PROVINCIAL GOVERNMENT OF
THE WESTERN CAPE

DEPARTMENT OF HEALTH

ANNUAL REPORT 2006/07

INDEX

PART 1: GENERAL INFORMATION

1.1 Submission of the Annual Report to the executive authority

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Minister P Uys
Minister of Health

In accordance with section 40(1)(d) of the Public Finance Management Act, 1999; the Public Service Act, 1994 (as amended) and the National Treasury Regulations (NTR), I hereby submit the Department of Health's Annual Report for the 2006/07 financial year.

Please note in terms of section 65(1)(a) of the Public Finance Management Act, 1999 the MEC is required to table the report in the Provincial Legislature by 30 September 2007.

DR EH ENGELBRECHT
ACTING HEAD: HEALTH

Date: 19 September 2007

1.2 Introduction

The 2006/07 financial year was challenging for the Western Cape Department of Health. The Comprehensive Service Plan arising from the HealthCare 2010 strategy is the guiding document for the Department of Health. The objective of this plan is to deliver an improved and better quality of health service, closer to communities and within the allocated budget.

The Comprehensive Service Plan was approved during May 2007 and will be implemented during the next financial year.

The assumption of responsibility of rural primary health care services has progressed well and is nearing completion. As a result the provision of primary health care services in rural areas is now the sole responsibility of the Provincial Department of Health.

In general the 2006/07 financial year, despite financial challenges, was a successful year with the delivery of services across a wide front to the population of the Western Cape. Various policy options, outlined in detail in this report, such as additional cataract and hip replacement operations, increased the level of service delivery to those dependant on the State health services.

The period was characterised by the ongoing purchase of medical and other equipment carrying forward the departmental policy of replacing aging and obsolete equipment in provincial health facilities.

An increase in the number of nurses in the employ of the Provincial Department of Health was another positive development although the scarcity of particular categories of nurses remained a challenge. Overall there remains a significant shortage in the number of nurses required to provide health services in the Province.

1.3 Policy decisions and strategic issues

The National Health, 2003 (no. 61 of 2003) was signed by the President and came into effect on 2 May 2005, excluding chapters 6 and 8 as well as certain sections of other chapters as stipulated in Proclamation R19 of 18 April 2005, gazette number 27503.

The National Health Act has implications for the Province. It indicates the establishment of a Provincial Health Council as an advisory body to the Provincial Health Minister. The Act obligates the Provincial Minister to:

- Establish and meet twice yearly with a provincial statutory body whose main function is to promote and facilitate interaction, communication and sharing of information on provincial health issues. The Provincial Health Council was established by Minister Uys on 21 October 2005 and met regularly during the year. Meetings were held in various locations to increase the exposure of members to the realities in the health services.
- Establish District Health Councils for each health district in the Province with the consultation of the Provincial Minister for Local Government and the respective municipal councils of the metropolitan or district councils. The establishment of District Health Councils was held in abeyance pending the clarification of certain legal issues in the Health Act in this regard.

The Mental Health Care Act of 2002 became operational on 16 December 2004 and as a result the Department has amended the procedure for the admission of mentally ill patients. The Department has also established a single Hospital Review Board for the Province. Each central and district hospital also now has functional facility boards in accordance with the Western Cape Health Facility Boards Act 7 of 2001.

1.4 Progress

Detailed reporting is given in the sections below, covering the various programmes.

Programme 1 (Administration) – This programme supports the objectives of the approved Comprehensive Services Plan accompanied by an approved Human Resources and Financial Plan of the Department.

The Staff Performance Management System remains a challenge as it lacks uniform norms and standards.

Financial management has improved with the introduction of a Finance Personnel Management Instrument (FPMI) and the Department has substantially increased revenue collection especially at the central hospitals.

Communication with internal and external stakeholders has been addressed with targeted media relations training for senior management. Uniformity of messaging has been improved through greater coordination between the central and peripheral communication functions. The language unit comprising of language practitioners for both Xhosa and Afrikaans was established to ensure that the provincial language policy is implemented.

Programme 2 (District Health Services) – Implementation of the District Health System (DHS) is a key vehicle for delivering primary health care (PHC) and district hospital services. The assumption of responsibility of personal primary health care (PPHC) in rural areas was implemented during this financial year. All sub-districts in the Western Cape offer a full package of PHC services.

Deaths due to homicide/violence and road traffic accidents account for almost 20% of the burden of disease in the Western Cape thus the need to ensure that trauma and emergency services are strengthened at all levels of care in the public health system.

In terms of community health services, more than 17,000 clients were provided category 1, 2 and 3 services and approximately 40,000 inpatients days for palliative care was provided.

The Department sees the Expanded Public Works Programme as a programme to develop a career path into nursing for people who otherwise would not have had such an opportunity. The Department has trained 1,000 carers in NQF level 1.

The burden of the management of chronic diseases is significant for the health system. Patients with chronic diseases require their treatment on a daily basis and thus medication dispensing can become a burden for both the clients and the health facilities. The Department has instituted an alternate dispensing system for chronic diseases which means that clients have decreased waiting times during their monthly medication collection appointments as they receive pre-packed treatment directly from the pharmacy.

The efficiency of district hospitals with regards to average length of stay and bed utilisation rates have remained constant from the previous financial year. The Department is currently undertaking an audit of services provided in all district hospitals and a costing study to determine the cost drivers in district hospitals.

Prevention of infection with HIV remains a priority of the Department. The Prevention of Mother to Child Transmission (PMTCT) Programme is available at all PHC facilities providing an antenatal care service. There has been a vast improvement in the availability of Post Exposure Prophylaxis (PEP) for sexual abuse victims in the Province to be more in line with availability for occupational HIV exposure. At the end of the 2006/07 financial year, 50 sites in the Province were providing anti-retroviral (ARV) treatment.

HIV and Tuberculosis (TB) together are the most significant cause of premature death and account for approximately 22% of the burden of disease in the Province. In 2006/07 the Province had a targeted intervention in five priority sub-districts for an enhanced response to TB.

The Province has a good coverage for antenatal care (87%). Cervical screening coverage showed a significant improvement in the last three years, from 3.1% in 2004/05 to 6.3% in 2006/07.

90% of children under one year have been fully immunised, i.e. have received all the required immunisation doses.

The responsibility for the provision of Forensic Pathology Services transferred from the South African Police Service to the Department of Health with effect 1 April 2006. The macro organisational structure was implemented on PERSAL and in preparation of the transfer 148 posts were created, advertised, and candidates interviewed between February and April 2006. Having to fill an initial staff establishment of 170 was a challenge and due to the continued support from SAPS through secondment of personnel, services could continue whilst the recruitment processes were underway. However, the unavailability of forensic pathologists countrywide resulted in some advertised posts remaining vacant.

All personnel have been orientated to the Forensic Pathology Services.

Programme 3 (Emergency Medical Services) – The numbers of requests for emergency responses in the Western Cape have increased by 30% over the last financial year which has not been matched by an increase in capacity. This resulted in a lengthening of response times.

The patient transport service HealthNET has been restructured and is showing steady growth in the numbers of patients transported (21% over the year). HealthNET has in some measure relieved the increasing load on the emergency services.

The communications centres are operating in all six districts of the Province with electronic Computer Aided Dispatch Systems.

Programme 4 (Provincial Hospital Services) – The acute services provided by regional hospitals in this programme continued to operate under tremendous pressure as evidenced by their hospital performance statistics. Many of these hospitals have occupancy rates at times exceeding 100%.

Trauma and emergency services in particular continued to be under severe strain with high volumes of attendances and a high acuity of illness amongst patients at presentation.

Although there was a net gain of 86 posts within the regional hospital sub-programme, the total staff complement was supplemented by the recruitment of staff via agency services. The acquisition of scarce nursing skills in the areas of theatre and midwifery was vital to sustain service delivery. The lack of key staff has become the limitation to the provision of services within the current platform and to any further expansion. The range of strategies adopted by the Department will to some extent improve the ability to recruit and retain staff, especially professional nurses and doctors

The Hospital Revitalisation Project (HRP) continued at George, Vredenburg, Eben Donges and Paarl Hospitals.

Despite efforts to strengthen TB control in the Western Cape, the burden of disease from TB continues to rise. A significant growth in the proportion of multi-drug resistant (MDR) patients occurred, fostered by the increase in HIV and AIDS. A further development has been the identification of cases of extremely drug resistant tuberculosis (XDR-TB) in the Western Cape. The collaboration between the HIV and AIDS and TB programmes will be strengthened to address effective treatment. A coordinating forum has been set up between Programmes 2 and 4 to ensure a uniform implementation approach.

The provincialisation of TB hospitals is in the final stages of completion.

High bed occupancies were experienced by the acute services within psychiatric hospitals and the number of psychiatric emergencies attending acute general hospitals is increasing.

A significant milestone was the opening of the opiate detoxification unit at Stikland Hospital in June 2006. At Lentegeur Hospital, the sub-acute unit for adolescents with psychotic illness now operates at the planned 18 beds and a 20-bed step down forensic facility for state patients who are suitable for conditional discharge but have no family for placement opened in October 2006.

Training capacity for mental health has been improved in the Associated Psychiatric Hospitals (APH) with the establishment of a training facility for the APH platform to serve the broader Health Department.

The in- and out-patient services of the Western Cape Rehabilitation Centre (WCRC) continued to grow.

Programme 5 (Central Hospital Services) – renders highly specialised services to communities of the Western Cape, surrounding Provinces and other African countries and provides a high quality teaching platform at post and undergraduate level. Restructuring and consolidation remain key challenges. Services are constrained due to a shortage of skilled nursing staff. The issue of joint agreements with universities has not yet been finalized.

The service load at central hospitals increased by 3.9% over the last financial year. This increased service load was largely felt in the obstetrics, neonatalogy and medical patients.

A strong emphasis was placed on clinical governance and improving monitoring and evaluation. The key focus of these activities has been the development of a strong quality assurance and improvement programme. A provincial system of co-ordinating clinicians was implemented in all the major disciplines aimed at improving clinical governance as well as ensuring patients are being managed at the most appropriate levels of care. Capacity building at the less specialised levels of care received particular attention.

Programme 6 (Health Sciences and Training) – the key interventions have centred on nurses training at the Western Cape College of Nursing (WCCN) as well as the training at the various central and regional hospitals. EMS has continued their training of paramedics and ambulance personnel. Bursaries are granted to students training at both the WCCN and the University of the Western Cape (UWC). A Director of Nursing was appointed.

Programme 7 – (Health Care Support Services) – R14.6 million was allocated for the purchasing and installation of new equipment for Laundry Services. This included a washing lane that was installed and commissioned in January 2007 (the first machine of this type to be installed in the Western Cape), an ironing line that was installed and commissioned in March 2007 (the first heating band-type ironer installed in South Africa) and a garment processing line that was installed and commissioned in record time during March 2007 (contains the first automatic garment-folding robot installed in the Western Cape).

Engineering Services will implement an effective preventative maintenance programme for all the facilities in the Western Cape including critical equipments. The aim is to reduce major breakdowns which can result to major repairs as well as the associated costs and overtime. An updated Asset Maintenance Management System will also be implemented.

A major constraint for rendering Orthotic and Prosthetic Services in the Western Cape is the inability to attract and retain suitable skilled and experienced personnel. This can be attributed to a shortage of qualified orthotist/prosthetists and surgical boot-makers, coupled with uncompetitive salaries. The shortage is being addressed by in-house training programmes.

The upgrading of the Cape Medical Depot's (CMD) air conditioning system, in order to comply with the Pharmacy Act, is 90% complete.

Programme 8 – (Health Facility Management) – Whilst there were deviations from projected expenditure on individual projects, overall expenditure was in line with the budget. Construction work on almost all of the projects scheduled for construction in the Annual Performance Plan (APP) is in progress.

The revitalised George Hospital was officially opened by the National Minister in June 2006.

1.5 Health Ministry

Minister Pierre Uys provided strong leadership and interactive management support. He gave constructive feedback in his appraisal of key management decisions. He continually interacted with communities and staff.

1.6 Vision, Mission and Core Values

The departmental vision statement is 'Equal access to quality care'. This statement is in line with the departmental goals namely, accessibility, appropriateness, affordability, effectiveness and efficiency.

The Department's mission is to improve the health of all the people in the Western Cape and beyond by ensuring the provision of a balanced health care system, in partnership with stakeholders, within the context of optimal socio-economic development.

The Department remained true to its core values, which encompasses all the Province's Batho Pele principles, while trying to realise its vision and mission during the period under review. These core values include integrity, openness and transparency, honesty, respect for people and commitment to providing a high-quality service within capacity.

1.7 Legislative Mandate

A Provincial Legislation

1. Honorary Medical Staff of Provincial Hospitals Regulations. Published under PN 553 of 1963.
2. Requirements from regional stores, and control and condemning of provincial hospital stores and equipment regulations. Published under PN 761 of 1953.
3. Payment of transport allowances to members of hospital boards attending meetings. Regulations published under PN of 1956.
4. Election, powers and functions of medical committees' regulations. Published under PN 307 of 1960.
5. Exhumation Ordinance 12 of 1980.
6. Communicable Diseases and Notification of Notifiable Medical Condition Regulations. Published Proclamation of R185 of 1987.
7. Health Act 63 of 1977, Assigned to the Province by virtue of Proclamation R152 of 1994.
8. Hospital Ordinance 18 of 1946. Assigned to the Province under Proclamation 115 of 1994.
9. Ambulance personnel transfer and Pensions Ordinance 15 of 1955. Assigned to the Province under Proclamation 115 of 1994.
10. Hospitals Amendment Ordinance 3 of 1956. Assigned to this Province under Proclamation 115 of 1994.
11. Training of Nurses and Midwives Ordinance of 1984. Assigned to the Province under Proclamation 115 of 1994.
12. Regulations governing private health establishments, published in PN 187 of 2001.
13. Western Cape Health Facility Boards Act 7 of 2001 and its regulations.
14. Provincial Treasury Instructions.

B National legislation

1. Human Tissues Act 65 of 1953.
2. Sexual Offences Act 23 of 1957.
3. Inquests Act 58 of 1959.
4. Medicines and Related Substances Control Act 101 of 1965. (Regulations thereto as well).
5. Foodstuffs, Cosmetics and Disinfectants Act 54 of 1972.
6. Hazardous Substances Act 15 of 1973.
7. Mental Health Act 18 of 1973.

8. International Health Regulations, Act 28 of 1974.
9. Pharmacy Act 53 of 1974.
10. Health Donations Fund Act 11 of 1978.
11. Medical, Dental and Supplementary Health Services Professions Act 56 of 1974.
12. Nursing Act 50 of 1978.
13. Allied Health Professions Act 63 of 1982.
14. Sterilisation Act 44 of 1988.
15. National Policy for Health Act 116 of 1990.
16. South African Medical Research Council Act 58 of 1991.
17. Births and Deaths Registration Act 51 of 1992.
18. Tobacco Products Control Act 83 of 1993 (including regulations).
19. Occupation Health and Safety Act 85 of 1993.
20. Academic Health Centres Act 86 of 1993.
21. Public Services Act, 1994.
22. Labour Relations Act 66 of 1995.
23. Choice on Termination of Pregnancy Act 92 of 1996.
24. Constitution of South Africa, Act 108 of 1996.
25. SA Medicines Control Amendment Act 90 of 1997.
26. Employment Equity Act 55 of 1998.
27. Correctional Services Act 111 of 1998.
28. Medical Schemes Act 131 of 1998.
29. Public Finance Management Act 1 of 1999.
30. Tobacco Products Control Amendment Act 12 of 1999.
31. National Health Laboratory Services Act 37 of 2000.
32. Promotion of Equality and Prevention of Unfair Discrimination Act 4 of 2000.
33. Promotion of Access to Information Act 2 of 2000.
34. Council for Medical Schemes Levies, Act 58 of 2000.
35. Medical Schemes Amendment Act 55 of 2001.
36. The Western Cape Health Facility Boards Act 7 of 2001.
37. Births and Deaths Registration Amendment Act 1 of 2002.
38. The Mental Health Care Act of 2002.
39. The National Health Care Act nr 61 of 2003.

Trading Accounts

1. Central Medical Training Entity – Ordinance 3 of 1962.
   Central Medical Training Entity – to provide medical supplies for the needs of the Department.

   The Head of the Department is the accounting officer of this trading entity. The trading entity maintains effective, efficient and transparent systems of financial and risk management and internal control.

PART 2: PROGRAMME PERFORMANCE

An overview of expenditure trends for the past three years is shown in Table 1.

Table 2.1: Expenditure by budget sub-programme

Programme	2004/05 Exp R'000	2005/06 Exp R'000	2006/07 Exp R'000	2006/07 Budget R'000	Variance -% under/ (over-) expenditure
Programme 1: Administration	213,316	167,291	162,125	162,201	0.05%
Programme 2: District Health Services	1,330,397	1,629,951	1,922,792	1,984,999	3.24%
District management	26,983	88,606	94,151	94,692	0.57%
Community health clinics	265,076	316,372	372,910	375,378	0.66%
Community health centres	441,885	521,255	552,220	552,242	0.00%
Community based services	36,554	43,499	98,295	98,411	0.12%
Other community services	47,459	53,076	32,312	32,417	0.32%
HIV and AIDS	94,394	122,655	168,579	168,454	(0.07%)
Nutrition	15,442	13,700	15,136	15,586	2.97%
Coroner services	843	2,004	51,966	94,052	80.99%
District hospitals	376,649	419,084	456,673	456,823	0.03%
Global fund	25,112	49,700	80,550	96,944	20.35%
Programme 3: Emergency Medical Services	198,170	255,851	277,844	277,882	0.01%
Emergency transport	198,170	250,130	268,597	268,633	0.01%
Planned patient transport	0	5,721	9,247	9,249	0.02%
Programme 4: Provincial Hospital Services	1,176,641	1,295,905	1,397,635	1,384,106	(0.97%)
General hospitals (regional)	750,742	795,425	909,634	896,091	(1.49%)
TB hospitals	62,049	66,116	76,379	76,385	0.01%
Psychiatric hospitals	256,210	279,060	300,496	300,496	0.00%
Sub-acute, stepdown and chronic hospitals	55,265	96,569	55,202	55,209	0.01%
Dental training hospitals	52,375	58,735	55,924	55,925	0.00%
Other specialised	0	0			
Programme 5: Central Hospital Services	1,805,918	1,980,705	2,123,000	2,123,014	0.00%
Central hospitals	1,805,918	1,980,705	2,123,000	2,123,014	0.00%
Provincial tertiary hospitals	0	0			
Programme 6: Health Sciences and Training	73,541	79,009	98,858	105,114	6.33%
Nurse training colleges	40,251	32,812	26,746	26,896	0.56%
EMS training colleges	2,748	3,104	3,705	3,756	1.38%
Bursaries	27,519	41,098	50,397	50,397	0.00%
PHC training	0	0	0	1	
Other training	3,023	1,995	18,010	24,064	33.61%
Programme 7: Health Care Support Services	82,752	93,075	92,906	92,983	0.08%
Laundries	37,631	38,230	46,547	46,557	0.02%
Engineering	27,243	31,620	33,615	33,671	0.17%

Programme	2004/05 Exp R'000	2005/06 Exp R'000	2006/07 Exp R'000	2006/07 Budget R'000	Variance -% under/ (over-) expenditure
Forensic services	6,445	7,288	0	1	
Orthotic and prosthetic services	7,330	8,621	8,700	8,710	0.11%
Medicines trading account	4,103	7,316	4,044	4,044	0.00%
Programme 8: Health Facilities Management	0	217,025	344,355	346,049	0.49%
Community health facilities		13,126	31,249	32,339	3.49%
EMS		213	9,093	16,842	85.22%
District hospitals		27,639	58,649	75,778	29.21%
Provincial hospitals		134,037	191,900	175,660	(8.46%)
Central hospitals		36,131	41,092	34,185	(16.81%)
Other facilities		5,879	12,372	11,245	(9.11%)
Total: Programmes	**4,880,735**	**5,718,812**	**6,419,515**	**6,476,348**	**0.89%**

Table 2.2: Evolution of expenditure by budget per capita sub-programme (constant 2006/07 prices)

	2004/05	2005/06	2006/07
Population	4,738,067	4,811,692	4,886,465
% insured	27	27	27
Uninsured population	3,458,789	3,512,535	3,567,119
Conversion to constant 2004/05 prices	1.16	1.05	1.00
Programme	**Exp per capita Uninsured[1] R'000**	**Exp per capita Uninsured[1] R'000**	**Exp per capita Uninsured[1] R'000**
Programme 1: Administration	72	50	45
Programme 2: District Health Services	446	487	539
Programme 3: Emergency Medical Services	66	76	78
Programme 4: Provincial Hospital Services	395	387	392
Programme 5: Central Hospital Services	606	592	595
Programme 6: Health Sciences and Training	25	24	28
Programme 7: Health Care Support Services	28	28	26
Programme 8: Health Facilities Management	0	65	97
Total: Programmes	**1,637**	**1,710**	**1,800**

[1] Calculate by (expenditure) x (conversion factor) / (uninsured population).

PROGRAMME 1: Administration

AIM

To conduct the strategic management and overall administration of the Department of Health.

ANALYSIS PER SUB-PROGRAMME

Sub-programme 1.1: Office of the MEC

Rendering of advisory, secretarial and office support services.

Sub-programme 1.2: Management

Policy formulation, overall management and administration support of the Department and the respective regions and institutions within the Department.

Sub- programme 1.2.1: Central Management

Policy formulation by the Provincial Minister and other members of management, implementing policy and organising the Health Department, managing personnel and financial administration, determining working methods and procedures and exercising central control.

Sub- programme 1.2.2: Decentralised Management

Implementing policy and organising health regions, managing personnel and financial administration, determining work methods and procedures and exercising regional control.

ANALYTICAL REVIEW OF PROGRAMME PERFORMANCE

Significant progress has been made in the development of the Comprehensive Service Plan, in line with HealthCare 2010, to the extent that there is a final draft document available.

1. Allocated policy options during 2006/07

Funding was allocated to the following priorities during 2006/07:

- R400,000 for the appointment of data analysts to improve the availability of information.
- R5 million for the strengthening of central and regional management which includes the establishment of a Directorate of nursing and other actions to improve administration of human resources and other support functions.
- An earmarked allocation of R53,6 million has been made for health equipment. Of this earmarked funding R11,6 million has been allocated to this Programme and the balance of R42 million to Programme 5: Central Hospital Services. In addition to this an amount of R26,5 million has been allocated via the Hospital Revitalisation Programme and a further R92,8 million of the equitable share has been allocated for machinery and equipment.
- The total funding allocated throughout the Department for equipment for 2006/07 was therefore R172,9 million.

- R4,3 million was allocated for the operational costs of the Central Dispensing Unit.

- R3 million was allocated to promote improved asset management while an additional R2,9 million was allocated to fund financial administrative staff over and above the R10 million allocated during the previous year.

- R1,5 million was allocated to fund the university consortium undertaking the burden of disease project.

2. Quality Improvement Strategies

- The Human Resources Component has developed many modules and circulars for example, a training manual for appointment procedures, probation, etc. At the same time continued informal training of the human recourse staff at hospitals and institutions has taken place.

- Dedicated quality assurance staff has been appointed and 97% of all regional office and facilities have quality assurance committees leading to the effective co-ordination of quality of care improvement initiatives. All regional offices have submitted 6-monthly reports.

- A project manager was appointed to coordinate a process of developing service standards. Furthermore the increase in the number of facilities conducting morbidity and mortality reviews has resulted in improved monitoring.

- Although the Department increased the number of pharmacist posts filled to 81% to ensure good pharmacy practice it continues to experience difficulty in attracting applicants at the entry level due to salaries.

- To improve the level of asset management in the Department, 95% of all institutions have asset registers and the Department has moved a long way to train staff in asset management principles.

- The Department has successfully closed it books, compiled the financial statements and submitted them to Provincial Treasury.

TABULAR REPORTING ON PERFORMANCE AGAINST PROVINCIAL 2006/07 ANNUAL PERFORMANCE PLAN

Table 2.3: Performance against targets from 2006/07 Annual Performance Plan for the Administration Programme

Sub-programme	Objectives (Outputs)	Indicators	2004/05 Actual	2005/06 Actual	2006/07 Actual	2006/07 APP
Management	***Chief Directorate: Professional Support Services and Administration***					
	POLICY AND PLANNING					
	Development of provincial health legislation.	Promulgation of provincial health legislation.	Not applicable	Not applicable	3rd draft of Western Cape District Health Services Bill as contem-plated in section 31(5) of the NHA is under discussion.	Drafting/ discussion of legislation i.t.o. section 31(5) of the National Health Act (NHA) re district councils.

Sub-programme	Objectives (Outputs)	Indicators	2004/05 Actual	2005/06 Actual	2006/07 Actual	2006/07 APP
			Not applicable	Not applicable	Draft Western Cape Ambulance Services Bill completed; with Legal Services for certification.	Promulgation of the Ambulance Services Act.
			Not applicable	Not applicable	Draft amend-ments to Regulation R187/2001 completed and submitted to Minister for approval.	Promulgation of Amendment: R187/2002.
			4th version of amendment to Hospitals Ordinance drafted	Further amendment to Hospital Ordinance drafted	Draft Western Cape Health Services Fees Bill which will replace the Hospital Ordinance drafted and submitted to Minister for approval.	Promulgation of the revised Hospital Ordinance.
			Previous Uniform Patient Fees Schedules repealed and replaced with new regulations.	UPFS updated and published in Govern-ment Gazette.	UPFS updated and published in Govern-ment Gazette.	
	Rationalisation of provincial health legislation.	Promulgation of repeal/ amendment to existing provincial health legislation as required.	Not applicable	Not applicable	Ministerial approval granted to repeal the legislation. Submission being drafted for Cabinet approval.	Drafting and discussion for repeal of: ▪ Ordinance 11/1955 (Ambulance personnel transfer and pensions);

Sub-programme	Objectives (Outputs)	Indicators	2004/05 Actual	2005/06 Actual	2006/07 Actual	2006/07 APP
						▪ Regulation Honorary Medical Staff of provincial hospitals of 1953; ▪ Regulation re Procurement by Provincial Hospitals of 1956; ▪ Regulation re powers and functions of Medical Committees of 1960.
	Delivering of opinions to minimise risk and litigation.	Number of legal opinions concluded.	Not applicable	Not applicable	60	70
	Drafting and vetting of contracts for the Department to minimise or prevent risk and litigation.	Drafted and vetted contracts.	Not applicable	Not applicable	19 new contracts	15
	Provision of Legal Administration support to prevent litigation and where unavoidable ensure that the Department is appropriately defended.	Average number of litigation cases.	16	37 new cases	13 new cases	25
		Average number of litigation cases successfully defended.	4 cases successfully defended. Remainder pending.	4 cases successfully defended	3 cases successfully defended	10
	Effective health service planning to ensure that plans are developed to ensure that health services are equitable, accessible, affordable and provide quality care.	A widely acceptable and realistic strategic plan that is based on the principles of HealthCare 2010.	Strategic plan timeously submitted in accordance with the prescripts of National Treasury and Department of Health.	Five-year strategic and perfor-mance plan and the Annual Perfor-mance Plan timeously submitted according to the prescripts.	Final draft of the Annual Perfor-mance Plan and Budget Statement 2 timeously submitted to Provincial Treasury and tabled in Legislature.	Annual Performance Plan timeously submitted in accordance with prescripts.

Sub-programme	Objectives (Outputs)	Indicators	2004/05 Actual	2005/06 Actual	2006/07 Actual	2006/07 APP
	INFORMATION MANAGEMENT					
	Provide health service and health status information to evaluate and monitor the effectiveness and efficiency of the services rendered by the Department.	% of prescribed information collected, collated, published and disseminated.	85%	85%	80%	90%
	Provide the necessary information technology, in accordance with Departmental and Provincial policy.	% of applications for information technology realised.	95%	90%	85%	95%
	Manage the implementation and support of the Health Information System (HIS) in all hospitals of the Department, as contracted.	% of hospitals where the HIS has been implemented.	15%	25%	34%[2]	45%
	Manage and administer the Promotion of Access to Information Act, 2000 and National Archives Act to ensure accessibility, preservation of health records respectively.	% of requests for information addressed.	Component established.	80%	80%	80%
	PROFESSIONAL SUPPORT SERVICES					
	Ensure that essential and quality drugs are available and dispensed as required.	% of indicator drugs immediately available and dispensed to patients.	91%	89%	86%	95%
		% of alignment of PGWC code list with the National EDL	Not reported	60% (no tertiary or quarternal EDL exists.)	60% (no tertiary or quarternal EDL exists.)	90%

[2] Due to financial and human resource constraints, the CD: e-Innovation was unable to provide the necessary infrastructure to the remaining hospitals in the roll-out plan.

Sub-programme	Objectives (Outputs)	Indicators	2004/05 Actual	2005/06 Actual	2006/07 Actual	2006/07 APP
	Ensure good pharmacy practice and efficient pharmaceutical care to patients.	% of pharmacist posts filled.	71%	74%	81%	90%
		% of pharmacist's assistants trained / in training.	72%	88%	91%	90%
		% of health facilities that comply with Medicines and Pharmacy Acts.		Compliance will be achieved over time as per implemen-tation plans.	Compliance will be achieved over time as per implemen-tation plans.	100%
	Establish a Chronic Dispensing Unit to dispense medications for patients with stable chronic conditions.	Number of prescriptions dispensed per year.			340,417	900,000
	MEDICAL LEGAL ADVISORY SERVICES					
	Containment of financial losses resulting from the defence or settle-ment of claims resulting from personal injury and public liability claims	Annual settlement costs.	R280,122	R13,3m	R4,248m	R14m
	Provision of instructions to the State Attorney for purposes of defending the Department's interests in mal-practice litigation.	Number of new medico-legal claims notified.		19	14	50
		Number of claims settled or defended.		7	10	25
	Containment of negative publicity resulting from medico-legal queries.	Average number of medico-legal queries.	540	593	684	700
	QUALITY ASSURANCE					
	Ensure the effective co-ordination of quality of care improvements initiatives at facility and regional level.	% of regional offices and facilities with quality assurance committees.	73%	77%	69%	100%

Sub-programme	Objectives (Outputs)	Indicators	2004/05 Actual	2005/06 Actual	2006/07 Actual	2006/07 APP
		% of regional offices and facilities with quality improvement plans.	79%	75%	61%	90%
		% of regional offices that submit 6-monthly reports	98%	100%	97%	100%
	To systematically evaluate the quality of service delivery.	% of facilities that have conducted an external client satisfaction survey, published the results and developed action plans for improvement:				
		Tertiary facilities	100%	67%	67%	100%
		Secondary facilities	50%	63%	42%	100%
		District facilities	18%	72%	17%	80%
		Community health centres		14%	30%	60%
		% of facilities that submit quarterly returns on the number of client complaints and compliments received.	97%	91%	83%	100%
		% of facilities that have included strategies to reduce complaints as reflected in the Quality Improve-ment Plans.		75%	62%	75%
		Nature and extent of complaints reflect concomitant decrease in line with plans.		25%	35%	50%

Sub-programme	Objectives (Outputs)	Indicators	2004/05 Actual	2005/06 Actual	2006/07 Actual	2006/07 APP
		Development of a set of standards against which to measure performance.	Standards set for nursing, Occupa-tional Therapy, Exchange, OPD Paediatrics and Reception	Standards set for Nursing Unit Occupa-tional Therapy OPD: Paediatrics Exchange Reception (5/5) Piloted nursing and Food Services Standards at NSH.	Service standards developed and rolled out to Head Office components	Evaluate the 5 standards set during 2004/05.
		% of facilities which conduct morbidity and mortality reviews in accordance with Provincial guidelines.	72% conduct MM however 10% submit	62%	55%	45%
	Reduce client waiting times	Establish impact of the Chronic Dispensing Unit (CDU) on waiting times and pharmacies.			Proposal received.	Repeat waiting time survey to evaluate impact.
	Chief Directorate: Human Resource Management					
	HUMAN RESOURCE MANAGEMENT					
	Ensure the effective management of human resource management policies and practices.	Develop and implement policies and practices and audit the application of the policies and practices.	Target met	Target met	Develop policies as determined by legislation and collective agreements. Execute audits.	Develop policies as determined by legislation and collective agreements. Execute audits.
	The development and maintenance of an effective organisational structure for the Department.	Restructuring of departmental establishment to facilitate the achievement of HealthCare 2010.	Most of the ground work completed. However, this process will commence on approval of the service plan.	The RT Team updated the draft Service Plan as a result of the Caledon workshop.	Creation of new dummy structures for the implemen-tation of Health Care 2010 structures initiated.	Implemen-tation of the new approved organisational structure.

Sub-programme	Objectives (Outputs)	Indicators	2004/05 Actual	2005/06 Actual	2006/07 Actual	2006/07 APP
					Interim organisation and post structures for the transfer of PPHC staff and TB hospitals from the private sector to the Department have been implemented.	
	Provide an efficient personnel administration service to employees.	The execution of all personnel procedures with regard to recruitment, selection, appointments, conditions of service and the assessment of staff should be in terms of approved departmental standards.	Target met	Target met. A highlight was the implementation of the MMS in the Department.	Execute all applicable policies, practices and collective agreements. Implementation of the new PILIR system generates huge workloads. Advantages of said system are already experienced in terms of leave management. The application of said policies and practices was done in such an efficient way that there have not been any queries from the Office of the Auditor General.	Execute all applicable policies and practices.

Sub-programme	Objectives (Outputs)	Indicators	2004/05 Actual	2005/06 Actual	2006/07 Actual	2006/07 APP
	Ensure the effective management of human resource development policies and practices.	Develop and co-ordinate the implementation of HRD policies and practices.		Part-time Bursary Policy Launch concluded success-fully. In the process to review and revise Full-time Bursary Policy and Contract. Developing roll-out plan for EPWP in Department.	Develop policies as determined by legislation and Depart-mental strategies. E.g. a new Employment Equity Plan and a Macro HR Restruc-turing Plan for the implemen-tation of the new Health Care 2010 organisation and post structures.	Develop policies as determined by legislation and Departmental strategies.
		Monitor and evaluate the implementation of HRD policies and practices.		Information reflected in Programme 6: Health Sciences and Training.	Monitor and evaluate the implemen-tation of HRD policies and practices.	Monitor and evaluate the implementation of HRD policies and practices.
	Ensure labour peace by providing and maintaining effective collective bargaining structures.	Number of incidents of labour unrest.	There was no labour unrest during this period	Protest actions: 27/06/05 (Cosatu: Joblosses; 50 employees took part; R4174.89) 03/10/05 (Cosatu: Joblosses; 8 employees took part; R876.97)	0	0
	Provide an efficient labour relations advisory service to employees and managers.	% of disputes and grievances resolved.		85%	85%	85%

Sub-programme	Objectives (Outputs)	Indicators	2004/05 Actual	2005/06 Actual	2006/07 Actual	2006/07 APP
	Finance					
	FINANCIAL MANAGEMENT					
	Produce financial statements.	Financial statements in accordance with National Treasury prescripts.	Financial statements produced.	Financial statements produced.	Financial statements produced.	Financial state-ments produced by 31 May 2006.
	To improve the level of asset management in the Department.	Credible asset registers.	30%	33%	95%	33%
		Level of control and management of asset registers.			100%	33%
	Ensure availability of essential drugs.	Number of items on dues out.	<60	<60	53	<50
	Adequate working capital to support adequate stockholding.	Stock turnover.	R50m	R51m	R43m	R40m
	BUSINESS DEVELOPMENT					
	To increase own revenue	Number of case managers		19		16
		Number of designated service provider agreements.		9		5
	To licence and inspect private health care establishments.	Number of applications and adjudications outside prescribed timeframes.		0	0	Dependant on Health Act Regulations
		Number of inspections per year.	Target met	280	450	430
	To increase own revenue	Number of hospitals billing audits per institution per year.		3		2
	Communications					
	COMMUNICATIONS					
	Establish branding and visibility of the Western Cape Health Department.	Percentage of corporate items designed.	Target met	Target met	Target met	Not yet determined

Sub-programme	Objectives (Outputs)	Indicators	2004/05 Actual	2005/06 Actual	2006/07 Actual	2006/07 APP
	Maintain adequate communication with all stakeholders.	Number of publications per year.	Target met	45	69	22
	Assist with awareness campaigns and promotions for Programmes and other Health Directorates.	Number of communication plans implemented and communicated in at least 2 of the mass media.	45 plans and success-fully im-plemented	20	19	74
	Implement 2005/06 internal communication plan.	Number of: ▪ staff indabas ▪ internal newsletters ▪ team briefings		11 7 11	7 16 4	45 12 67
	Implement the national language policy	Development of an implementation plan for the Western Cape Health Department.		Plan developed	Plan developed	No target set
		Development of capacity building programmes for Health.			TMM Media Training Workshop	No target set
		Establishment of a language unit for the provision of translation and interpretation services for the Western Cape Health Department.		1 chief language practitioner and 5 language practi-tioners were appointed.	1	Appoint 3 additional language practitioners

PROGRAMME 2: District Health Services

AIM

To render primary health care services and district hospital services including preventive, promotive, curative and rehabilitation services. The foundation for the effective and efficient provision of these services is based on the integration of facility based services; community based and support services.

ANALYSIS PER SUB-PROGRAMME

Sub-programme 2.1: District management

Planning, managing and monitoring the implementation of the provincial health service delivery strategy.

Sub-programme 2.2: Community health clinics

Rendering a nurse driven primary health care service at clinic level including visiting points, mobile and local authority clinics.

Sub-programme 2.3: Community health centres

Rendering a primary health service with full-time medical officers in respect of mother and child, health promotion, geriatrics, occupational therapy, physiotherapy, speech therapy, communicable diseases, mental health, etc.

Sub-programme 2.4: Community based services

Rendering a community based health service at non-health facilities in respect of home based care, abuse victims, mental- and chronic care, school health, etc.

Sub-programme 2.5: Other community services

Rendering environmental, port health and part-time district surgeon services.

Sub-programme 2.6: HIV and AIDS

Rendering a primary health care service in respect of HIV and AIDS campaigns and special projects.

Sub-programme 2.7: Nutrition

Rendering a nutrition service aimed at specific target groups and combines direct and indirect nutrition interventions to address malnutrition.

Sub-programme 2.8: Coroner services

Rendering forensic and medico legal services in order to establish the circumstances and causes surrounding unnatural death.

Sub-programme 2.9: District hospitals

Rendering of a hospital service at district level.

Sub-programme 2.10: Global Fund

Strengthen and expand the HIV and AIDS care, prevention and treatment programmes.

ANALYTICAL REVIEW OF PROGRAMME PERFORMANCE

The Division: District Health Services and Health Programmes is responsible for services within the District Health System from community based services, clinics, community health centres to district hospitals as well as policy development, program design and monitoring and evaluation of priority health programmes.

To that end the Division has eight divisional priorities, namely:
1. Implementing the District Health System
2. Community based services
3. Management of chronic diseases
4. Efficient use of district hospitals
5. HIV and AIDS
6. Tuberculosis
7. Women's health
8. Child health

The analysis of programme performance focuses on the eight (8) divisional priorities which were prioritised at the beginning of 2004/05 based on the quadruple burden of infectious diseases; namely TB, HIV and AIDS, chronic diseases and injuries; and the international, national and provincial policy and strategic imperatives stemming from the Millennium Development Goals, the National Health Act, the Strategic Priorities for the National Health System 2004 – 2009, iKapa Elihlumayo and HealthCare 2010.

Sub-programme 2.8 (Forensic Pathology Services) is reported on as a separate section additional to the eight divisional priorities.

1. Implementation of the District Health System

In line with the National Health Act mandate and the HealthCare 2010 strategy, the implementation of the District Health System (DHS) is a key vehicle for delivering primary health care (PHC) and district hospital services. One of the key successes in the implementation of the DHS within this financial year has been the assumption of responsibility for PPHC. The Department exceeded its target of taking over 450 staff members from municipalities into PGWC by almost 150. This addition of municipal staff into PGWC has facilitated decentralised management in the DHS and thus resulted in the over achievement in setting up of sub-district management structures. In contrast, the target to implement six district management structures instead of the four regional management structures has not been fully achieved. All districts have managers who take full management responsibility for the services provided in the DHS. Management structures have been decentralised to the Metropole, West Coast and Eden. The Central Karoo District is managed from Eden, Overberg District and the East of Cape Winelands District are managed from the Boland/Overberg Region and the West of Cape Winelands District is managed from the West Coast District Office. The target for six districts was probably over ambitious as the framework for implementation, the Comprehensive Service Plan, was not approved by the MEC during the financial year.

