholm Convention	Travel and subsistence related	23	-
SIDA	Travel and subsistence related	36	-
Tapei Liaison Officer	Travel and subsistence related	36	-
US President Malaria Initiative	Travel and subsistence related	36	-
US Agency for International Development	Travel and subsistence related	160	-
US Department of Health and Human Sciences	Travel and subsistence related	28	-
World Health Organisation	Travel and subsistence related	2 675	-
World Bank	Travel and subsistence related	18	-
Yale University	Travel and subsistence related	40	-
TOTAL		**39 084**	**428 291**

ANNEXURE 1G

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 kind					
Local					
Bill and Melinda Gates Foundation	Travel and subsistence related		63	63	
Centre for Diseases Control, Atlanta	Registration fees, Travel and Subsistence and training		25 398	25 398	
UNICEF	Travel and subsistence related		2 224	2 224	
Atlantic Philantropies	Workshops		59	59	
Cooperative Biological Engagement Programme	Travel and subsistence related		35	35	
Global Fund	Travel and subsistence related		1 289	1 289	
Management Sciences for Health	Data Capturers for Health and printing		160	160	
Multilateral Initiative on Malaria and Partners	Travel and subsistence related		78	78	
NEPAD Agency	Travel and subsistence related		23	23	
UNAIDS	Travel and subsistence related		14	14	
African Development Bank	Travel and subsistence related		285	285	
African Union Inter African Bureau for Animal Resources	Travel and subsistence related		21	21	
Bank Health Result Trust	Travel and subsistence related		13	13	
Board of Healthcare Funders	Travel and subsistence related		26	26	
CABRI	Travel and subsistence related		19	19	
Clinton Health Access Initiative	Travel and subsistence related		22	22	
DFID	Registration fees and Road shows		563	563	
DIA	Travel and subsistence related		20	20	
EU	Printing and training		3 673	3 673	
Dream Foundation	Travel and subsistence related		15	15	
FDA	Travel and subsistence related		127	127	
Futuresgroup (London)	Travel and subsistence related		97	97	
GAIN	Travel and subsistence related		13	13	
GAVI	Travel and subsistence related		129	129	

NAME OF DONOR	PURPOSE	OPENING BALANCE R'000	REVENUE R'000	EXPENDITURE R'000	CLOSING BALANCE R'000
Harvard University	Travel and subsistence related		106	106	
International Atomic Energy Agency	Travel and subsistence related		107	107	
International Office of Migration	Travel and subsistence related		123	123	
International Training and Education Centre for Health SA (ITEC)	Travel and subsistence related		181	181	
MACAO SAR Government	Travel and subsistence related		42	42	
NORVATIS	Travel and subsistence related		22	22	
Various Pharmaceutical Organisations	Travel and subsistence related		517	517	
PRIME	Travel and subsistence related		33	33	
RMCH	Travel and subsistence related		400	400	
Rockefeller Foundation	Travel and subsistence related		17	17	
Roll Back Malaria Secretariat	Travel and subsistence related		9	9	
South African Development Countries	Travel and subsistence related		27	27	
Sanofi Pasteur	Travel and subsistence related		82	82	
Secretariat of the Stockholm Convention	Travel and subsistence related		23	23	
SIDA	Travel and subsistence related		36	36	
Tapei Liaison Officer	Travel and subsistence related		36	36	
US President Malaria Initiative	Travel and subsistence related		36	36	
US Agency for International Development	Travel and subsistence related		160	160	
US Department of Health and Human	Travel and subsistence related		28	28	
World Health Organisation	Travel and subsistence related		2 675	2 675	
World Bank	Travel and subsistence related		18	18	
Yale University	Travel and subsistence related		40	40	
TOTAL			**39 084**	**39 084**	

ANNEXURE 1H

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE AND REMMISSIONS, REFUNDS AND PAYMENTS MADE AS AN ACT OF GRACE

NATURE OF GIFT, DONATION OR SPONSORSHIP (Group major categories but list material items including name of organisation	2012/13 R'000	2011/12 R'000
Made in kind		
Donation for Conference on Paediatric Cardiology and Cardiac Surgery	-	500
Subtotal	**-**	**500**
Remissions, refunds, and payments made as an act of grace		
Act of grace – costs relating to change of date of travel for a sponsored air ticket	-	2
Act of grace – funeral costs for an employee	7	-
Subtotal	**7**	**2**
TOTAL	**7**	**502**