The Department has successfully further decentralised management capacity to 20 health facilities in the PHC platform. This is an underachievement of the target due to funding but a significant achievement nonetheless. There will be 15 additional facility managers employed in the Metropole during 2007/08 to reach the target of 35.

Management requires support systems such as information systems in order to monitor service performance and to use the information for decision-making. The Department has therefore exceeded its target of having facilities with access to the provincial intranet. These facilities therefore have the potential to access communication systems such as Groupwise (e-mail), supply chain management systems such as LOGIS and financial management systems such as BAS. In addition, they will have access to the Primary Health Care Information System, to contribute towards improving the efficiency of services, by the end of the next financial year.

One of the critical components of the PHC approach is the meaningful participation of communities in planning, implementation, monitoring and evaluation of services. The Department has not achieved its target of 70% PHC facilities with community participation structures. This can be attributed to the assumption of responsibility for clinics providing PPHC services previously managed by municipalities. Many of these clinics did not have these structures as is exemplified by the fact that more than 77% of CHC's (managed by PGWC) have community based participation structures compared to 39% of clinics. To improve on the achievement of this activity, the Department has decided to appropriately group a number of clinics and CHC's, where applicable, to form community based participation structures for the specific clinic/CHC complexes. Furthermore, the Department will provide policy guidelines to better operationalise the functioning of these community participation structures in a more standardised way.

Primary Health Care Services

All sub-districts offer a full package of PHC services. This is a 20% increase compared to the last financial year and 10% more than the target for 2006/07.

There has been an increase of 14% and 15% in the expenditure on PHC per uninsured population and per headcount respectively in 2007/08 compared to 2006/07, 87% of which is spent by the provincial government.

The professional nurse rate per 100,000 uninsured population has decreased from the last financial year due to the challenges of staff recruitment and retention.

As such, the utilisation rate for PHC services has remained constant since the previous financial year. The actual PHC headcounts however seem to have decreased over the last three years. The largest decrease has been in the Metropole District. An explanation for such a decrease could be the fact that the Metropole has the largest number of patients who have been dispensed chronic medication through an alternative system, meaning that these patients go directly to the pharmacy to collect medication and therefore are not registered as PHC headcounts. Furthermore, there has been successful consolidation of PHC facilities in the Metropole, which were previously managed by two service providers. Previously a patient accessing clinic services would be counted as one patient and counted again as another patient when accessing CHC services in the same facility. The consolidation of services means that when clients access both clinic and CHC services in one facility they would be counted as a single headcount. Community based services could also have resulted in a decrease in the PHC headcount. In addition to the category 2 and 3 clients reported in this report, there have been an additional 7,379 clients seen in their homes who are category 1 clients. All in all over 17,000 clients were seen in their homes during 2006/07.

The Department recognises that clinical governance is important to ensure that clients receive good quality care. As such, and in line with the HealthCare 2010 Comprehensive Service Plan, the Department had planned to appoint 12 family physicians in the primary health care platform, 9 in the large CHC's in the Metropole and 1 in each of the 3 rural regions. The Department has however found it difficult to recruit appropriately trained practitioners who have the required skills and competencies to fulfil the functions for clinical governance. The Department has thus engaged with the two higher education institutions (UCT and US) and jointly identified the skills and competencies required in those who qualify as family physicians. Family Medicine will now be a recognised clinical speciality by the Health Professions Council of South Africa. This means that Family Medicine registrars can be trained within the services to gain the required skills and competencies required for the service. In the short term the Department, together with the higher education institutions, will identify incumbents to be provided skills training to fulfil the requirement for practitioners providing the clinical governance function in the DHS. Even though the Department did not reach the target for employing family physicians during 2006/07, the Department believes that it has, in collaboration with the higher education institutions, successfully set up a sustainable long term process to produce the practitioners to deliver on its need for clinical governance in the DHS which includes the primary health care platform and district hospital services.

Deaths due to homicide/violence and road traffic accidents account for almost 20% of the burden of disease in the Western Cape thus the need to ensure that trauma and emergency services are strengthened at all levels of care in the public health system. As such, all Community Health Centres with 24 hour emergency units in the Metropole and 2 others in the rural regions have implemented the Cape Triage Systems to ensure that the emergency services provided on the PHC platform are provided appropriately to ensure good quality care. With the strategy to employ family physicians in the DHS to oversee clinical governance for all services, the Department felt that it would not be cost efficient to also employ emergency physicians for clinical governance of trauma and emergency services only. Clinical governance for trauma and emergency services will be overseen by family physicians with support from the coordinating clinician for emergency medicine. The Department feels that this would be adequate to ensure good quality care for the emergency medicine within the DHS.

One of the Department's challenges has been data management. As such, the quality of the data has been formally investigated and found to be unsatisfactory. As a result the Department has assessed the data management capacity required in the District Health System and is currently undertaking an organisational development process to address the capacity constraints identified. The Department will be improving its data management systems and processes in collaboration with the Health Systems Development Research Unit of the Medical Research Council. It is envisaged that such improvements will help the Department understand the aforementioned dynamics of changing service profiles and their impact on service outputs at a PHC level. Improvement in data management will also improve data availability for indicators for which service management data is currently not available or incomplete to report such as supervision rate, fixed PHC facilities supported by a doctor at least once a week. The vision is to create the capacity within the different levels of care to be able to use information for decision-making and not merely for reporting purposes.

2. Community based services

The European Union funding of the community based services has provided seed funding for this programme. More than 17,000 clients were provided category 1, 2 and 3 services while other services were provided at sub-acute facilities where the Province has 258 beds and palliative care services where there are 269 beds. The Global Fund has provided funding for palliative care and in 2006/07 there were 40,000 inpatients days for palliative care, not only for HIV and AIDS patients. Other services in the form of adherence support for TB and ARV and other chronic medications were also provided in this financial year.

Since the Non-Governmental Sector provides community based services (CBS), the Department has developed very good partnerships with Non-Profit Organisations (NPO) and has facilitated the strengthening of their infrastructure and management processes and systems through training and capacity development through CBS summits where sharing of best practice has been facilitated. The Department developed a NPO database, better guidelines for NPO funding and monitoring and evaluation to ensure maintenance of high service quality.

Through the Expanded Public Works Programme, the Department has trained 1,000 carers in NQF level 1. The Department sees this programme as a social capital and human capital programme to develop a career path into nursing for people who otherwise would not have such an opportunity. The Department faces the challenge of having the adequate number and quality of service providers who can provide the training service. There are currently only four accredited service providers that can provide the training that is required and thus this becomes a bottleneck in reaching the targets for training.

For the financial year 2007/08 community based service coordinators will be employed and become part of the provincial staff establishment at district and sub-district level. At provincial level the CBS services will be managed in line with the envisaged Community Based Services Directorate in order to institutionalise the programme into the Department in line with the Comprehensive Service Plan for HealthCare 2010.

3. Management of chronic diseases

Chronic diseases present a major burden on all the people of the Western Cape. Approximately 10% of people die prematurely from cardiovascular diseases. The burden of the management of chronic diseases is significant for the health system. As such the Department has undertaken a rapid assessment of the current situation of the management of chronic diseases. The rapid assessment investigated Health Worker Practice, Client Support Systems, Organisational Systems and Health Promotion to inform a coherent strategy to the management of chronic diseases.

Patients with chronic diseases require their treatment on a daily basis and thus medication dispensing can become a burden for both the clients and the health facilities. The Department has instituted an alternate dispensing system for chronic diseases which means that clients have decreased waiting times during their monthly medication collection appointments as they receive pre-packed treatment directly from the pharmacy.

This programme is an area for development for the Department; the target for this financial year was 646,384 patients receiving prescriptions issued their chronic medications through an alternative supply system however only 336,662 patients received treatment through the alternative system. This has largely been due to challenges in implementing services through the chronic dispensing unit (CDU), a high tech dispensing system. As at the end of the fourth quarter of 2006/07 the rate of dispensing from the CDU began to achieve the required rate of dispensing. The Department is therefore confident that it would be able to reach its target for 2007/08 of 720, 000 clients receiving their prescriptions through the alternative system.

Employing family physicians in the DHS who are responsible for clinical governance is playing a critical role in ensuring good quality care to clients with chronic disease.

The Primary Health Care Information System is an important tool that has begun to improve the management of appointments in the short term and in the long-term support clinical governance initiatives through better record management and clinical audits.

The Department has established a Provincial Reference Group and Core Team that is responsible for developing a coherent strategy for the management of chronic disease. The following diseases have been prioritised: chronic lung disease especially asthma, diabetes, hypertension, cardiovascular diseases, epilepsy and mental health and it is expected that the Chronic Disease Management Strategy will be available for distribution by January 2008.

4. Efficient use of district hospitals

As far as the management and governance for district hospitals in the Western Cape is concerned, all the district hospitals have facility boards. Most (82%) of the district hospitals have CEO's however the recruitment and retention of staff remains a challenge as is shown in part by the decrease in the proportion of hospitals with CEO's from 100% in the previous year. This recruitment and retention challenge is also seen in the expenditure on hospital staff as a percentage of total expenditure. This expenditure has remained constant compared to the previous financial year and is lower than the target for 2006/07. Hospital expenditure per capita and uninsured population has however increased significantly from the last financial year due to relatively high vacancy rates and resultant high costs of agency staff. Furthermore some of the rural hospitals perform services that are beyond the package of care for district hospitals due to their geographical challenges.

The expenditure on maintenance as a percentage of total expenditure of 1.4% reported here does not take into consideration the R20,971,981 spent on maintenance in district hospitals from Programme 8. When this is taken into account the proportion of expenditure on maintenance rises to about 6%, double the target for 2006/07. This is due to the assumption of responsibility for PPHC services processes. The district hospitals have had to bear the costs for maintenance of clinics taken over from the municipalities as they provide maintenance support to the PHC platform.

The low caesarean section rate compared to the last financial year and compared to the target can be explained by the very low caesarean section rate in the Metropole District. The three district hospitals in the Metropole had a caesarean section rate of less than 1% compared to other district hospitals in the Province. In the Metropole patients are referred to regional and tertiary hospitals where caesarean sections are performed. If the Metropole is excluded the caesarean section rate exceeds 17%. The caesarean section rate is a tracer indicator, which can be used to estimate the complexity of services provided in a hospital. By excluding the Metropole the higher rate indicates that the rural hospitals are providing more complex and perhaps more expensive services.

Clinical governance is one of the priorities for the Department. In 2006/07 only 21.4% of district hospitals had morbidity and mortality (M&M) meetings on a monthly basis. Of concern is the marginal increase in the case fatality rate for surgery separations, which has increased from 0.62% in 2004/05 to 0.79% in 2006/07. It must be noted however that this is still lower than the national target of 1.3% for district hospitals. In addressing this, the Department will be employing family physicians/chief medical officers responsible for clinical governance at district hospitals. During the next financial year the Department will employ six such practitioners and will implement incrementally the clinical governance programme over the next few years. Furthermore the Department will extend its programme to improve clinical competencies, Improvement and Maintenance of Competencies Programme (iMOCOMP), to 20 district hospitals and CHC's in 2007/08.

The efficiency of district hospitals with regards to average length of stay and bed utilisation rates have remained constant from the previous financial year. The expenditure per patient day equivalent (PDE) has however increased significantly from last financial year, as discussed above this could be explained by the high cost of agency staff and the nature of services provided at rural hospitals in particular. The Department is currently undertaking an audit of services provided in all district hospitals and a costing study to determine the cost drivers in district hospitals. It is envisaged that this will inform the Comprehensive Service Plan implementation to address the challenge in the Metropole of the low number of level 1 beds and the challenge of the service profile provided in level 1 hospitals in line with the district hospital package of care.

5. HIV and AIDS, STI's

HIV Prevention

HIV prevention remains a priority of the Department and a key challenge to "turn off the tap" of new infections. Targeted interventions in high transmission areas (HTA) are critical in addressing HIV prevention. The Department has over achieved on its target and implemented interventions in 6% more sites than was planned.

There has been a vast improvement in the availability of Post Exposure Prophylaxis (PEP) for sexual abuse victims in the Province to be more in line with availability for occupational HIV exposure.

Citizens of the Western Cape can access Voluntary Counselling Testing services at all fixed PHC facilities in the Province. The Department had a target to test 7.8% of all adults in this financial year. This target has been exceeded with the Department in fact testing 10.4% of all adults in the Province. The achievement for 2006/07 is an increase of more than 28% from the previous financial year.

Similarly there has been a 28% increase in condom distribution from public sector facilities in 2006/07 compared to 2005/06. The increase in the distribution from the primary distribution facilities has been half that of the public facilities' rate. The primary distributions facilities are the central stores from where the public facilities order the condoms. The discrepancy in the rate of increase between the public facilities and the primary distribution points could be because there was stock left over from the previous financial year at the public facilities.

The Prevention of Mother to Child Transmission (PMTCT) Programme is a flagship HIV prevention programme of the Western Cape. The programme is available at PHC facilities providing an antenatal care service. Nevirapine uptake rate among babies born to women with HIV calculates the number of babies who received Nevirapine compared to those who would be expected to receive it according to estimates derived from HIV antenatal survey results. The Province achieved 98,3% compared to the target of 90% for 2006/07. It is of interest that there are differences within the Province, the Metropole and Eden Districts in particular have achieved more than 100% which means that more children than expected were provided the treatment in those districts thus implying in-migration of patients into these districts. The transmission rate for the programme for those coming to test at 6 weeks is 5.5%.

Peer education is one of the critical programmes for HIV prevention to ensure "an HIV free generation". As such the Department has trained more than twice the number of peer educators compared last year.

An effective programme to address sexually transmitted infections (STI) is an important component of an HIV prevention strategy. This programme remains a challenge for the Department. Even though there has only been a 1.5% increase in the number of new STI's since last financial year, the partner treatment rate has decreased by 4% from last financial year. This is a proxy indicator for quality of the programme and it is concerning that this indicator is decreasing. The STI programme is one of the priority programmes in the Provincial HIV Prevention Strategy launched on World AIDS Day on 1 December 2007.

HIV Treatment

As at 30 March 2007, there were 50 sites in the Province that provided anti-retroviral (ARV) treatment, this is 100% of what was planned for the financial year. At these 50 sites, there were 26,111 patients on ARV treatment, 16% more than the target. In this financial year 12,074 patients were started on ARVs, which translates to 58% of patients who became WHO stage 4 and thus required treatment based on the Actuarial Society of South Africa (ASSA) model. It must however be emphasised that this does not take into account all of the patients in this year and past years who have already reached the WHO stage 4 and are still not on ARV's. This calculation is more difficult to calculate but is logically less than 58%.

For the Province to curb the impact of the HIV epidemic on the health services as a result of debilitation and opportunistic infections, at least 75% of patients who are WHO stage 4 must receive treatment. The key challenge for the HIV and AIDS programme remains that the demand for services far exceeds the capacity of the government to provide the required services. The key challenges are recruiting and retaining appropriate human resources and infrastructure to provide the services. Adequate funding is a challenge but the other aforementioned challenges are critical bottlenecks.

To address the need for infrastructure, the Department has employed a facility manager to assist the Department and the Department of Public Works and Transport to improve the planning and implementation of PHC infrastructure projects including HIV and AIDS infrastructure projects. To address the human resource challenges, the Department is implementing a "nurse-led, doctor supported" treatment model which will see appropriate patients decanted to lower levels of care.

6. Tuberculosis

HIV and Tuberculosis (TB) together are the number one cause of premature death and account for approximately 22% of the burden of disease in the Province. In 2006/07 the Province had a targeted intervention in five priority sub-districts (Khayelitsha, Klipfontein, Eastern, Breede Valley and Drakenstein) for an enhanced response to TB. This has resulted in much improved TB indicators.

Pulmonary tuberculosis (PTB) smear conversion rate at 3 months for new cases and the TB interruption rate are measures of the quality of the programme. The Department achieved a 3-month conversion rate of 80.8% compared to the target of 77.5%. This means that more than 80% of new smear positive clients converted to being smear negative by three months. TB interruption rate decreased slightly from 11.9% in 2005/06 to 11.1% in 2006/07 and is more than the target of 10%. The proportion of TB sputa with a turnaround time > 48 hours has however increased to 33% from 28% in 2005/06. This high turn around time is largely due to the geographical challenges in the rural areas and the processes in place to collect the sputa at specified times in the week due to the low patient numbers in these areas.

The ultimate goal for the TB programme is to cure clients with TB. The new smear positive PTB cases cure rate has increased from 69.3% last financial year to 71.9% in 2006/07.

In 2007/08 the concept of targeting will be taken to facility level. There are 22 health facilities (out of 395 facilities) which account for almost 35% of the TB cases in the Province and on average see 701 clients per year, compared to the next group of facilities which see on average only 281 clients per year. The Department will implement an enhanced response at these facilities, it is envisaged that this will increase the TB cure rate to 73%.

7. Maternal and Women's Health

The Province has a good coverage for antenatal care. This indicator has been more than 80% for the last few years and in 2006/07 was 87.1%; more than the targeted 85%. The biggest challenge however is in ensuring that women attend antenatal care services before 20 weeks so that potential problems can be identified early and good outcomes for both the mother and the baby are ensured. The Department had a target of 45% for women accessing antenatal care services before 20 weeks. Unfortunately the Department has not been able to deliver on this target. In the 2007/08 the Department will be implementing the Basic Antenatal Care (BANC) programme in targeted sub-districts to try and improve on the coverage of antenatal services before 20 weeks.

The indicator for institutional delivery rate for women under 18 years is a proxy indicator for teenage pregnancies. This indicator has not increased from last financial year.

Cervical cancer is one of the few cancers that can be prevented by early diagnosis of the pre-cancerous lesion through a very inexpensive investigation, the pap smear. The national policy dictates that women aged 30 - 59 years should receive one pap smear every 10 years. Therefore in any one year at least 10% of women aged 30 - 59 years should be screened. Since the public sector provides services for the uninsured the Province should be screening about 8% of the target population on an annual basis. The ultimate goal of the programme is to therefore incrementally reach this target. In the last three years this indicator has significantly improved from 3.1% in 2004/05 to 6.3% in 2006/07. This is an increase of more than 100% though it is still much lower than the target dictated by national policy, i.e. 8%. To address this, the Province is exploring partnerships with Independent Practitioner Associations (IPA's) and other service providers. The target for 2007/08 is 7.5% which is much closer to the national target.

8. Child Health

Coverage of 90% of children under one year with all required courses of immunisation ensures that there is herd immunity in the community thus decreasing the likelihood of infectious disease outbreaks or epidemics. For the last three financial years, the Province has been able to achieve this for fully immunised and measles immunisation coverage. Even though this is a commendable achievement, the Department recognises that there may be pockets of poor performance in certain sub-districts. As such the Department decided to monitor more closely the proportion of sub-districts with more than 90% of children under one who are fully immunised and has over achieved by one sub-district.

One of the other key interventions in child health is vitamin A coverage to ameliorate respiratory infections. There has been a 150% improvement in this when compared to last financial year. Considering the performance of the last quarter of the financial year, the Department is more than confident that the achievement for next financial year will be more than 85%.

The Integrated Management of Childhood Illness (IMCI) is a critical intervention to ensure good quality of care in the PHC platform in particular. There were 82% of PHC facilities that had implemented the programme. This is lower than the very ambitious target of 95%. One of the challenges faced in reaching the 95% target has been the high staff turnover necessitating frequent retraining sessions to maintain the proportion of health facilities offering IMCI. There is a disjuncture between what is required in a nurse who will provide services within the PHC platform and the product produced by the nurse training institutions. The challenge therefore will have to be addressed at the level of the academic institutions regarding the core skills and competencies required in the trained nurses in a similar fashion as was done with family physicians as described above.

9. Summary of performance

The achievements within Programme 2 have been variable. However, the system changes made with regard to the implementation of the DHS, implementing community based services and improving the efficiency of district hospitals are critical in the transformation of the health service in line with Health Care 2010. Decentralised management to the level of the facility, sub-district and district with the required management skills, competencies, tools and systems including clinical governance processes could ensure good quality, efficient and effective services within the DHS. Human resources to deliver the services are a key challenge, which affects the Department's ability to deliver the required package of services in the most efficient manner.

The programme priorities have had varied performance with chronic disease management still in its infancy in terms of developing a coherent strategy, to HIV and AIDS, TB and child health where significant strides have been made with some areas for improvement, and woman's health where more work needs to be done to improve coverage of key interventions such as antenatal coverage less than 20 weeks.

Even though there are challenges in enacting the transformation of health services and providing effective health services that improve the quality of life of the people of the Western Cape, what is clear is that the wheels are turning towards 2010.

10. Forensic Pathology Services

The aim of the sub-programme is to provide a Forensic Pathology Service in the Province in accordance with the provisions of the following Acts: Inquest Act, National Health Act, Human Tissue Act, Births and Death Registration Act, Prisons Act and the Medical Health Professions Act.

The Forensic Pathology Service (FPS) aims to render a standardised, objective, impartial and scientifically accurate service, following national protocols and procedures, for the medico-legal investigation of death that serves the judicial process in the Provincial Government of the Western Cape. The priority is to retain the necessary medical expertise to ensure a uniform, high standard of medico-legal autopsy in cases of unnatural death or unattended/non-ascertained natural deaths.

The responsibility for the provision of this service transferred from the South African Police Service to the Department of Health with effect 1 April 2006. The Department embarked on the implementation of the transfer of the service as per the agreed business plan by:

- Implementing a new Forensic Pathology Service as per policy, statutory and legal requirements (Code).
- Implementing the human resource plan as per implementation plan.
- Training and orientation of personnel as per human resource development plan.
- Determining the equipment needs and procure the required equipment as per supply chain prescripts.
- Determining the vehicle needs and procure as per Government Motor Transport fleet management prescripts.
- Develop a facilities plan and develop a schedule for the renovation and construction of facilities.
- Develop, pilot and implement a Forensic Pathology information management system.

The performance against the set objectives was as follows:

Implementation of the Human Resource Plan

The macro organisational structure was implemented on PERSAL and in preparation of the transfer 148 posts were created, advertised, and candidates interviewed between February and April 2006.

The recruitment process was challenging and of the 148 posts that were advertised during the first round, not all posts were successfully filled. This presented the Department with a substantial risk with regard to the management and provision of the service beyond April 2006. This risk was managed and contained through an agreement with the South African Police Service (Western Cape) for the secondment of personnel, initially for a three month period. SAPS agreed to the retention of the then SAPS members in their posts for a period not exceeding 3 months. This arrangement was reviewed during May and June and SAPS (Western Cape) agreed that the service arrangements continued until 30 September 2006. Through the standing bilateral meeting that was in place with the SAPS, working arrangements were agreed to and problems were resolved. A large number of SAPS personnel who applied for posts within the Forensic Pathology Service, were successful in their application and the Department was able to retain the necessary expertise to ensure a relatively smooth transition.

The recruitment process continued during the balance of the financial year and 166 posts were filled as at the end of March 2007 out of a target of 170.

Training and orientation of personnel as per Human Resource Development Plan

All personnel have been orientated to the Forensic Pathology Services.

The two departments of Forensic Medicine drafted forensic pathology training material that includes the following key areas:

- Introduction to the Forensic Pathology Services The Mortuary Facility
- Mortuary administration
- Mortuary health and safety
- Dissection techniques
- Basic anatomy, physiology, pathology
- Public relations
- Incident scene attendance
- Basic legal aspects in mortuary practice

This standard training will be provided to all personnel to ensure appropriate standard of practice. Change Management plays a major role in the Forensic Pathology Service (FPS) as a new FPS culture and ethos need to be instilled in all personnel.

As most personnel were new to the Department of Health a further 309 other training interventions included financial training (BAS, LOGIS) and human resource aspects (Performance Management, PILIR, Workmen's Compensation Act, Diversity Management) and were provided to all categories of personnel.

The Forensic Pathology Service has been in consultation with Human Resource Development and Cape Administrative Academy to facilitate training requirements.

The Forensic Pathology Services were also represented on a Standards Generating Body tasked with writing Unit Standards for a NQF Level 5, Forensic Officer Diploma/Certificate, accredited by SAQA and accepted by HPCSA.

Procurement of equipment as per determined needs as per Supply Chain prescripts

Equipment needs were identified and furniture and equipment procured according to the priorities.

Equipment that was procured includes electric autopsy saws, electric platform scales, computer equipment, selfloader stretchers, and microscopes

Procurement and conversion of vehicles

33 vehicles were transferred from SAPS to Government Motor Transport and the transferred vehicles were sent for roadworthy before re-registration was concluded. These vehicles were maintained while the new vehicle fleet was procured and vehicle conversions undertaken. The new vehicle fleet consists of 10 double cabs, 2 8-ton trucks, 2 sedans, 29 4 X 4 long wheelbase response vehicles and 2 2 X 4 long wheelbase vehicles.

The response vehicles are converted with a special built canopy to allow for the transport of bodies, marked with reflective and other decal, and fitted with red emergency lights. The prototype was developed, and required some modification before signoff. After signoff of the special built (specifications) a tender was called for by Government Motor Transport and all the vehicles are in the process of being converted.

FPS Response Vehicle

Implement the facilities plan as per priorities

The implementation of the facilities plan consisted of three aspects namely:

- Emergency and general repairs
- Additional or new accommodation
- Maintenance

Repair and maintenance projects managed by the National Department of Public Works were undertaken for Tygerberg, Salt River, Oudtshoorn and Knysna.

Tenders were called for the following projects: new referral centre in George (M3), a new referral centre in Paarl (M3), a new referral centre in Worcester (M3), a new M2 forensic pathology laboratory in Hermanus (M2) and a new M1 forensic Pathology Laboratory in Malmesbury.

Contractors are on site and building of the three new regional referral centres (George, Worcester and Paarl) are progressing well. This will strengthen the provision of the Forensic Pathology service in the non-metro areas.

Budget availability impacted on the planning activities as additional funding need to be secured to be able to implement the infrastructure schedule of works.

Develop, pilot and implement a Forensic Pathology Information Management System

To ensure that the Department of Health discharges its new responsibilities the need for a forensic pathology information system was identified. A business case was drafted to scope the project for reviewing and improving the business processes, systems and technical architecture for the forensic pathology laboratories (mortuaries).

To ensure that this project was well aligned with the business strategy for the next 5 years a provisional framework of key business drivers was developed. The key business drivers for the project are to:

- Upgrade the service levels experienced by all the stakeholders;
- Meet the information needs of all the stakeholders;
- Review, streamline and modernise business processes;
- Replace the current, outdated DOS–based system with a web-based application.

The development and testing of the core application system, which includes the following core functions, was achieved:

- Capturing the business process from the time that the incident is logged until the body has been handed over
- Notification of possible organ donation
- Notifications in the form of SMS and e-mails to identified recipients
- Reports
- Statements
- Enquiries
- Extraction files sent to NIMSS on a monthly basis
- On line help

Pilot Extension:

60 users were trained and the system was successfully implemented at 8 pilot sites.

Challenges and Constraints

The recruitment of appropriately skilled personnel has been a challenge. The Forensic Pathology Service working environment is a challenging one and requires sound human resource management practice to ensure that the appropriate person is selected. Although staff-turnover has not been high, a number of people did not take up their appointments when the nature of the work became clear to them.

Having to fill an initial staff establishment of 170 was a challenge and due to the continued support from SAPS through secondment of personnel, services could continue whilst the recruitment processes were underway.

The assumption that infrastructure upgrades would be implemented according to plan was not met and became a major risk to the project. Reliance on National Public Works for project management of the Repair and Maintenance Programme (RAMP) projects resulted in the projects only being finalised late in the 2006/07 financial year. This impacted on the other projects that had to be concluded and the Department re-prioritised projects to be in a position to spend the allocated funding. The Department did not receive any claims from NDPW for RAMP work that was concluded until after financial year-end. A request for roll-over of funds has been submitted to fund project commitments in the 2007/08 financial year. Building cost escalation had a major negative impact on the infrastructure plan as actual project costs far exceed the initial budget allocation.

The unavailability of forensic pathologists countrywide resulted in some advertised posts remaining vacant. The Department is addressing this by the increase in forensic pathology registrar posts. This is however a long-term process and interim measures are put in place by the appointment and training of medical officers.

TABULAR REPORTING ON PERFORMANCE AGAINST PROVINCIAL 2006/07 ANNUAL PERFORMANCE PLAN

Table 2.4: Performance against targets from 2006/07 Annual Performance Plan for the District Health Systems Programme

Sub-programme	Objectives (Outputs)	Indicators	Performance			
			2004/05 Actual	2005/06 Actual	2006/07 Actual	2006/07 APP
District management	Establishment of district management structures.	Number of health district management structures created.	Not applicable	Structure not implemented	3	6
		% of health facilities with community based accountability/governance structures.	40%	40%[3]	44%	70%
	Decentralisation of management to district and sub-district level.	% of districts with appointed managers.	66.6%	66.6%	66.6%	100%
		% District Health Plans developed.	83%	100%	100%	100%
		Number of health sub-districts with management structures in place.[4]	Not applicable	Not applicable	10	8
	Computerisation of CHC's.	Number of CHC's computerised and with access to the provincial intranet.	15	27	31	35
	Provincialisation of PPHC services.	Number of local government posts that have become vacant and filled by Province.	Not applicable	336	549	450
Community health clinics	Provision of Primary Health Care (PHC) services to uninsured citizens of the Western Cape.	Number of clinic visits per annum.	7,125,803	7,440,280	7,230,489	8m
		Number of clinic and mobile visits per annum.[4]	7,636,951	7,910,474	7,472,013	8m
		Utilisation rate – PHC for total population (headcount /visits per person per year).	2.9	2.8	2.8	3.87
		% of sub-districts offering full package of PHC services.[4]	80%	80%	100%	70%
	Provision of immunisation coverage as per World Health Organisation (WHO) standard.	% of 1 year olds immunised.	91.3%	91.3%	92.9%	92%
		Number of sub-districts with immunisation coverage of >90%.	Not applicable	Not applicable	17	16 of 37

[3] The figure reported in the 2005/06 Annual Report was only for CHC's and did not include clinics. The figure of 40% is for both CHC's and clinics.

[4] Indicator specified in Budget Statement, but not in Annual Performance Plan.

Sub-programme	Objectives (Outputs)	Indicators	Performance			
			2004/05 Actual	2005/06 Actual	2006/07 Actual	2006/07 APP
	Implement cervical screening programme in Clinics and Community Health Centres (CHC's).	% of patients in target group reached.	3.1%[5]	5.5%	6.3%	6.5%
	Improve coverage of the provision of antenatal care.[6]	Antenatal booking rate below 20 weeks.	Not applicable	Not applicable	37.0%	45%
		% of women attending antenatal care.	82.2	83.9	87.1	85%
	Effective management of suspected TB cases.	% of smear positive TB cases cured.	68.6%	69.3%	71.2%	74%
		PTB smear conversion rate at 3 months for new cases.	Not applicable	Not applicable	80.8%	77.5%
Community health centres	Provision of CHC services.	Number of CHC visits per annum.	5,122,015	5,157,829	4,505,361	6m
	Improve facility management..	Number of facility managers appointed.	15	15	20	35
	Improve the governance of facilities.[7]	% of health facilities with community based accountability/governance structures.	Not applicable	66.3%	77.4%	70%
	Institute clinical governance at CHC's.	Number of CHC's appointed with senior family medicine physicians.	Not applicable	Not applicable	6	15
	Strengthen Trauma and Emergency services.	Number of emergency physicians employed for clinical governance of T&E services at CHC's.	Not applicable	Not applicable	0	15
	Improve chronic disease management.	Number of patients with prescriptions issued for chronic medication through an alternative supply system.	Not applicable	Not applicable	336,662	646,384
	Improve Trauma and Emergency services at CHC's.[7]	Number of CHC's implementing the Cape Triage System.	Not applicable	Not applicable	11	12

5 The calculation of this indicator has changed. Women aged 30 –59 years receive one cervical smear every ten years thus in a year 10% of women aged 30 – 59 years should be screened. Since 73% of the total population is uninsured, 8% of women aged 30 - 59 years should be screened in any one year. The reported figure of 38.9% in 2004/05 is 38.9% of 8% which equals 3.1% of women aged 30 – 59 years. Calculating this indicator in this way is extremely confusing so the Division has decided to simplify it by targeting the actual percentage of women to be screened in any one year.

6 Objective (output) with indicators specified in Budget Statement, but not in Annual Performance Plan.

7 Objective (output) with indicators specified in Budget Statement, but not in Annual Performance Plan.

Sub-programme	Objectives (Outputs)	Indicators	Performance			
			2004/05 Actual	2005/06 Actual	2006/07 Actual	2006/07 APP
Community based services and other community services	Increase the number of category 3 clients receiving care.	Number of category 2 clients registered and alive.[8]	Not applicable	Not applicable	5,653	Additional, not in APP
		Number of category 3 clients registered and alive.	2,910	3,471	4,295	6,000
		Total number of NPO appointed home carers.	125	933	1,288	900
HIV and AIDS	Roll-out of anti-retroviral (ARV) therapy.	Number of patients receiving ARV treatment.	7,670	16,343	26,111	15,000
		% of patients who require treatment and who are receiving it.[8]	Not applicable	Not applicable	58%	71%
	Voluntary counseling and testing.	% VCT uptake in those 15 years and older.	7.1%	8.1%	10.4%	7.8%
	Increase male condom distribution.[9]	Male condom distribution rate from primary distribution sites per male 15 years and older.	18.0	19.9	25.7	25
	Improve Sexually Transmitted Infection (STI) partner treatment rate.[9]	STI partner treatment rate.	20.9%	18.3%	17.5%	25%
Nutrition	Monitoring of growth in vulnerable children.	% of babies provided with a Road-to-Health Chart.	100%	148%	Old indicator not collected	100%
		% children under 5 years not gaining weight.	2.6%	0.8%	1.6%	1.6%
	Micro-nutrient supplementation to vulnerable children.	% of malnourished children provided with Vitamin A supplementation.	Not applicable	26.5%	66.2%	80%
Forensic pathology services	Provision of an effective and efficient forensic pathology service in accordance with the statutory requirement.	Number of post mortem examinations performed and documented.	5,016	5,290	9,349	10,000
		Number of post mortem examinations performed by Specialist Forensic Pathologists.			6,692[10]	6,500
		Number of post mortem examinations performed with a conclusive finding.			Not available	9,500

8 Indicator specified in Budget Statement, but not in Annual Performance Plan.

9 Objective (output) with indicators specified in Budget Statement, but not in Annual Performance Plan.

10 Post mortems performed in 2 academic centres fully counted.

Sub-programme	Objectives (Outputs)	Indicators	Performance			
			2004/05 Actual	2005/06 Actual	2006/07 Actual	2006/07 APP
		Number of corpses positively identified by next of kin, or by scientific means.			9,551[11]	9,000
		Turnaround time from receipt to dispatch of the corpses.			3.25	7 days
		Waiting period for Forensic Pathology Services documentation.			75	20 working days
		Average cost per examination.	R1,284	R1,404	R3,237	R4,100
District hospitals	Increase the availability and access of level one hospital beds.	Number of level one beds.	1,546	1,546	1,750[12]	2,367
	Optimal utilisation of in-patient capacity.	Bed utilisation rate (based on useable beds) in district hospitals.	76%	71%	71.3%	76%
	Provide an in-patient service.[13]	Number of inpatient days.	486,236	397,751	402,509	467,003
	Provide an effective hospital service.[13]	Number of patient day equivalents (PDEs).	725,693	643,244	661,655	708,288
	Increase theatre cases.	Number of operations under 30 minutes.	Not applicable	Not applicable	13,910	5,210
		Total number of operations.[14]	Not applicable	Not applicable	22,456	Additional, not in APP
Global Fund HIV and AIDS programme	Roll-out of anti-retroviral (ARV) therapy.	Number of patients receiving ARV treatment from Global Fund funding.	1,300	5,895	7,674	4,376
	Expansion of peer education.	Number of peer educators trained.	1,000	4,410	8,388	4,070
	Strengthening of peer education at secondary schools.[13]	Number of badged junior and senior peer educators.	Not applicable	Not applicable	8,388	8,416
	Expansion of palliative in-patient service.	Number of inpatient days for palliative care.	18,000	38,153	39,491	48,000
		Number of active hospice beds.[14]	Not applicable	Not applicable	136	136

11 Higher than number of post mortems performed due to fact that this figure include natural causes.

12 The reason for not reaching this target is largely due to the fact that the framework for implementation of the Healthcare 2010; the Comprehensive Service Plan, which details the target number of level one hospital beds was not approved by the MEC thus resulting in the delay in implementation and thus underachievement.

13 Objective (output) with indicators specified in Budget Statement, but not in Annual Performance Plan.

14 Indicator specified in Budget Statement, but not in Annual Performance Plan.

Sub-programme	Objectives (Outputs)	Indicators	Performance			
			2004/05 Actual	2005/06 Actual	2006/07 Actual	2006/07 APP
	Provision of community-based response.	Number of community-based projects funded.	28	160	262	108

Table 2.5: Performance against targets from 2006/07 Annual Performance Plan for the District Hospital Services Sub-programme

Objectives (Outputs)	Indicators	Performance			
		2004/05 Actual	2005/06 Actual	2006/07 Actual	2006/07 APP
Input					
Provide sufficient funds for non-personnel expenditure district hospital.	Expenditure on staff as % of total expenditure.	7.7%	65.4%	64.3%	69%
	Expenditure on drugs as % of total expenditure.	6.5%	3.4%	3.2%	8%
	Expenditure on maintenance as % of total expenditure.	Not reported	Not reported	1.4%	3%
Provide district hospitals infrastructure in line with HealthCare 2010.	Useable beds per 1,000 people.	Not reported	Not reported	0.3	0.38
	Useable beds per 1,000 uninsured population.	Not reported	Not reported	0.5	0.52
Provide sufficient funding to ensure an efficient district hospital service for the population of the Western Cape.	Hospital expenditure per capita (total population).	Not reported	Not reported	R97	R90.95
	Hospital expenditure per capita (uninsured population).	R107.34	R87.01	R133	R125
Provide services that adequately address the needs of inpatients, outpatients and trauma.	Outpatients per inpatient day ratio.	Not reported	Not reported	1.1	1.12
	Trauma as % of total outpatient headcounts.	Not reported	Not reported	37.2%	35.0%
	Total number of inpatient days.	Not reported	Not reported	402,509	541,660
	Total number of outpatient headcounts (incl trauma).	Not reported	Not reported	436,643	604,888
Process					
Facilitate representative management.	Percentage of hospitals with operational hospital board.	100%	96%	100%	100%
Facilitate decentralised management and accountability.	Percentage of hospitals with appointed CEO in place (or Medical Superintendent).	100%	100%	82.1%	100%
	Percentage of hospitals with business plan agreed with the Provincial Department of Health.	Not reported	Not reported	46.4%	100%

Objectives (Outputs)	Indicators	Performance			
		2004/05 Actual	2005/06 Actual	2006/07 Actual	2006/07 APP
Output					
Ensure accessible district hospital services to the population of the Western Cape.	Separations per 1,000 people.	Not reported	Not reported	30	42.63
	Separations per 1,000 uninsured population.	Not reported	Not reported	40	58.4
	Patient day equivalents per 1,000 people.	Not reported	Not reported	150	152
	Patient day equivalents per 1,000 uninsured population.	Not reported	Not reported	205	208
Quality					
Ensure quality patient care.	Percentage of hospitals that have conducted and published a patient satisfaction survey in the last 12 months.	100%	46%	32.1%	100%
	Percentage of hospitals with designated official responsible for coordinating quality management.	Not reported	Not reported	71.4%	100%
	Percentage of hospitals with clinical audit (M&M) meetings at least once a month.	100%	45%	21.4%	100%
Efficiency					
Ensure efficient and cost effective utilisation of resources.	Average length of stay.	2.5	2.8	3.0	2.6
	Bed utilisation rate based on useable beds.	76%	71%	71.3%	80%
	Expenditure per patient day equivalent.	R618.17	R650.87	R692.86	R604
Outcome					
Ensure desired clinical outcomes.	Case fatality rate for surgery separations.	0.62%	0.7%	0.79%	0.63%

REPORTING ON STANDARD NATIONAL INDICATORS

Table 2.6: District Health System

Indicator	Type	2004/05 Actual	2005/06 Actual	2006/07 Actual	2006/07 APP
Input					
1. Uninsured population served per fixed public PHC facility	No	12,184	10,042	10,311	12,479
2. Provincial PHC expenditure per uninsured person	R	289	242	273	277
3. LG PHC expenditure per uninsured person	R	54	33	41	52

Indicator	Type	2004/05 Actual	2005/06 Actual	2006/07 Actual	2006/07 APP
4. PHC expenditure (provincial plus local government) per uninsured person	R	341	276	315	329
5. Professional nurses in fixed public PHC facilities per 1,000 uninsured people	No	29.5	50.4	40.3	52
6. Sub-districts offering full package of PHC services	%	65	80	100	90
7. EHS expenditure (provincial plus local government) per uninsured person[15]	R	Not available	Not available	Not available	12
Process					
8. Health districts with appointed manager	%	Not applicable	66.7	66.7	80
9. Health districts with plan as per DHP guidelines	%	Not applicable	100	100	100
10. Fixed public PHC facilities with functioning community participation structure	%	40	40[16]	44	70
11. Facility data timeliness rate	%	70	Not available	Not available	100
Output					
12. PHC headcount[17]	No	13,843,759	13,068,303	12,180,933	15,638,176
13. Utilisation rate – PHC	No	2.9	2.8	2.8	3.2
14. Utilisation rate - PHC under 5 years	No	5.5	5.2	4.8	5.5
Quality					
15. Supervision rate	%	50%	Not available	51.2%	70
16. Fixed PHC facilities supported by a doctor at least once a week	%	Not available	Not available	Not available	90
Efficiency					
17. Provincial expenditure per visit (headcount) at provincial PHC facilities	R	79	64	72	87
18. Expenditure (provincial plus local government) per visit (headcount) at public PHC facilities	R	98	72	83	103
Outcome					
19. Districts with a single health provider	%	0	83.3	83.3	100
Service volumes[17]					
20. Clinic headcounts	No	7,981,354	7,440,280	7,230,489	8m
21. CHC headcounts	No	5,405,174	5,157,829	4,505,361	6m
22. Mobile headcounts	No	457,231	470,194	445,083	Not in APP

15 Information Management Units at district level except the Metropole, have had difficulty accessing this data from the municipal offices. The Department will be making a formal request from the office of the HOD to municipal managers for this data.

16 The figure reported in the 2005/06 Annual Report was for CHC only and excluded clinics. The figure of 40% is for both CHC's and clinics.

17 See paragraph regarding Primary Health Care Services on p24. Decrease could be due to uptake of alternative dispensing mechanism for chronic diseases, consolidation of services in the Metropole or uptake of community based services.

Table 2.7: District Hospitals

Indicator	Type	2004/05 Actual	2005/06 Actual	2006/07 Actual	2006/07 APP
Input					
1. Expenditure on hospital staff as percentage of total hospital expenditure	%	71.7	65.4	64.3	69
2. Expenditure on drugs for hospital use as percentage of total hospital expenditure	%	6.5	3.4	3.2	8
3. Hospital expenditure per uninsured person	R	107.34	87.01	133	125
Process					
4. Hospitals with operational hospital board	%	100	96	100	100
5. Hospitals with appointed (not acting) CEO in place	%	100	100	82.1	100
6. Facility data timeliness rate	%	90	Not available	67.9	100
Output					
7. Caesarean section rate	%	10.7	14.3	8.4	11
Quality					
8. Hospitals with a published nationally mandated patient satisfaction survey in last 12 months	%	100	46	32.1	100
9. Hospitals with clinical audit (M&M) meetings at least once a month	%	100	45	21.4	100
Efficiency					
10. Average length of stay	Days	2.5	2.8	2.8	2.6
11. Bed utilisation rate (based on useable beds)	%	76	71	71.7	80
12. Expenditure per patient day equivalent	R	618.17	650.87	692.86	568
Outcome					
13. Case fatality rate for surgery separations	%	0.62	0.7	0.79	0.63
Service volumes					
14. Separations		195,150	257,219	144,373	Not in APP
15. OPD headcounts		442,667	447,414	436,643	Not in APP
16. Day cases (=1 separation = 1/2 IPD)		16,954	17,508	18,119	Not in APP
17. Casualty headcount		250,274	264,752	258,465	Not in APP
18. PDEs		725,693	643,244	661,655	Not in APP

Table 2.8: HIV and AIDS, STIs and TB

Indicator	Type	2004/05 Actual	2005/06 Actual	2006/07 Actual	2006/07 APP
Input					
1. ARV treatment service points compared to plan[18]	%	Not reported	Not reported	100	100
2. Fixed PHC facilities offering PMTCT	%	100	100	90.3	100
3. Fixed PHC facilities offering VCT	%	100	100	100	100
4. Hospitals offering PEP for occupational HIV exposure	%	100	100	92.3	100
5. Hospitals offering PEP for sexual abuse	%	73.6	41	92.3	80
6. HTA intervention sites compared to plan[18]	%	Not reported	Not reported	106	100
Process					
7. TB cases with a DOT supporter	%	90	93	81.0	98
8. Male condom distribution rate from public sector health facilities	Per k male ≥15 years	15.6	20.1	25.7	18
9. Male condom distribution rate from primary distribution sites	Per k male ≥15 years	18.0	19.9	22.6	25
10. Fixed facilities with any ARV drug stock out[18,19]	%	Not reported	Not reported	0	Not measured
11. Hospitals drawing blood for CD4 testing[18]	%	Not reported	Not reported	100	100
12. Fixed PHC facilities drawing blood for CD4 testing[18]	%	Not reported	Not reported	85.2	75
13. Fixed facilities referring patients to ARV treatment points assessments[18]	%	Not reported	Not reported	100	100
14. Nevirapine stock out[19]	%	Not reported	Not reported	0	Not in APP
Output					
15. STI partner treatment rate	%	20.9	18.3	17.5	30
16. Nevirapine uptake rate among babies born to women with HIV	%	90	88	98.3	90
17. VCT client pre-test counseling rate	%	2.0	1.5	2.5	2.5
18. Patients registered for ART compared to target[18]		Not reported	Not reported	116	100
19. TB treatment interruption rate	%	11.5	11.9	11.1	10

[18] Not in the Guide for the Preparation of Annual Reports, but specified in Annual Performance Plan.

[19] For indicator number 10 and 14, the Department has not previously systematically collected this data and thus had not set targets in the APP. A system to collect this data is now in place.

Indicator	Type	2004/05 Actual	2005/06 Actual	2006/07 Actual	2006/07 APP
Quality					
20. CD4 test at ARV treatment service points with turnaround time >6 days[18]	%	Not reported	Not reported	Data not available	10
21. TB sputa specimens with turnaround time > 48 hours	%	26	28	33	18
Efficiency					
22. Dedicated HIV and AIDS budget spent	%	105	101	95.1	100
Outcome					
23. New smear positive PTB cases cured at first attempt	%	68.6	69.3	71.2	72
24. New MDR TB cases reported - annual % change[20]	%	Not reported	Not reported	Data not available	(4%)
25. STI treated new episode among ART patients – annual % change[18, 21]	%	Not reported	Not reported	Data not available	To be set
26. ART monitoring visits measured at WHO performance scale 1 and 2[18, 21]	%	Not reported	Not reported	Data not available	To be set
Service volumes					
27. STI case - new episode	No	104,362	97,302	98,758	Not in APP
28. Patients registered for ART	No	7,670	16,343	26,111	Not in APP

Table 2.9: Maternal, Child and Women's Health including nutrition

Indicator	Type	2004/05 Actual	2005/06 Actual	2006/07 Actual	2006/07 APP
Incidence					
1. Incidence of severe malnutrition under 5 years[22]	%	Not reported	Not reported	0.3	Awaiting SAHDS
2. Incidence of pneumonia under 5years[22]	%	Not reported	Not reported	7.7	Not planned
3. Incidence of diarrhoea with dehydration under 5 years[22]	%	Not reported	Not reported	2.7	No target set
Input					
4. Hospitals offering TOP services	%	86	92	87.2	90
5. CHC's offering TOP services	%	45	80	5.7 (80)[23]	52
Process					
6. DTP-Hib vaccines out of stock[24]	%	Not measured	Not measured	1.2	Not available

20 There is no systematic reporting system for reporting this indicator. National DoH is still working on this.

21 Indicators 25 and 26: this data is not collected routinely as there is no system to collect this data and this system will not be put in place since this indicator will not be collected from 2009/10.

22 Not in the Guide for the Preparation of Annual Reports, but specified in Annual Performance Plan.

23 5.7% of all CHC's offer TOP services, however 80% of facilities designated to provide the service offer the service. In the last 2 financial years the number of designated facilities was used as the denominator.

24 The information for this indicator was only made available from this financial year.

Indicator	Type	2004/05 Actual	2005/06 Actual	2006/07 Actual	2006/07 APP
7. AFP detection rate[25]	%	1.93	1.9	1.8	1.5
8. AFP stool adequacy rate[25]	%	96	84	79.2	90
Output					
9. Schools at which phase 1 health services are being rendered	%	20	Not available	23	60
10. (Full) Immunisation coverage under 1 year	%	91.3	91.3	92.9	95
11. Antenatal coverage	%	82.2	83.9	87.1	95
12. Vitamin A coverage under 1 year	%	Not available	26.5	66.2	85
13. Measles coverage under 1 year	%	91.7	90.7	93.7	90
14. Cervical cancer screening coverage	%	38.9	5.5[26] (75)	6.3	65
Quality					
15. Facilities certified as baby friendly	%	12	5	11.5	25
16. Facilities certified as youth friendly	%	2	Not available	18.6	8
17. PHC facilities implementing IMCI	%	79	81	82.0	95
Outcome					
18. Institutional delivery rate for women under 18 years	%	11	10.1	10.1	11
19. Not gaining weight under 5 years	%	2.6	0.8	1.6	No target set

Table 2.10: Disease prevention and control programme

Indicator	Type	2004/05 Actual	2005/06 Actual	2006/07 Actual	2006/07 APP
Input					
1. Trauma centres for victims of violence (sexual assault, family violence)	No	41	41	41	At least 1/district
Process					
2. CHC's with fast queues for elder persons	%	Not available	Not planned	Not planned	Not planned
Output					
3. Districts with health care waste management plan implemented	No	6	6	6	6
4. Hospitals providing occupational health programmes	%	35	35	77	100

25 This indicator is calculated for the 2006 calendar year.

26 Women aged 30 –59 years receive one cervical smear every ten years thus in a year 10% of women aged 30 – 59 years should be screened. Since 73% of the total population is uninsured, 8% of women aged 30-59 years should be screened in any one year. The target of 75% refers to 75% of the 8% of women that should be screened. This indicator is extremely confusing and the Division decided to simplify it by targeting the actual percentage that should be screened. The target for 2005/06 is 5.5% of all women aged 30 –59 years.

Indicator	Type	2004/05 Actual	2005/06 Actual	2006/07 Actual	2006/07 APP
5. Schools implementing Health Promoting Schools Programme (HPSP)[27]	%	7	Not planned	11.8	100
6. Integrated epidemic preparedness and response plans implemented	Y/N	Y	Y	Y	Y
7. Integrated communicable disease control plans implemented	Y/N	Y	Y	Y	Y
Quality					
8. Schools complying with quality index requirements for Health Promoting Schools Programme	%	No standard tool from National	No standard tool from National	No standard tool from National	No target set
9. Outbreak response time	Days	3	1	No outbreak	1
10. Waiting time for a wheelchair	Weeks	2 – 4	4	4	Not in APP
11. Waiting time for a hearing aid	Weeks	4 - 6	4 - 6	4 - 6	Not in APP
Efficiency					
12. Waiting time for cataract surgery	Months	18	18	18	Not in APP
Outcome					
13. Dental extraction to restoration rate	%	Not available	17	18	12
14. Malaria fatality rate	%	2.3	Not available	No malaria	No target set
15. Cholera fatality rate	%	0.0	Not available	No cholera	No target set
16. Cataract surgery rate	No	757	1,276	1,399	2,522

[27] The Department is reviving it's School Health Programme which will also ensure much closer linkages with the Department of Education and better collaboration on the HPSP. This is the reason for lack of a target for the financial year.

PROGRAMME 3: Emergency Medical Services

AIM

The rendering of pre-hospital emergency medical services including inter-hospital transfers, medical rescue and planned patient transport.

ANALYSIS PER SUB-PROGRAMME

Sub-programme 3.1: Emergency medical services

Rendering emergency medical services including ambulance services, special operations, communications and air ambulance services.

Sub-programme 3.2: Planned patient transport

Rendering planned patient transport including local outpatient transport (within the boundaries of a given town or local area) and inter-city/town outpatient transport (into referral centres).

ANALYTICAL REVIEW OF PROGRAMME PERFORMANCE

The numbers of requests for emergency responses in the Western Cape have increased by 30% over the last financial year which has not been matched by an increase in capacity. This resulted in a lengthening of response times.

One in every four patients (25%) is an inter-hospital transfer from one health institution to another but data definitions will need re-examining because responses to clinics and community health centres should be regarded as primary responses.

The performance of emergency medical services (EMS) is reflected in the response times for urban and rural areas.

The average response time to emergencies in the urban areas of the Western Cape is 41 minutes and in the rural areas 87 minutes.

The urban response time target of 15 minutes is achieved in 37.6% of responses and the rural target of 40 minutes in 64.4% of responses.

The urban response time target of 15 minutes in the Cape Town metropolitan area is only achieved in 12% of responses and this negatively affects the performance of the Province. The poor performance in Cape Town will be progressively addressed towards 2010.

The patient transport service HealthNET has been restructured and is showing steady growth in the numbers of patients transported (21% over the year). HealthNET has in some measure relieved the increasing load on the emergency services.

Ambulances in the metropolitan area of Cape Town complete 17 responses/calls per shift in relation to 5 calls per shift on average in rural areas (greater distance per call).

The communications centres are operating in all six districts of the Province with electronic Computer Aided Dispatch Systems.

An additional R10,957 m was allocated for EMS personnel, ambulances and patient transport in 2006/07 and was deployed and spent in the following manner:

- Appointment of the Head of Emergency Medicine to manage the education and training of specialists in emergency care and the clinical governance of emergency departments across the Province.
- The appointment of 58 shift managers to improve the supervision of ambulance services at station level.
- The appointment of 16 additional advanced life support paramedics from January 2007.
- The procurement of emergency equipment.
- The procurement of 9 additional Toyota Quantum ambulances.
- The procurement of 10 HealthNET patient transporters.
- The appointment of 30 drivers for HealthNET in the metropolitan area.
- Daily and kilometers tariffs for the new patient transport vehicles.

TABULAR REPORTING ON PERFORMANCE AGAINST PROVINCIAL 2006/07 ANNUAL PERFORMANCE PLAN

Table 2.11: Performance against targets from 2006/07 Annual Performance Plan for the Emergency Medical Services Programme[28]

Sub-programme	Objectives (Outputs)	Indicators	Performance			
			2004/05 Actual	2005/06 Actual	2006/07 Actual	2006/07 APP
Emergency Transport	Provide an effective ambulance service.	Number of ambulances per 1,000 population.	0.041	0.037	0.03	0.053
		Number of ambulance personnel per 1,000 population.			0.19	0.30
		Total kilometres travelled per ambulance per annum per 1,000 population.				4,000
	Improve service delivery.	% of response times within 15 minutes in town.	Not available	30%	37.6%	50%
		% of response times within 40 minutes in rural areas.	Not available	70%	64.4%	80%
	Cost effective ambulance service.	Cost per patient transported by ambulance.	R502	R557	R741	R400
Planned patient transport	Ensure access to the appropriate level of health care services via Planned Patient Transport.	Total number of patients transported.	49,191	50,974	61,625	45,000

[28] All the objectives (outputs) with indicators specified in this table were specified in the Budget Statement, but not in the Annual Performance Plan.

REPORTING ON STANDARD NATIONAL INDICATORS

Table 2.12: Emergency medical services and planned patient transport

Indicator	Type	2004/05 Actual	2005/06 Actual	2006/07 Actual	2006/07 APP
Input					
1. Ambulances per 1,000 people	No	0.041	0.037	0.03	0.053
2. Hospitals with patient transporters	%	5	5	0	No target set
Process					
3. Kilometres travelled per ambulance (per annum)	Kms	57,258	58,231	108,718	50,000
4. Locally based staff with training in BLS (Proportion of non-supervisory, uniformed staff with BLS qualification)	%	33	48	46	48
5. Locally based staff with training in ILS (Proportion of non-supervisory, uniformed staff with ILS qualification)	%	60	44	45	46
6. Locally based staff with training in ALS (Proportion of non-supervisory, uniformed staff with ALS qualification)	%	7	8	9	8
Quality					
7. Response times within national urban target (15 mins) (Proportion of Priority 1 urban calls within 15 minutes)	%	Not available	30	37.6	50 (70)
8. Response times within national rural target (40 mins) (Proportion of Priority 1 rural calls within 40 minutes)	%	Not available	70	64.4	80
9. Proportion of Priority 1, 2 and 3 calls with response time greater than 60 minutes[29]	%			22.25	10
10. Call outs serviced by a single person crew	%	0	0		0
Efficiency					
11. Ambulance journeys used for hospital transfers	%	14	20	15	0
12. Green code patients transported as % of total	%	37	29	34.75	30
13. Cost per patient transported	R	502	557	741	400
14. Ambulances with less than 500,000 kms on the clock	%	100	100	100	100
Output					
15. Patients transported per 1,000 separations	No	Not available	Not available	Not Available	Not in APP
16. Patients transported by PPT or Outpatient Transport Busses per 10,000 uninsured population[29]	No			45.25	134

[29] Not in the Guide for the Preparation of Annual Reports, but specified in Annual Performance Plan.

Indicator	Type	2004/05 Actual	2005/06 Actual	2006/07 Actual	2006/07 APP
17. Emergency patients transported by ambulance per 10,000 uninsured population[29]	No			190	No target set
Volume indicator					
18. Number of emergency call-outs		453,288	374,485	392,395	Not in APP
19. Patients transported (routine patient transport)		49,191	50,974	61,625	Not in APP

PROGRAMME 4: Provincial Hospital Services

AIM

Delivery of hospital services, which are accessible, appropriate, effective and provide general specialist services, including a specialised rehabilitation service, as well as a platform for training health professionals and research.

ANALYSIS PER SUB-PROGRAMME

Sub-programme 4.1: General (Regional) hospitals

Rendering of hospital services at a general specialist level and a platform for training of health workers and research.

Sub-programme 4.2: Tuberculosis hospitals

To convert present tuberculosis hospitals into strategically placed centres of excellence in which a small percentage of patients may undergo hospitalisation under conditions, which allow for isolation during the intensive phase of treatment, as well as the application of the standardised multi-drug resistant (MDR) protocols.

Sub-programme 4.3: Psychiatric/mental hospitals

Rendering a specialist psychiatric hospital service for people with mental illness and intellectual disability and providing a platform for the training of health workers and research.

Sub-programme 4.4: Chronic medical hospitals

These hospitals provide medium to long term care to patients who require rehabilitation and/or a minimum degree of active medical care but cannot be sent home. These patients are often unable to access ambulatory care at our services or their socio-economic or family circumstances do not allow for them to be cared for at home.

Sub-programme 4.5: Dental training hospitals

Rendering an affordable and comprehensive oral health service, supporting the primary health care approach and training.

ANALYTICAL REVIEW OF PROGRAMME PERFORMANCE

1. General/Regional Hospitals

Acute services:

- The acute services provided by regional hospitals in this Programme continued to operate under tremendous pressure as evidenced by their hospital performance statistics as well as the over expenditure of budgets by the hospitals within Sub-programme 4.1.
- Many of these hospitals are full beyond capacity, with occupancy rates at times exceeding 100%. The bed occupancy for Somerset, Mowbray Maternity and GF Jooste Hospitals maintained an average of over 100%.
- The opening of additional beds has alleviated the situation to some extent. Opening of more level 1 beds are planned to relieve the service pressures within the Khayelitsha and Mitchells Plain drainage areas.

Trauma and Emergency:

- Trauma and emergency services in particular continued to be under severe strain with high volumes of attendances and a high acuity of illness amongst patients at presentation. GF Jooste Hospital has the highest trauma patient activity within the Metropole with approximately 7,000 cases per month.
- The level of acuity of trauma cases has remained high, resulting in an escalation in the cost of acute care of trauma cases as well as specialised rehabilitation services. There has been increased pressure on the need for access to ICU services and ventilation of patients. The increased need for emergency trauma surgery has also caused the waiting time for elective surgery to increase.

HIV and AIDS:

- The HIV and AIDS pandemic contributes significantly to the load on the services both in terms of patient numbers and acuity of illness. The impact is being felt at all the acute hospitals, TB and chronic medical hospitals. Tuberculosis rates remain high and co-infection of TB and HIV has resulted in uncommon forms of presentation and late diagnosis of the disease.
- The provision of anti-retroviral drugs to an increasing number of patients has reduced the concomitant sequel of other AIDS related diseases. However, the increased number of patients on ARV treatment at these hospitals has significantly impacted on their workload.

Obstetric and Neonatal Services:

- There was a 20% increase in deliveries. The perceived decrease in family planning and sterilisations require additional research.
- Termination of pregnancies remains a pressure point within the regional hospitals.
- The decanting of beds at Mowbray Maternity Hospital and the surrounding Maternity and Obstetric Units (MOU's) for post-natal patients will form part of the Khayelitsha drainage area.

Outreach and Support:

- A policy for outreach and support by clinical staff to other institutions and the rural areas has been developed which will enhance service delivery.

Human Resource Management:

- Although there was a net gain of 86 posts within this sub-programme, the total staff complement was supplemented by the recruitment of staff via agency services.
- The acquisition of scarce nursing skills in the areas of theatre and midwifery was vital to sustain service delivery. This however added to the cost escalation within this sub-programme.
- The lack of key staff has become the limitation to the provision of services within the current platform and to any further expansion. The range of strategies adopted by the Department will to some extent improve the ability to recruit and retain staff, especially professional nurses and doctors.

Nurse training:

- Nurse Training Schools have been opened at George, Eben Donges and Mowbray Maternity Hospitals.
- Mowbray Maternity School will focus specifically on training in midwifery.

Hospital Revitalisation Project:

- The Hospital Revitalisation Project (HRP) continued at George, Eben Donges and Paarl Hospitals.
- At George Hospital, the focus areas have been the completion of infrastructure. Completion of health technology implementation, quality assurance, organisational development and monitoring and evaluation of the project are the areas of focus within the next phase of the project. Funding the full commissioning of new services within the current budget envelope remains a challenge.
- At Eben Donges Hospital, the infrastructure is in various stages of completion with a complete new kitchen, sterilisation unit and services floor, training centre and various new wards. Monitoring and evaluation processes have been established to ensure progress towards the revitalisation goals.
- Paarl Hospital has commenced with the infrastructure projects at the specialist outpatient block, new theatre and new kitchen. Equipment for health technology has been purchased.

Cost drivers:

- The increased patient load at the hospitals within this sub-programme resulted in a significant escalation in the cost of goods and services: consumables, blood products, medication and laboratory tests.
- The failure to recruit and retain adequate numbers of staff resulted in a significant dependency on agencies. This increased the cost of providing essential services. A detailed analysis of agency costs has been undertaken within the programme, to enable improved control of agency utilisation.
- Cost containment measures are applied in all hospitals to improve efficiencies.

General:

- GF Jooste, Hottentots Holland and Karl Bremer Hospitals will shift to Programme 2 in the budget structure as from 1 April 2007 and be classified as district hospitals in line with the Comprehensive Service Plan objectives.

2. Tuberculosis Hospitals

Clinical services:

- Despite efforts to strengthen TB control in the Western Cape, the burden of disease from TB continues to rise.
- A significant growth in the proportion of multi-drug resistant (MDR) patients occurred, fostered by the increase in HIV and AIDS.
- A further development has been the identification of cases of extremely drug resistant tuberculosis (XDR-TB) in the Western Cape.
- The collaboration between the HIV and AIDS and TB programmes will be strengthened to address effective treatment. A coordinating forum has been set up between Programmes 2 and 4 to ensure a uniform implementation approach.
- Pulmonary TB in the Western Cape dramatically increased over the past 7 years. The incidence of TB in the Western Cape has increased from 689/100,000 in 1997 to 1,041/100,000 in 2005.
- The incidence of TB in the Western Cape is almost double that of the national incidence which was 550/100,000 in 2003. This is a cumulative reflection of a growing population, migration, improved case detection and an increased burden of disease.
- Thirty percent of TB patients in the Western Cape are co-infected with HIV resulting in high morbidity and mortality rates in this group and an increase in the average length of stay (ALOS) of patients.
- Improving patient turnover remains a major challenge within TB services.
- The approach on chronic patient defaulters will be reviewed.
- The increased pressure on MDR beds and increase in cases of XDR, have resulted in the initiation of a policy development for the location of these beds.

- The service model created at Harry Comay and George Hospitals will be considered for implementation at other regions and the metropole areas, whereby the clinician at the TB hospital is linked to the Department of Medicine at the parent hospital.
- Harry Comay Hospital in George has reduced the number of beds from 125 to 100 with a concomitant expansion of tuberculosis services at Oudtshoorn Hospital during the past year. This has affected mainly the paediatric wards, which have been relocated because of inadequate funding and inadequate clinical management. Priority is given to patients from deep rural areas requiring streptomycin injections. The Hospital also manages MDR TB cases for the South Cape/Karoo Region and currently makes provision for 18 patients.
- The MDR DOTS Plus strategy, which requires admission for 4 months, as well as the increase in the number and acuity of absolute cases, will increase the pressure on hospital beds. This may result in acutely ill TB patients blocking acute general hospital beds while they await a bed within TB hospitals. The Department has developed a HealthCare 2010 TB Hospital Plan to address these challenges. Provision has been made for an increase of 300 beds over time in the plan.
- The acuity of patients being managed in TB hospitals has increased. This has required more intensive hospitalisation, an increase in the drug budget and an increase in staffing levels.

Provincialisation of TB hospitals:

- The provincialisation of all TB hospitals is in the final stages of completion.
- Harry Comay Hospital in the Southern Cape was provincialised in 2005.
- DP Marais Hospital was provincialised on 1 September 2006.
- Sonstraal and Malmesbury ID Hospitals in the West Coast area will be provincialised in the next financial year.
- The management of the TB hospitals in the rural areas will be the interim responsibility of the regional hospital managers within the relevant rural areas.
- Various challenging areas must be addressed to ensure that the newly provincialised TB hospitals conform to the standards of the Department of Health. These include service standards and protocols, staff establishments, infrastructure and change management.

Infrastructure:

- The infrastructure within most TB hospitals is old and requires renovation, maintenance and upgrading. The clinical capacity and management of Brooklyn Chest Hospital and the other TB hospitals needs to be strengthened to address the increasing service pressures.
- At Brooklyn Chest Hospital a ward has been upgraded and additional beds opened to accommodate the increasing burden of TB within the Western Cape.
- An incremental approach will be followed with regards to the infrastructure changes to be finalised at all the TB hospitals.

3. Psychiatric Hospitals

In keeping with global trends, the burden of mental health disease is increasing. This is also evidenced by the high bed occupancies experienced by the acute services within psychiatric hospitals and the increased number of psychiatric emergencies attending acute general hospitals.

Mental Health Care Act:

- The introduction of the Mental Health Care Act obliges the Department to improve access to 72-hour services within the general acute hospitals.

- The development of these services in general hospitals continued to be slow, however positive steps are being taken to incrementally improve capacity at this level. This however is not keeping pace with the growing numbers of people presenting for treatment and is further hampered by the emerging "new" long term patients that occupy limited acute beds in the psychiatric hospitals, evidenced by longer average length of stay and rising readmission rates to 22% within 90 days at Valkenberg and Stikland Hospitals. The need for alternative residential and step down placements continues to grow with little expansion in this area.

Opiate detoxification:

- The opening of the opiate detoxification unit at Stikland Hospital in June 2006 was a significant milestone.
- The unit assists those addicted to heroin and other opiates to safely withdraw from these substances before entering a recognised rehabilitation programme. This was identified as a bottleneck that was preventing motivated people from entering rehabilitation centres.
- The unit operates a Helpline advising the public on how to access assistance for substance abuse problems.

Child and adolescent services:

- At Lentegeur Hospital, the sub-acute unit for adolescents with psychotic illness now operates at the planned 18 beds.
- Renovations to the therapeutic unit for troubled adolescents without psychosis make it possible to offer treatment to a wider range of young people including those who are at risk for committing suicide.

Forensic Psychiatric Services:

- The waiting list for places in the male observation services has decreased over 2006/07 and is now approximately 60 – 70 (six months) compared to the 120 (ten months) it was last year. This is largely due to maximising efficiency within the available 15 beds for men. Further improvement will only be possible when the new expanded capacity is available as envisaged in future hospital revitalisation.
- At Lentegeur Hospital a 20-bed step down forensic facility for state patients who are suitable for conditional discharge but have no family for placement opened in October 2006.

Newer psychiatric medication:

- This medication is now available and is being prescribed according to agreed protocols.

Mental health training:

- Training capacity for mental health has been improved in the Associated Psychiatric Hospitals (APH) with the establishment of a training facility for the APH platform to serve the broader Health Department. The staff consisting of a Nursing Head of College and four nursing tutors, one for each hospital, has been appointed. While there will be a specific formal focus on developing nurse training, this facility will also co-ordinate and facilitate continuing professional development in mental health for a wide range of professional and support staff in order to improve the quality of mental health care services.
- A training facility was refurbished at Stikland Hospital to be the college headquarters with satellite facilities at each hospital.
- A curriculum to offer the R880 Diploma in psychiatric nursing science for registered nurses without psychiatric training and a Memorandum of Agreement with Stellenbosch University to act as moderator has been submitted to the South African Nursing Council for accreditation on 15 March 2007.
- Not only will the tutors formally train and clinically accompany students in the proposed formal course but, together with staff at the hospitals responsible for in-service training, they will improve in-service training programmes as well as improve the clinical placement experience of students from other training facilities who are placed within the APH.

- A successful Mental Health Update was held in November 2006 as the start of what will be a six-monthly event. Over 90 health professionals from all sectors of the service and a range of professional groups attended and were awarded CPD points.

Acute adult services:

- These remain under pressure and a review of the statistics for the past five years reveals that the available beds which have remained constant in line with the plan have continued to be 90 to 100% occupied (male higher occupancies than female). However, the number of admissions possible in the last two years has been less due to longer length of stay of patients resulting in a growing number of patients not being able to access beds timeously.
- Higher patient acuity impacted on by the HIV and AIDS and TIK epidemics has been noted. Patients at times have to be discharged before sufficient stabilisation is possible and readmission rates within these services are rising. For Valkenberg and Lentegeur Hospitals the readmission rate in less than 90 days now stands at 22 %.
- A strategy is being piloted over the next two years to attempt to relieve pressures on all levels of care caused by a sector of mental health care users who meet the criteria to be classified as high frequent users. It was agreed to by clinicians and managers in the platform and Assertive Community Teams to provide higher levels of support and care to this group and their families post discharge from the acute units embarked upon.
- Three teams have been established through reprioritising current budgets. Posts for three teams each consisting of a principal medical officer, a senior social worker and a chief professional nurse were created on the establishments of Lentegeur, Stikland and Valkenberg Hospitals and the posts were filled by January 2007. These teams are not able to see all patients in this category due to high volumes but are conducting prospective service research approved by both University of Cape Town and Stellenbosch University to evaluate the effectiveness of this strategy for follow up of patients compared to normal follow up at a local clinic.

Human Resource Management:

- Vacant posts in the APH are filled as quickly as possible and overall 68% of vacancies are filled within three months, 50% of the remaining 32% have to be re-advertised due to lack of suitable candidates.
- During the year under review, the platform increased its number of filled posts by 120 people and most of those posts were essential clinical posts including a gain of 76 professional nurses.
- Despite this good progress the professional nurse vacancies remain at 25% overall. However, Valkenberg Hospital for instance has only a 29% vacancy rate compared to previous 60% vacancy. The filling of permanent posts towards the end of the review period has allowed for a dramatic reduction in the use of agency nurses.
- There has been an improvement in the demographic representivity at middle management level during this year with particular changes at Stikland Hospital. Recruiting staff in medical posts to address employment equity remains a challenge.

Quality Assurance:

- Both client and staff satisfaction surveys were conducted using the provincial survey tool during November 2006. The results of these surveys are then fed back to hospital staff and specific plans drawn up to address shortcomings tailored to fit the specific site priorities.
- APH staff continues to make good use of the Employee Assistance Program services at about a 25% utilisation rate and trends indicate that professionals particularly in salary levels 6 to 8 and especially the nurses do carry the burden of the stressful work environment.
- Both the staff satisfaction survey and the ICAS reports indicate that a very dedicated staff core exists in these hospitals.
- Issues relating to substance abuse (in close relatives not only staff themselves) and child care do affect staff ability to remain fully functional.

- All hospitals have active, multidisciplinary mortality and morbidity reviews and quality assurance is increasingly being internalised as everyone's responsibility.
- The Mental Health Drug and Therapeutic Forum continues to be facilitated by the APH for the broader mental health service and has been particularly successful in supporting the review of treatment protocols for the Province and in motivating for newer medications at the Provincial Pharmaceutical Coding Committee.

Physical infrastructure:

- The highlight of this year was the commissioning of the long awaited new admissions wards at Valkenberg Hospital which have certainly improved the therapeutic environment for patients and staff alike and could probably be seen as a significant factor in making the recruitment of professional nurses to this Hospital more attractive.
- Valkenberg Hospital's acceptance as a HRP project added even greater momentum to improving prospects for modernised mental health care service delivery and a comprehensive operational narrative as well as early historical and environmental impact studies were completed.
- The opiate detoxification unit was completed in this year and reported earlier.
- The renovation of an old ward to create a new administration building for Stikland Hospital was completed in September 2006 and has now completed the relocation of all Stikland services to the southern site of the estate.
- The pharmacy refurbishment at Alexandra Hospital to make it Pharmacy Act compliant was also nearing completion at the end of this year.
- Improvements to Lentegeur Hospital's therapeutic adolescent ward were completed as reported earlier to improve safety and access.
- At Lentegeur Hospital, the sub-acute unit for adolescents with psychotic illness now operates at the planned 18 beds.

4. Chronic Hospitals

Western Cape Rehabilitation Centre (WCRC) and Nelspoort Hospital are the remaining institutions within this sub-programme. As from 1 April 2007, Nelspoort Hospital will be shifted to Programme 2.

Western Cape Rehabilitation Centre:

- The in- and outpatient services of the WCRC continued to grow.
- Average bed occupancy increased through the introduction of specific client flow management structures and systems and supported by an allocation of R4 m to facilitate normalisation of services following the relocation from Conradie Hospital to new state-of-the-art premises in Lentegeur, Mitchells Plain in 2004.
- Amongst other specialist services offered, the WCRC also offers specialised wheelchair/buggy seating clinics for high-risk patients (children in particular). An amount of R3 m in the form of a policy option funding was allocated in 2006/07 to be utilised for the provision of specialised mobility assistive devices and outreach seating clinics in the rural regions and outlying areas of the Metropole.

Nurse training:

- Policy option funding (R1,9 m) allocated in 2005/06 and 2006/07 for the development of the WCRC Nursing School has been beneficial in that the first group of students completed their bridging from enrolled nursing assistant to staff nurse in September 2006.
- The first graduates of the 2-year bridging course (staff nurse to professional nurse) will be qualifying in February 2008. Nurses from various hospitals are trained at this facility therefore improving the capacity across the service platform. Nursing agencies have been utilised to fill the service gaps and this expenditure has been funded from the policy priority allocations.

Public Private Partnership:

- On 1 March 2007 Public Private Partnership Facility Management was implemented at the WCRC and Lentegeur sites, in which all non-core services (and in the case of WCRC the provision of medical and therapeutic equipment) have been outsourced.

5. Dental Hospital Services

- The merging of the dental schools of the Universities of Stellenbosch and the Western Cape into the Tygerberg Oral Health Centre (OHC) with effect from 1 April 2004 created a single platform for the training of oral health practitioners and facilitated integrated tertiary and health services.
- The Tygerberg OHC and the satellite clinic of the COHC situated at the Mitchell's Plain Day Hospital are the only specialised children's clinics offering comprehensive oral health service for children and children with special needs. It is also the screening site for children that require treatment under general anaesthetic.
- The outreach programme of the COHC at Guguletu is serviced by staff and students from the COHC on a rotational basis and takes comprehensive oral health care to the lower level of service. This outreach programme sees in excess of 15,000 patients per year. One mobile clinic does outreach to under-serviced areas.
- In general the cost of preventive measures, infection control and sterilisation, has increased in the face of the HIV and AIDS epidemic and the specific treatment cost has significantly increased due to laboratory cost and drug therapy for opportunistic infection.
- The large waiting list for dentures is compounded by the high rate of endentulousness in the Province estimated at 40%. This together with the cost of dentures in the private sector and the fact that the state clinics in the Province have a limited budget for the provision of dentures.
- The Oral Health Centre is the only state facility providing treatment under conscious sedation, thus reducing the workload and associated costs with providing the same treatment under general anaesthetics.
- There are 24 registrar posts at the Faculty of Dentistry and in 2006, 6 specialists graduated from the Faculty.
- A Comprehensive Oral Health Service Plan (COHSP) has been developed and approved in principle by management of the Department. The plan is being finalised, will need to be costed and implemented in phases over time within the available resources.

TABULAR REPORTING ON PERFORMANCE AGAINST PROVINCIAL 2006/07 ANNUAL PERFORMANCE PLAN

Table 2.13: Performance against targets from 2006/07 Annual Performance Plan for the General (Regional) Hospital Services Sub-programme

Objectives (Outputs)	Indicators	Performance			
		2004/05 Actual	2005/06 Actual	2006/07 Actual	2006/07 APP
Input					
Provide sufficient funds for non-personnel expenditure regional hospitals.	Expenditure on staff as % of total expenditure.	67.3%	61.4%	58% (63%)[30]	65%
	Expenditure on drugs as % of total expenditure.	4.5%	4.6%	6%	6.0%
	Expenditure on maintenance as % of total expenditure.[31]	Not available	0.82%	0.9%	7%

30 Figure in brackets includes agency staff.

31 Only includes the hospital's budget.

Objectives (Outputs)	Indicators	Performance			
		2004/05 Actual	2005/06 Actual	2006/07 Actual	2006/07 APP
Provide regional hospitals infrastructure in line with HealthCare 2010.	Useable beds.[32]	2,076	1,856	1,943	2,010
	Useable beds per 1,000 people.	0.4	0.39	0.39	0.44
	Useable beds per 1,000 uninsured population.	0.6	0.54	0.54	0.60
Provide sufficient funding to ensure an efficient regional hospital service for the population.	Hospital expenditure per capita (total population).	R158.03	R165	R190	R172
	Hospital expenditure per capita (uninsured population).	R219.48	R230	R260	R235
Provide services that adequately address the needs of inpatients, outpatients and trauma cases.	Outpatients per inpatient day ratio.		1.17	1.17	1.25
	Trauma as % of total outpatient headcounts.		41%	40%	No target set
	Total number of inpatient days.	669,107	663,460	688,264	674,885
	Total number of outpatient headcounts (incl trauma).		774,026	807,344	844,413
Process					
Facilitate representative management.	Percentage of hospitals with operational hospital board.	100%	100%	94%	100%
Facilitate decentralised management and accountability.	Percentage of hospitals with appointed CEO in place (or Medical Superintendent).	100%	100%	100%	100%
	Percentage of hospitals with business plan agreed with the Provincial Health Department.	100%	100%	100%	No target set
Output					
Ensure accessible regional hospital services to the population of the Western Cape.	Separations per 1,000 people.	39	39.1	40	38
	Separations per 1,000 uninsured population.	55	54.3	54	53
	Patient day equivalents per 1,000 people.	193	192.1	190	196
	Patient day equivalents per 1,000 uninsured population.	268	266.9	260	268
Quality					
Ensure quality patient care.	Percentage of hospitals that have conducted and published a patient satisfaction survey in the last 12 months.	80%	80%	100%	100%
	Percentage of hospitals with designated official responsible for coordinating quality management.	100%	100%	100%	100%

[32] Indicator specified in Budget Statement, but not in Annual Performance Plan.

Objectives (Outputs)	Indicators	Performance			
		2004/05 Actual	2005/06 Actual	2006/07 Actual	2006/07 APP
	Percentage of hospitals with clinical audit (M&M) meetings at least once a month.	100%	80%	100%	100%
Efficiency					
Ensure efficient and cost effective utilisation of resources.	Average length of stay.	3.6	3.6	3.4	3.6
	Bed utilisation rate based on useable beds.	90%	98%	99%	86%
	Expenditure per patient day equivalent.	R817.83	R860	R999	R863
Outcome					
Ensure desired clinical outcomes.	Case fatality rate for surgery separations.	1.7	1.74	1.7	1.4

REPORTING ON STANDARD NATIONAL INDICATORS

Table 2.14: Regional hospitals

Indicator	Type	2004/05 Actual	2005/06 Actual	2006/07 Actual	2006/07 APP
Input					
1. Expenditure on hospital staff as percentage of total hospital expenditure	%	67.3	61.4	58 (63)[33]	65
2. Expenditure on drugs for hospital use as percentage of total hospital expenditure	%	4.5	4.6	6	6.0
3. Hospital expenditure per uninsured person	R	219.48	230	260	235
4. Useable beds		2,076	1,856	1,943	Not in APP
Process					
5. Hospitals with operational hospital board	%	100	100	94	100
6. Hospitals with appointed (not acting) CEO in place	%	100	100	100	100
7. Facility data timeliness rate	%	Not available	84	39	No target set
Output					
8. Caesarean section rate	%	27.5	32	33	25
Quality					
9. Hospitals with a published nationally mandated patient satisfaction survey in last 12 months	%	80	80	100	100
10. Hospitals with clinical audit (M&M) meetings at least once a month	%	100	80	100	100

[33] Figure in brackets include agency staff.