ANNEXURE 2A

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2013 – LOCAL

Guarantor institution	Guarantee in respect of	Original guaran-teed capital amount	Opening balance 1 April 2012	Guarantees draw downs during the year	Guarantees repayments/ cancelled/ reduced/ released during the year	Revalu-ations	Closing balance 31 March 2013	Guaranteed interest for year ended 31 March 2013	Realised losses not recovera-ble i.e. claims paid out
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
	Motor vehicles								
Stannic		299	273	-	172	-	101	-	-
	Subtotal	**299**	**273**	**-**	**172**	**-**	**101**	**-**	**-**
	Housing								
ABSA		56	83	-	-	-	83	-	-
First Rand Bank		250	295	-	39	-	256	-	-
Nedbank		154	142	32	8	-	166	-	-
Nedbank (NBS)		87	72	-	-	-	72	-	-
Old Mutual (Nedbank/Permanent Bank)		31	87	-	28	-	59	-	-
Peoples Bank		17	17	-	17	-	-	-	-
Standard Bank		151	65	-	-	-	65	-	-
	Subtotal	**746**	**761**	**32**	**92**	**-**	**701**	**-**	**-**
	TOTAL	**1 045**	**1 034**	**32**	**264**	**-**	**802**	**-**	**-**

Vote 16
Annexures to the Annual Financial Statements
for the year ended 31 March 2013

ANNEXURE 2B

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2013

Nature of Liability	Opening Balance 01/04/2011 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 31/03/2012 R'000
Claims against the department					
Mashiane P D vs Masilela R S and the Minister of Health	-	62	-	-	62
Ms G Khulong vs the Minister of Health and others	-	1 231	-	-	1 231
Mr A M Senne vs the Minister of Health	-	1 898	-	-	1 898
Mr D Gerber vs the Minister of Health	-	313	-	-	313
Total	**-**	**3 504**	**-**	**-**	**3 504**

ANNEXURE 3
CLAIMS RECOVERABLE

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2013 R'000	31/03/2012 R'000	31/03/2013 R'000	31/03/2012 R'000	31/03/2013 R'000	31/03/2012 R'000
Department						
Provincial Health: Eastern Cape	4 984	3 958	-	-	4 984	3 958
Provincial Health: Gauteng	142	41	-	-	142	41
Provincial Health: KwaZulu/Natal	2 215	558	-	-	2 215	558
Provincial Health: Mpumalanga	2 071	680	-	-	2 071	680
Provincial Health: Limpopo	2 279	292	-	-	2 279	292
National Department of Foreign Affairs (DIRCO)	1 223	2 688	-	-	1 223	2 688
Auditor-General	2	1	-	-	2	1
South African Revenue Services	-	15 104	-	-	-	15 104
Provincial Health and Social Services: Gauteng	329	-	-	-	329	-
Provincial Health and Social Services: Mpumalanga	9	-	-	-	9	-
Provincial Health: North West	690	-	-	-	690	-
Provincial Health: Free State	187	-	-	-	187	-
Provincial Health: Northern Cape	294	-	-	-	294	-
National Department of Environmental Affairs	17	-	-	-	17	-
South African Police Services	64	-	-	-	64	-
Department of Cooperative Governance	36	-	-	-	36	-
SANAC	95	-	-	-	95	-
Department of Rural Development and Land Reform	14	-	-	-	14	-
GCIS	575	-	-	-	575	-
Subtotal	**15 226**	**23 322**	**-**	**-**	**15 226**	**23 322**

Other Government Entities						
Centre for Disease Control	-	358	-	-	-	358
Global Fund	2 672	5 319	-	-	2 672	5 319
Canadian NGO	409	-	-	-	409	-
Subtotal	**3 081**	**5 677**	**-**	**-**	**3 081**	**5 677**
TOTAL	**18 307**	**28 999**	**-**	**-**	**18 307**	**28 999**