Indicator	Type	2004/05 Actual	2005/06 Actual	2006/07 Actual	2006/07 APP
Efficiency					
11. Average length of stay[34]	Days	3.6	3.6	3.4	3.6
12. Bed utilisation rate (based on useable beds)[34]	%	90	98	99	86
13. Expenditure per patient day equivalent[34]	R	818	860	999	863
Outcome					
14. Case fatality rate for surgery separations[34]	%	1.7	1.74	1.7	1.7
Service volumes					
15. Separations[34]		180,855	188,166	196,904	Not in APP
16. OPD headcounts[34]		654,162	439,865	487,959	Not in APP
17. Day cases (=1 separation = 1/2 IPD) [34]		17,602	19,336	18,675	Not in APP
18. Inpatient days[34]		669,107	663,460	688,264	674,885
19. Casualty headcount[34]		291,933	314,825	319,385	Not in APP
20. PDEs[34]		993,273	924,692	942,460	Not in APP

TABULAR REPORTING ON PERFORMANCE AGAINST PROVINCIAL 2006/07 ANNUAL PERFORMANCE PLAN

Table 2.15: Performance against targets from 2006/07 Annual Performance Plan for the Tuberculosis Hospital Services Sub-programme

Objectives (Outputs)	Indicators	Performance			
		2004/05 Actual	2005/06 Actual	2006/07 Actual	2006/07 APP
Input					
Provide sufficient funds for non-personnel expenditure in TB hospitals.	Expenditure on staff as % of total expenditure.	68.8%	59.79%	64% (69%)[35]	75%
	Expenditure on drugs as % of total expenditure.	2.9%	2.88%	6%	10%
	Expenditure on maintenance as % of total expenditure.[36]		0.76%	1%	2%
Provide TB hospitals infrastructure in line with HealthCare 2010.	Useable beds.[37]	998	1,008	1,008	1,165
	Useable beds per 1,000 people.	0.2	0.21	0.21	0.20
	Useable beds per 1,000 uninsured population.	0.3	0.29	0.28	0.28
Provide sufficient funding to ensure an efficient TB hospital service for the population.	Hospital expenditure per capita (total population).	R12.30	R14.39	R16	R15
	Hospital expenditure per capita (uninsured population).	R17.08	R19.98	R22.3	R20.60

34 Not in the Guide for the Preparation of Annual Reports, but specified in Annual Performance Plan.
35 Figure in brackets include agency staff.
36 Only includes the hospital's budget.
37 Indicator specified in Budget Statement, but not in Annual Performance Plan.

Objectives (Outputs)	Indicators	Performance			
		2004/05 Actual	2005/06 Actual	2006/07 Actual	2006/07 APP
Provide services that adequately address the needs of inpatients, outpatients and trauma cases.	Outpatients per inpatient day ratio.		0.01	0.01	0.02
	Trauma as % of total outpatient headcounts.	Not applicable	Not applicable	Not applicable	No target set
	Total number of inpatient days.	281,034	291,784	304,975	292,730
	Total number of outpatient headcounts (including trauma).		3,784	3,839	4,979
Process					
Facilitate representative management.	Percentage of hospitals with operational hospital board.[38]		80%	17%	100%
Facilitate decentralised management and accountability.	Percentage of hospitals with appointed CEO in place (or Medical Superintendent).	100%	100%	84%	100%
	Percentage of hospitals with business plan agreed with the Provincial Health Department.	100%	100%	92%	100%
Output					
Ensure accessible TB hospital services to the population of the Western Cape.	Separations per 1,000 people.	0.8	0.80	0.8	0.8
	Separations per 1,000 uninsured population.	1.1	0.95	1.1	1.1
	Patient day equivalents per 1,000 people.	60	60.91	62	60
	Patient day equivalents per 1,000 uninsured population.	83	83.2	85	83
Quality					
Ensure quality patient care.	Percentage of hospitals that have conducted and published a patient satisfaction survey in the last 12 months.[39]		0	31%	100%
	Percentage of hospitals with designated official responsible for coordinating quality management.		100%	100%	100%
	Percentage of hospitals with clinical audit (M&M) meetings at least once a month.		0	44%	100%
Efficiency					
Ensure efficient and cost effective utilisation of resources.	Average length of stay.	72.4	75.5	76	74.0
	Bed utilisation rate based on useable beds.	77%	79%	83%	80%

[38] Of the 6 TB hospitals, only Brewelskloof Hospital has a hospital board. Due to the provincialisation process of 4 TB hospitals, the facility boards have not been established yet.

[39] Brooklyn Chest and Brewelskloof Hospitals have conducted surveys. The other 4 hospitals are in the provincialisation process.

Objectives (Outputs)	Indicators	Performance			
		2004/05 Actual	2005/06 Actual	2006/07 Actual	2006/07 APP
	Expenditure per patient day equivalent.[40]	R206.27	R236	R264	R232

REPORTING ON STANDARD NATIONAL INDICATORS

Table 2.16: Tuberculosis hospitals

Indicator	Type	2004/05 Actual	2005/06 Actual	2006/07 Actual	2006/07 APP
Input					
1. Expenditure on hospital staff as percentage of total hospital expenditure	%	68.8	59.79	64 (69)[41]	75
2. Expenditure on drugs for hospital use as percentage of total hospital expenditure	%	2.9	2.88	6	10
3. Hospital expenditure per uninsured person	R	17.08	19.98	22.3	20.60
4. Useable beds		998	1,008	1,008	Not in APP
Process					
5. Hospitals with operational hospital board[42]	%		80	17	100
6. Hospitals with appointed (not acting) CEO in place	%	100	100	84	100
7. Facility data timeliness rate	%	Not available	93	33	90
Output					
8. Caesarean section rate	%	Not applicable	Not applicable	Not applicable	Not applicable
Quality					
9. Hospitals with a published nationally mandated patient satisfaction survey in last 12 months[43]	%		0	31	100
10. Hospitals with clinical audit (M&M) meetings at least once a month	%		0	44	100
Efficiency					
11. Average length of stay[44]	Days	72.4	75.5	76	74
12. Bed utilisation rate (based on useable beds)[44]	%	77	79	83	80%
13. Expenditure per patient day equivalent[44,45]	R	206.27	236	264	232

40 Target set did not take into account the provincialisation process and the increase in running cost of these hospitals (Harry Comay). Additional TB beds commissioned (Brooklyn Chest).

41 Figure in brackets include agency staff.

42 Of the 6 TB hospitals, only Brewelskloof Hospital has a hospital board. Due to the provincialisation process of 4 TB hospitals, the facility boards have not been established yet.

43 Only Brooklyn Chest and Brewelskloof Hospitals have conducted surveys. The other 4 hospitals are in the provincialisation process.

44 Not in the Guide for the Preparation of Annual Reports, but specified in Annual Performance Plan.

Indicator	Type	2004/05 Actual	2005/06 Actual	2006/07 Actual	2006/07 APP
Outcome					
14. Case fatality rate for surgery separations[44]	%	Not applicable	Not applicable	Not applicable	Not applicable
Service volumes					
15. Separations[44]		3,867	3,340	4,006	Not in APP
16. OPD headcounts[44]		4,091	3,784	3,839	Not in APP
17. Day cases (=1 separation = 1/2 IPD) [44]		31	28	65	Not in APP
18. Inpatient days[44]		281,034	291,784	304,975	292,730
19. Casualty headcount[44]		Not applicable	Not applicable	Not applicable	Not applicable
20. PDEs[44]		282,413	293,059	306,287	Not in APP

TABULAR REPORTING ON PERFORMANCE AGAINST PROVINCIAL 2006/07 ANNUAL PERFORMANCE PLAN

Table 2.17: Performance against targets from 2006/07 Annual Performance Plan for the Psychiatric Hospital Services Sub-programme[46]

Objectives (Outputs)	Indicators	Performance			
		2004/05 Actual	2005/06 Actual	2006/07 Actual	2006/07 APP
Input					
Provide sufficient funds for non-personnel expenditure in psychiatric hospitals.	Expenditure on staff as % of total expenditure.	79.5%	76%	75.12%	80%
	Expenditure on drugs as % of total expenditure.	2.2%	3%	2.97%	4%
	Expenditure on maintenance as % of total expenditure.[47]	1%	2.4%	1.87%	2%
Provide psychiatric hospitals infrastructure in line with HealthCare 2010.	Useable beds.[48]	2,127	2,096	2,015	2,200
	Useable beds per 1,000 people.	0.47	0.44	0.42	0.44
	Useable beds per 1,000 uninsured population.	0.65	0.61	0.58	0.60
Provide sufficient funding to ensure an efficient psychiatric hospital service for the population.	Hospital expenditure per capita (total population).	R57	R56	R59.25	R62
	Hospital expenditure per capita (uninsured population).	R79	R78	R82.5	R86

45 Target set did not take into account the provincialisation process and the increase in running cost of these hospitals (Harry Comay). Additional TB beds commissioned (Brooklyn Chest).

46 This table reflects the aggregated figures for chronic care, specialised therapeutic units and acute care. The occupancies in the acute psychotic services continue to range between 95 % and 100% with the greatest pressure on the male service.

47 Only includes the hospital's budget.

48 Indicator specified in Budget Statement, but not in Annual Performance Plan.

Objectives (Outputs)	Indicators	Performance			
		2004/05 Actual	2005/06 Actual	2006/07 Actual	2006/07 APP
Provide services that adequately address the needs of inpatients and outpatient services.	Outpatients per inpatient day ratio.		0.03	0.03	0.04
	Total number of inpatient days.	645,245	643,405	639,948	699,705
	Total number of outpatient headcounts (incl trauma).		19,238	20,573	29,212
Process					
Facilitate representative management.	Percentage of hospitals with operational hospital board.	100%	100%	100%	100%
Facilitate decentralised management and accountability.	Percentage of hospitals with appointed CEO in place (or Medical Superintendent).	100%	100%	100%	100%
	Percentage of hospitals with business plan agreed with the Provincial Department of Health.	100%	100%	100%	100%
Output					
Ensure accessible psychiatric hospital services to the population of the Western Cape.	Separations per 1,000 people.	1.2	1.1	1.02	1.2
	Separations per 1,000 uninsured population.	1.7	1.5	1.42	1.7
	Patient day equivalents per 1,000 people.	145	135	134.53	145
	Patient day equivalents per 1,000 uninsured population.	201	188	186.85	199
Quality					
Ensure quality patient care.	Percentage of hospitals that have conducted and published a patient satisfaction survey in the last 12 months.	100%	100%	100%	100%
	Percentage of hospitals with designated official responsible for coordinating quality management.	100%	100%	100%	100%
	Percentage of hospitals with clinical audit (M&M) meetings at least once a month.	100%	100%	100%	100%
Efficiency					
Ensure efficient and cost effective utilisation of resources.	Average length of stay.	118	125.1	129.74	118.0
	Bed utilisation rate based on useable beds.	83	82.8	85.5	90%
	Expenditure per patient day equivalent.	365	318	460	427

REPORTING ON STANDARD NATIONAL INDICATORS

Table 2.18: Psychiatric hospitals[49]

Indicator	Type	2004/05 Actual	2005/06 Actual	2006/07 Actual	2006/07 APP
Input					
1. Expenditure on hospital staff as percentage of total hospital expenditure	%	79.5	76	75.12	80
2. Expenditure on drugs for hospital use as percentage of total hospital expenditure	%	2.2	3	2.97	4
3. Hospital expenditure per uninsured person	R	57	78	82.5	86
4. Useable beds		2,127	2,096	2,015	Not in APP
Process					
5. Hospitals with operational hospital board	%	100	100	100	100
6. Hospitals with appointed (not acting) CEO in place	%	100	100	100	100
7. Facility data timeliness rate	%	Not available	100	100	100
Output					
8. Caesarean section rate	%	Not applicable	Not applicable	Not applicable	Not applicable
Quality					
9. Hospitals with a published nationally mandated patient satisfaction survey in last 12 months	%	100	100	100	100
10. Hospitals with clinical audit (M&M) meetings at least once a month	%	100	100	100	100
Efficiency					
11. Average length of stay[50]	Days	118	125.1	129.74	118.0
12. Bed utilisation rate (based on useable beds)[50]	%	83	82.8	85.5	90
13. Expenditure per patient day equivalent[50]	R	365	318	460.56	427
Outcome					
14. Case fatality rate for surgery separations[50]	%	Not applicable	Not applicable	Not applicable	Not applicable
Service volumes					
15. Separations[50]		5,648	5,145	4,907	Not in APP
16. OPD headcounts[50]		22,121	19,238	20,573	29,212
17. Day cases (=1 separation = 1/2 IPD) [50]		0	0	0	Not in APP
18. Inpatient days[50]		645,245	643,405	639,948	699,705
19. Casualty headcount[50]		0	0	0	Not in APP
20. PDEs[50]		652,693	649,818	647,315	Not in APP

[49] This table reflects the aggregated figures for chronic care, specialised therapeutic units and acute care. The occupancies in the acute psychotic services continue to range between 95 % and 100% with the greatest pressure on the male service.

[50] Not in the Guide for the Preparation of Annual Reports, but specified in Annual Performance Plan.

TABULAR REPORTING ON PERFORMANCE AGAINST PROVINCIAL 2006/07 ANNUAL PERFORMANCE PLAN

Table 2.19 (a): Performance against targets from 2006/07 Annual Performance Plan for Nelspoort Hospital in the Chronic Medical Hospital Services Sub-programme[51]

Objectives (Outputs)	Indicators	Performance			
		2004/05 Actual	2005/06 Actual	2006/07 Actual	2006/07 APP
Input					
Provide sufficient funds for non-personnel expenditure.	Expenditure on staff as % of total expenditure.	70.9%	72.18%	74%	80
Provide chronic hospitals infrastructure in line with HealthCare 2010.	Useable beds.[52]	752	911	185	884
	Useable beds per 1,000 people.	0.1	0.19	0.04	0.18
	Useable beds per 1,000 uninsured population.	0.2	0.26	0.05	0.25
Provide sufficient funding to ensure an efficient chronic hospital service for the population of the Western Cape.	Hospital expenditure per capita (total population).	R8.86	R21.66	R1.3	R12.50
	Hospital expenditure per capita (uninsured population).	R12.31	R30.09	R1.8	R17.10
Provide services that adequately address the needs of inpatients, outpatients and trauma cases.	Outpatients per inpatient day ratio.		0	0	0.08
	Trauma as % of total outpatient headcounts.	Not applicable	Not applicable	Not applicable	Not applicable
	Total number of inpatient days.	233,858	276,144	28,393	277,674
	Total number of outpatient headcounts (including trauma).	2,944	4,740	0	22,895
Process					
Facilitate representative management.	Percentage of hospitals with operational hospital board.	100%	75%	100%	100%
Facilitate decentralised management and accountability.	Percentage of hospitals with appointed CEO in place (or Medical Superintendent).	100%	90%	100%	100%
	Percentage of hospitals with business plan agreed with the Provincial Department of Health.		50%	0%	100%
Output					
Ensure accessible chronic hospital services to the population of the Western Cape.	Separations per 1,000 people.	1.0	1.05	0.01	1.0
	Separations per 1,000 uninsured population.	1.4	1.45	0.01	1.4
	Patient day equivalents per 1,000 people.	49	58	5.9	58

[51] Actual performance for 2004/05 and 2005/06 reflect a total for the Sub-programme. 2006/07 Actual-column reflects information for Nelspoort Hospital only.

[52] Indicator specified in Budget Statement, but not in Annual Performance Plan.

Objectives (Outputs)	Indicators	Performance			
		2004/05 Actual	2005/06 Actual	2006/07 Actual	2006/07 APP
	Patient day equivalents per 1,000 uninsured population.	69	80	7.9	80
Quality					
Ensure quality patient care.	Percentage of hospitals that have conducted and published a patient satisfaction survey in the last 12 months.	36%	12%	0%	100%
	Percentage of hospitals with designated official responsible for coordinating quality management.		12%	100%	100%
	Percentage of hospitals with clinical audit (M&M) meetings at least once a month.	85%	0%	0%	100%
Efficiency					
Ensure efficient and cost effective utilisation of resources.	Average length of stay.	57.6	54.6	596.5	55.0
	Bed utilisation rate based on useable beds.	85%	73%	42%	85%
	Expenditure per patient day equivalent.	R179.44	R375	R231	R361

Table 2.19 (b): Performance against targets from 2006/07 Annual Performance Plan for Western Cape Rehabilitation Centre in the Chronic Medical Hospital Services Sub-programme[53]

Objectives (Outputs)	Indicators	Performance			
		2004/05 Actual	2005/06 Actual	2006/07 Actual	2006/07 APP
Input					
Provide sufficient funds for non-personnel expenditure.	Expenditure on staff as % of total expenditure.	70.9%	72.18%	62% (66)[54]	80
Provide chronic hospitals infrastructure in line with HealthCare 2010.	Useable beds.[55]	752	911	156	884
	Useable beds per 1,000 people.	0.1	0.19	0.03	0.18
	Useable beds per 1,000 uninsured population.	0.2	0.26	0.04	0.25
Provide sufficient funding to ensure an efficient chronic hospital service for the population of the Western Cape.	Hospital expenditure per capita (total population).	R8.86	R21.66	R9.8	R12.50
	Hospital expenditure per capita (uninsured population).	R12.31	R30.09	R13.4	R17.10

53 Actual performance for 2004/05 and 2005/06 reflect a total for the Sub-programme. 2006/07 Actual-column reflects information for WCRC only.

54 Figure in brackets include agency staff.

55 Indicator specified in Budget Statement, but not in Annual Performance Plan.

Objectives (Outputs)	Indicators	Performance			
		2004/05 Actual	2005/06 Actual	2006/07 Actual	2006/07 APP
Provide services that adequately address the needs of inpatients, outpatients and trauma cases.	Outpatients per inpatient day ratio.		0	0.1	0.08
	Trauma as % of total outpatient headcounts.	Not applicable	Not applicable	Not applicable	Not applicable
	Total number of inpatient days.	233,858	276,144	45,395	277,674
	Total number of outpatient headcounts (including trauma).	2,944	4,740	5,206	22,895
Process					
Facilitate representative management.	Percentage of hospitals with operational hospital board.	100%	75%	0%	100%
Facilitate decentralised management and accountability.	Percentage of hospitals with appointed CEO in place (or Medical Superintendent).	100%	90%	100%	100%
	Percentage of hospitals with business plan agreed with the Provincial Department of Health.		50%	100%	100%
Output					
Ensure accessible chronic hospital services to the population of the Western Cape.	Separations per 1,000 people.	1.0	1.05	0.2	1.0
	Separations per 1,000 uninsured population.	1.4	1.45	0.3	1.4
	Patient day equivalents per 1,000 people.	49	58	9.5	58
	Patient day equivalents per 1,000 uninsured population.	69	80	13	80
Quality					
Ensure quality patient care.	Percentage of hospitals that have conducted and published a patient satisfaction survey in the last 12 months.	36%	12%	100%	100%
	Percentage of hospitals with designated official responsible for coordinating quality management.		12%	100%	100%
	Percentage of hospitals with clinical audit (M&M) meetings at least once a month.	85%	0%	100%	100%
Efficiency					
Ensure efficient and cost effective utilisation of resources	Average length of stay.	57.6	54.6	43.3	55.0
	Bed utilisation rate based on useable beds.	85%	73%	80%	85%
	Expenditure per patient day equivalent.	R179.44	R375	R1,030	R361

REPORTING ON STANDARD NATIONAL INDICATORS

Table 2.20 (a): Chronic medical hospitals – Nelspoort Hospital[56]

Indicator	Type	2004/05 Actual	2005/06 Actual	2006/07 Actual	2006/07 APP
Input					
1. Expenditure on hospital staff as percentage of total hospital expenditure	%	70.9	72.18	74	74
2. Expenditure on drugs for hospital use as percentage of total hospital expenditure	%	2.2	3	1	Not in APP
3. Hospital expenditure per uninsured person	R	8.86	21.66	1.8	17.10
4. Useable beds		752	911	185	Not in APP
Process					
5. Hospitals with operational hospital board	%	100	75	100	100
6. Hospitals with appointed (not acting) CEO in place	%	100	90	100	100
7. Facility data timeliness rate	%	Not available	93	100	100
Output					
8. Caesarean section rate	%	Not applicable	Not applicable	Not applicable	Not applicable
Quality					
9. Hospitals with a published nationally mandated patient satisfaction survey in last 12 months	%	36	12	0	100
10. Hospitals with clinical audit (M&M) meetings at least once a month	%	85	0	0	100
Efficiency					
11. Average length of stay[57]	Days	57.6	54.6	596.5	55.0
12. Bed utilisation rate (based on useable beds)[57]	%	85	73	42	85%
13. Expenditure per patient day equivalent[57]	R	179.44	375	231	361
Outcome					
14. Case fatality rate for surgery separations[57]	%	Not applicable	Not applicable	Not applicable	Not applicable
Service volumes					
15. Separations[57]		4,111	5,059	48	Not in APP
16. OPD headcounts[57]		2,944	4,740	0	22,895
17. Day cases (=1 separation = 1/2 IPD) [57]		218		0	Not in APP
18. Inpatient days[57]		233,858	276,144	28,393	277,674
19. Casualty headcount[57]		111		0	Not in APP
20. PDEs[57]		235,002	277,907	28,393	Not in APP

[56] Actual performance for 2004/05 and 2005/06 reflect a total for the Sub-programme. 2006/07 Actual-column reflects information for Nelspoort Hospital only.

[57] Not in the Guide for the Preparation of Annual Reports, but specified in Annual Performance Plan.

Table 2.20 (b): Chronic medical hospitals – Western Cape Rehabilitation Centre (WCRC)[58]

Indicator	Type	2004/05 Actual	2005/06 Actual	2006/07 Actual	2006/07 APP
Input					
1. Expenditure on hospital staff as percentage of total hospital expenditure	%	70.9	72.18	62 (66)[59]	74
2. Expenditure on drugs for hospital use as percentage of total hospital expenditure	%	2.2	3	1	Not in APP
3. Hospital expenditure per uninsured person	R	8.86	21.66	13.4	17.10
4. Useable beds		752	911	156	Not in APP
Process					
5. Hospitals with operational hospital board	%	100	75	0	100
6. Hospitals with appointed (not acting) CEO in place	%	100	90	100	100
7. Facility data timeliness rate	%	Not available	93	100	100
Output					
8. Caesarean section rate	%	Not applicable	Not applicable	Not applicable	Not applicable
Quality					
9. Hospitals with a published nationally mandated patient satisfaction survey in last 12 months	%	36	12	100	100
10. Hospitals with clinical audit (M&M) meetings at least once a month	%	85	0	100	100
Efficiency					
11. Average length of stay[60]	Days	57.6	54.6	43.3	55.0
12. Bed utilisation rate (based on useable beds)[57]	%	85	73	80	85%
13. Expenditure per patient day equivalent[57]	R	179.44	375	1,030	361
Outcome					
14. Case fatality rate for surgery separations[57]	%	Not applicable	Not applicable	Not applicable	Not applicable
Service volumes					
15. Separations[57]		4,111	5,059	1,049	Not in APP
16. OPD headcounts[57]		2,944	4,740	5,206	22,895
17. Day cases (=1 separation = 1/2 IPD) [57]		218		0	Not in APP
18. Inpatient days[57]		233,858	276,144	45,395	277,674
19. Casualty headcount[57]		111		0	Not in APP
20. PDEs[57]		235,002	277,907	47,130	Not in APP

58 Actual performance for 2004/05 and 2005/06 reflect a total for the Sub-programme. 2006/07 Actual-column reflects information for WCRC only.

59 Figure in brackets include agency staff.

60 Not in the Guide for the Preparation of Annual Reports, but specified in Annual Performance Plan.

TABULAR REPORTING ON PERFORMANCE AGAINST PROVINCIAL 2006/07 ANNUAL PERFORMANCE PLAN

Table 2.21: Performance against targets from 2006/07 Annual Performance Plan for the Dental Training Hospital Services Sub-programme

Sub-programme	Objectives (Outputs)	Indicators	Performance			
			2004/05 Actual	2005/06 Actual	2006/07 Actual	2006/07 APP
Dental training hospitals	Optimise student training as agreed to by Committee of Dental Deans.	Graduating students.	98	174	107	100
	Evaluate service rendering.	The number of patient visits.	176,926	181,141	195,203	150,000
	Reduce waiting lists for dentures.	Number of patients on waiting lists for dentures.	1,335	3,556	3,200	700
	Increase patient revenue.	Percentage of accrued accounts received.	75%	6%		75%
	Revenue to target: Increase patient revenue.	Patient fees received.	132%	192%	141%	75%
	Improved efficiency.	Theatre stats.	2,119	1,363	1,563	1,500

PROGRAMME 5: Central Hospital Services

AIM

To provide tertiary health services and create a platform for the training of health workers.

ANALYSIS PER SUB-PROGRAMME

Sub-programme 5.1: Central hospital services

Rendering of a highly specialised medical health and quaternary services on a national basis and a platform for the training of health workers and research.

ANALYTICAL REVIEW OF PROGRAMME PERFORMANCE

The three central hospitals funded from this Programme are Groote Schuur Hospital (GSH), Red Cross Children's Hospital (RCCH) and Tygerberg Hospital (TBH). This Programme funded the system of co-ordinating clinicians responsible for improved quality of care for each discipline.

Performance of the central hospitals has been assessed according to the following parameters:

1. Good governance.
2. Hospitals functioning well in terms of service delivery, resource management, quality of care and providing services in line with the conditional grants.
3. Strengthening the health care system.
4. Training of health sciences students.

1. Governance

The governance of the programme is characterised by the following:

- The performance framework of the central hospitals is in line with the vision of the Division of Secondary, Tertiary and Emergency Care, to have well functioning hospitals in a well functioning health system, with satisfied staff and patients, towards improved health status.
- Each central hospital concluded a business plan, which included a financial personnel management plan, a quality improvement plan, as well as a strategic operational plan. Due to the need to transform, a significant portion of the plan covered transformation.
- The Programme had regular programme performance monitoring and evaluation meetings, as well as monthly engagements of each hospital with the departmental chief financial officer to assess expenditure, trends and to ensure fiscal control.
- The performance framework design had a balanced score card approach and covered the following:
    1. Services, with particular focus on efficiencies and trends towards HealthCare 2010.
    2. Quality of care.
    3. Financial performance, both expenditure and revenue, focusing on key cost items.
    4. Human resources management.

2. Well functioning hospitals: Service delivery

The following were service outputs[61]:

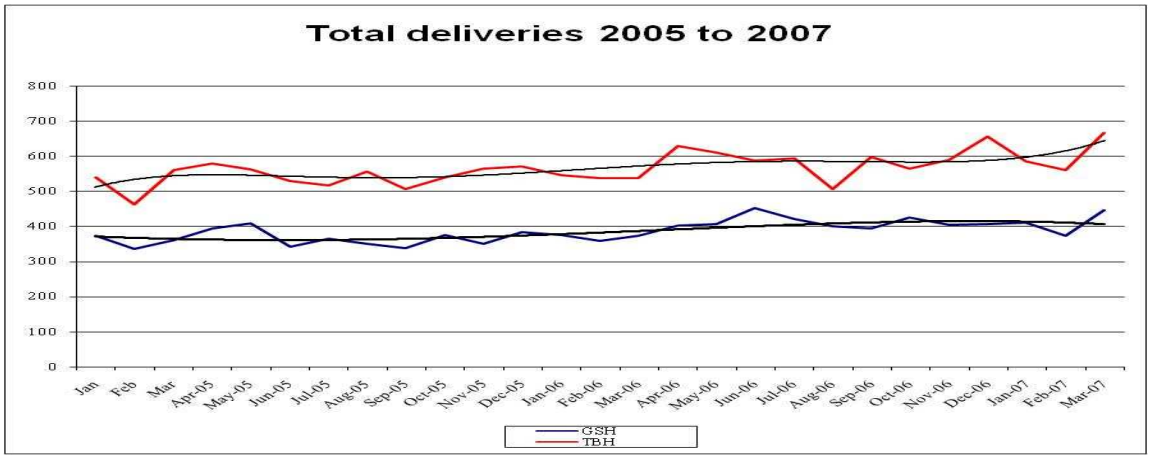
Table 2.22: Programme Performance for 2006/07 for the Central Hospital Services programme

Objective	2004/05 Annual Report	2005/06 Annual Report	2006/07 APP target	2006/07 Annual Report
Central hospitals: Separations[62]	119,250	122,649	131,908	127,671
Central hospitals: Bed days[63]	720,781	730,258	791,448	740,320
Central hospitals: OPD headcounts	957,054	1,029,093	1,233,377	1,118,845

The above table indicates an increase of 3.9% in service load. This increased service load was largely felt in the obstetrics, neonatalogy and medical patients. The increase of 228% Xhosa speaking patients in the central hospitals over the past 3 years provides evidence for the high influx of patients from largely the Eastern Cape.

An increase of 3.9% patient load plus inflation of 6% should lead to a 9.9% increase in required resources matched by an actual increase of 7%. The Programme therefore performed well to contain expenditures, increase efficiencies, improve service outputs and remain with the allocated budget.

The graph below demonstrates a 23.5% increase in the number of deliveries in Tygerberg Hospital. The increase in deliveries has an impact on paediatric services with the overload in neonatal wards requiring the mobilisation of additional accommodation and staff resources.

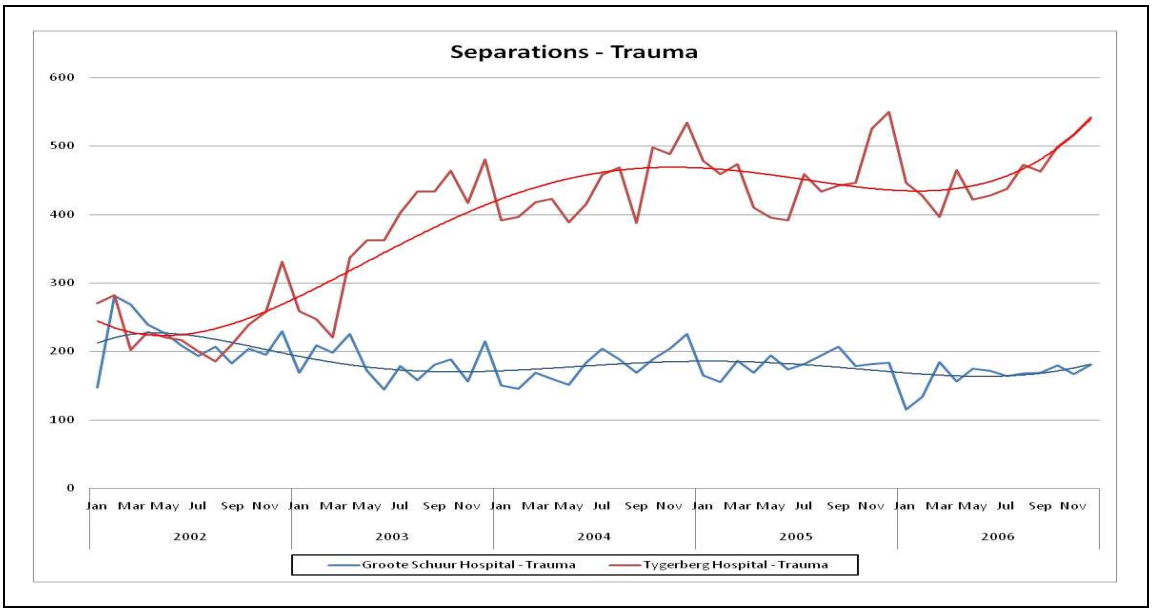


The graph below on trauma cases demonstrates a 141% increase in case load at Tygerberg Hospital over the period. These are significant service load increases of very costly services.

61 There is a separate section for each hospital. This part deals with the Programme as a whole.

62 Separations are used as the measure of the number of patients who have been admitted to hospitals. Separations = Day patients + Discharges + Deaths + Transferred out.

63 Definition used: ½ Day patients + Inpatient days.



3. Well functioning hospitals: Resource management

Programme 5 received 34.5% of the departmental budget.

Table 2.23: Budget Allocation per Central Hospital for 2006/07

	GSH	TBH	RCCH	Total
NTSG	738,131	356,339	178,170	1,272,640
HPTDG	92,538	91,092	16,047	199,677
Equitable share	77,976	494,133	70,428	642587
Total	**908,645**	**941,564**	**264,745**	**2,114,854**

It is important to note that RCCH also supports Maitland Cottage Home, a largely step-down facility for child orthopaedic surgery cases. Maitland Cottage Home received a subsidy of R4,595 million to this effect.

Programme 5 remained within its allocated budget.

The conditional amount of R13 million allocated for Modernisation of Tertiary Services (MTS) was used as a contribution to the purchase of 2 linear accelerators and essential related equipment for radiation oncology services. A total of R40 million was required for this purpose. R27 million was available from the equitable share.

75% (R34.8 million) of the earmarked funds for equipment were spent in Programme 5. This amount was used to augment the MTS funding for the linear accelerators and to fund accrued equipment purchases, which were delivered after the closure of books in the previous financial year.

The total amounts of the conditional grants NTSG and HPTDG were spent.

The central hospitals recovered R146, 278 m, which forms 45% of the revenue of the Department.

Table 2.24: Critical Information per Central Hospital for 2006/07

Selected indicators	GSH	TBH	RCCH	Average
Personnel expenditure of total (incl. agency FTEs)	65%	65%	64%	65%
Laboratory spending as % of total	5,8%	5,6%	6,2%	5,7%
Blood cost/PDE*[64]	R68	R56	R44	R56
Nursing agency FTEs average per month	259	256	86	602
Total Nurse FTE : Bed ratio**	1.51	1.19	1.87	1.38
Total staff changes since April 2006	(60)	(137)	(31)	(228)
Average cost per PDE	R2,087	R1,755	R1,862	R1,901
Average revenue per PDE	134	152	94	116
Annual average cost per bed utilised	R936,273	R690,699	R910,127	R774,575

* Groote Schuur Hospital has a revenue generating project in haematology (blood and bone marrow illnesses), which adds to the cost. Blood control committees have been established.

** A ratio of 1.6 would be appropriate.

The central hospitals have experienced increased thefts and burglaries. Tygerberg Hospital had 56 cases reported in one quarter, with Groote Schuur Hospital 21. Security measures have been strengthened. Stainless steel for example is being replaced with plastic to reduce the risk of theft.

4. Well functioning hospitals: Quality of care

A strong emphasis was placed on clinical governance and improving monitoring and evaluation with workshops involving leading managers from the British NHS. The key focus of these activities has been the development of a strong quality assurance and improvement programme. A policy framework for clinical governance is envisaged in the next financial year.

Each hospital has a quality assurance manager and a quality improvement plan. Patient and staff satisfaction surveys were conducted during the year.

5. Well functioning health system towards improved health status

Central hospitals form the top of the referral chain for complex conditions where the inputs of a highly qualified specialist are required. Managing patients at the appropriate level throughout the system is therefore of particular importance towards the appropriate use of this highly specialised national resource. This led to the implementation of a provincial system of co-ordinating clinicians in all the major disciplines aimed at improving clinical governance as well as ensuring patients are being managed at the most appropriate levels of care. Capacity building at the less specialised levels of care received particular attention.

The access to critical care is a major challenge. There is a need for uniform clinical guidelines with respect to critical care across the Province to achieve equity of access. A co-ordinating clinician was appointed for a 6-month period to address this issue. This project was concluded and two policy documents as well as a reporting mechanism have been developed.

[64] PDE = patient day equivalent = inpatient days + third of outpatient visits + half of day cases = international measure of hospital activity.

6. Specific challenges and responses

Table 2.25: Specific Challenges and Responses facing the Central Hospital Services programme for the 2006/07 financial year

Challenge	Response
1: Pressure on Intensive Care (ICU) beds	The provincial co-ordinating clinician for critical care has concluded an investigation and a report will be available early in 2007/08. The aim is to improve the management of this scarce resource, as well as to ensure uniform entry and exit criteria in the face of resource constraints.
2: Pressure on ward beds for acute admissions	An acute emergency case load management policy was developed, bed managers appointed and discharges actively managed. This policy will come into effect early in 2007.
3: The large back-log of patients on waiting lists	Theatre technicians (staff nurses trained in theatre technique) have been employed with TBH already having 6 people functioning in this capacity. GSH had a dedicated project to decrease the waiting list for hip and knee replacements. During 2007 waiting lists for tracer (index) procedures will be investigated. The aim is to move in 2007/08 towards a single waiting list management process for the Province.
4: Improve service and financial management	Activities include: ▪ Cost centre management implementation. ▪ Improved administrative and clerical support. ▪ Implementation of ICD10 coding. A clinical governance workshop was held and resulting from this a provincial clinical governance strategy will be concluded during 2007/08.
5: Restructuring of services in line with HealthCare 2010	Task teams are addressing the split of level 2 - level 3 services within Groote Schuur and Tygerberg Hospitals. This will require infra-structural and service re-alignment. Initial steps have been taken, especially around paediatric services.
6: Projected over-expenditure at each of the central hospitals	*Laboratory expenditure*: After hours routine laboratory tests were restricted, screening tests reduced, approval policies for expensive investigations, laboratory request forms adjusted towards effective requests of laboratory investigations, published costs of laboratory tests for doctor's attention. A gatekeeper function has been established at NHLS offices in the central hospitals to screen laboratory requests following an initial pilot at TBH. *Blood products:* Close monitoring of usage, training, strict control on use of certain blood products. Blood user committees established. *Medicine:* Antibiotic policy established and strictly monitored, reduction of intravenous drugs, limited items per script. Highest cost and volume drugs being monitored more tightly. *Personnel cost:* Close monitoring of overtime and use of agency staff. Use of agency staff planned and approved within the allocated budget. Sessional staff reduced strictly according to need.

Challenge	Response
	Medical and surgical requirements: Capping high cost procedures, approval required for certain procedures and/or requirements, promotion of cost effective procedures. *Energy:* Reduce electricity usage. *Waste management:* Improved waste management. *Revenue:* Centralised and local strategies to increase hospital fees collection.

7. Training of health sciences students

The central hospitals play a significant role in the investment of human capital for the country. Health science students of the Universities of Stellenbosch, Cape Town, Western Cape and CPUT spent 342,879 hours in GSH; 21,165 hours in RCCH and 668,763 hours in TBH. The cost of hosting students and the accompanied supervision and teaching responsibilities are not insignificant.

8. Individual hospital reports

Groote Schuur Hospital

Table 2.26: Key Indicators for Groote Schuur Hospital

Indicators	Performance	Notes
Useable beds	919	This is below the CSP number of 971 beds.
Outpatient per inpatient day ratio	1.42	The target is 1.0.
Trauma as % of outpatient visits	11.3%	GF Jooste Hospital acts as a filter for trauma cases.
Total number of outpatient headcounts including trauma	387,833	
Average length of stay	6.1 days	This is within the norm of 6 – 7 days.
Bed utilisation rate	82%	National norm is 75%, provincial target is 85%.
Expenditure per PDE	R2,087	The large % tertiary and quaternary services increase the unit cost.
Case fatality rate for surgical separations	4.1%	
Separations	45,089	
PDEs	436,967	
Total nurse to bed ratio	1.51	This is below what is required.
Average FTE agency nursing staff per month	259	Utilised largely for ICU, theatres and maternity services.
Total staff numbers	3,564	Increase of 8 staff.
Operations	24,883	29 theatres in use.

The financial year started out with great enthusiasm and motivation to improve patient care and staff morale with strategic focus to be progressive, creative and innovative. A strong marketing drive to retain and recruit nurses at GSH yielded 50 more new nurses appointed in the 2007.

Due to service pressures, mid year projections indicated possible overspending of the budget. Strict control over agency expenditure, managing consumables in a just-in-time basis and continued enforcement of the Personnel Finance Management Instrument assisted greatly to remain within budget.

The revenue streams improved to R63 million or 19% above the target. This fact boosted morale considerably in that staff felt that their efforts have a direct bearing on the ability to provide clinical services.

The priorities for the year focussed on the establishment of the level 2 services as identified in the Comprehensive Service Plan, the shifting of outpatient services to level 1 and 2 and improved quality of care at all service levels. 150 beds have been identified and run at level 2. A level 2 Clinical Executive and Nursing Assistant Director were appointed.

Major caseload burdens were experienced in all departments, notably in the obstetrics and neonatal units. Surgical delays, due to a shortage of theatre nurses and anaesthetists, resulted in longer waiting lists. The hospital experienced an increase in visits to outpatient departments and an increased need for oncology (cancer) services. The impact of this was seen at other levels of care, patients experienced delays in obtaining appointments. However, the focus remained on maintaining quality patient care.

The joint replacement project allowed for at least 8 - 10 patients to be operated on per month in addition to the usual theatre time for this service. The project concluded in October 2006 due to financial constraints. On average, 45 knee replacements and 93 hip replacements are being done per year. Patients requiring valve replacements can amount to 250 per year and those in need of coronary artery bypass grafts, about 150 per year. Orthopaedic services have a significant backlog of elective arthroplasty (joint replacement) cases in addition to the large ongoing trauma load.

The Hospital participated in an ENT focus project (112 cases done) in providing additional ENT tonsillectomy lists as well as additional ENT surgery for patients living with cancer.

Although OPD attendances had not decreased, plans were put in place and negotiations held, to identify services that could be provided at level 1 and 2 facilities. While attendances increased, the actual headcount was less.

Maintenance targets remained difficult to achieve. The upgrade of the fire detection system was started and the cardiology unit was upgraded with the commissioning of the new catheter laboratory valued at R12 million, which was donated by the D.G. Murray Trust.

The HIV neuropsychiatry service, funded as a policy priority, commenced with the opening of 2 beds and the expansion of the ambulatory service in other facilities. Staff to deliver the service, was appointed during 2006/07. Outreach is provided as far as visits to the Eastern Cape and George on a regular basis as well as the running of various clinics at district level. GSH is an ARV accredited site and played an important role in providing paediatric outreach to district level.

Other achievements include human resource development, where a total of 1,577 staff members were trained in various courses. In addition, GSH appointed a Quality Assurance Manager and a Health and Safety Officer.

Tygerberg Hospital

2006/07 was characterised by the relentless operational pressure on the Hospital: These pressures are reflected in the following table.

Table 2.27: Key Indicators for Tygerberg Hospital

Indicators	Performance	Notes
Useable beds	1,283	The CSP figure is 1,199.
Outpatient per inpatient day ratio	0.95	
Trauma as % of outpatient visits	18.9%	This is a very high and costly load on the Hospital.
Total number of outpatient headcounts including trauma	357,912	
Average length of stay	6.3 days	Was 6.5 days in the previous year.
Bed utilisation rate	82%	National norm is 75%. Provincial target is 85% Was 81% in the previous year.
Expenditure per PDE	R1,755	
Case fatality rate for surgical separations	4.5%	High proportion of trauma cases contribute to this mortality.
Separations	60,751	An increase from 56,000 in previous year.
PDEs	536,918	
Total nurse to bed ratio	1.2	This is much lower than required.
Average FTE agency nursing staff per month	256	Utilised largely for ICU, theatres obstetric and neonatal care and emergency services.
Total staff numbers	3,832	Increase of 22 staff.
Operations	28,200	27 theatres.
Obstetric deliveries	7,200	

The ongoing influx of people into the Cape Town Metropole created significant extra service demand particularly in the area of obstetrics (see graph above).

Service delivery improvements: The Hospital was able to achieve improved quality of care through a variety of actions, especially through the acquisition of significant new clinical equipment. Most prominent amongst these was taking into service a new linear accelerator and associated planning system in the Radiation Oncology Department and of a new gamma camera in the Nuclear Medicine Department.

There was an improvement in the physical environment for patients; this was characterised in particular by the refurbishment of Ward 10 (Medical), J7 (Surgical), C2A (Obstetric High Care Unit) and A5 (Medical High Care Unit). In addition a substantial secure outdoor recreational area was completed for adolescent psychiatry patients.

In terms of improvement in clinical management capacity and in management systems, there were a number of advances. Two senior medical superintendents were appointed completing the Tygerberg senior clinical management team. Successful implementation of the PILIR system was achieved resulting in significantly improved management of staff incapacity leave. In addition, a substantial improvement in the system of management of commuted overtime leave and RWOPS of Tygerberg Hospital medical staff was achieved by the clinical executive team. With regard to the up-skilling and capacitating of senior Tygerberg clinical managers, a manager successfully participated in the high level ADP (Accelerated Development Programme) aimed at developing future SMS managers for the Department.

Operating theatres: An enhancement in the availability of theatre scrub nurses was achieved by the completion of a six-month medical care theatre technique course by six Tygerberg staff nurses. Furthermore a second year of ("once-off-money") extra lists in ENT and "Head, Neck and Breast" surgery was completed despite significant obstacles in respect of accessing anaesthetic resources. With regard to "caring for the carers", significant progress was made on two theatre lounges for staff, within the Tygerberg theatre complex, of which all the infrastructure was completed; with only decoration seen as art work remaining.

Bed management: Improvement in operational bed management was achieved through the appointment of a bed manager on a full time basis for the year. This contributed to enhanced bed utilisation efficiency and an overall reduction of the average length of stay of patients at Tygerberg Hospital. In addition, a transit lounge was commissioned. This facility resulted in improved bed availability by being available to patients both pre-admission and post discharge, and enhanced the Hospital's capacity to effect rapid discharging.

Obstetric and neonatal services: Consolidation of the obstetric and neonatal policy options of 2005/06 was achieved with Tygerberg Hospital opening the 14 obstetrics beds as planned. These additional beds better enabled effective clinical care in the face of intense service pressures. Significantly improved quality of care was achieved for seriously ill obstetric patients in the Obstetric High Care Unit (only 2 deaths out of 255 cases in the year). Two obstetric high care beds were commissioned and are in use. A further 2 are required in terms of the service load, and at least one additional obstetric high care bed may be commissioned by hospital management in the near future. The commissioning of the Obstetric High Care Unit has resulted in the certain prevention of major maternal morbidity and mortality. A further advance was achieved by the commissioning of a 24-hour post-caesarean section recovery area in C2A. A significant boost to obstetric and neonatal nursing was effected with the appointment of a Neonatal Nurse Mentor. Innovative measures were adopted to enable Tygerberg to cope with its service load including the use of the Khayelitsha Day Hospital at Tygerberg to relieve neonatal pressures.

Quality assurance (QA): The clinical quality assurance capacity at Tygerberg was boosted by the appointment of a permanent QA manager in January 2007 leading to improved monitoring of quality of care and progress with the morbidity and mortality review system at Tygerberg. Most clinical departments conducted reviews and produced regular morbidity and mortality reports.

Infection and prevention control (IPC): The most significant development was the establishment of a dedicated unit for Infection Prevention and Control (IPC) at Tygerberg. This unit is unique to Tygerberg and makes a significant contribution to IPC at Tygerberg including advising management, intervening in infection outbreaks, developing policies, and providing training in IPC to staff both inside and beyond Tygerberg.

Critical care: With regards to improving access to post-operative high care, a significant bottle neck which impacts on cancellation rates in theatre, good planning progress was made with regards to an adult Post Operative High Care Unit (PHCU). The site for the PHCU has been agreed on; issues of governance will be finalised in the 2007/08 year.

Consolidation of medical high care at Tygerberg: The medical high care unit in "A5 High Care" was established in 2005 but was further stabilised in 2006 via the appointment of five permanent medical officers. This unit is functioning excellently, and provides significant relief to the respiratory (medical) ICU.

In general, critical care at TBH was under sustained pressure with critical care beds being fully occupied on a constant basis. The shortage of ICU-trained professional nurses continues to compromise the Hospital's ability to deliver critical care services. In this regard, additional clerks were appointed to relieve nurses of administrative tasks that do not require direct nursing skills.

Pharmacy: The pharmacy experienced severe service-load pressures through the year, with the ongoing difficulty of recruiting and retaining pharmacy staff. This difficulty is related to the remuneration differential between the public and private sector, aggravated by the start of new retail pharmaceutical chains that pulled pharmacy human resources from the public sector. Despite this, an improved ratio of permanent staff to locum in the pharmacy was achieved. Significantly, a second in command (principle pharmacist) was successfully appointed.

Medical imaging: Tygerberg played an instrumental role in establishing the Western Cape Nuclear Medicine Service, which brought stability in nuclear medicine services in the Province. This single service model pooled medical resources, and established innovative technical concepts, including implementation of wireless VPN (Virtual Private Network) for image transmission across the platform. There were significant developments in planning digitalisation of medical imaging in the Western Cape central hospitals. Here Tygerberg played a leading role. Specifically, there were major developments in planning for implementation of a Picture Archiving and Communication System (PACS) and Radiology Information System, (RIS) at Tygerberg to be funded from the MTS (Modernization of Tertiary Service) fund. A radiologist from Tygerberg is leading the digitisation of medical imaging for the whole Province.

An analytical study, conducted on the efficiency and effectiveness of the Tygerberg radiology service was commissioned. It was performed by a visiting NHS management trainee. The study was commissioned to better understand the nature of the service bottlenecks in medical imaging at Tygerberg. This study resulted in actions being implemented which have reduced the imaging backlogs for CT scanning and MRI's.

Other clinical service achievements:

- Completion of a base line survey of outreach and support services provided by Tygerberg staff.
- The performance of 6 cochlear implants, a service unique to Tygerberg Hospital.
- Improvement in efficiency and effectiveness of ordering of laboratory investigations by Tygerberg doctors. This was achieved by the piloting of a "gatekeeper" project for the control of laboratory costs and the modification of investigating behavior of doctors.
- Improved efficiency and effectiveness in use of blood and blood products.
- Performance of the first endoscopic gastric bypass surgery for morbid (life-threatening) obesity in a public hospital in South Africa.
- Progress with regard to the new Tygerberg Hospital Disaster Plan.

Service challenges: Waiting times for emergency surgery remained longer than desired. This was largely through the inability of the Hospital to open a third emergency theatre list as a result of inability to recruit and retain adequate theatre nursing staff.

Despite the major service load pressures on obstetric and neonatal services, it was not possible to open more obstetric or neonatal beds for extra high care beds in obstetrics. This inability was based on nursing staff shortages.

With regard to implementation of the level 2 - 3 split in the wards, while significant progress was made in the disciplines of paediatrics, obstetrics and orthopaedics, challenges remained with regards to the designation of level 2 wards in internal medicine and general surgery.

Theatres and theatre management: Theatres remained a significance strategic and operational challenge for the Hospital. A dedicated on site theatre manager assisted in addressing this challenge. Perhaps the most prominent overall theatre problem was the delay in "time-to-surgery" for emergency cases, as a result of inadequate nursing staff numbers. There were significant challenges with regards to the functional efficiency of the CSSD (Central Sterilisation Services Department), in particular the provision of surgical packs. This was corrected.

Whilst TBH has been accepted on the Hospital Revitalisation Programme, interim maintenance is crucial. On the infrastructure side there were a number of positive developments:

- Purchase of R1,5 million of new theatre instruments to improve operation turnaround times.
- A baseline asset database of instruments and packs was completed.
- A substantial number of new complete theatre instrument packs were purchased.
- The specifications for the rollout of new theatre lights in the theatre complex were completed and the tender advertised.
- Two theatre lounges were completed from an infrastructure point of view; décor to be finalised.

Efficiency and effectiveness: A number of projects were initiated to improve operational efficiency and effectiveness of theatres. A project was implemented to improve performance in respect of starting times of operating lists. A second project was implemented, with a 95% success rate, to improve the system for booking of theatre cases on a day-to-day basis.

Obstetrics and neonatology: This service experienced intense service pressures, including a 17% increase in obstetric deliveries year-on-year from 2002 to 2006 (increase from 4,200 deliveries to 7,000). Significant numbers of patients from outside the Western Cape Metropole are being treated. There is a qualitative increase in service pressures with the prominence of HIV and AIDS, pregnancy induced hypertension (PIH) and pre-term labour.

Emergency service areas - Trauma unit: Service load remained high (see graphs above) and occupancies were close to 100% average in the resuscitation unit. A number of tough financial issues were addressed in the year, especially relating to expenditure on blood and blood products. A particular challenge was identified with regards to CT scanning of trauma patients with the CT scanner being 4 floors above the trauma unit. Plans were made for a new CT scanner to be acquired for the trauma unit in 2007/08. Planning was further advanced for reorganisation of the first floor of the Hospital - involving the reopening of C1D West for trauma inpatients and decongestion of C1D East.

Operational efficiency - Differentiation at ward level into level 2 and level 3 care: The following wards were designated as level 2 wards:

- Orthopedics: A3E
- Neonatal: G1
- General paediatrics: G-Ground
- Tracheostomy: 10 beds
- Ward G7
- Obstetrics: J5
- Gynaecology: J4
- General surgery proposal: D2/D10 to be level 2
- Medicine: discussions progressed with regard to designation of a level 2-medicine ward.

Red Cross War Memorial Children's Hospital

RCCH provides comprehensive dedicated paediatric tertiary services with a wide range of sub-specialities, and is regarded as a national asset. The Hospital has a staff complement of 1,073, which includes medical professionals (clinical and academic), nurses, professions allied to medicine and non-professional staff.

Table 2.28: Key Indicator for Red Cross War Memorial Children's Hospital

Indicators	Performance	Notes
Useable beds	277	
Outpatient per inpatient day ratio	1.58	Diarrhoeal and acute respiratory infection seasons dilute figure due to short stay in hospital.
Total number of outpatient headcounts including trauma	130,870	
Average length of stay	3.9 days	Diarrhoeal and acute respiratory infection seasons dilutes figure due to short stay in hospital.
Bed utilisation rate	84%	

Indicators	Performance	Notes
Expenditure per PDE	R1,862	
Case fatality rate for surgical separations	0.4%	This is in line with international standards.
Separations	21,831	
PDEs	143,431	
Total nurse to bed ratio	1.8	Higher demand on nursing due to large % small children.
Average FTE agency nursing staff per month	87	Largely utilised within the ICU.
Total staff numbers over the year average	1,041	20 staff lost during the year.
Total number of operations	8,940	

The Hospital is:

- the national paediatric liver transplant centre,
- the only dedicated children's treatment centre in the Western Cape for serious burns in children,
- the only dedicated paediatric trauma centre in South Africa,
- the largest treatment centre for children with blood diseases and cancer in the Western Cape,
- offers treatment to children with cancer throughout South Africa and beyond its borders, and
- an integrated paediatric intensive care unit.

Operations performed:

- During 2006/07 six liver transplants and fifteen kidney transplants were performed at Red Cross Children's Hospital.
- In the catheterisation laboratory 345 specialist catheter interventions and assessments were completed consisting of mostly cardiac interventions.
- Performance in day surgery increased and outputs increased by seven percent compared to the previous year (2,484 cases done during 2006/07 compared to 2,320 cases in 2005/06).
- Radiological examinations and outputs have shown a marginal increase over the last six financial years.

Quality assurance of services:

- Towards the end of 2006, the Hospital appointed a dedicated Quality Assurance Manager who has been tasked with the review and improvement of the Hospital's quality of care policy and implementation in the new financial year.
- A client satisfaction survey was completed in 2006/07. Although there were many positive comments, negative comments were made regarding certain areas, ensuring safety of our clients, waiting times to obtain folders and public transport. Addressing these issues involved a new cleaning contract. This contract is closely monitored, ensuring that a high quality service is delivered. Supplementary outsourced security services as well as hospital controlled access control, especially after hours, were established to address security concerns. To address waiting times for folders and increase the efficiency of the medical records department, patient folders are being reorganised to allow easy access and a prompt retrieval.
- The Infection Prevention and Control Committee was strengthened to promote quality of care. The Committee executed a hand washing survey and are in the process of reviewing and updating several infection control policies and practices including the antibiotic policy.
- Monthly departmental morbidity and mortality meetings were held to review and ensure quality of care to patients. These meetings facilitated the identification of opportunities to improve quality of care by ensuring peer reviewing of cases and sharing of best clinical practices.
- An Employee Assistance Program provided comprehensive support and advice to staff members.

Improving system and institutional performance:

- Key management positions (e.g. senior clinical executive vacancies) were filled.
- The Cape Triage Scoring System, to triage emergency patients, was piloted and implemented at the Hospital. Currently, a more refined triage system for paediatrics is under development in collaboration with Emergency Services.
- The coordinating clinician in paediatrics played an important role in the integration and streamlining of transversal paediatric clinical services, especially in the areas of acute paediatric caseload management and outreach.

Service platform development:

- The consolidation of certain sub-specialist paediatric services into single services across the platform such as cardiology and cardiothoracic surgery was strengthened. A key step involved the creation of a single, prioritised waiting list for children awaiting cardiac surgery and closer cooperation between clinicians from Tygerberg Hospital and Red Cross War Memorial Children's Hospital in terms of service delivery across the platform. An additional cardiac operating list was established at Red Cross Children's Hospital.
- The Maitland Cottage Home was moved from Programme 4 (Chronic Hospitals) to Programme 5 during 2006/07. Maitland Cottage Home functions as a very cost effective satellite service of Red Cross War Memorial Children's Hospital by providing specialist orthopaedic surgery and treatment, as well as medical and nursing care to children in need of hospitalisation. Maitland Cottage Home has 85 beds and had 840 admissions and performed 386 operations during 2006/07.

Nursing

- The Hospital has established a comprehensive mentorship and training program to augment the nursing cadre. The following categories of nursing staff were specifically trained:

Table 2.29: Categories of Nursing Staff trained at Red Cross War Memorial Children's Hospital

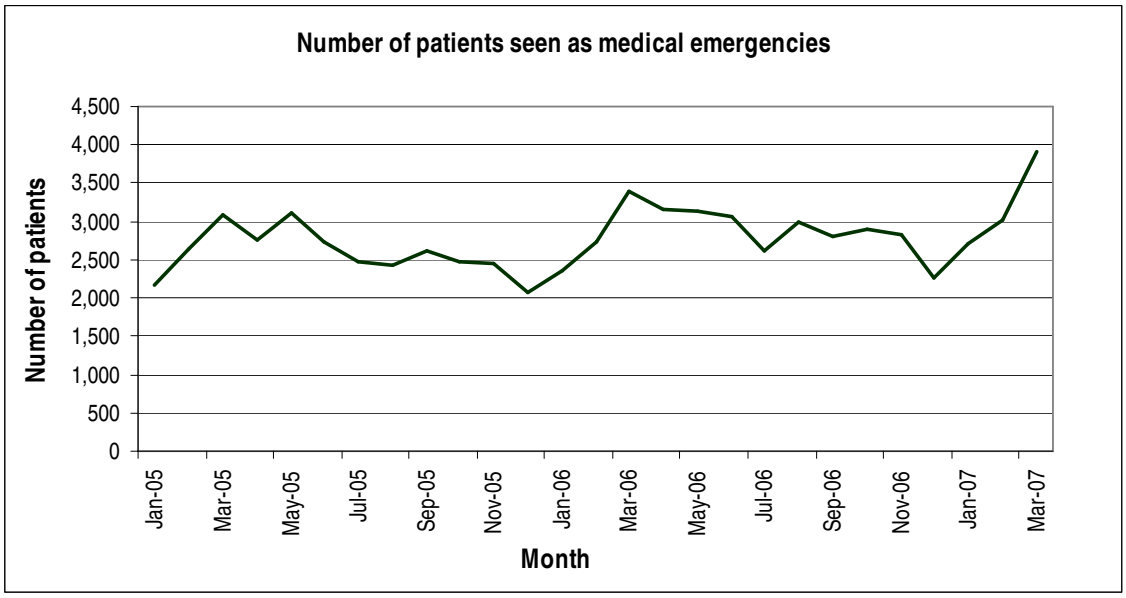
Nursing category	Number trained
General paediatric	5
Critical care (ICU)	2
Theatre	2
Assessors	2
Skills development facilitator	1
Enrolled nurses	17
Professional nurses	6

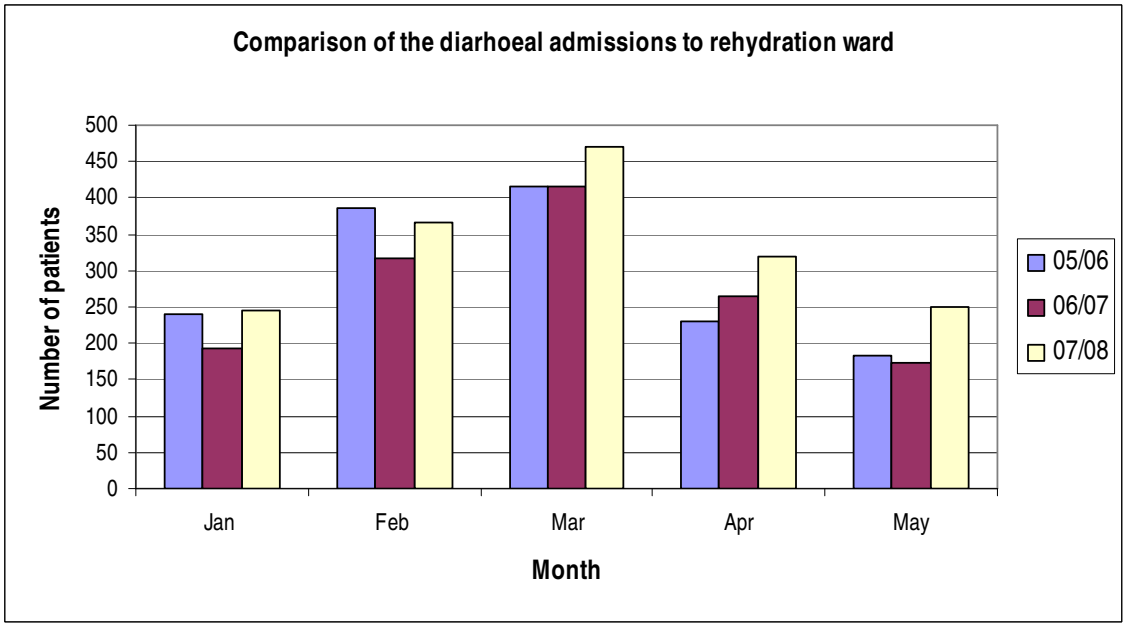
- Strategies to increase staff retention included initiatives such as employee assistance programmes, motivational interventions and providing opportunities for further training and career progression. In-service skilling and training was facilitated through international partnerships with the UK (Hutton project) and USA (HeartLink project).

Significant challenges:

- A lack of nursing capacity, both in terms of numbers and experience, remains a key challenge to the Hospital. This is especially evident in the intensive care unit, where despite the liberal utilisation of available agency nurses, a maximum capacity of only 18 beds could be maintained at times. On average a bed capacity of approximately 16 beds was maintained.
- The management of the diarrhoeal season again presented the Hospital with a major challenge during 2006/07. Record numbers of diarrhoeal cases were seen at the Hospital. A platform wide emergency operational plan was implemented to deal with the huge caseload during the 2007 diarrhoeal season. The paediatric coordinating clinician played a pivotal role in successfully managing this challenge on an advisory level in ensuring the alignment of resources in participating hospitals. A long-term strategic plan to manage future diarrhoeal seasons will be drafted in the 2007/08 year.

The first graph below provides an indication of the yearly increase in the acute medical caseload as a result of the diarrhoeal season during February to April. The second graph illustrates the increase in admissions to the rehydration wards during the diarrhoeal season.





Estate management: A significant number of projects were planned, initiated and completed during 2006/07. A schedule of these projects follows:

Table 2.30: Estate Management Projects at Red Cross War Memorial Children's Hospital

Area	Cost	Funding	Status
Ward G1 Oncology/Haematology	R16,000,000	Children's Hospital Trust	Completed January 2006
Ward E1	R7,000,000	PGWC	Completed September 2006
Front facades	R8,000,000	PGWC	Completed December 2006
Milk room, ground-floor flooring	R1,892,000	PGWC	Completed October 2006
S12 Reception			Completed August 2006
After-hour pharmacy	R49,000	PGWC	Completed July 2006
Medical gas plant room	R440,000	PGWC	Completed October 2006
Removal of redundant plant	R176,000	PGWC	Completed December 2006
Replacement of valves, hot and cold water	R186,000	PGWC	Completed December 2006
Upgrade sub-station "C" generator	R4,500,000	PGWC	Commenced March 2007

Organisations closely associated with Red Cross War Memorial Children's Hospital:

- The Child Accident Prevention Foundation of South Africa (CAPFSA) operates from the Hospital. The organisation is involved in many activities with other Departments to help prevent injuries to children by educational and awareness programmes. It established itself as an international database and resource centre for child related injuries.
- The Children's Hospital Trust plays a vital role in the financing of key strategic capital projects and capital equipment through donor funding. During the 2006/07 the Children's Hospital Trust managed to secure the funding for phase one of the new theatre complex.
- The Friends of the Children's Hospital Association (FOCHA) renders a superb service through volunteers and other organisations, as well as projects, to promote the well-being of our patients and facilitate a homely atmosphere of care in the Hospital.

TABULAR REPORTING ON PERFORMANCE AGAINST PROVINCIAL 2006/07 ANNUAL PERFORMANCE PLAN

Table 2.31: Performance against targets from 2006/07 Annual Performance Plan for the Central Hospital Services Programme

Objectives (Outputs)	Indicators	Performance			
		2004/05 Actual	2005/06 Actual	2006/07 Actual	2006/07 APP
Input					
Provide sufficient funds for non-personnel expenditure central hospitals.	Expenditure on staff as % of total expenditure.	65%	58%	65%	64%
	Expenditure on drugs as % of total expenditure.	5.7%	5.6%	5.9%	8%
	Expenditure on maintenance as % of total expenditure.	Not reported	Not reported [65]	6.7%	8.16%
Provide central hospitals infrastructure in line with HealthCare 2010.	Useable beds.[66]	2,405	2,472	2,479	Not in APP
	Useable beds per 1,000 people.	0.51[67]	0.53[67]	0.42	0.52
	Useable beds per 1,000 uninsured population.	0.57[67]	0.73[67]	0.55	0.72
Provide sufficient funding to ensure an efficient central hospital service for the population.	Hospital expenditure per capita (total population).	R399[67]	R408[67]	R363	R427
	Hospital expenditure per capita (uninsured population).	R546	R559	R469	R585
Provide services that adequately address the needs of inpatients, outpatients and trauma cases.	Outpatients per inpatient day ratio.	1.56[67]	1.25[67]	1.31	1.21
	Total number of inpatient days.	714,938[67]	772,825[67]	733,981	791,448
	Total number of outpatient headcounts (incl trauma).	1,026,678	1,171,408	1,118,845	959,762
Process					
Facilitate representative management.	Percentage of hospitals with operational hospital board.	100%	100%	100%	100%
Facilitate decentralised management and accountability.	Percentage of hospitals with appointed CEO in place (or Medical Superintendent).	80%	55%	100%	100%
	Percentage of hospitals with business plan agreed with the Provincial Health Department.	Not reported[68]	Not reported[68]	100%	100%
Output					
Ensure accessible central hospital services to the population of the Western Cape.	Separations per 1,000 people.	25.2[67]	26.8[67]	21.8	27.0
	Separations per 1,000 uninsured population.	34.5[67]	36.7[67]	28.1	37.0

65 The target was set as 7%, but not reported on. Source APP 2006/07.

66 Indicator specified in Budget Statement, but not in Annual Performance Plan.

67 The figure reflects the actual performance although it was not reported in the 2005/06 Annual Report. Source APP 2006/07.

68 Although not reported, this has been achieved.

Objectives (Outputs)	Indicators	Performance			
		2004/05 Actual	2005/06 Actual	2006/07 Actual	2006/07 APP
	Patient day equivalents per 1,000 people.	236[67]	227[67]	189	227
	Patient day equivalents per 1,000 uninsured population.	323[67]	311[67]	245	312
Quality					
Ensure quality patient care.	Percentage of hospitals that have conducted and published a patient satisfaction survey in the last 12 months.	100%	100%	100%	100%
	Percentage of hospitals with designated official responsible for coordinating quality management.	Not reported	Not reported	100%	100%
	Percentage of hospitals with clinical audit (M&M) meetings at least once a month.	100%	100%	100%	100%
Efficiency					
Ensure efficient and cost effective utilisation of resources.	Average length of stay.	6.04	5.6	5.4	6.0
	Bed utilisation rate based on useable beds.	82.1%	81.8%	83%	85%
	Expenditure per patient day equivalent.	R1,632	R1,795	R1,901	R1,851
Outcome					
Ensure desired clinical outcomes.	Case fatality rate for surgery separations.	3.0	3.1	2.97	3.0

REPORTING ON STANDARD NATIONAL INDICATORS

Table 2.32: Central hospital services

Indicator	Type	2004/05 Actual	2005/06 Actual	2006/07 Actual	2006/07 APP
Input					
1. Expenditure on hospital staff as percentage of total hospital expenditure	%	65	58	65	63%
2. Expenditure on drugs for hospital use as percentage of total hospital expenditure	%	5.7	5.6	5.9	8%
3. Hospital expenditure per uninsured person	R	426	577	469	585
4. Useable beds		2,405	2,472	2,479	Not in APP
Process					
5. Hospitals with operational hospital board	%	100	100	100	100
6. Hospitals with appointed (not acting) CEO in place	%	80	55	100	100

Indicator	Type	2004/05 Actual	2005/06 Actual	2006/07 Actual	2006/07 APP
7. Facility data timeliness rate	%	Not available	99	100	100
Output					
8. Caesarean section rate	%	35	36	35	35
Quality					
9. Hospitals with a published nationally mandated patient satisfaction survey in last 12 months	%	100	100	100	100
10. Hospitals with clinical audit (M&M) meetings at least once a month	%	100	100	100	100
Efficiency					
11. Average length of stay	Days	6.04	5.6	5.4	6.0
12. Bed utilisation rate (based on useable beds)	%	82.1	81.8	83	85
13. Expenditure per patient day equivalent	R	1,632	1,795	1,901	1,851
Outcome					
14. Case fatality rate for surgery separations	%	3.0	3.1	2.97	3.0
Service volumes					
15. Separations		119,250	122,649	127,671	Not in APP
16. OPD headcounts		957,054	886,778	964,193	Not in APP
17. Day cases (=1 separation = 1/2 IPD)		11,685	11,982	12,679	Not in APP
18. Inpatient days		714,938[69]	772,825[69]	733,981	791,448
19. Casualty headcount		145,624	142,315	154,652	Not in APP
20. PDEs[34]		1,116,712	1,092,450	1,117,316	Not in APP

[69] The figure reflects the actual performance although it was not reported in the 2005/06 Annual Report. Source APP 2006/07.

PROGRAMME 6: Health Sciences and Training

AIM

Rendering of training and development opportunities for actual and potential employees of the Department of Health.

ANALYSIS PER SUB-PROGRAMME

Sub-programme 6.1: Nurse training college

Training of nurses primarily at undergraduate level with limited post-basic training for nurses. Target group includes serving and potential employees.

Sub-programme 6.2: Emergency medical services (EMS) training college

Training of rescue and ambulance personnel. Target group includes serving and potential employees.

Sub-programme 6.3: Bursaries

Provision of bursaries for health science training programmes at undergraduate and postgraduate levels. Target group includes serving and potential employees.

Sub-programme 6.4: Primary health care (PHC) training

Provision of PHC related training for personnel, provided by the regions.

Sub-programme 6.5: Training (other)

Provision of skills development interventions for all occupational categories of personnel in the Department. Target group includes serving and potential employees.

ANALYTICAL REVIEW OF PROGRAMME PERFORMANCE

To address historical backlogs and the existing "skills gap" to meet the Human Resource Development (HRD) and transformation needs of the Department, while providing higher portability of skills and wider opportunities for career paths and employability of existing and potential employees, appropriate education, training and development interventions were expanded for example:

- Management Development Training
- Financial management
- Adult Basic Education (ABET)
- Learnerships
- Bursaries - Additional bursary funding was obtained from the Health and Welfare Sector Education Training Authority (HWSETA) (first of its kind) to supplement Departmental funding of such interventions.
- Introduction of a one year post-registration midwifery course at the Western Cape College of Nursing (WCCN)
- Introduction of a National Certificate: Emergency Medical Care to replace the AEA short course (intermediate life support level).
- A clinically focused Continuous Professional Development Programme to improve current standard of care.
- A 1-day resuscitation programme to improve the initial resuscitation care of the basic and intermediate level emergency care practitioners.

The Department has been a key supporter of nursing education at various levels; to this end a scoping exercise to assist in the development of a nurse training strategy on provincial level was conducted. A task team was established in partnership with the local training providers and services, for the prescribed clinical placement of student nurses while funding was secured to address the shortage of mentors for clinical accompaniment.

The Emergency Medical Services (EMS) College initiated a formal Continuous Professional Clinical Development Programme during the 2005/06 financial year. The pre-hospital paediatric life support course for paramedics was introduced during this period. This programme is a British registered course to improve the advanced life support care of the paediatric patient in the pre-hospital phase of treatment, thus contributing significantly to an improved standard of care.

Key learnerships implemented in partnership with the HWSETA for nursing and pharmacist assistants for existing employees and unemployed persons (SASO category) were expanded to diagnostic radiography for unemployed persons.

An Agency Agreement was signed with the Cape Peninsula University of Technology (CPUT) to manage the WCCN on behalf of the Department. This resulted in renovations to the College, including:

- A simulation laboratory to support the prescribed clinical practica
- An upgraded learning resource centre
- Upgraded and enlarged classrooms and two auditoriums
- Improved audiovisual capacity
- Walk-in IT laboratories with 90 computers

The agreement between the Department of Health and CPUT was a milestone in EMS education in the Western Cape. Not only will it provide a steady influx of young qualified personnel into EMS, it will also allow the upgrading of the current workforce to a higher level of EMS education.

The Department through it's Directorate: HRD played a key role, in partnership with other Departments, in the development of an integrated transversal decentralised HRD information system to strengthen the HRD information system.

To ensure the provision of productive employment opportunities, as well as building mutually beneficial networks and relationships, the Department as part of the Social Sector Cluster identified projects to up skill health workers through the Expanded Public Works Programme.

TABULAR REPORTING ON PERFORMANCE AGAINST PROVINCIAL 2006/07 ANNUAL PERFORMANCE PLAN

Table 2.33: Performance against targets from the 2006/07 Annual Performance Plan for the Health Sciences and Training Programme

Sub-programme	Objectives (Outputs)	Indicators	2004/05 Actual	2005/06 Actual	2006/07 Actual	2006/07 APP
Nurse training colleges	Nurse training: R425 Nursing Diploma programme and B Cur Nursing Science programme.	Input: 4-year R425 Diploma/Degree programme: Number of student nurses on the staff establishment (i.e. employee students) of the Western Cape College of Nursing (WCCN) trained per year				
		1st year	0	195	191	235
		2nd year	172	175	149	166
		3rd year	163	48	39	80
		4th year	205	153	134	166
		Sub-Total: Basic nurse training	540	571	513	647
		Output: Progression of successfully trained nurses based on year 1 to year 4 per financial year **Target**: 85% graduates per programme	404 (75%)	113 (79%)	374 (73%)	475
	Post basic nurse training.	Input: Number of professional nurses admitted to the post-basic nurse-training programme (employees)				
		1. Critical care: General	12	19	15	16
		2. Critical care: Trauma	11	2	2	15

Sub-programme	Objectives (Outputs)	Indicators	2004/05 Actual	2005/06 Actual	2006/07 Actual	2006/07 APP
		3. Operating theatre	3	10	13	4
		Sub-total: Post basic nurse training	26	31	30	35
		Post-registration 1-yr Midwifery[70]			23	Not in APP
		Sub-total: Post-registration nurse training[70]			23	Not in APP
		Output: Progression of successfully trained profes-sional nurses **Target**: 99% graduates per programme	25	29 (94%)	16	34
	GRAND TOTAL: Nurse training		**566**	**602**	**566**	**682**
EMS training colleges	EMS Training: Monitor and evaluate the EMS training programmes.	Number of intake of students for training per year				
		1. National Diploma EMC (3-yr Course)	152	123	154	60
		2. Paramedic (1-yr Course)	12	14	Course discontinued by HEI	16
		3. AEA (5-month course)	24	83	0[71]	24
		4. National Certificate EMC (1-yr course)[71]			35	
		5. BAA (5-week course)	24	36	0	12
		6. BMR (5-week course)	30	12	25	24
		7. Flight Medical (2-week course)	0	0	15	14
		8. CPD training (1 to 2 days course)	262	359	1,543	150

[70] Not in Annual Performance Plan. Introduced in the 2006 academic year.

[71] AEA replaced with 1 year National Certificate: Emergency Medical Care.

Sub-programme	Objectives (Outputs)	Indicators	2004/05 Actual	2005/06 Actual	2006/07 Actual	2006/07 APP
		9. IMR (Being phased out)	0	0	Phased out	0
		10. Level 3 (Being phased out)	46	0	Phased out	0
		GRAND TOTAL Number of new intake	550	627	1,618	300
		Number of graduates per programme:				
		1. National Diploma EMC (3-yr course)	37	13	13	50
		2. Paramedic (1-yr course)	9	11	Course discontinued by HEI	14
		3. AEA (5-months course)	21	32	0[72]	20
		4. National Certificate: EMC (1-yr course)[72]			8	
		5. BAA (5-week course)	22	29	0	10
		6. BMR (5-week course)	28	11	23	20
		7. Flight Medical (2-week course)	0	0	15	12
		8. CPD training (1 to 2 days course)	262	359	1,501	150
		9. IMR (Being phased out)	0	0	Phased out	0
		10. Level 3 (Being phased out)	43	0	Phased out	0
		GRAND TOTAL: Number to complete programmes per year	422	455	1,560	276

[72] AEA replaced with 1-year National Certificate: Emergency Medical Care.