ANNEXURE 4

INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2013 R'000	31/03/2012 R'000	31/03/2013 R'000	31/03/2012 R'000	31/03/2013 R'000	31/03/2012 R'000
DEPARTMENTS						
Current						
Provincial Health: Eastern Cape	3 846	2 856	-	-	3 846	2 856
Provincial Health: KwaZulu/ Natal	-	3 509	-	-	-	3 509
Provincial Health: Mpumalanga	-	3 182	-	-	-	3 182
Provincial Health: Northern Cape	4 778	1 843	-	-	4 778	1 843
Provincial Health: North West	-	354	-	-	-	354
National Treasury	162 096	106 905	-	-	162 096	106 905
Provincial Health: Gauteng	420	-	-	-	420	-
Department of Public Works	-	-	1 362	-	1 362	-
Department of Justice and Constitutional Development	-	-	4 477	-	4 477	-
Department of Government Communication and Information System	-	-	23 153	-	23 153	-
The Presidency	-	-	22	-	22	
Subtotal	**171 140**	**118 649**	**29 014**	**-**	**200 154**	**118 649**
OTHER GOVERNMENT ENTITY						
Current						
ANCRA	-	1 303	-	-	-	1 303
TB Care	-	1 083	-	-	-	1 083
Compensation Fund for mines	-	2 777	-	-	-	2 777
Subtotal	**-**	**5 163**	**-**	**-**	**-**	**5 163**
Total	**171 140**	**123 812**	**29 014**	**-**	**200 154**	**123 812**

ANNEXURE 5

INVENTORY

Inventory	Note	2012/13		2011/12	
		Quantity	R'000	Quantity	R'000
Opening balance		2 400 355	14 013	44 241	1 360
Add/(Less): Adjustments to prior year balances		831 136	2 050	769 891	5 041
Add/(Less): Additions/Purchases – Cash		2 811 846	221 168	2 677 254	195 690
Add: Additions – Non-cash		1 878	2	1 108	117
(Less): Disposals		(2 937)	(318)	(207)	(114)
(Less): Issues		(2 799 866)	(224 216)	(2 723 710)	(194 982)
Add/(Less): Adjustments		(526 030)	(3 789)	1 631 778	6 990
Closing balance		**2 716 382**	**9 000**	**2 400 355**	**14 102**

ANNEXURE 6A
INTER-ENTITY ADVANCES PAID (note 10)

	Confirmed balance		Unconfirmed balance		Total	
	31/03/2013	31/03/2012	31/03/2013	31/03/2012	31/03/2013	31/03/2012
	R'000	R'000	R'000	R'000	R'000	R'000
NATIONAL DEPARTMENTS						
Government Communication Information System	22 578	11 682	-	-	22 578	11 682
DIRCO	3 577	3 150	-	-	3 577	3 150
TOTAL	**26 155**	**14 832**	**-**	**-**	**26 155**	**14 832**

Vote 16
Annexures to the Annual Financial Statements
for the year ended 31 March 2013
ANNEXURE 6B
INTER-ENTITY ADVANCES RECEIVED (note 14)

	Confirmed balance		Unconfirmed balance		Total	
	31/03/2013	31/03/2012	31/03/2013	31/03/2012	31/03/2013	31/03/2012
	R'000	R'000	R'000	R'000	R'000	R'000
NATIONAL DEPARTMENTS						
Current						
National Treasury	147 281	-	-	-	147 281	-
Subtotal	**147 281**	**-**	**-**	**-**	**147 281**	**-**
PROVINCIAL DEPARTMENTS						
Current						
Provincial Health: Eastern Cape	3 846	2 856	-	-	3 846	2 856
Provincial Health: Gauteng Province	420	-	-	-	420	-
Provincial Health: North West	14 815	354	-	-	14 815	354
Provincial Health: Northern Cape	4 778	1 843	-	-	4 778	1 843
Provincial Health: Mpumalanga	-	3 182	-	-	-	3 182
Provincial Health: KwaZulu/Natal	-	3 509	-	-	-	3 509
Subtotal	**23 859**	**11 744**	**-**	**-**	**23 859**	**11 744**
OTHER INSTITUTIONS						
Current						
Ukhamba Projects (NGO)	1 598	-	-	-	1 598	-
Subtotal	**1 598**	**-**	**-**	**-**	**1 598**	**-**
TOTAL	**172 738**	**11 744**	**-**	**-**	**172 738**	**11 744**

Notes

Notes