Sub-programme	Objectives (Outputs)	Indicators	2004/05 Actual	2005/06 Actual	2006/07 Actual	2006/07 APP
Bursaries	Nursing bursaries: Identify nurse training needs based on service delivery priorities for all categories of nursing: ▪ Bridging nurse training ▪ Basic nurse training ▪ Post basic / post registration nurse training.	Input: 1. Number of new bursary students admitted to nurse training (basic and post-basic nursing)				
		1.1 Bridging nurse training – Mid level (ENA to EN and EN to RN):				
		- ENA to EN	0	1	48	40
		- EN to RN	24	88	45	150
		Sub-total: Bridging nurse training	24	89	93	190
		1.2 Basic nurse training:				
		- R425 Nursing Diploma	0	174	184	200
		- B Cur Nursing Science	407	181	218	300
		Sub-total: Basic nurse training	407	355	402	500
		1.3 Post basic nurse training:				
		- (Clinical speciality / non clinical for RN)	65	131	111	210
		TOTAL: Number of new students admitted to nurse training	496	575	606	900
		Throughput: 2. Maintenance of existing nursing bursaries:				

Sub-programme	Objectives (Outputs)	Indicators	2004/05 Actual	2005/06 Actual	2006/07 Actual	2006/07 APP
		2.1 Bridging nurse training – Mid level (ENA to EN and EN to RN):				
		- EN to RN	26	35	81	120
		2.2 Basic nurse training:				
		- R425 Nursing Diploma	164	117	310	356
		- B Cur Nursing Science	263	504	543	830
		Sub-total: Basic nurse training	427	621	853	1,186
		2.3 Post basic nurse training:				
		- Post basic nurse training	61	23	28	242
		TOTAL: Maintenance of existing nursing bursaries	514	679	962	1,548
	GRAND TOTAL: Nursing bursaries		1,010	1,254	1,568	2,448
	Bursaries for health science, excluding nursing: Identify training needs based on service delivery priorities for all categories of health science students.	1. New bursaries:				
		1.1 Full-time studies				
		1.1.1 Health science	69	80	101	103
		1.1.2 Support services	0	0	Phased out	0
		Sub-total	69	80	101	103
		1.2 Part-time studies				
		- Part-time studies	0	69	242	280
		TOTAL: Number of new students admitted health science training	69	149	343	383

Sub-programme	Objectives (Outputs)	Indicators	2004/05 Actual	2005/06 Actual	2006/07 Actual	2006/07 APP
		2. Maintenance of existing bursaries:				
		2.1 Full-time studies				
		2.1.1 Health science	227	182	158	192
		2.1.2 Support services	0	0	Phased out	0
		Sub-total	227	182	158	192
		2.2 Part-time studies				
		- Part-time studies	64	48	263	70
		TOTAL: Maintenance of existing health science bursaries	291	230	421	262
	GRAND TOTAL: Bursaries for health science, excluding nursing		**360**	**379**	**764**	**645**
PHC Training	Primary health care training: Provision of PHC related training interventions for personnel, provided by regions.	Number of training interventions provided to PHC personnel.	3,180	2,206	3,329	4,000
Other Training	Levy payment to HWSETA.		R1,873	R1,942	R2,045	R2,065
	Workplace Skills Plan: Coordinate implementation of Departmental Work-place Skills Plan through provision of training & development of personnel within Department.	Number of training interventions provided to personnel.	15,897	12,184	11,771	16,300
	Management and Leadership Development Skills: Ensure appropriate development of human resources to support health service delivery through development of management and leadership development skills.	Number of management and leadership development training opportunities.	731	1,217	1,559	1,400

Sub-programme	Objectives (Outputs)	Indicators	2004/05 Actual	2005/06 Actual	2006/07 Actual	2006/07 APP
	ABET: Ensure appropriate development of human resources to support health delivery through provision of ABET training.	Number of ABET learners registered for courses.	1,189	1,916	275	1,200
	Learnerships: Ensure appropriate development of human resources to support health delivery through provision of learnerships for personnel.	Number of learnerships: employees:				
		1.1 Nursing:				
		1.1.1 EN to RN	20	7	7	150
		1.1.2 ENA to EN	116	50	50	130
		1.1.3 Post basic critical care	19	8	7	30
		1.1.4 Post basic operating theatre	11	0	1	30
		1.1.5 ENA	31	15	15	40
		Sub-total: Nursing	197	80	80	380
		1.2 Pharmacist assistant:				
		1.2.1 Basic	121	18	19	60
		1.2.2 Post basic	65	16	16	60
		Sub-total: Pharmacist assistant	186	34	35	120
		TOTAL: Learnerships: Employees: 18.1	**383**	**114**	**115**	**500**
	Contribute to the goals of iKapa Elihlumayo through provision of learnerships for unemployed people.	Number of learnerships: unemployed:				
		2.1 Nursing:				
		2.1.1 ENA to EN	2	15	15	20
		2.1.2 ENA	75	50	50	100
		Sub-total: nursing	77	65	65	120
		2.2 Sub-total: Diagnostic radiography		15	15	15

Sub-programme	Objectives (Outputs)	Indicators	2004/05 Actual	2005/06 Actual	2006/07 Actual	2006/07 APP
		2.3 Pharmacist assistant:				
		2.3.1 Basic	27	16	11	25
		2.3.2 Post basic	0	10	10	5
		Sub-total: Pharmacist assistant	27	26	21	30
		TOTAL: Learnerships: Unemployed: 18.2	**104**	**106**	**101**	**150**
	GRAND TOTAL: LEARNERSHIPS		**487**	**220**	**216**	**650**
	Internships: Partner Higher Education Institutions to contribute to the growth and development of the Province through provision of internships.	Number of interns placed.	77	127	188	70
	Expanded Public Works Programme: Provide productive employment opportunities for a significant number of the unemployed.[73]	Number of community based health workers placed:				
		Community based home-based carer (HBC):			962	1,430
		Community based HBC: ARV/VCT community worker			47	220
	GRAND TOTAL: COMMUNITY BASED HEALTH WORKERS				**1,009**	**1,650**

[73] The focus areas for the EPWP training changed subsequent to the APP and these indicators were replaced by 2 new indicators, in subsequent reports, to reflect the actual focus area of EPWP training which occurred during the financial year.

REPORTING ON PERFORMANCE ON HEALTH PROFESSIONS TRAINING AND DEVELOPMENT CONDITIONAL GRANT

Table 2.34: Health Professionals Training and Development Grant

Indicator	Type	2004/05 Actual[74]	2005/06 Actual[74]	2006/07 Actual	2006/07 APP
Input					
1. Intake of medical students	No	1,598	1,611	1,704	200 UCT
2. Intake of nurse students	No	526	763	871	No target set
3. Students with bursaries from the Province	No	1,370	1,633	2,332	No target set
Process					
4. Attrition rates in first year of medical school	%	3.8	4	2.7	No target set
5. Attrition rates in first year of nursing school	%	4.5	3	3.7	15
Output					
6. Basic medical students graduating	No	406	407	440	No target set
7. Basic nurse students graduating	No	84	114	133	298
8. Medical registrars graduating	No	51	39	47	No target set
9. Advanced nurse students graduating	No	138	202	198	150
Efficiency					
10. Average training cost per nursing graduate	R	37,674			26,000
11. Development component of HPT & D grant spent	%				No target set

Note

- Information includes the compilation of the Universities of Stellenbosch (US) and the Western Cape (UWC) inputs. University of Cape Town (UCT) information is still outstanding.

[74] Information was updated.

REPORTING ON STANDARD NATIONAL INDICATORS

Table 2.35: Human resources management[75]

Indicator	Type	2004/05 Actual	2005/06 Actual	2006/07 Actual	2006/07 APP
Input					
1. Medical officers per 1,000 people	No	0.37	0.37	0.37	0.37
2. Medical officers per 1,000 people in rural districts	No	0.13	0.13	0.13	0.13
3. Nurses per 1,000 people	No	0.85	0.95	1.00	1.00
4. Nurses per 1,000 people in rural districts	No	0.55	0.60	0.70	0.70
5. Pharmacists per 1,000 people	No	0.05	0.08	0.10	0.10
6. Pharmacists per 1,000 people in rural districts	No	0.04	0.06	0.08	0.08
Process					
7. Vacancy rate for nurses	%	23	15	15	15
8. Attrition rate for doctors	%	42	30	25	25
9. Attrition rate for nurses	%	15	12	12	12
10. Absenteeism for nurses	%	4	3	3	3
Output					
11. Doctors recruited against target	%	Refer Note 7 below	Refer Note 7 below	Refer Note 7 below	No target set
12. Pharmacists recruited against target	%	Refer Note 7 below	Refer Note 7 below	Refer Note 7 below	No target set
13. Nurses recruited against target	%	Refer Note 7 below	Refer Note 7 below	Refer Note 7 below	No target set
14. Community service doctors retained	%	Not available	Not available	50	No target set
Quality					
15. Facilities with employee satisfaction survey	%	30	45	60	60
Efficiency					
16. Nurse clinical workload (PHC)	Ratio	35	35	35	35
17. Doctor clinical workload (PHC)	Ratio	50	50	50	50
Outcome					
18. Surplus staff as a percentage of establishment	%	0	0	0	No target set

Notes:

1. Excludes local government personnel.
2. Exclude sessions, periodical and extraordinary appointments.
3. Recruitments are PERSAL number and not per appointment.
4. Absenteeism is calculated: Persons x 261 / days sick leave x 100.
5. Doctors = medical officers, specialists, registrars and medical superintendents.

[75] Information taken from Annual Performance Plan 2007/08.

6. Doctors as defined in Note 4 are used throughout the table when reference is made to medical professionals, i.e. for indicators 1, 2, 8 and 11.
7. The unfunded posts within the Department of Health were abolished or frozen since July 2004 and the information for indicators 11, 12 and 13 would not be a true reflection of the real service need in terms of various occupational classes. Furthermore the information is not obtainable from PERSAL.
8. The job evaluation benchmark for medical officers with effect from 1/12/2003 was implemented during 2004. There was previously no specific job title for community service doctors to differentiate from medical officers on the PERSAL system. The information for indicator 14 will only be available from the 2006/07 financial year.
9. Although the current indicator for medical officers exceeds the national target, in the Western Cape's view there is not an over provision of personnel.
10. The indicators regarding pharmacists confirm the shortage of this category of personnel in the Province.

PROGRAMME 7: Health Care Support Services

AIM

To render support services required by the Department to realise its aims.

ANALYSIS PER SUB-PROGRAMME

Sub-programme 7.1: Laundry services

Rendering a laundry service to hospitals, care and rehabilitation centres and certain local authorities.

Sub-programme 7.2: Engineering services

Rendering a maintenance service to equipment and engineering installations, and minor maintenance to buildings.

Sub-programme 7.3: Forensic services

Rendering specialised forensic and medico-legal services in order to establish the circumstances and causes surrounding unnatural death.

Sub-programme 7.4: Orthotic and prosthetic services

Rendering specialised orthotic and prosthetic services.

Sub-programme 7.5: Medicine trading account

Managing the supply of pharmaceuticals and medical sundries to hospitals, community health centres and local authorities.

ANALYTICAL REVIEW OF PROGRAMME PERFORMANCE

1. Laundry services

The relatively high salaries of in-house laundry personnel compared with the private sector are a significant constraint to making these laundries cost competitive. A gradual reduction in staff coupled with morale building and training has significantly improved productivity. The problem facing the laundry service is aging equipment that must be replaced at high cost. The cost of maintaining and keeping the equipment in operation far exceeds the value of the equipment itself.

The lack of capacity in the private sector in the Western Cape has had a negative effect on laundry service costs. Period contracts have been extended from 2 years to 5 years to make contracts financially viable for private contractors.

R14,6 million was allocated for the purchasing and installation of the following equipments:

Washing lane equipment

Comprising of:

1	x	Overhead bag feeding system
1	x	16 compartment x 50 kg batch tunnel washer
1	x	56 bar water extraction press
1	x	Lift shuttle conveyor
5	x	120 kg batch tumble dryers

Output: 1,500 kg per hour, washed and dried.
Operators: Total 3 persons (1 loading, 1 control, 1 unloading)
Cost: R 6,5 Million

This washing lane was installed and commissioned in January 2007, and has already processed in excess of 900,000 kg of linen in just over four months. It is the first machine of this type to be installed in the Western Cape Province and is at the cutting edge of technology worldwide. The new technology found in this wash-lane equipment has enabled significant savings in water, steam and chemical consumption to be achieved.

A typical washer extractor uses approximately 18 litres of water per kg linen washed. The new tunnel washer uses approximately 6 litres of water per kg linen washed. Consequently 12 L water per kg = 18,000 L water per hour is saved. The older tunnel washers used approximately 10 to 12 litres of water per kg linen washed. Consequently 6 L water per kg = 9,000 L water per hour is saved. As water is such a scarce resource, this saving is very significant.

Sheet ironing line equipment

Comprising of:

1	x	Automatic sheet spreading and feeding machine
1	x	2 roll x 1,200mm diameter x 3,000mm wide heating band type ironing machine
1	x	Automatic folding and stacking machine

Output: 1,200 sheets per hour, ironed, folded and stacked
Operators: Total 7 persons (2 preparing, 4 feeding, 1 unloading)
Cost: R 3,2 Million

This ironing line was installed and commissioned in record time in March 2007. It is the first heating band-type ironer installed in South Africa. Due to its extremely high efficiency, this heating band technology results in significant savings in steam, maintenance and service costs. It also requires less floor space than conventional ironers. This folding machine automatically folds and stacks the sheets for easy despatch to our hospitals and institutions.

Garment processing equipment

Comprising of:

2	x	Rapid feed loading conveyors
1	x	Garment drying and wrinkle removing machine
1	x	Garment folding and stacking machine

Output: 900 garments per hour, dried, folded and stacked
Operators: Total 4 persons (2 loading, 1 control, 1 unloading)
Cost: R 2,5 Million

This garment processing line was installed and commissioned in record time during March 2007. It contains the first automatic garment-folding robot installed in the Western Cape Province. This folding machine automatically folds and stacks the garments for easy despatch to our hospitals and institutions. The principle benefit of this line is the ease with which the garments can be processed – from loading, to processing, to folding. This makes the work of the operators much easier and results in a consistent output throughout the day.

2. Engineering services

Challenges facing this sub-programme are:

- Inadequate funding for the maintenance assets.
- Inadequate workshop personnel at institutions including engineering workshops.
- Lack of planned daily/monthly/quarterly inspections, conditional running inspections and/or situational analysis.
- No tracking system for asset movements and write-off's.

An important feature of the HealthCare 2010 Infrastructure Plan is that some of the worst infrastructure will be disposed of, thereby reducing the maintenance backlog and simultaneously deriving income to upgrade the rest.

An effective preventative maintenance programme for all our facilities including critical equipments will be implemented. The aim is to reduce major breakdowns which can result to major repairs as well as the associated costs and overtime.

An updated asset maintenance management system will be implemented with the aim to:
- Keep track of asset movements and write-off's.
- Provide accurate and useful maintenance reports for future decision making.
- Provide an asset register including a helpdesk for all calls/queries.
- Comply with PFMA & SCM

A quality management system will be implemented with the aim to improve the quality of service.

3. Forensic services

This sub-programme was transferred to sub-programme 2.8.

4. Orthotic and prosthetic services

A major constraint is the inability to attract and retain suitable skilled and experienced personnel. This can be attributed to a shortage of qualified orthotist/prosthetists and surgical boot-makers, coupled with uncompetitive salaries. The shortage is being addressed by in-house training programmes.

The backlog is increasing due to increased demand from patients and health services. Current waiting times for above-/below knee prostheses manufactured by the O & P Centre are between 6 months to 2 years. As a result, rehabilitation programmes are constantly delayed or never completed. Potential "walkers" become wheelchair bound, develop contractures and when they eventually receive their limbs, these items no longer fit and have to be re-made. Artificial limbs provided by the private sector can be manufactured, supplied, fitted and prosthetic rehabilitation completed in 2 - 3 weeks.

The Western Cape Rehab Centre (WCRC) provides rehabilitation services to approximately the following numbers of clients on an ongoing basis:

- Spinal cord injury: 18 - 20 per month
- Above-knee amputees: 5 - 10 per month
- Below-knee amputees: 10 - 20 per month
- Head injured patients.: +/- 7 per month
- Strokes: 16 per month
- Cerebral palsied children: +/- 3 per month

In order to respond to these challenges, the following actions need to be taken:

- Implement scarce skills in order to retain staff.
- Salary and level evaluation.
- Make bursaries available for local people to study orthotics and prosthetics. These bursaries will have binding conditions.

In order for the O & P Centre to reduce the current backlog, the following plans need to be prioritised and funded:

- Procurement of stock ankle foot orthoses.
- Outsource old prosthetic jobs including the outsourcing of the below and above knee prostheses.
- Policy on provision of orthotics and prosthetics.
- Improve the response times by allowing overtime and use of agency staff.

5. Medicine Trading Account

Inadequate working capital is an on-going problem. Motivations have been made annually to augment the working capital in line with the inflationary price increase percentage for pharmaceuticals, taking into account the annual turnover of the Cape Medical Depot (CMD).

The upgrading of the CMD (air conditioning system) is 90% complete. The objective is to comply with the Pharmacy Act.

TABULAR REPORTING ON PERFORMANCE AGAINST PROVINCIAL 2006/07 ANNUAL PERFORMANCE PLAN

Table 2.36: Performance against targets from 2006/07 Annual Performance Plan for the Health Care Support Services Programme

Sub-programme	Objectives (Outputs)	Indicators	2004/05 Actual	2005/06 Actual	2006/07 Actual	2006/07 APP
Laundry Services	Provide a laundry service to all provincial hospitals.	Total number of pieces laundered.	18m	20,7m	20m	20m
		Number of pieces laundered: in-house laundries.	14m	14,7m	14m	14m
		Number of pieces laundered: outsourced services.	4m	3,5m	6m	6m
	Provide cost effective in-house laundry service.	Average cost per item.	R1.81	R1.75	R1.74	R1.74
	Provide cost effective out-sourced laundry service.	Average cost per item.	R1.30	R1.35	R1.47	R1.60
Engineering Services	Effective maintenance of buildings and engineering installations.	Maintenance backlog as % of replacement value.	8%	8%	7%	7%
	Efficient engineering installations.	Cost of utilities per bed.	R5,560	R6,500	R6,112	R4,000
	Safe working environment (Buildings, machinery and equipment).	Number of reportable incidents.			143	300
	Cost effective maintenance of medical equipment.	Number of jobs completed: in-house / outsourced.	10,507	9,463	13,011	13,800
Forensic Services	Funding transferred to sub-programme 2.8					
Orthotic and Prosthetic Services	Render an orthotic and prosthetic service for the Province.	Number of devices manufactured.	4,109	4,616	4,467	5,000

Sub-programme	Objectives (Outputs)	Indicators	2004/05 Actual	2005/06 Actual	2006/07 Actual	2006/07 APP
	Provide quality orthotic and prosthetic devices.	% of devices requiring remanufacture.	3%	2%	2%	2%
	Provide a responsive orthotic and prosthetic service.	Number of patients on waiting list waiting over 6 months.	705	527	758	600
Medicine Trading Account	Ensure availability of essential drugs.	No of items on dues out.	<60	<60	<60	60
	Efficient utilisation of working capital.	Stock turnover.	9	7.5	7.5	9
	Adequate working capital to support adequate stockholding.	Working capital.	R50m	R51m	R51m	R59m
	Sufficient stock available at end-user level.	Service level.	>85%	81%	81%	> 95%

PROGRAMME 8: Health Facilities Management

AIM

To provide for new health facilities, upgrading and maintenance of existing facilities, including the hospital revitalisation programme and the provincial infrastructure grant.

ANALYSIS PER SUB-PROGRAMME

Sub-programme 8.1: *Community health facilities*

Sub-programme 8.2: *Emergency medical rescue*

Sub-programme 8.3: *District hospital services*

Sub-programme 8.4: *Provincial hospital services*

Sub-programme 8.5: *Central hospital services*

Sub-programme 8.6: *Other facilities*

Includes the management of capital assets, i.e. health facilities and equipment (medical equipment and furniture) in all programmes.

ANALYTICAL REVIEW OF PROGRAMME PERFORMANCE

In spite of the lack of technical and administrative capacity noted in the Annual Performance Plan (APP), the overall performance of the Programme was good. Whilst there were deviations from projected expenditure on individual projects, overall expenditure was in line with the budget. Construction work on almost all of the projects scheduled for construction in the APP is in progress.

The major challenge facing this Programme is the absence of programme management capability within Health. In the absence of this capacity monitoring and reporting is deficient. This will be addressed as part of the IDIP process during the 2007/08 year.

The revitalised George Hospital was officially opened by the National Minister in June 2006. The new CHC's in Browns Farm and Swellendam were completed and are operational. The new casualty wing at Mossel Bay Hospital was completed and commissioned. Phase 1 of the revitalisation of Vredenburg Hospital was completed and commissioned. Work on the comprehensive renovation of Mowbray Maternity Hospital is nearing completion.

Construction work is progressing well on the following projects: Worcester and Paarl Hospital revitalisation; the CHC's at Montagu, Stanford and Simondium; and the ambulance stations at Hermanus, Atlantis, Beaufort West and Lentegeur.

TABULAR REPORTING ON PERFORMANCE AGAINST PROVINCIAL 2006/07 ANNUAL PERFORMANCE PLAN

Table 2.37: Performance against targets from the 2006/07 Annual Performance Plan for the Health Facilities Management Programme[76]

Sub-programme	Objectives (Outputs)	Indicators	2004/05 Actual	2005/06 Actual	2006/07 Actual	2006/07 APP
Community health facilities	Improve quality of care.	% of facilities with piped water.	100%	100%	100%	100%
		% of facilities with mains electricity.	100%	100%	100%	100%
		% of facilities with access to a fixed line telephone.	100%	100%	100%	100%
	Improve access to primary health care facilities.	% of population within 5km of a fixed primary health care (PHC) facility.	94%	94%	94%	94%
EMS	Improve ambulance stations.	% of ambulance stations built for purpose.	38%	42%	47%	70%
District hospitals	Provide district hospital infrastructure that is fit for purpose.	Total infrastructure expenditure as a % of backlog.		2.3%	5,9%	15%
Provincial Hospitals	Provide provincial hospitals with the physical infrastructure that is fit for purpose.	Total infrastructure expenditure as a % of backlog.		5.2%	6.7%	40.8%
Central Hospitals	Provide central hospitals with the physical infrastructure that is fit for purpose.	Total infrastructure expenditure as a % of backlog.		2.6%	2.4%	2.2%

Notes on deviation from targets:

1. When setting the targets for EMS it was assumed that all of the ambulance station projects now on site would have been completed.
2. The targets for district and provincial hospitals were not met for three reasons:
   (a) the cost of construction has increased dramatically;
   (b) the anticipated shift of several provincial hospitals to district hospitals did not materialise; and
   (c) no HRP funding for the construction of the Khayelitsha, Mitchell's Plain and Valkenberg Hospitals was forthcoming.

[76] All the objectives (outputs) with indicators specified in this table were specified in the Budget Statement, but not in the Annual Performance Plan.

PERFORMANCE ON HOSPITAL REVITALISATION GRANT

The table below provides detail in terms of the original budget, the adjustment budget, the actual expenditure and the percentage spent for 2006/07:

Table 2.38: Hospital Revitilisation Grant 2006/07

Name of project	Type of project	Original budget	Adjustment budget	Expenditure	% spent
George Hospital Phase 2C	Hospital	7,737,000	13,657,000	14,172,420	104%
Khayelitsha Hospital	New hospital	8,000,000	8,000,000	15,500,042	194%
Paarl Hospital	Upgrading and extension	30,104,000	40,104,000	47,115,763	117%
Vredenburg Hospital	New block (Phase 1)	14,198,000	12,998,000	11,385,856	88%
Worcester Hospital	Hospital	71,000,000	43,843,000	52,198,793	119%
Mitchell's Plain Hospital	New hospital		5,937,000	10,990,561	185%
Valkenburg Hospital	Upgrading and extension		500,000		0%
Valkenburg Hospital	Secure fence		4,500,000	5,158,919	115%
Worcester DMC	New DMC and ambulance station		1,500,000	945,625	63%
HMQIG		18,664,000	18,664,000	16,868,536	90%
	Roll-over	28,553,000	28,553,000		
Total			**178,256,000**	**174,336,516**	**98%**

REPORTING ON STANDARD NATIONAL INDICATORS

Table 2.39: Performance indicators for Health Facilities Management

Indicator	Type	2005/06	2006/07	2007/08	2008/09	2009/10	National Target 2010
Input							
1. Equitable share capital programme as percenttage of total health expenditure	%	0.31	0.50	0.24	0.24	0.22	
2. Hospitals funded on revitalisation programme	%	8	12	14	14	18	
3. Expenditure on facility maintenance as percentage of total health expenditure	%	0.85	1.12	1.21	1.17	1.14	
4. Expenditure on equipment maintenance as percentage of total health expenditure	%	1.03	1.00	0.97	0.93	0.91	
Process							
5. Hospitals with up to date asset register	%	33	100	100	100	100	

Indicator	Type	2005/06	2006/07	2007/08	2008/09	2009/10	National Target 2010
6. Districts with up to date PHC asset register (excluding hospitals)	Y/N	Refer to note below	Refer to note below	Refer to note below	Refer to note below	Refer to note below	
Outcome							
7. PHC facilities with access to basic infrastructural services:							
a. Piped water		100	100	100	100	100	
b. Mains electricity		100	100	100	100	100	
c. Fixed line telephone		100	100	100	100	100	
8. Average backlog of service platform by programme:							
a. PHC facilities	R	270m	265m	300m	255m	240m	
b. District hospitals	R	1,285m	1,285m	2,000m	2,000m	2,000m	
c. Regional hospitals	R	660m	600m	390m	250m	150m	
d. Psych/TB Chronic and specialised hospitals	R	2,042m	2,039m	2,030m	2,030m	2,030m	
e. Provincial tertiary and national tertiary hospitals	R	1,400m	1,400m	1,400m	1,400m	1,400m	
f. Provincially aided hospitals	R	13m	13m	13m	13m	13m	
Efficiency							
9. Projects completed on time							
10. Project over budget							
Outcome							
11. Level 1 beds per 1,000 uninsured population		0,50	0,53	0,53	0,55	0.59	
12. Level 2 beds per 1,000 uninsured population		0,58	0,61	0,61	0,61	0.63	
13. Population within 5km of fixed PHC facility		94	94	95	95	95	

Notes:

1. The asset registers for hospitals are reflected in Programme 1.
2. Average backlog of service platform is for building work only and specifically excludes equipment and furniture. Figures updated to reflect current building costs and backlog in terms of HRP criteria where applicable.

ACCURACY OF INFORMATION

Where possible, audited or verified information has been used to calculate the values in the tables in this section. However, in many instances the calculations are based on estimates based on experience or trends.

PART 3: REPORT OF THE WESTERN CAPE PROVINCIAL GOVERNMENT AUDIT COMMITTEE ON THE DEPARTMENT OF HEALTH (VOTE 6) FOR THE FINANCIAL YEAR ENDED 31 MARCH 2007

1. Introduction

We are pleased to present our report for the year ended 31 March 2007.

2. Audit Committee Members and Attendance

2.1 The Audit Committee consists of the members listed hereunder and is required to meet a minimum of four (4) times per annum as per its approved Terms of Reference. During the current year nine (9) meetings were held.

2.2

Members for the year	No. of meetings attended
Dr T Sutcliffe (Chairperson)	9
Mr T Pasiwe	9
Mr J Levendal	5
Mr K Ravens	8

3. Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 38 (1) (a) of the Public Finance Management Act, 1999 (Act 1 of 1999) and Treasury Regulation 3.1.13, as required by the audit process.

The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this Charter and has discharged all its responsibilities as contained therein.

4. Effectiveness of Internal Control

Aspects of internal control were not effective for the year under review as compliance with prescribed policies and procedures was lacking in certain instances. The Sihluma Sonke Consortium, to which the Internal Audit Unit function was outsourced, identified several inadequacies in internal controls during this period. In addition, the Auditor-General, reported to the Department that the effectiveness of control over business and accountancy processes was not adequate.

During the year the Audit Committee was informed by the Department, that it had indeed prioritised important control weaknesses, and that it was in the process of rectifying them.

5. The quality of in-year management and monthly / quarterly reports submitted in terms of the PFMA and the Division of Revenue Act

The in-year management and monthly / quarterly reports were submitted to the Audit Committee in terms of the PFMA and the Division of Revenue Act. The Audit Committee considered the in-year management reports useful on their own as early warning instruments to alert management to possible over-or under-expenditure. However, the Committee believes that the template required by National Treasury for these reports restricts their value as management tools and that consideration should be given to addressing this deficiency. During the course of the year, officials of the Provincial Treasury gave the audit committee a presentation on the requirements and intentions of the in-year monthly reports. Following this presentation, the audit committee is satisfied that the data provided in these reports was properly validated by the Provincial Treasury.

The Committee recommends that the in-year management reports should contain an explanatory narrative compiled by the Department on income and expenditure trends, as well as the compliance in the application of financial controls and performance against set objectives. The Committee is also of the opinion that the introduction of the accrual accounting system will address some deficiencies in the in-year management report relating to the completeness of the information presented.

6. Evaluation of Financial Statements and the Auditor-General's Audit Report

The Audit Committee is of the opinion that the financial statements fairly reflect in all material aspects the financial position of the Department of Health as at 31 March 2007 and its financial performance and cash flows for the year then ended, in the manner required by the PFMA.

The Audit Committee also concurs with the findings of the Auditor-General's report for the year under review.

7. Matters of material concern

7.1 Financial controls

The Audit Committee finds that the effectiveness over business and accountancy processes at institutional level is far from adequate and noticed yet further weakening in this area in comparison with findings in previous financial years. The office of the Auditor-General in their Management Report, found that the six institutions selected by them were not satisfactorily compliant in terms of financial accounting and in the proper application of internal control systems. This situation applies despite the Chief Directorate Finance being given written assurances during the course of the financial year that the institutions audited were indeed compliant. In the opinion of the Audit Committee, these findings further reflect a situation where responsible institutional line managers may not have exercised their fiduciary duties in monitoring or implementing adequate financial controls in their institutions. In certain instances the weaknesses reported previously have not been addressed. The effect of these instances has been included in the Annual Financial Statements and the report of the Accounting Officer (AO).

If this is so, the Audit Committee regards it as a serious breach of fiduciary responsibility and accordingly in the near future will summons the CEO, the Heads of Finance and Human Resource Management and any other senior line managers it so wishes, to individually (per institution) appear before the Committee to explain in detail the findings of the Auditor-General in this regard. Thereafter, the Audit Committee will issue a report on its findings to the Accounting Officer with a set of recommendations that may include, if necessary, recommendations that charges of financial mismanagement be considered.

7.2 Human Resource Management (HRM)

The Audit Committee is concerned about the high number of vacant funded posts in the Department, delays in the selection and appointment process, and the impact this may have on service delivery. The Audit Committee will accordingly request the Chief Director HRM to make a presentation to it on this matter, as well as on the status of the Department's Human Resource Plan, particularly in so far as the financial implications of the proposed staff establishment for the Health Care 2010 plan are concerned. Thereafter, the Audit Committee will issue a report to the Accounting Officer with its findings and recommendations.

7.3 Emergency Medical Services (EMS)

The Audit Committee is concerned about the high vacancy rate in the Emergency Medical Services and will request that a presentation be made to it in this regard. Thereafter the Audit Committee will issue a report to the Accounting Officer with its findings and recommendations.

7.4 Possible under-funding

The Audit Committee makes the overall observation that based on Bed Occupancy Rates and other service indicators, the Department is currently working well beyond capacity. The Committee draws the fundamental conclusion from this that the Department remains significantly under-funded.

7.5 IT Audit

The Audit Committee would prefer to consult further with relevant officials before making any informed comment on the provincial IT audit function as presented to the Committee on the 17th of August 2007 in so far as it affects the Department of Health.

8. The Cape Medical Depot (CMD)

8.1 The Audit Committee is of the opinion that the financial statements fairly reflect in all material aspects the financial position of the CMD as at 31 March 2007 and its financial performance and cash flows for the year then ended, in the manner required by the PFMA.

The Audit Committee also concurs with the findings of the Auditor-General's report for the year under review.

8.2 Material weaknesses in the CMD's compliance with provisions of the Medicines and Related Substances Act have apparently been addressed and the Audit Committee has been advised that control weaknesses are being rectified. The Committee will receive a full report on the status of the CMD during the course of the financial year and will report its findings to the Accounting Officer.

9. Appreciation

The Audit Committee wishes to express its appreciation to the Department of Health, the Auditor-General and his staff, the Sihluma Sonke Consortium and to the office of the Chief Audit Executive, Provincial Treasury, for their assistance and co-operation during the year.

(DR TJ SUTCLIFFE)
13 SEPTEMBER 2007
CHAIRPERSON, AUDIT COMMITTEE FOR HEALTH, WESTERN CAPE PROVINCIAL GOVERNMENT.

PART 4: ANNUAL FINANCIAL STATEMENTS

CONTENTS **PAGE**

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

1. General review of the state of financial affairs

- **Important policy decisions and strategic issues facing the Department**

The National Health Act, 2003 (Act 61 of 2003) came into effect on 2 May 2005 with the exception of some sections, i.e. Chapter 6 (Health establishments and issues relating to the certificate of need) and Chapter 8 (control of the use of blood, blood products, tissue and gametes in humans). However, the regulations which will support the Act have not yet been finalised by the National Department of Health. In terms of this Act new governance structures such as the Provincial Health Council, District Health Councils and a consultative forum must be established. The MEC for Health convened the first meeting of the Provincial Health Council on 21 October 2005. The National Health Act also establishes the District Health System (DHS) with its district boundaries, governance structures, planning and reporting formats. The Department is in the process of drafting provincial legislation to enable the establishment of District Health Councils.

As a result of the provisions of the Health Act (of 2003), read together with the provisions of the Municipal Finance Management Act (56 of 2003) and the Municipal Structures Act (117 of 1998 as amended), the Department of Health assumed financial responsibility for the provision of personal primary health care (PPHC) in the rural areas from the municipalities which had previously been responsible for the rendering of these services, from 1 April 2005. The Department took over the operational control of these services from 1 April 2006 and the process of transferring staff and assets will be completed during 2007/08. The status quo for funding PPHC as Transfer Payments in the Cape Town Metro District will continue but it is anticipated that this function will be provincialised during 2008/09.

In terms of section 27(2) of the National Health Act (2003) the Provincial Departments of Health are responsible for the implementation of the entire Forensic Pathology Service, excluding Forensic Laboratories which is a national responsibility. The transfer of the "Medico-legal Mortuaries" from the South African Police Services (SAPS) to Health was successfully implemented from 1 April 2006. The Department has established a new Forensic Pathology Service (FPS) that renders a service via two academic Forensic Pathology Laboratories in the Metro, three referral FPS Laboratories and smaller FPS Laboratories and holding centres in the Winelands, Overberg, Eden and Central Karoo Districts.

The Department successfully established a Mental Review Board as required in terms of the Mental Health Care Act, 17 of 2002 which plays an important role in the protection of the rights of mental health care users.

In addition to legislation the imperatives that provide the overarching framework for the Provincial Department of Health are the Millennium Development Goals and the National Health System priorities identified by the National Department of Health:

- Development of service transformation plans;
- Strengthening of human resources;
- Strengthening physical infrastructure;
- Improving quality of care; and
- Strengthening strategic health programmes.

The service transformation plan of the Western Cape Department of Health is captured in the Comprehensive Service Plan. On 19 July 2006 the Provincial Cabinet passed a resolution supporting the draft of the Comprehensive Service Plan for external consultation. Extensive feedback was received and contributed to the refinement of the Plan. The document is in the process of being finalised and will be signed off by the Minister.

A key issue for the Department is the recruitment and retention of appropriate and experienced health professionals. A national process to address this issue resulted in the allocation of additional funding for the improvement of salaries for health professionals with a particular focus on nursing salaries during 2007/08.

Quality of care initiatives include establishing dedicated quality assurance capacity at the respective institutions, establishing a provincial structure for infection prevention and control in collaboration with the Quality Assurance Unit, developing uniform operational policies regarding infection prevention and control, as well as conducting regular patient and staff satisfaction surveys.

The relationship between Institutes of Higher Education and the Department of Health is governed by outdated Joint Agreements. A concerted effort, led by the Premier and the Vice Chancellors during 2005 and 2006 attempted to finalise new multilateral and bilateral agreements that would enable new agreements to replace the current agreements. However, the issue remains unresolved despite various interventions.

In terms of the Provincial Growth and Development Strategy, the Department of Health is designated as a support department in the two lead strategies, i.e. the Strategic Infrastructure Plan and Social Capital Formation. The Department considers that the provision of an effective primary health care function makes a significant contribution to social capital formation, the following have been identified as specific social capital formation functions:

- The Integrated Management of Childhood Illnesses (IMCI) with specific focus on immunisation; reducing the morbidity and mortality caused by diarrhoea.
- The management of chronic diseases to ensure the continuity of care. The Faculties of Health Sciences of the Universities of Cape Town, Stellenbosch and the Western Cape have been requested to assist the Department in the formulation of a strategy for the reduction of the burden of disease.

- **Significant events that have taken place during the year**

New appointments in the Senior Management Structure include:

- Dr Joey Cupido as Deputy Director-General for District Health Services and Health Programmes
- Dr Dimitri Erasmus was appointed CEO of the Red Cross Children's Hospital with effect from 1 January 2006
- Chief Director: Public Health Programmes: Mr J Ledwaba
- Chief Director: District Health Services: Dr K Cloete
- Director: Public Health Programmes: Mrs TC Qukula
- Director: Human Resource Development: Mr L Tloubatla
- Director: Finance: Groote Schuur Hospital: Mr GL Siwele
- Director: Finance: Tygerberg Hospital: Mr MT Salie
- Director: Management Accounting: Mr M Manning
- Director: Nursing: Mr T Mabuda

Various hospitals celebrated significant anniversaries during 2006/07:

- Alexandra Hospital turned 100 years old on 16 January 2006.
- Mowbray Maternity Hospital celebrated its 90th anniversary on 13 December 2006.
- Red Cross Children's Hospital celebrated its 50th anniversary of providing a specialised health service for children of the Western Cape and beyond, having admitted its first patients on 18 June 1956.
- Karl Bremer Hospital celebrated its 50th anniversary on 28 July 2006.
- Tygerberg Hospital marked its 30th anniversary on 1 October 2006.

Emergency Medical Services (EMS) once again provided medical services at the Argus Cycle Tour. For the first time EMS resources were dispatched via the Communications Centre at Tygerberg Hospital. Emergency Medical Services provided 91 medically equipped emergency vehicles including ambulances, patient transport vehicles, response vehicles, motorcycles, helicopters and rescue vehicles and 104 personnel which included emergency care practitioners, doctors, pilots and communication centre operators. The strategic placement of vehicles along the cycle tour route ensured a response time of approximately 10 minutes.

On 11 May 2006 the Minister of Public Works and Transport, Marius Fransman, handed over the new High Care Admission Unit at Valkenberg Hospital to the Minister of Health, Piérre Uys. The keynote speaker at the function was Premier Ebrahim Rasool.

On 15 June 2006 the Premier opened the new Opiate Detoxification Unit at Stikland Hospital. The unit assists those patients who are addicted to heroin and other opiates to safely withdraw from these substances before entering a recognised rehabilitation programme.

On 30 June 2006 the National Minister of Health, Dr Manto Tshabalala-Msimang opened the new George Hospital that was upgraded as part of the Hospital Revitalisation Project.

On 26 February 2007 Vredenburg Hospital introduced Phase 1 of its Hospital Revitalisation Project to the community. In December 2006 the new casualty, maternity ward, outpatients department, adult ward, X-ray facility, admissions/patient administration and pharmacy were commissioned and are now operational.

Queen Rania Al-Abdullah of Jordan visited South Africa as guest of President Thabo Mbeki to attend the World Health Organisation's 8th World Conference on 'Injury Prevention and Safety Promotion' in Durban. At the invitation of Dr Manto Tshabalala-Msimang she visited Tygerberg Hospital where she praised the Obstetric Unit for its outstanding work in maternal and child care.

The members of the National Health Council visited various facilities in the Province on 21 - 22 February 2007.

- **Major projects undertaken or completed during the year**

A key strategy to improve the efficiency of primary health care services is the computerisation and networking project. A patient registration system called the Patient Master Index (PMI) has been installed at 22 facilities. The long-term goal of this project is a comprehensive Primary Health Care Information System (PHCIS) with individual electronic patient records for all patients on the PHC platform.

A key element of the Comprehensive Service Plan is the construction of district hospitals in Khayelitsha and Mitchell's Plain, however, until such time as funding is made available for the construction of these hospitals the nucleus of these hospitals is being accommodated in existing hospitals. There are 90 level 1 beds at Tygerberg Hospital, 30 at Karl Bremer Hospital and 100 beds at Lentegeur Hospital. Note that 30 of the beds at Lentegeur Hospital are temporary beds whilst wards at GF Jooste Hospital are being refurbished.

During 2006/07 Khayelitsha and Mitchell's Plain benefited from a programme to combat diarrhoeal disease and increased immunisation coverage that involved the employment of 70 community-based workers to implement a set of household and community-based interventions aimed at addressing the key causes of childhood morbidity and mortality.

The Province has implemented the Comprehensive HIV and AIDS Care, Management and Treatment Plan adopted by the National Cabinet in November 2003. The Department is committed to integrating the HIV and AIDS programme into the general health services in such a way that the additional resources strengthen the general health system, rather than creating a vertical HIV and AIDS service delivery model.

- There are 32 multi-sectoral action teams that co-ordinate role-players from the various spheres of government, non-government organisations and civil society at sub-district level to initiate local responses to the epidemic. Three hundred and fifty-three projects are funded through community-based organisations and targeted work is undertaken in high transmission areas, e.g. sex-workers, truckers, women and youth.
- There is a peer education programme in 95 secondary schools.
- Voluntary Counseling and Testing (VCT) is offered at 441 health facilities: 43 hospitals, 12 MOUs, 64 CHCs, 288 clinics, 34 mobile clinics and 30 non-medical sites. There are 23 NGOs who employ 373 lay counselors who provide the bulk of the pre- and post-test counseling services.
- The mother-to-child transmission rate has improved from 6.1% in 2005/06 to 5.3% in 2006/07.
- At the end of March 2007 there were 26,111 patients receiving anti-retroviral treatment (ARV) at 47 treatment sites.
- There are currently 20,189 patients receiving home-based care and 16 hospices/respite centres are funded to provide 254 beds in inpatient palliative care. The bed occupancy rate of these beds is 80% and the average length of stay is 24 days.

The prevention and treatment of TB remains a challenge and a priority. The incidence of TB in the Western Cape is almost double that of the national average and the highest in South Africa. In 2006 the Province had a caseload of 47,441 TB patients and the Cape Town Metro District carries 55% of the overall TB burden. In response to the epidemic the Department developed and implemented a strategy to accelerate and enhance the response to controlling TB, the TB Crisis Plan. Funding was allocated to strengthen the TB control in 5 sub-districts (Khayelitsha, Klipfontein, Eastern, Drakenstein and Breede Valley) as well as to improve inpatient care. Additional staff was appointed and NGO's were funded to support community outreach services.

The availability of the Integrated Management of Childhood Illnesses (IMCI) programme in fixed primary health care facilities is progressing well. As at 31 March 2007 83% of fixed PHC facilities were implementing IMCI.

The strengthening of primary health care makes a significant contribution to Social Capital Formation and specific target areas are IMCI with emphasis on the management of diarrhoeal disease, the strengthening of the immunisation campaign and the management of chronic disease.

- With respect to child health the Department has developed a diarrhoeal disease intervention campaign and will embark on an in-depth intervention to increase the immunisation coverage. The diarrhoeal disease intervention campaign from February to May each year includes support at community level for the early identification of danger signs in children for immediate referral to a health worker, the use of sugar/salt solutions and hand washing programmes in Khayelitsha, Mitchell's Plain, Delft, Kraaifontein and Gugulethu. All primary health care facilities will have oral rehydration corners and extra paediatric bed capacity is available at Red Cross Children's Hospital, Tygerberg, Lentegeur and Somerset Hospitals.
- Support groups for clients with chronic diseases of lifestyle have been established and strengthened at all community health centres (CHCs).

The programme to provide the medication of chronic patients from an alternative supply will be intensified with a view to having 40% of chronic patient visits for medication being addressed by the alternative system. This will significantly improve the quality of care provided to these patients.

In a joint initiative with the Provincial Departments of Local Government and Housing and Community Safety, Emergency Medical Services established Disaster Management and Emergency Medical Services Communication Centres in Bredasdorp, Worcester, Beaufort West, George, Moorreesburg and Cape Town in 2006. The provision of a modern computerised communication system to manage Emergency Medical Services resources is a top priority central to the efficient deployment of resources in achieving appropriate response times. A new communications system has been installed in the metropolitan area of Cape Town and will be phased into the rural areas over three years. Electronic communications systems are essential for rapid response, efficient deployment, co-ordination with other emergency services, all of which lead to improved quality of patient care. The institution of computer aided dispatch and automatic vehicle location systems have improved the management of the mobile EMS resources.

Planned Patient Transport Services are managed separately from the Emergency Medical Services and transport approximately 47,000 patients annually.

The DP Marais TB Hospital was provincialised from 1 September 2006. The Sonstraal Hospital in Paarl and the Infectious Diseases Hospital in Malmesbury have also been provincialised.

Co-ordinating clinicians have been appointed in each of the disciplines to facilitate clinician's input to health management, clinical governance, monitoring of service delivery and the design of uniform clinical guidelines.

The Department of Health commissioned the Schools of Public Health from the Universities of Cape Town, Stellenbosch and the Western Cape and other research agencies such as the Medical Research Council (MRC) to recommend how the burden of disease could be reduced, not just through preventive health interventions but also through interventions that are more of a multi-sectoral and developmental nature. The first burden of disease report was submitted on 31 March 2007 and there will be a provincial conference on the subject in June 2007.

- **Spending Trends**

The Department has spent an amount of R6,419,515 million on a budget of R6,476,348 million which constitutes an under-expenditure of R56,833 million.

The under-expenditure can be attributed to amongst others the following grant allocations not being spent in full.

Grant	Under-expenditure	Causes
Hospital Revitalisation Conditional Grant	3,919	Late delivery of equipment and late submission of accounts for equipment ordered during 2006/07.
Forensic Pathology Conditional Grant	41,281	Grant not spent as a result of spending on capital projects not being realised, the Department of Public Works and SAPS not providing claims for construction and seconded personnel respectively.

After application of final virements the Department recorded an over-expenditure of R13,529 million in Programme 4.1 (Provincial Hospital Services).

Due to difficulty with the recruiting of certain categories of staff, particularly nurses, Compensation of Employees has been underspent. As a result the Department was forced to employ agency staff and as a consequence Goods & Services was overspent which includes payments for agency staff (nurses and professional staff) amounting to R55 million.

The Vote (Department) consists of the following programmes:

Programme	
1	The Ministry, Head Office and Regional Offices
2	Primary health care services and district hospital services
3	Pre-hospital emergency medical services and inter-hospital transfers
4	General specialist, psychiatric, TB, chronic and dental hospitals
5	The three central hospitals
6	Training, mainly that of nurses
7	Orthotic and prosthetic services, forensic pathology services, minor building maintenance, engineering installations and the Cape Medical Depot
8	Construction, upgrading and maintenance of facilities including the hospital revitalisation and provincial infrastructure conditional grants

Actual Expenditure per programme

		R'000	%
1	Administration	162,000	3%
2	District Health Services	1,923,000	30%
3	Emergency Medical Services	278,000	4%
4	Provincial Hospital Services	1,398,000	22%
5	Central Hospital Services	2,123,000	33%
6	Health Sciences and Training	99,000	2%
7	Health Care Support Services	93,000	1%
8	Health Facility Management	344,000	5%
	Total for Department	**6,420,000**	**100%**

Expenditure per Economic Classification

	R'000	%
- Compensation of employees	3,419,000	53%
- Goods & Services (mainly municipal services, medical and surgical requisites, blood, pharmaceuticals and agency staff (nurses).	2,207,000	34%
- Transfers to municipalities (primarily for primary health care)	141,000	2%
- Thefts & Losses	2,000	0%
- Departmental Agency (CMD & SITA)	6,000	0%
- Universities & Technicons	1,000	0%
- Transfers to non-profit institutions	165,000	3%
- Transfers to households (bursaries)	65,000	1%
- Machinery & Equipment	179,000	3%
- Buildings; Construction & Maintenance	235,000	4%
Total for Department	**6,420,000**	**100%**

Revenue

Revenue was over recovered by R1,4 million. The revenue budget increased from R254,410 million in 2005/06 to R325,053 million in 2006/07 which is a R70,643 million increase.

Actions planned to avoid a re-occurrence

Spending on the Forensic Pathology Conditional Grant will improve during 2007/08. Payment for capital building projects will be made and the outstanding claims from Public Works and SAPS should be received during the 2007/08 financial year for payment.

Any other material matter

No other material matters are of note.

2. Services rendered by the Department

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

Tariff Policy

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

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

Certain sundry tariffs are also charged. The basis of these tariffs is market related.

These sundry tariffs apply to:

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

Free Services

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

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

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

Inventories stated in R'000

Institutions	INVENTORY GROUPS								
	Stationery	Provisions	Med & Surgical	Pharm	Clean/ Chem	Engin	Maint	Other	TOTAL
Head Office	77	0	0	0	0	0	0	0	**77**
Boland	286	127	2,606	8,637	185	0	51	52	**11,944**
Metropole	5,647	441	11,465	5,798	1,042	245	261	384	**25,283**
West Coast	131	70	981	1,181	155	0	13	9	**2,540**
Southern Cape	405	113	1,992	1,420	215	1	70	190	**4,406**
APH	1,351	303	267	1,533	404	0	0	479	**4,337**
Tygerberg	174	406	2,457	8,258	66	281	511	2,301	**14,454**
Groote Schuur	995	291	5,349	12,174	146	231	24	422	**19,632**
Red Cross	266	109	1,140	4,077	201	53	0	169	**6,015**
Engineering	51	3	0	0	267	1,314	2,355	1,058	**5,048**
MDHS	711	583	2,432	575	148	12	59	198	**4,718**
EMS	147	0	272	0	104	0	0	395	**918**
Dental Hospitals	59	5	930	0	197	0	0	124	**1,315**
WCCN	8	1	0	0	2	0	0	0	**11**
CDU	0	0	0	3,984	0	0	0	0	**3,984**
Totals	**10,308**	**2,452**	**29,891**	**47,637**	**3,132**	**2,137**	**3,344**	**5,781**	**104,682**

These inventories pertain to main depots only. Inventories are costed using the WAC (Weighted Average) method.

APH - Associated Psychiatric Hospitals
MDHS - Metro District Health Services
EMS - Emergency Medical Services
WCCN - Western Cape College of Nursing
CDU - Chronic Dispensing Unit

3. Capacity constraints

One of the significant challenges that face the Department relates to sufficient number of nurses as well as the level of experience in the service. The growing need for competent nurse practitioners on basic as well as advanced clinical nurse levels is a major challenge as nurses are highly mobile in a global environment and are in high demand. The attrition rate for professional nurses remains at ±10%. The following strategies are being deployed to address the situation:

- The Department has appointed a Director: Nursing, who will implement the newly developed provincial nursing strategy. It addresses medium to long term planning needs of the Department and is in line with the national strategy.
- More bursaries are being allocated. However, the high failure rate amongst bursary holders is concerning and is being taken up with HEI's (Higher Education Institutions).
- Improved remuneration packages of professional nurses are being developed by the National Department of Health, in consultation with Provinces.

The lack of nurses generally but in particular nurses trained in theatre and intensive care remains a challenge and creates bottlenecks in these critical areas which result in increased waiting times and lists.

The Department's dependency on agencies for nurses, who often do not have sufficient experience, is being addressed through:

- Allocation of non-nursing tasks to appropriate staff.
- Appointment of nursing mentors in theatre and intensive care units to provide support.

The Department is also in close collaboration with HEI's to design suitable training courses to develop other categories of staff to support theatre nurses.

4. Utilisation of donor funds

The following donor funding was available to the Department during the 2006/07 financial year:

	R'000
TB/HIV Global Fund	842
Rotary Club	1,300
European Union Funds	35,425
Belgium Fund	1,075
World Population Fund	95
TOTAL	**38,737**

Donor funding received has been accounted in Donor accounts within the financial system of the Department. All donor funding has been spent in full as at 31 March 2007 except the TB/HIV Global Fund donation which was received in March 2007. This donation is for a specific project not linked to the Global Fund contribution towards HIV and AIDS prevention.

An amount of R96,944 million was donated by the Global Fund towards HIV and AIDS prevention. Global Funding has not been accounted for separately as the case with the donations mentioned above. The donation in this regard has been incorporated into the main accounting structure of the Department as a separate sub-programme as approved by the Provincial Treasury. An amount of R21,604 million was not paid over to the Department during the 2006/07 financial year resulting in a deficit on the Appropriation Account.

5. Trading entities

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

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

The Trading Entity charges a levy of 8% on store stock and 5% on Direct Delivery purchases to fund it's operational costs.

A separate set of Financial Statements on the Cape Medical Depot has been included in this report.

6. Organisations to whom transfer payments have been made

The Department of Health assumed the responsibility of personal primary health care (PPHC) in the rural areas as from 1 April 2005. Prior to 1 April 2005 local authorities were funded for the rendering of personal primary health care by means of transfer payments.

During the 2006/07 financial year only the City of Cape Town received transfer payments for the rendering of personal primary health care services.

Transfer payments were also made to various local authorities and non-governmental organisations to combat AIDS from equitable share allocations as well as the Global Fund contributions.

SETA administration costs contribution, payments made to the Cape Peninsula University of Technology, the S.A. Red Cross Air Mercy Services and the Augmentation of the CMD Capital Account were also funded as transfer payments.

Quite a substantial amount was paid towards bursaries during the financial year as well as the settlement of medico legal claims.

For more detailed information in this regard please refer to Annexure 1B of the Notes to the Statement of Financial Performance.

7. Public private partnerships (PPP)

The status of Public Private Partnership in the Department is as follows:

Western Cape Rehabilitation Centre (WCRC) PPP Project

The Department completed its negotiations with the Mpilisiweni Consortium, concluded the 12 year concession agreement in November 2006 and the full service commenced on 1 March 2007.

The private party renders hard and soft facility management services on the site of the WCRC and some soft facility management services outsourced at Lentegeur Hospital. At the WCRC, the private party is contracted for the refreshment, maintenance and replacement of medical and some office equipment over the 12 year concession period.

Hard facility management includes the maintenance of buildings and medical equipment on the WCRC site.

Soft facility management services on the WCRC site include, but is not limited to, services such as linen and laundry, catering, cleaning, pest control, estate management and security. Soft facility management services on the Lentegeur Hospital site include security, cleaning and catering, albeit with specific output specifications to the WCRC site, to accommodate previous outsourced contracts on the Lentegeur Hospital site.

The identified equipment in the concluded PPP agreement has been transferred to the private party as of the full service commencement date, for their management. The consortium must, in terms as the agreement, maintain, refresh and replace all equipment as contained in the Agreement, and at the end of the concession period hand back the equipment to the Province. The private party's obligations include the continual maintenance and replacement of the medical equipment so as to ensure that at the end of the concession period, all equipment is within 60% of its lifespan (according to private sector norms).

With regard to continued maintenance of the buildings to be maintained by the private party at the end of years 3, 6, 9 and 11 of the concession period, an independent, but jointly appointed maintenance expert will conduct a maintenance survey. The expert will carry out a survey and the private party will be obliged to correct any maintenance related defects as reported at their cost.

The fee of R29,337 million/year (escalated by CPIX annually) for the concession period of 12 years will be paid by the Department to the consortium in monthly fee payments as of 1 March 2007.

Swellendam Hospital PPP Project

This project was still in the feasibility study stage and it was decided to de-register the project after a Departmental Top Management decision which was made in March 2007.

No fees were paid by the Department to the Transaction Advisor.

Hermanus Hospital PPP Project

The concession period is 15 years for the upgrade and refurbishment of the public hospital and the provisioning of hard and soft facility management services to the Department.

Fees paid for the transaction advisors to date amounts to R21,888.00.

8. Corporate governance arrangements

Internal Audit

The co-sourced arrangement between the Sihluma Sonke Consortium and Provincial Treasury to provide Internal Audit to the Department has been extended for a further 2 years on 1 December 2006 by the Provincial Treasury.

The status of activities planned for 2006/07 is as follows at the time this report was collated:

- Transfer payment	- 4 of the 5 audits had been finalised.
- Pharmacy Procurement and Stock Control	- 1 report has been finalised and 6 reports were represented to the Chief Audit Executive for review.
- DORA	- Audit fieldwork was being conducted.
- Emergency Medical Services	- Incident Management Fieldwork was being conducted.
- Chronic Dispensing Unit	- Audit fieldwork was being conducted.
- Information Technology Reports	- 2 reports had been finalised and 2 more were under review.

Of the twenty seven follow-up audits planned 8 audits had been finalised and the remaining were being reviewed by the Chief Audit Executive as at the end of March 2007.

Audit Committee

The Departmental Audit Committee chaired by Dr T Sutcliffe has been in place for the last three years. The Report of the Audit Committee is contained in the Annual Report of the Department.

Risk Management

Cabinet approved a Risk Management Unit in the Department of Health consisting of the following posts:
- 1 Chief Risk Officer
- 2 Chief Risk Analysts
- 2 Risk Analysts

During the 2006/07 financial year 1 post of Chief Risk Officer and 1 post of Risk Analyst were filled.

Amongst others the following was achieved during the year under review:

- Structure and functioning of Risk Management Committee was completed.
- Strategic Risk Assessment was conducted.

9. Discontinued activities/activities to be discontinued

The Department has not discontinued activities during the 2006/07 financial year. Activities are however moved/consolidated between institutions in line with the concept of HealthCare 2010 to ensure service delivery according to level of care.

10. New/proposed activities

The implementation of the Comprehensive Service Plan (CSP) is the key proposed activity of the Department for 2007/08 and includes a number of component activities such as:
- The creation of the District Health Service and its management structures which include four sub-structure offices in the Metro District and district management structures in the five rural districts. An amount of R17,036 million has been allocated for this purpose.
- Realign the hospital services in line with the CSP, e.g. reallocate GF Jooste, Karl Bremer and Hottentots Holland Hospitals from Sub-programme 4.1 to Sub-programme 2.9 where they undergo a transition from regional to primarily level 1 hospitals with some level 2 capacity.
- The separation of the management of level 2 and 3 services.
- Finalise and implement the staffing structures for Emergency Medical Services.
- Finalise the management responsibilities for TB hospital governance.
- Develop and implement the management structures for community-based services.

Staff Health and Wellness Programme (SHWP) to support employees dealing with personal life and work challenges has been established and is being utilised by staff.

The annualised individual utilisation rate is 10.3% of the total staff. This programme is provided by the Independent Counseling and Advisory Service (ICAS), is free of charge, available to employees and their dependents, is multi-lingual, and available 24 hours per day and 365 days per year. Use is being made of the various languages other than English in which the services are offered. The service provides telephonic or face-to-face counseling as well as access to Life Management Consultancy services.

Examples of common issues are:
- Relationships: family, work, partners, friends;
- Family: childcare, eldercare, state benefits;
- Emotional issues: stress, substance abuse, depression, trauma;
- Financial issues: debt and money management;
- Legal matters: maintenance, child custody, divorce law, consumer rights;
- Health issues: HIV and AIDS counseling, illness, harassment.

The SHWP is being effectively utilised to assist with trauma related matters, thereby contributing to the psychological and behavioural health of staff. Group based interventions and formal referral utilisation are being done by both managers and supervisors.

11. Events after the reporting date

No material events.

12. Performance information

Large volumes of performance data are mandated by the National Department of Health (NDoH), the National Treasury (NT) and Provincial Treasuries (PT) and by the Provincial Department of Health (PDoH) itself in its Annual Performance Plan.

Routine data for continuous monitoring of service delivery and health status follows formal channels and is verified internally at institutional, district and provincial levels. The methods employed include identifying outstanding and incomplete data and outliers, checking against validation rules and random spot checks against registers.

External, independent auditing of the data has thus far occurred on an ad hoc basis by officials of the NDoH and the information was audited by the Office of the Auditor General last year. No additional independent verification is planned.

Routine data is downloaded to the NDoH on a monthly basis and reported quarterly and annually to NDoH, NT, PT and the Department's Monitoring and Evaluation Committee. In each case, the reports are reviewed and feedback is received.

The Department embarked on improving the quality of the data by using data directly from operational feeder systems such as the HIS (hospital information system). The definitions utilised for the monitoring of services and standards are programmed in the feeder systems thus assuring the correct identification of the information.

During the acceptance test phase of the system implementation the data is quality checked against the outcome of non- electronic data processes and against the raw data using other reporting tools.

Staff are trained and re-trained on the policies governing the system to assure the correct entry of data.

Once implemented, the quality is checked using drafts, trend analysis and spot checks against raw data on a monthly basis. The standardisation of the interpretation of the definitions assures that data is calculated uniformly across institutions and services.

13. SCOPA Resolutions

Reference to previous audit report and SCOPA resolutions	Subject	Progress made on SCOPA Resolutions
Fourth report of the Standing Committee on Pubic Accounts dated 30 November 2007	**1. Unauthorised Expenditure** The committee heard and considered evidence, which indicate unauthorised expenditure relating to the overspending of a vote or main division within a vote. The Department has overspent on Programme 5 by an amount of R9,9 million after applying virement rules as defined by section 43 of the Public Finance Management Act, 1999 (Act No. 1 of 1999). **Recommendations** The committee wishes to express its dissatisfaction at the non-compliance with the PFMA and recommend that stricter budget control over programmes and projects, causing overspending in the Department, be implemented and further recommend that the unauthorised expenditure of R9,9 million be referred to the Western Cape Provincial Parliament for authorisation. **2. Transfers and subsidies** The committee was informed that audited financial statements of certain recipient institutions for the 2004/05 financial year have not been submitted to the Department, as required by Treasury Regulations. It is therefore uncertain whether the Accounting Officer ensured that funds previously transferred were utilised for intended purposes, as required by section 8.4.1 of the Treasury Regulations and section 38(1)(j) of the Public Finance Management Act, 1999 (Act No. 1 of 1999), prior to or soon after the	The Department is improving its budgetary controls within programmes by improving information available and accountability structures. In particular the Department is developing Cost Centre Accounting Systems to control the expenditure of the large central hospitals. Further controls were also implemented with the introduction of the Financial Personnel Management Instrument (FPMI) to control staff expenditure against allocated Budgets. The R9,9 million over-expenditure will be authorised in a Finance Bill to be tabled during June 2007. The amount of transfer payments made by the Department has declined drastically with the provincialisation of primary health care services on 1 April 2005. Transfer payments will in future be limited to primarily NGO's and to provincially aided hospitals. The following steps have been taken to ensure compliance to section 38 (1) (j) of the PFMA: • Financial inspections have been conducted at all PAH's to ensure compliance, • The programme managers responsible for payments have

Reference to previous audit report and SCOPA resolutions	Subject	Progress made on SCOPA Resolutions
	transfer of moneys in respect of the 2005/06 financial year's allocation. Furthermore it should be noted that funds were transferred to these recipients in the absence of audited financial statements, contravening departmental finance instructions. **Recommendation** Management should ensure that internal control measures are adhered to at all times and that the Department comply with the relevant prescripts. The impact of non-compliance therewith must be re-emphasized to the relevant departmental officials and the Department should report back to the committee on what measures was implemented to ensure the compliance of the prescripts. **3. Control over commuted overtime** The committee recognises that commuted over time arises from non-market related salaries and is aware of the principle objection by doctors to sign attendance registers. The committee having heard and considered evidence wish to express its grave concern with regard to the inadequate internal control system to ensure the validity, accuracy and complete-ness of actual commuted overtime hours worked. Consequently based on a sample test the following weaknesses were revealed: • Commuted overtime payments were not reduced by leave	all personally been instructed to comply and to ensure that SLA's are entered into with the relevant NGO's. They have also been instructed to ensure that regular on-site inspections are carried out • A dedicated person to assist all PAH to comply has been appointed. • Financial inspections have been performed at the various regional offices to check compliance, • The Department is in the process of inviting a tender for a service provider to assist all NGO's in being compliant with legislative requirements. Circular H12/2006 dated 6 February 2006 addressing the issues mentioned by SCOPA was forwarded to all institutions. An action plan, of which a draft was tabled at the SCOPA meeting during October last year, was provided to all Regional Directors and CEOs of central hospitals to follow up the issues and to report on control measures implemented. Feedback is provided on a monthly basis to ensure compliance. All Regions indicated that they either comply with the measures or are in process of putting the necessary control measures in place. The Directorate: HRM will visit all Regions to address problems and monitor compliance.

Reference to previous audit report and SCOPA resolutions	Subject	Progress made on SCOPA Resolutions
	periods taken, which resulted in overpayments being made (overpayments in 27 instances amounting to R135,593); • Verification forms and duty rosters were not completed or reviewed by the heads of clinical departments/ supervisors to confirm the commuted overtime hours worked; and • Audit was unable to verify the commuted overtime hours worked to the duty rosters as no attendance registers were maintained. Commuted overtime contracts were not reviewed on an annual basis to confirm the necessity of hours required. Therefore, uncertainty exists whether the proper internal checking and control was performed in the absence of contracts. **Recommendations** Management must ensure that: • Regular revision of commuted overtime hours required to render clinical service must be carried out by the heads of the clinical departments and submitted to Institution Heads for consideration at the various institutions/hospitals; • Regular monitoring should be carried out to ensure that the control measures in accordance with the Departmental Circular H95/2004 and other relevant laws and regulations are adhered to; and • Regular revision of commuted overtime hours required to render clinical service must be	

Reference to previous audit report and SCOPA resolutions	Subject	Progress made on SCOPA Resolutions
	carried out by the heads of the clinical departments and submitted to institution heads for consideration at the various institutions/hospitals. **4. Normal Overtime** The committee were informed that in terms of the Collective Agreement: Compensation for Overtime stipulates that the monthly compensation for overtime of an employee may not constitute 30% or more of her/his monthly salary however in exceptional cases this percentage may be exceeded. The committee heard evidence that a PERSAL exception report indicated overtime payments (6,874 cases) amounting to R21 million represents 30 per cent and more of employees' basic salary for the financial year under review. The overtime payments above the 30% threshold represent 37 per cent of the total normal overtime amounting to R56,9 million for the year under review. A further analysis of the exception report indicates that R16 million of the R21 million was paid to medical staff. The committee also notes with concern the contents of Par 6.4.4 of the Audit Committee report which also highlights the marked increase in normal overtime and the Department's observation that this matter relates to an acute shortage of staff particularly nursing staff and that it represents a risk for increasing litigation as a result of the likelihood of escalating malpractice suits. It also notes that, in the opinion of the Audit Committee, the main	The necessary control measures have been put in place. Circular H12/2006 dated 6 February 2006 was sent to all institutions and addresses all aspects indicated in the recommendations. A report with regard to excessive overtime has also been drawn by Head Office and submitted to all Regional Managers for investigation. Feedback is provided on a monthly basis to ensure compliance. All Regions indicated that they either comply with the measures or are in process of putting the necessary control measures in place. The Directorate: HRM will visit all regions to address problems and monitor compliance. The Basic Conditions of Employment Act 1997 has not been fully implemented in the Public Service as yet. The review of the salary scales for Health Professionals is currently being conducted by National Department of Health and the Department of Public Service and Administration.

Reference to previous audit report and SCOPA resolutions	Subject	Progress made on SCOPA Resolutions
	reasons for staff shortage are poor salaries and working conditions. **Recommendations** • Adequate control measures should be implemented to ensure proper control over the recording and payment of overtime. • Adequate evidence to be submitted that the excessive overtime was paid for a critical need. • A full investigation into the matters mentioned should be undertaken to ensure that the relevant laws and regulations are complied with (e.g. approval exists for exceptional overtime worked). • The investigation should also include tests to ensure compliance with Basic Conditions of Employment Act, 1997 (Act no. 75 of 1997) • Management needs to consider whether filling vacant posts is a more viable option than paying significant overtime and the Department needs to motivate the National Department of Health and Public Service and Administration to review salary scales of key health personnel, including nurses and other medical staff. **5. Changes to planned projects on the original budget** Provincial infrastructure grant projects as per the original budget were not all delivered as originally planned. The following changes were made to the planned projects and project budgets:	The problems encountered in 2005/06 are well documented and all the relevant documentation is with the AG. The SCOPA resolutions have been carried out with the exception of the need to

Reference to previous audit report and SCOPA resolutions	Subject	Progress made on SCOPA Resolutions
	• The budgeted amounts as per the original budget for a total of 10 projects were materially decreased (with more than 20%) when the adjusted budget was compiled. The total decrease in budgeted expenditure for these 10 projects amounted to R16,5 million (30% of the original budget). • A total of 16 new projects to the value of R29,1 million (53% of the original budget), which were not included in the original budget, were included in the adjusted budget. • The total completion cost for a total of 20 projects, which appeared on both the original and the adjusted budget was increased by R53, 8 million (36% of the original budget). **Actual versus budgeted expenditure on projects** A review was performed to determine the level of actual expenditure compared with the adjusted budgeted amount for the 2005/06 financial year and the following was noted: • No expenditure was incurred on a total of 12 projects (25%) to the value of R3,5 million (6.3% of the adjusted budget). • A total of three projects (6.25%) on the adjusted budget were materially under spent (with 20% or more). The total under-expenditure on these projects amounted to R2,3 million (79.3%). • A total of nine projects (18.75%) on the adjusted budget were materially overspent (with 20% or more).	strengthen capacity in infrastructure management in Health. This is now being addressed in terms of the IDIP process. A business case in terms of IDIP has been drafted and will hopefully be signed off in the very near future. The Department is busy with the full evaluation of the performance of capital projects for the 2006/07 year. It is, however, evident that the problems of the 2005/06 financial year have largely been overcome. Estimates for 2006/07 and beyond are more in line with the cost of using Public Works as an implementing agent. Project estimates are done by Public Works. It must be accepted that the Department of Health has no control over the functions of the Department of Transport and Public Works.

Reference to previous audit report and SCOPA resolutions	Subject	Progress made on SCOPA Resolutions
	The total over-expenditure on these projects amounted to R17,5 million (77%). • Expenditure to the amount of R1,7 million was incurred on five projects that did not appear on the adjusted budget. • A comparison between the expenditure reflected on management information reports for provincial infrastructure grant projects as per the records of the Department and the Department of Transport and Public Works differed materially on certain projects. The differences on five projects amounted to R7,2 million. **Project delays** Material delays were experienced in implementing provincial infrastructure projects that appeared on the original budget for the 2005/06 financial year. Owing to the delays experienced on the provincial infrastructure projects on the original budget, the targeted completion dates for 13 of the 27 projects (48%) on the original budget were extended when the adjusted budget was compiled. The extension/delay for these projects totalled 173 months (the average extension/delay per project was 13 months). The progress on a sample of 10 projects was reviewed and it was determined that seven of the 10 projects (70%) had not progressed to a stage where tenders have been awarded and/or where construction had commenced, although six of these projects had to be completed by May 2006.	The Department does indeed monitor the progress on infrastructure projects but has no means of ensuring that action is taken by the Department of Transport and Public Works who are responsible for implementing the projects. Business cases are now submitted to the Department of Transport and Public Works before the commencement of the financial year. This was a problem but has now been resolved. Amendments to the SLA were proposed by the Head: Health during 2006 but still have to be ratified by the Head: Department of Transport and Public Works. However, the SLA cannot address the fundamental problem of the budget (and therefore the accountability) being with Health whilst the function (and therefore the authority) being with Transport

Reference to previous audit report and SCOPA resolutions	Subject	Progress made on SCOPA Resolutions
		and Public Works. Regardless of how the SLA is worded this arrangement will remain in contravention of the PFMA. The solution is to place the budget and function with the same Accounting Officer.
	Recommendations **Changes to planned projects on the original budget** It should be ensured that material changes to the original budget does not negatively impact or hamper the effectiveness of the Department's budget as a financial management tool. Project estimates should be performed before projects are approved and included in the Department's budget. **Actual versus budgeted expenditure on projects** It should be ensured that material changes to the original budget does not negatively impact or hamper the effectiveness of the Department's budget as a financial management tool. Project estimates should be performed before projects are approved and included in the Department's budget **Project delays** Capacity problems experienced within the Professional Support Services Directorate of the Department should be investigated and solved in order to timeously provide briefing documents/business cases to the	Organisational Development was requested to determine the additional capacity needed but have yet to complete this investigation.

Reference to previous audit report and SCOPA resolutions	Subject	Progress made on SCOPA Resolutions
	Department of Transport and Public Works. The Department should actively monitor and follow-up on the progress of infrastructure projects to ensure that it is timeously implemented by the Department of Transport and Public Works. The Department of Transport and Public Works should timeously complete the design and planning work on infrastructure projects and comply with the parameters/ specifications of the briefing documents/business cases submitted by the Department. The Department should where possible submit the business case to the Department of Transport and Public Works prior to commencement of the financial year. The SLA with the Department of Transport and Public Works should be revisited to ensure that communication, co-ordination and teamwork between the two Departments and consultants are improved and/or promoted. **6. Performance measurements** The committee heard and considered evidence with regard to the reporting of performance information by the Western Cape Provincial Departments in their respective annual reports. Although it is accepted that this was the first year the Auditor-General reported on such matters, it is noted with concern the number of cases where the Departments did not adhere to the	The performance indicators as set out in the Budget Statement and Annual Performance Plan are monitored at quarterly meetings that are chaired by the Head of the Department. Every effort is made to adhere to the guidelines prescribed by National Treasury and the National Department of Health. The difference in the prescribed

Reference to previous audit report and SCOPA resolutions	Subject	Progress made on SCOPA Resolutions
	National Treasury guidelines and prescripts on reporting of performance information which led to several audit findings in the Auditor-Generals audit reports for the financial year 2005/06. **Recommendation** The committee having heard the evidence wishes to recommend that the Departments put in place the necessary controls and systems to fully adhere to the National Treasury guidelines and to ensure that the standards of reporting on performance information be raised to an acceptable level, especially in view of the fact that the Auditor-General will in future place more emphasis on this audit and will in future express an opinion on the published performance information. **7. Asset management** The committee heard and considered evidence of a general lack of control over state assets which can be summarised as follows: • Not all Departments were on the government prescribed and accepted LOGIS asset management system during the 2005/06 financial year, or were only in the process of implementing the system at year-end. • The LOGIS system could not in all cases be reconciled with the Departments' asset registers. • In some cases the Departments were still in the process of updating and finalising its asset register.	format between the Budget Statement and the Annual Performance Plan has been raised with Treasury and the National Department of Health. In dealing with the differences in the formats, the Department has tried to ensure that the essence of the indicators is consistent but at the same time comply with the formats. It is recognized that apart from the format issue, that some errors have occurred in ensuring that the Budget Statement is a sub-set of the Annual Performance Plan and greater attention will be given to checking that they correspond. In mitigation one must also realise the extremely tight deadlines within which the Department is working. • All assets at the three tertiary hospitals have been bar-coded. Bar-coding at all other institutions is under consideration as it is a very expensive exercise. • All asset counts have been finalised as at 31 March 2007. • As part of the asset management implementation process all assets were correctly categorised and the necessary adjustments were made on LOGIS. • The asset management component at Head Office has the responsibility of overseeing the departmental asset register. As part of this process institutions have been requested and are reconciling

Reference to previous audit report and SCOPA resolutions	Subject	Progress made on SCOPA Resolutions
	• Where LOGIS asset registers were in place, this did not always contain all the information required. • Detailed asset registers were not always in place. As a result it was not always possible to verify the existence, accuracy and completeness of assets. **Recommendations** Having heard and considered the evidence the Department must ensure that persons with the necessary skills and knowledge must be assigned for the implementation of the system and must make certain that assets that's written off should be authorised. **Management must ensure that:** • The assets should be bar coded; • A total asset count should be carried out and the asset register completed in full; • The transactions are posted to the correct accounts; • A senior official reconciles the asset register periodically; • Where the prescribed LOGIS system is not yet fully implemented, that the implementation be finalised as a matter of urgency; • the LOGIS asset registers be updated with all the required information in order for the system to be utilised as intended; • the LOGIS system and other asset registers that may be utilised by the Departments be reconciled as a matter of	asset registers on a monthly basis. Asset controllers will be appointed at all institutions. • LOGIS has been implemented at 48 sites. Full implementation must still be done at EMS and MDHS. The central hospitals will be using SYSPRO as the asset management system. The asset management module on SYSPRO has been acquired and is currently under development. • Most asset controllers at the institutions underwent training on Module 4 of LOGIS that deals with asset management. Those that have not been trained yet has been scheduled for the next lot of training sessions to be conducted by the Provincial Treasury.

Reference to previous audit report and SCOPA resolutions	Subject	Progress made on SCOPA Resolutions
	urgency; • all assets registers are updated with all relevant and required information; and • that training on LOGIS needs to be intensified in all the Departments.	

14. Other

Related Parties

The disclosure of information in this regard is regarded as being confidential. The Director General: Office of the Public Service Commission has the authority in terms of Public Service Regulation, 2001, Chapter 3, F to grant approval for the disclosure of information if there is a compelling public interest in its disclosure. As a result information in this regard has not been disclosed in the Disclosure Notes to the Financial Statements.

Cape Medical Depot

Information pertaining to the Cape Medical Depot has been removed from the Trial Balance. Separate Annual Financial Statements has been compiled on the activities of the Cape Medical Depot. The accounting adjustment has been made against the Bank Account effectively overstating the Bank Balance as a result. The same applies to the 2004/05 comparative information presented.

Asset Management

On 1 April 2005 the National Treasury implemented a new system of Asset Management. The main aim of this system is to ensure that adequate Asset Registers be maintained. Asset Registers must amongst others make provision for the fair value of assets to be recorded.

Compliance to this requirement is a major exercise for the Department of Health. Effectively it means that each and every asset needs to be identified, validated and registered.

Both National and Provincial Treasuries were informed that the Department will not be compliant at the end of the 2005/06 financial year, resulting in incorrect balances being stated in Annexure 4 of the 2005/06 Financial Statements. These Annexures were however qualified to this extent.

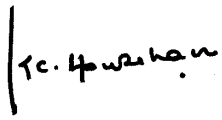
During 2005/06 and 2006/07 the Department embarked on a project to identify, mark and cost each and every capital asset in the Department. This exercise was concluded by 31 March 2007 and the Department can state that the closing balance on Disclosure Note 30 represents the value of the Capital Asset stock.

Balances from the previous dispensations

The Western Cape Provincial Administration inherited old balances from the previous political dispensation that originated prior to the 1994/95 financial year. The decentralisation of the accounting functions of the former Department of Finance (FMS Department 70) resulted in these balances, including unauthorised expenditure, being transferred to the various Departments. The Western Cape Provincial Treasury is currently in consultation with the National Treasury to expedite the process of passing the necessary legislation to fund the unauthorised expenditure, since these old balances were incurred against the SA Reserve Bank accounts of ex-Cape Provincial Administration and ex-House of Representatives, which is a National Treasury competency.

Approval

The Annual Financial Statements set out on pages 151 to 214 have been approved by the Accounting Officer.



PROFESSOR KC HOUSEHAM
ACCOUNTING OFFICER

DATE: 31 MAY 2007

REPORT OF THE AUDITOR-GENERAL TO THE WESTERN CAPE PROVINCIAL PARLIAMENT ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF VOTE 6 – DEPARTMENT OF HEALTH FOR THE YEAR ENDED 31 MARCH 2007

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of the Department of Health which comprise the statement of financial position as at 31 March 2007, appropriation statement, statement of financial performance and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 151 to 214.

Responsibility of the accounting officer for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting determined by the National Treasury, as set out in accounting policy 1.1 to the financial statements and in the manner required by the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA). This responsibility includes:

   - designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error
   - selecting and applying appropriate accounting policies
   - making accounting estimates that are reasonable in the circumstances.

Responsibility of the Auditor-General

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996, read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) and section 40(2) of the PFMA, my responsibility is to express an opinion on these financial statements based on my audit.

4. I conducted my audit in accordance with the International Standards on Auditing and General Notice 647 of 2007, issued in Government Gazette No. 29919 of 25 May 2007. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

6. An audit also includes evaluating the:

   - appropriateness of accounting policies used
   - reasonableness of accounting estimates made by management
   - overall presentation of the financial statements.

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

Basis of accounting

8. The department's policy is to prepare financial statements on the modified cash basis of accounting determined by the National Treasury, as set out in accounting policy 1.1 to the financial statements.

Opinion

9. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Health as at 31 March 2007 and its financial performance and cash flows for the year then ended, in accordance with the modified cash basis of accounting determined by the National Treasury, as set out in accounting policy 1.1 to the financial statements, and in the manner required by the PFMA.

OTHER MATTERS

I draw attention to the following matters that are ancillary to my responsibilities in the audit of the financial statements:

Matters of governance

10. Related party disclosures were not included in note 26 to the financial statements. Furthermore, accounting policy 8, relating to key management personnel, deviated from the accounting policy prescribed by the National Treasury, as it excluded a reference to the compensation paid to family members of key management personnel. The reason for the non-disclosure in this regard is included in paragraph 14 of the Accounting Officer's Report, which indicates that this information is regarded as confidential. This reason is, however, not acceptable.

Material corrections made to the financial statements submitted for audit

The financial statements, approved by the accounting officer, as submitted for audit on 31 May 2007 have been significantly revised in respect of the following misstatements identified during the audit:

11. All civil and legal claims instituted against the department, as well as medico-legal claims that could not be quantified during the 2005-06 financial year, were not disclosed, resulting in an adjustment of R15 596 000 to note 19 to the financial statements.

12. The amount disclosed for commitments did not agree to the schedules submitted by the institutions for input into the disclosure note, resulting in an adjustment of R7 194 000 to note 20 to the financial statements.

13. The amount disclosed for accruals did not agree to the schedules submitted by the institutions for input into the disclosure note, did not reflect all goods and services received before 31 March 2007, but paid thereafter, and did not include accruals for all institutions, resulting in an adjustment of R13 913 000 to note 21 to the financial statements.

14. As a result of certain institutions' lease commitments being omitted from the lease commitments disclosed in the financial statements, as well as calculation differences and the reclassification of a contract as operating expenditure, the lease commitment disclosure in note 23 to the financial statements was adjusted by R32 830 000.

15. The closing balance of assets was adjusted by R272 422 000 as a result of adjustments arising from input documents, submitted by the institutions, not agreeing to supporting documentation and not being reconciled.

16. The inventory closing balance disclosed in paragraph 2.4 of the Accounting Officer's Report was adjusted by R2 994 000 as the submissions from the institutions, as well as the individual Logis reports did not agree to the amount disclosed.

Value for money matters

Supply chain management

During the audit of supply chain management at various institutions it was determined that:

17. Tender validity periods exceeded the 60-day period prescribed in section 8.3.4.3 of the Accounting Officer System for Supply Chain Management and that tenders were awarded after the tender validity period expired.

18. Successful bidders did not in all instances sign the contract form, which is part of the standardised bidding documents issued by the National Treasury, whereby they enter into a contract under the conditions specified in the bidding documentation.

19. Tax clearance certificates were not in all instances obtained to ensure compliance with Treasury Regulation 16A9.1(d).

20. Suppliers were awarded contracts based on the 90/10 system, as prescribed by the Preferential Procurement Regulations, 2001. However, substantiating evidence was not obtained by the department to ensure that the suppliers qualified for the points claimed.

21. Particulars of successful bidders were not in all instances published in the Government Tender Bulletin as prescribed in section 8.3.20.2 of the Accounting Officer System for Supply Chain Management.

22. The department did not maintain a centralised tender register encompassing the entire department's tender activities, as prescribed in section 8.7.1 of the Accounting Officer System for Supply Chain Management.

23. During the review of 39 contracts awarded under the urgent and emergency prescriptions in section 9.1.4.1 of the Accounting Officer System for Supply Chain Management, it was determined that 14 contracts, representing 36 per cent of the contracts reviewed, were awarded without complying with all the requirements of the urgent and emergency delegation.

Human Resources Management

24. Human Resources Plan (HRP)

An HRP as required in terms of the Public Service Regulations (PSR), 2001 (Part III D), was not compiled for the 2006-07 financial year. The HRP was not compiled as the restructuring of the department in terms of the Healthcare 2010 strategic plan had not been finalised.

25. Vacancies

The vacancy level of the department was 23 per cent, which is materially higher than the acceptable level of five per cent.

An analysis of the 7 458 vacant posts indicated that:

- 8 per cent of the vacancies were medical and support positions
- 45 per cent were nursing and support positions
- 70 per cent of the posts were vacant owing to them being frozen or unfunded.

It was, furthermore, determined that 1 143 (52%) of the 2 216 posts that could be filled were vacant for a period longer than three months. The average vacancy period of the department was 13 months.

Delays in the selection and appointment process after the closing date of advertised posts contributed to the vacancy periods exceeding the norm. Posts advertised in the print media were also not in all instances successfully filled and the department did not monitor the reasons why appointments were not made.

Emergency Medical Services (EMS)

26. Response times

The aim of EMS is to render pre-hospital emergency medical services including inter-hospital transfers, medical rescue and planned patient transport. In terms of their mandate the response time is the length of time between receiving a call in the Communication Centre and the arrival of the ambulance staff at the emergency scene. The national response time norm for urban areas is a 90 per cent target within 15 minutes and a target of 90 per cent within 40 minutes for rural areas.

The actual average percentage of response times within 15 minutes for the 2006-07 financial year in urban areas was 36.7 per cent, while the actual average percentage of response times within 40 minutes for the year in rural areas was 64.2 per cent. Furthermore, it was established that the actual average percentage of response times of more than 60 minutes in urban areas was 21.8 per cent.

The average response time of 74.8 minutes in January 2005 had increased with 25 per cent to an average of 93.7 minutes in March 2007. The volume of calls logged by the Communication Centre increased with 30.6 per cent during the above period.

The time to dispatch an ambulance to the scene of an emergency was the major contributing factor in the delay in responding to medical emergencies. The dispatch time for the Metropole was approximately 50 minutes.

Although an organisational study indicated that 1 689 operational staff members are required, the Western Cape EMS only had 910 operational staff members at 31 March 2007. This represents a vacancy rate of 46.1 per cent.

27. Communication Centre

A total of 325 709 calls were received at the Cape Town Communications Centre for the period September 2006 to March 2007 of which a total of 67 834 calls (20.8%) were abandoned as calls were not in all instances answered within the norm of 12 seconds.

28. Turnaround times at hospitals

The actual turnaround time of 27.1 minutes was higher than the target of 20 minutes as required in terms of the Standard EMS Operating Procedure. Turnaround time is determined from when the ambulance arrives at the hospital until the ambulance is ready to be dispatched to the next emergency.

29. Training

Insufficient intermediate and advanced life support training was provided during the 2006-07 financial year as a total of eight and 13 staff members received intermediate and advanced life support training, respectively. This represents 5.6 and 13.8 per cent, respectively, of the total training required in order to achieve the target skills mix as per the Comprehensive Service Plan for the implementation of Healthcare 2010 and the Organizational Development Study 43/2006.

The insufficient training provided was due to the Tygerberg Training College not offering short courses in life support for approximately two years. Operational ambulance staff had to enrol at tertiary institutions to further their education in intermediate and advanced life support. This process proved lengthy and hindered staff from enrolling.

Internal control

Control environment

30. The department did not establish the key elements of a control environment as is evident from the matters reported under supply chain management.

Control activities

31. The effectiveness of control activities over business and accountancy processes is not adequate. This is evident from the matters reported as material adjustments made to the financial statements submitted for audit.

Delay in finalisation of audit

32. Due to the national public sector strike action during June 2007, the finalisation of the audit for the 2006-07 financial year was delayed until 31 August 2007.

OTHER REPORTING RESPONSIBILITIES

Reporting on performance information

33. I have audited the performance information as set out on pages 8 to 112.

Responsibilities of the accounting officer

34. The accounting officer has additional responsibilities as required by section 40(3)(a) of the PFMA to ensure that the annual report and audited financial statements fairly present the performance against predetermined objectives of the department.

Responsibility of the Auditor-General

35. I conducted my engagement in accordance with section 13 of the Public Audit Act, 2004, read with General Notice 646 of 2007, issued in Government Gazette No. 29919 of 25 May 2007.

36. In terms of the foregoing, my engagement included performing procedures of an audit nature to obtain sufficient appropriate evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgement.

37. I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for the audit findings reported below.

Audit findings

Non-compliance with regulatory requirements

38. Content of annual performance plan

The annual performance plan of the department did not include measurable objectives for programmes 3 and 8 as required by Treasury Regulation 5.2.3(d).

39. Lack of reporting on all predetermined objectives in annual report

We draw attention to the fact that the department has not reported on any of the predetermined objectives for programme 5 as required by section 40(3)(a) of the PFMA.

Measurable objectives reported in the annual report, but not predetermined in the annual performance plan and/or budget

40. We draw attention to the fact that the department did not include measurable objectives in the budget statement for programme 1.

41. We draw attention to the fact that for programmes 2, 3, 4, 5, 7 and 8 measurable objectives were included in the budget statement and annual report, but were not included as predetermined objectives in the annual performance plan of the department.

Evidence materially inconsistent with reported information

42. The evidence provided to support the performance information reported in the annual report for programme 5 was materially inconsistent with the reported performance information, as indicated in the table below.

Indicator	Type	2006-07 Actual	SINJANI (Provincial database)	DHIS (National database)	DHIS (excl. intensive care)
Useable beds	No	2 479	2 455	2 509	2 455
Caesarean section rate	%	34.6	35.0	35.0	35.0
Average length of stay	Days	5.4	5.9	6.2	5.9
Bed utilisation rate (based on useable beds)	%	99	83.8	88.4	83.8
Case fatality rate for surgery separations	%	2.97	5.5	5.5	5.5
Separations	No	127 671	127 985	129 909	127 985
OPD headcounts	No	1 118 845	952 800	952 800	952 800
Day cases (=1 separation = 1/2 IPD)	No	18 675	12 648	12 671	12 648
Inpatient days	No	733 981	744 607	802 882	744 607
Casualty headcount	No	319 385	155 596	155 596	155 596
PDEs	No	1 117 316	1 118 288	1 176 571	1 118 288

APPRECIATION

43. The assistance rendered by the staff of the Department of Health during the audit is sincerely appreciated.

J Diedericks for Auditor-General

Cape Town

31 August 2007

AUDITOR-GENERAL

ACCOUNTING POLICIES
for the year ended 31 March 2007

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 2 of 2006.

1. Presentation of the Financial Statements

1.1 Basis of preparation

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

1.2 Presentation currency

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

1.3 Rounding

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

1.4 Comparative figures

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

1.5 Comparative figures - Appropriation Statement

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

2. Revenue

2.1 Appropriated funds

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

Total appropriated funds are presented in the statement of financial performance.

Unexpended appropriated funds are surrendered to the Provincial Revenue Fund. Amounts owing to the Provincial Revenue Fund at the end of the financial year are recognised in the statement of financial position.

2.2 Departmental revenue

All departmental revenue is paid into the Provincial Revenue Fund when received, unless otherwise stated. Amounts owing to the Provincial Revenue Fund at the end of the financial year are recognised in the statement of financial position. Amounts receivable at the reporting date are disclosed in the disclosure notes to the annual financial statements.

2.2.1 Sales of goods and services other than capital assets

The proceeds received from the sale of goods and/or the provision of services is recognised in the statement of financial performance when the cash is received.

2.2.2 Fines, penalties & forfeits

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

2.2.3 Interest, dividends and rent on land

Interest, dividends and rent on land is recognised in the statement of financial performance when the cash is received.

2.2.4 Sale of capital assets

The proceeds received on sale of capital assets are recognised in the statement of financial performance when the cash is received.

2.2.5 Financial transactions in assets and liabilities

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

2.2.6 Gifts, donations and sponsorships (transfers received)

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

All in-kind gifts, donations and sponsorships are disclosed at fair value in the annexures to the financial statements.

2.3 Local and foreign aid assistance

Local and foreign aid assistance is recognised as revenue when notification of the assistance is received from the National Treasury or when the Department directly receives the cash from the donor(s).

All in-kind local and foreign aid assistance are disclosed at fair value in the annexures to the annual financial statements.

The cash payments made during the year relating to local and foreign aid assistance projects are recognised as expenditure in the statement of financial performance. The value of the assistance expensed prior to the receipt of the funds is recognised as a receivable in the statement of financial position.

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

3. Expenditure

3.1 Compensation of employees

Salaries and wages comprise payments to employees. Salaries and wages are recognised as an expense in the statement of financial performance when the payment is effected on the system (by no later than 31 March of each year). Capitalised compensation forms part of the expenditure for capital assets in the statement of financial performance.

All other payments are classified as current expense.

Social contributions include the employer's contribution to social insurance schemes paid on behalf of the employee. Social contributions are recognised as an expense in the statement of financial performance when the payment is effected on the system.

3.1.1 Short term employee benefits

Short term employee benefits comprise of leave entitlements (including capped leave), thirteenth cheques and performance bonuses. The cost of short-term employee benefits is expensed as salaries and wages in the statement of financial performance when the payment is effected on the system (by no later than 31 March of each year).

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.

3.1.2 Long-term employee benefits

3.1.2.1 Termination benefits

Termination benefits such as severance packages are recognised as an expense in the statement of financial performance as a transfer (to households) when the payment is effected on the system (by no later than 31 March of each year).

3.1.2.2 Post employment retirement benefits

The Department provides retirement benefits (pension benefits) for certain of its employees through a defined benefit plan for government employees. These benefits are funded by both employer and employee contributions. Employer contributions to the fund are expensed when the payment to the fund 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 Provincial Revenue Fund and not in the financial statements of the employer Department.

The Department provides medical benefits for certain of its employees. Employer contributions to the medical funds are expensed when the payment to the fund is effected on the system (by no later than 31 March of each year).

3.2 Goods and services

Payments made for goods and/or services are recognised as an expense in the statement of financial performance when the 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 services were used for a capital project or an asset of R5,000 or more is purchased. All assets costing less than R5,000 will also be reflected under goods and services.

3.3 Interest and rent on land

Interest and rental payments are recognised as an expense in the statement of financial performance when the 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.

3.4 Financial transactions in assets and liabilities

Debts are written off when identified as irrecoverable. Debts written-off are limited to the amount of savings and/or underspending of appropriated funds. The write off occurs at year-end or when funds are available. No provision is made for irrecoverable amounts but amounts are disclosed as a disclosure note.

Forex losses are recognised on payment of funds.

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

3.5 Unauthorised expenditure

When discovered 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 recognised in the statement of financial performance when the unauthorised expenditure is approved and the related funds are received. Where the amount is approved without funding it is recognised as expenditure, subject to availability of savings, in the statement of financial performance on the date of approval.

3.6 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is recognised as an asset in the statement of financial position until such time as the expenditure is recovered from the responsible person or written off as irrecoverable in the statement of financial performance.

3.7 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.

3.8 Transfers and subsidies

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

3.9 Expenditure for capital assets

Payments made for capital assets are recognised as an expense 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).

4. Assets

4.1 Cash and cash equivalents

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

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 Prepayments and advances

Amounts prepaid or advanced are recognised in the statement of financial position when the payments are made.

4.3 Receivables

Receivables included in the statement of financial position arise from cash payments made that are recoverable from another party.

Revenue receivable not yet collected is included in the disclosure notes. Amounts that are potentially irrecoverable are included in the disclosure notes.

4.4 Investments

Capitalised investments are shown at cost in the statement of financial position. Any cash flows such as dividends received or proceeds from the sale of the investment are recognised in the statement of financial performance when the cash is received.

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

4.5 Inventory

Inventories purchased during the financial year are disclosed at cost in the disclosure notes.

4.6 Capital assets

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 capital asset may be stated at fair value.

Projects (of construction/development) running over more than one financial year relating to assets, are only capitalised as assets on completion of the project and at the total cost incurred over the duration of the project.

Disclosure Notes on Tangible and Intangible Assets reflect the total movement in the asset register for the current financial year.

5. Liabilities

5.1 Payables

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

5.2 Lease commitments

Lease commitments represent amounts owing from the reporting date to the end of the lease contract. These 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.

Operating and finance lease commitments are expensed when the payments are made. Assets acquired in terms of finance lease agreements are disclosed in the annexures and disclosure notes to the financial statements.

5.3 Accruals

Accruals represent goods/services that have been received, but where no invoice has been received from the supplier at the reporting date, or where an invoice has been received but final authorisation for payment has not been effected on the system.

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.

5.4 Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Department; or

A contingent liability is a present obligation that arises from past events but is not recognised because:

- It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
- The amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are included in the disclosure notes.

5.5 Commitments

Commitments represent goods/services that have been approved and/or contracted, but where no delivery has taken place at the reporting date.

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.

6. Net Assets

6.1 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 and has not been disallowed.

7. Related party transactions

Related parties are Departments that control or significantly influence entities in making financial and operating decisions. Specific information with regards to related party transactions is included in the disclosure notes.

8. Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Department.

Compensation paid to key management personnel is included in the disclosure notes.

9. Public private partnerships

A public private partnership (PPP) is a commercial transaction between the Department and a private party in terms of which the private party:

- Performs an institutional function on behalf of the institution; and/or
- acquires the use of state property for its own commercial purposes; and
- assumes substantial financial, technical and operational risks in connection with the performance of the institutional function and/or use of state property; and
- receives a benefit for performing the institutional function or from utilising the state property, either by way of:
    - consideration to be paid by the Department which derives from a Revenue Fund;
    - charges fees to be collected by the private party from users or customers of a service provided to them; or
    - a combination of such consideration and such charges or fees.

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

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

APPROPRIATION STATEMENT
for the year ended 31 March 2007

Appropriation per Programme										
		2006/07							2005/06	
		Adjusted Appro-priation	Shifting of Funds	Virement	Final Appro-priation	Actual Expendi-ture	Variance	Expendi-ture as % of final Appropria-tion	Final Appro-priation	Actual Expendi-ture
		R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1.	**Administration**									
	Current payment	153,471	-	(4,590)	148,881	148,837	44	100.0%	120,683	120,529
	Transfers and subsidies	15,797	-	(6,871)	8,926	8,922	4	100.0%	20,799	19,407
	Payment for capital assets	6,260	-	(1,866)	4,394	4,366	28	99.4%	27,390	27,355
2.	**District Health Services**									
	Current payment	1,656,189	-	(13,242)	1,642,947	1,615,460	27,487	98,3%	1,304,844	1,297,618
	Transfers and subsidies	285,427	-	956	286,383	279,899	6,484	97,7%	308,707	308,196
	Payment for capital assets	55,155	-	514	55,669	27,433	28,236	49,3%	26,928	24,137
3.	**Emergency Medical Services**									
	Current payment	253,340	-	(6,277)	247,063	247,063	-	100.0%	217,913	217,824
	Transfers and subsidies	16,560	-	(358)	16,202	16,165	37	99.8%	12,450	12,278
	Payment for capital assets	16,457	-	(1840)	14,617	14,616	1	100.0%	25,749	25,749
4.	**Provincial Hospital Services**									
	Current payment	1,325,434	-	32,237	1,357,671	1,371,149	(13,478)	101.0%	1,208,829	1,208,538
	Transfers and subsidies	8,887	-	593	9,480	9,531	(51)	100.5%	67,859	66,734
	Payment for capital assets	15,212	-	1,743	16,955	16,955	-	100.0%	20,633	20,633
5.	**Central Hospital Services**									
	Current payment	2,026,242	-	8,077	2,034,319	2,034,319	-	100.0%	1,854,620	1,863,190
	Transfers and subsidies	8,121	-	453	8,574	8,560	14	99.8%	48,621	46,193
	Payment for capital assets	88,404	-	(8,283)	80,121	80,121	-	100.0%	71,335	71,322
6.	**Health Science and Training**									
	Current payment	55,914	-	(2,497)	53,417	47,330	6,087	88.6%	36,163	35,959
	Transfers and subsidies	50,435	-	944	51,379	51,210	169	99.7%	42,958	42,339
	Payment for capital assets	349	-	(31)	318	318	-	100.0%	866	711
7.	**Health Care Support Services**									
	Current payment	77,873	-	(3,856)	74,017	74,014	3	100.0%	84,157	83,901
	Transfers and subsidies	2,572	-	1,504	4,076	4,067	9	99.8%	7,649	7,451
	Payment for capital assets	13,156	-	1,734	14,890	14,825	65	99.6%	1,866	1,723
8.	**Health Facility Management**									
	Current payment	90,926	-	36	90,962	89,049	1,913	97.9%	46,953	43,454
	Transfers and subsidies	-	-	-	-	2	(2)	-	-	-
	Payment for capital assets	254,167	-	920	255,087	255,304	(217)	100.1%	218,850	173,571
	Subtotal	6,476,348	-	-	6,476,348	6,419,515	56,833	99.1%	5,776,822	5,718,812
	TOTAL	**6,476,348**	**-**	**-**	**6,476,348**	**6,419,515**	**56,833**	**99.1%**	**5,776,822**	**5,718,812**
Reconciliation with Statement of Financial Performance										
Add:										
	Prior year unauthorised expenditure approved with funding				**-**				**48,604**	
	Departmental receipts				**611**				**22,208**	
	Local and foreign aid assistance				**38,737**				**20,745**	
Actual amounts per Statement of Financial Performance (Total revenue)					**6,515,696**				**5,868,379**	
Add:										
	Local and foreign aid assistance					**37,803**				**19,540**
	Prior year unauthorised expenditure approved					**-**				**48,604**
Actual amounts per Statement of Financial Performance (Total expenditure)						**6,457,318**				**5,786,956**

APPROPRIATION STATEMENT
for the year ended 31 March 2007

Appropriation per Economic classification									
	2006/07							2005/06	
	Adjusted Appro-priation	Shifting of Funds	Virement	Final Appro-priation	Actual Expendi-ture	Variance	Expendi-ture as % of final Appropria-tion	Final Appro-priation	Actual Expendi-ture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	3,543,036	-	(95,936)	3,447,100	3,419,042	28,058	99.2%	3,001,387	2,976,610
Goods and services	2,096,353	-	104,409	2,200,762	2,206,764	(6,002)	100.3%	1,870,875	1,892,503
Financial transactions in assets and liabilities	-	-	1,415	1,415	1,415	-	100.0%	1,900	1,900
Transfers and subsidies									
Provinces and municipalities	144,756	-	-	144,756	141,475	3,281	97.7%	219,162	225,571
Departmental agencies and accounts	4,605	-	1,504	6,109	6,089	20	99.7%	9,332	9,263
Universities and technikons	1,407	-	-	1,407	1,275	132	90.60%	57,836	54,429
Non-profit institutions	168,088	-	(375)	167,713	164,525	3,188	98.1%	159,603	152,143
Households	68,943	-	(3,908)	65,035	64,992	43	99.9%	63,110	61,192
Payments for capital assets									
Buildings and other fixed structures	260,038	-	950	260,988	234,589	26,399	89,9%	203,478	163,879
Machinery and equipment	188,921	-	(8,166)	180,755	179,116	1,639	99.1%	189,956	181,127
Software and other intangible assets	201	-	107	308	233	75	75.6%	183	195
Total	**6,476,348**	**-**	**-**	**6,476,348**	**6,419,515**	**56,833**	**99.1%**	**5,776,822**	**5,718,812**

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

Detail per Programme 1 – Administration for the year ended 31 March 2007

Programme per sub-programme	2006/07							2005/06	
	Adjusted Appro-priation	Shifting of Funds	Virement	Final Appro-priation	Actual Expendi-ture	Variance	Expendi-ture as % of final Appropria-tion	Final Appro-priation	Actual Expendi-ture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1.1 Office of the Minister									
Current payment	4,022	-	(336)	3,686	3,686	-	100.0%	3,481	3460
Transfers and subsidies	1	-	-	1	1	-	100.0%	55	55
Payment for capital assets	29	-	22	51	51	-	100.0%	41	20
1.2 Management									
Current payment	149,449	-	(4,254)	145,195	145,151	44	100.0%	117,202	117,069
Transfers and subsidies	15,796	-	(6,871)	8,925	8,921	4	100.0%	20,744	19,352
Payment for capital assets	6,231	-	(1,888)	4,343	4,315	28	99.4%	27,349	27,335
TOTAL	**175,528**	**-**	**(13,327)**	**162,201**	**162,125**	**76**	**100.0%**	**168,872**	**167,291**

Economic classification	2006/07							2005/06	
	Adjusted Appro-priation	Shifting of Funds	Virement	Final Appro-priation	Actual Expendi-ture	Variance	Expendi-ture as % of final Appropria-tion	Final Appro-priation	Actual Expendi-ture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	84,182	-	(14,285)	69,897	69,853	44	99.9%	67,174	67,174
Goods and services	69,289	-	9,690	78,979	78,979	-	100.0%	53,161	53,007
Financial transactions in assets and liabilities	-	-	5	5	5	-	100.0%	348	348
Transfers and subsidies to:									
Provinces and municipalities	43	-	-	43	39	4	90.7%	192	153
Universities and technikons		-	-					2,544	2,330
Households	15,754	-	(6,871)	8,883	8,883	-	100.0%	18,063	16,924
Payment for capital assets									
Machinery and equipment	6,252	-	(1,866)	4,386	4,358	28	99.4%	27,260	27,225
Software and other intangible assets	8	-	-	8	8	-	100.0%	130	130
Total	**175,528**	**-**	**(13,327)**	**162,201**	**162,125**	**76**	**100.0%**	**168,872**	**167,291**

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

Detail per Programme 2 – District Health Services
for the year ended 31 March 2007

Programme per sub-programme	2006/07							2005/06	
	Adjusted Appro-priation	Shifting of Funds	Virement	Final Appro-priation	Actual Expendi-ture	Variance	Expendi-ture as % of final Appropria-tion	Final Appro-priation	Actual Expendi-ture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
2.1 District Management									
Current payment	101,523	-	(9,154)	92,369	91,880	489	99.5%	81,140	85,837
Transfers and subsidies	82	-	655	737	749	(12)	101.6%	277	332
Payment for capital assets	1,643	-	(57)	1,586	1,522	64	96.0%	2,437	2,437
2.2 Community Health Clinics									
Current payment	261,601	-	(2,703)	258,898	258,898	-	100.0%	123,379	107,403
Transfers and subsidies	115,190	-	260	115,450	112,982	2468	97.9%	195,140	206,208
Payment for capital assets	2,237	-	(1,207)	1,030	1,030	-	100.0%	2,761	2,761
2.3 Community Health Centres									
Current payment	549,556	-	412	549,968	549,968	-	100.0%	507,898	511,635
Transfers and subsidies	797	-	31	828	806	22	97.3%	4,011	4,109
Payment for capital assets	1,018	-	428	1,446	1,446	-	100.0%	6,057	5,511
2.4 Community Based Services									
Current payment	33,408	-	586	33,994	33,994	-	100.0%	31,415	30,490
Transfers and subsidies	64,236	-	-	64,236	64,120	116	99.8%	17,683	12,988
Payment for capital assets	167	-	14	181	181	-	100.0%	188	21
2.5 Other Community Services									
Current payment	34,573	-	(2,589)	31,984	31,984	-	100.0%	51,015	50,329
Transfers and subsidies	121	-	10	131	26	105	19.8%	937	723
Payment for capital assets	398	-	(96)	302	302	-	100.0%	2,024	2,024
2.6 HIV and AIDS									
Current payment	122,169	-	-	122,169	123,443	(1,274)	101.0%	78,927	90,311
Transfers and subsidies	46,035	-	-	46,035	45,136	899	98.0%	36,896	32,116
Payment for capital assets	250	-	-	250		250		200	228
2.7 Nutrition									
Current payment	10,779	-	(195)	10,584	10,584	-	100.0%	10,100	8,685
Transfers and subsidies	4,798	-	-	4,798	4,348	450	90.6%	4,470	4,624
Payment for capital assets	167	-	37	204	204	-	100.0%	241	391
2.8 Coroner									
Current payment	57,303	-	-	57,303	37,735	19,568	65.9%	7,652	1,538
Transfers and subsidies	5	-	-	5	8	(3)	160.0%	2	1
Payment for capital assets	36,744	-	-	36,744	14,223	22,521	38.7%	2,704	465
2.9 District Hospitals									
Current payment	428,055	-	401	428,456	428,456	-	100.0%	386,131	386,123
Transfers and subsidies	20,751	-	-	20,751	20,601	150	99.3%	23,141	23,045
Payment for capital assets	6,221	-	1,395	7,616	7,616	-	100.0%	9,916	9,916
2.10 Global Funding									
Current payment	57,222	-	-	57,222	48,518	8,704	84.8%	27,187	25,267
Transfers and subsidies	33,412	-	-	33,412	31,123	2,289	93.1%	26,150	24,050
Payment for capital assets	6,310	-	-	6,310	909	5,401	14.4%	400	383
TOTAL	**1,996,771**	**-**	**(11,772)**	**1,984,999**	**1,922,792**	**62,207**	**96.9%**	**1,640,479**	**1,629,951**

Economic classification	2006/07							2005/06	
	Adjusted Appro-priation	Shifting of Funds	Virement	Final Appro-priation	Actual Expendi-ture	Variance	Expendi-ture as % of final Appropria-tion	Final Appro-priation	Actual Expendi-ture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	1,002,758	-	(38,485)	964,273	940,896	23,377	97.6%	751,979	732,167
Goods and services	653,431	-	25,036	678,467	674,357	4,110	99.4%	552,762	565,348
Financial transactions in assets and liabilities	-	-	207	207	207	-	100.0%	103	103
Transfers and subsidies to:									
Provinces and municipalities	143,089	-	-	143,089	139,797	3,292	97.7%	212,738	219,456
Universities and technikons	-	-	-	-	-	-	-	2,695	2,695
Non-profit institutions	141,029	-	-	141,029	137,859	3,170	97.8%	91,929	84,775
Households	1,309	-	956	2,265	2,243	22	99.0%	1,345	1,270
Payment for capital assets									
Buildings and other fixed structures	32,551	-	30	32,581	4,904	27,677	15.1%	-	-
Machinery and equipment	22,604	-	479	23,083	22,517	566	97.5%	26,923	24,132
Software and other intangible assets	-	-	5	5	12	(7)	240.0%	5	5
Total	**1,996,771**	**-**	**(11,772)**	**1,984,999**	**1,922,792**	**62,207**	**96.9%**	**1,640,479**	**1,629,951**

Detail per Programme 3 – Emergency Medical Services for the year ended 31 March 2007

Programme per sub-programme	2006/07							2005/06	
	Adjusted Appro-priation	Shifting of Funds	Virement	Final Appro-priation	Actual Expendi-ture	Variance	Expendi-ture as % of final Appropria-tion	Final Appro-priation	Actual Expendi-ture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
3.1 Emergency Transport									
Current payment	239,428	-	(1,611)	237,817	237,817	-	100.0%	212,133	212,107
Transfers and subsidies	16,557	-	(358)	16,199	16,164	35	99.8%	12,446	12,274
Payment for capital assets	16,457	-	(1840)	14,617	14,616	1	100.0%	25,749	25,749
3.2 Planned Patient Transport									
Current payment	13,912	-	(4,666)	9,246	9,246	-	100.0%	5,780	5,717
Transfers and subsidies	3	-	-	3	1	2	33.3%	4	4
TOTAL	**286,357**	**-**	**(8,475)**	**277,882**	**277,844**	**38**	**100.0%**	**256,112**	**255,851**

Economic classification	2006/07							2005/06	
	Adjusted Appro-priation	Shifting of Funds	Virement	Final Appro-priation	Actual Expendi-ture	Variance	Expendi-ture as % of final Appropria-tion	Final Appro-priation	Actual Expendi-ture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	172,408	-	(4,941)	167,467	167,467	-	100.0%	157,645	157,556
Goods and services	80,932	-	(1,657)	79,275	79,275	-	100.0%	59,477	59,477
Financial transactions in assets and liabilities	-	-	321	321	321	-	100.0%	791	791
Transfers and subsidies to:									
Provinces and municipalities	132	-	-	132	95	37	72.0%	504	353
Non-profit institutions	16,428	-	(375)	16,053	16,053	-	100.0%	11,836	11,835
Households	-	-	17	17	17	-	100.0%	110	90
Payment for capital assets									
Buildings and other fixed structures	-	-	-	--	-	-		8,128	8,128
Machinery & equipment	16,444	-	(1,840))	14,604	14,604	-	100.0%	17,621	17,621
Software and other intangible assets	13	-	-	13	12	1	92.3%	-	-
Total	**286,357**	**-**	**(8,475)**	**277,882**	**277,844**	**38**	**100.0%**	**256,112**	**255,851**

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

Detail per Programme 4 – Provincial Hospital Services
for the year ended 31 March 2007

Programme per sub-programme	2006/07							2005/06	
	Adjusted Appro-priation	Shifting of Funds	Virement	Final Appro-priation	Actual Expendi-ture	Variance	Expendi-ture as % of final Appropria-tion	Final Appro-priation	Actual Expendi-ture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
4.1 General Hospitals									
Current payment	833,383	-	46,652	880,035	893,594	(13,559)	101.5%	780,002	779,857
Transfers and subsidies	1,804	-		1,804	1,788	16	99.1%	2,736	2,654
Payment for capital assets	11,730	-	2,522	14,252	14,252	-	100.0%	12,914	12,914
4.2 TB Hospitals									
Current payment	67,638	-	2,856	70,494	70,494	-	100.0%	57,157	57,157
Transfers and subsidies	5.455	-	(48)	5,407	5,401	6	99.9%	8,514	8,495
Payment for capital assets	514	-	(30)	484	484	-	100.0%	464	464
4.3 Psychiatric/Mental Hospitals									
Current payment	303,337	-	(5,321)	298,016	297,935	81	100.0%	275,572	275,426
Transfers and subsidies	1,446	-	155	1,601	1,682	(81)	105.1%	2,067	1,844
Payment for capital assets	840	-	39	879	879	-	100.0%	1,790	1,790
4.4 Chronic Medical Hospitals									
Current payment	63,636	-	(9,374)	54,262	54,262	-	100.0%	48,399	48,399
Transfers and subsidies	130	-	491	621	614	7	98.9%	47,125	46,815
Payment for capital assets	950	-	(624)	326	326	-	100.0%	1,355	1,355
4.5 Dental Training Hospitals									
Current payment	57,440	-	(2,576)	54,864	54,864	-	100.0%	47,699	47,699
Transfers and subsidies	52	-	(5)	47	46	1	97.9%	7,417	6,926
Payment for capital assets	1,178	-	(164)	1,014	1,014	-	100.0%	4,110	4,110
TOTAL	**1,349,533**	**-**	**34,573**	**1,384,106**	**1,397,635**	**(13,529)**	**101.0%**	**1,297,321**	**1,295,905**

Economic classification	2006/07							2005/06	
	Adjusted Appro-priation	Shifting of Funds	Virement	Final Appro-priation	Actual Expendi-ture	Variance	Expendi-ture as % of final Appropria-tion	Final Appro-priation	Actual Expendi-ture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	907,477	-	(26,954)	880,523	880,442	81	100.0%	809,200	805,659
Goods and services	417,957	-	58,699	476,656	490,215	(13,559)	102.8%	399,419	402,669
Financial transactions in assets and liabilities	-	-	492	492	492	-	100.0%	210	210
Transfers and subsidies to:									
Provinces and municipalities	572	-	-	572	648	(76)	113.3%	2,196	2,217
Universities and technikons	-	-	-	-	-	-	-	7,717	6,877
Non-profit institutions	6,036	-	-	6,036	6,018	18	99.7%	55,838	55,533
Households	2,279	-	593	2,872	2,865	7	99,8%	2,108	2,107
Payment for capital assets									
Machinery and equipment	15,212	-	1,641	16,853	16,853	-	100.0%	20,633	20,633
Software and other intangible assets	-	-	102	102	102	-	100.0%	-	-
Total	**1,349,533**	**-**	**34,573**	**1,384,106**	**1,397,635**	**(13,529)**	**101.0%**	**1,297,321**	**1,295,905**

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

Detail per Programme 5 – Central Hospital Services
for the year ended 31 March 2007

	2006/07							2005/06	
Programme per sub-programme	Adjusted Appro-priation	Shifting of Funds	Virement	Final Appro-priation	Actual Expendi-ture	Variance	Expendi-ture as % of final Appropria-tion	Final Appro-priation	Actual Expendi-ture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
5.1 Central Hospital Services									
Current payment	2,026,242	-	8,077	2,034,319	2,034,319	-	100.0%	1,854,620	1,863,190
Transfers and subsidies	8,121	-	453	8,574	8,560	14	99.8%	48,621	46,193
Payment for capital assets	88,404	-	(8283)	80,121	80,121	-	100.0%	71,335	71,322
TOTAL	**2,122,767**	**-**	**247**	**2,123,014**	**2,123,000**	**14**	**100.0%**	**1,974,576**	**1,980,705**

	2006/07							2005/06	
Economic classification	Adjusted Appro-priation	Shifting of Funds	Virement	Final Appro-priation	Actual Expendi-ture	Variance	Expendi-ture as % of final Appropria-tion	Final Appro-priation	Actual Expendi-ture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	1,299,661	-	(5,977)	1,293,684	1,293,684	-	100.0%	1,147,430	1,146,347
Goods and services	726,581	-	13, 903	740,484	740,484	-	100.0%	706,807	716,460
Financial transactions in assets and liabilities	-	-	151	151	151	-	100.0%	383	383
Transfers and subsidies to:									
Provinces and municipalities	871	-	-	871	857	14	98.4%	3,322	3,222
Universities and technikons	-	-	-	-	-	-	-	42,588	40,260
Non-profit institutions	4,595	-	-	4,595	4,595	-	100.0%	-	-
Households	2,655	-	453	3,108	3,108	-	100.0%	2,711	2,711
Payment for capital assets									
Machinery and equipment	88,404	-	(8,283)	80,121	80,121	-	100.0%	71,287	71,275
Software and other intangible assets	-	-	-	-	-	-	-	48	47
Total	**2,122,767**	**-**	**247**	**2,123,014**	**2,123,000**	**14**	**100.0%**	**1,974,576**	**1,980,705**

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

Detail per Programme 6 – Health Science and Training
for the year ended 31 March 2007

Programme per sub-programme	2006/07							2005/06	
	Adjusted Appro-priation	Shifting of Funds	Virement	Final Appro-priation	Actual Expendi-ture	Variance	Expendi-ture as % of final Appropria-tion	Final Appro-priation	Actual Expendi-ture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
6.1 Nursing Training College									
Current payment	26,637	-	(1,348)	25,289	25,289	-	100.0%	29,998	29,998
Transfers and subsidies	1,482	-	-	1,482	1,332	150	89.9%	2,485	2,430
Payment for capital assets	73	-	52	125	125	-	100.0%	539	384
6.2 Emergency Medical Services Training College									
Current payment	3,767	-	(206)	3,561	3,509	52	98.5%	2,773	2,773
Transfers and subsidies	1	-	1	2	3	(1)	150.0%	4	4
Payment for capital assets	276	-	(83)	193	193	-	100.0%	327	327
6.3 Bursaries									
Current payment	3,510	-	(943)	2,567	2,567	-	100.0%	3,343	3,140
Transfers and subsidies	46,887	-	943	47,830	47,830	-	100.0%	38,502	37,958
6.4 Primary Health Care Training									
Current payment	1	-	-	1	-	1	-	1	-
6.5 Training Other									
Current payment	21,999	-	-	21,999	15,965	6,034	72.6%	48	48
Transfers and subsidies	2,065	-	-	2,065	2,045	20	99.0%	1,967	1,947
TOTAL	**106,698**	**-**	**(1,584)**	**105,114**	**98,858**	**6,256**	**94.0%**	**79,987**	**79,009**

Economic classification	2006/07							2005/06	
	Adjusted Appro-priation	Shifting of Funds	Virement	Final Appro-priation	Actual Expendi-ture	Variance	Expendi-ture as % of final Appropria-tion	Final Appro-priation	Actual Expendi-ture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	22,280	-	(1,422)	20,858	20,605	253	98.8%	26,788	26,787
Goods and services	33,634	-	(1,101)	32,533	26,699	5,834	82.1%	9,342	9,139
Financial transactions in assets and liabilities	-	-	26	26	26	-	100.0%	33	33
Transfers and subsidies to:									
Provinces and municipalities	25	-	-	25	14	11	56.0%	96	66
Departmental agencies and accounts	2,065	-	-	2,065	2,045	20	99.0%	1,967	1,947
Universities and technikons	1,407	-	-	1,407	1,275	132	90.6%	2,292	2,267
Households	46,938	-	944	47,882	47,876	6	100.0%	38,603	38,059
Payment for capital assets									
Machinery and equipment	349	-	(31)	318	318	-	100.0%	866	711
Total	**106,698**	**-**	**(1,584)**	**105,114**	**98,858**	**6,256**	**94.0%**	**79,987**	**79,009**

Detail per Programme 7 – Health Care Support Services for the year ended 31 March 2007

Programme per sub-programme	2006/07							2005/06	
	Adjusted Appro-priation	Shifting of Funds	Virement	Final Appro-priation	Actual Expendi-ture	Variance	Expendi-ture as % of final Appropria-tion	Final Appro-priation	Actual Expendi-ture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
7.1 Laundries									
Current payment	33,554	-	(1,653)	31,901	31,899	2	100.0%	36,854	36,852
Transfers and subsidies	21	-		21	13	8	61.9%	66	64
Payment for capital assets	12,850	-	1,785	14,635	14,635	-	100.0%	1,314	1,314
7.2 Engineering									
Current payment	34,547	-	(1,063)	33,484	33,484	-	100.0%	31,314	31,314
Transfers and subsidies	8	-	-	8	8	-	100.0%	177	31
Payment for capital assets	230	-	(51)	179	123	56	68.7%	411	275
7.3 Forensic Services									
Current payment	1	-	-	1	-	1	-	7,276	7,205
Transfers and subsidies	-	-	-	-	-	-	-	18	17
Payment for capital assets	-	-	-	-	-	-	-	71	66
7.4 Orthotic & Prosthetic Services									
Current payment	9,771		(1,140)	8,631	8,631	-	100.0%	8,713	8,530
Transfers and subsidies	3		-	3	2	1	66.7%	23	23
Payment for capital assets	76		-	76	67	9	88.2%	70	68
7.5 Medicine Trading Account									
Transfers and subsidies	2,540		1,504	4,044	4,044	-	100.0%	7,365	7,316
TOTAL	**93,601**	**-**	**(618)**	**92,983**	**92,906**	**77**	**99.9%**	**93,672**	**93,075**

Economic classification	2006/07							2005/06	
	Adjusted Appro-priation	Shifting of Funds	Virement	Final Appro-priation	Actual Expendi-ture	Variance	Expendi-ture as % of final Appropria-tion	Final Appro-priation	Actual Expendi-ture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	43,234	-	(3,872)	39,362	39,360	2	100.0%	41,171	40,920
Goods and services	34,639	-	(197)	34,442	34,441	1	100.0%	42,954	42,949
Financial transactions in assets and liabilities	-	-	213	213	213	-	100.0%	32	32
Transfers and subsidies to:									
Provinces and municipalities	24	-	-	24	23	1	95.8%	114	104
Departmental agencies and accounts	2,540	-	1,504	4,044	4,044	-	100.0%	7,365	7,316
Households	8	-	-	8	-	8	-	170	31
Payment for capital assets									
Buildings and other fixed structures	-	-	-	-	-	-	-	-	48
Machinery and equipment	13,156	-	1,734	14,890	14,825	65	99.6%	1,866	1,675
Total	**93,601**	**-**	**(618)**	**92,983**	**92,906**	**77**	**99.9%**	**93,672**	**93,075**

Detail per Programme 8 – Health Facility Management for the year ended 31 March 2007

Programme per sub-programme	2006/07							2005/06	
	Adjusted Appro-priation	Shifting of Funds	Virement	Final Appro-priation	Actual Expendi-ture	Variance	Expendi-ture as % of final Appropria-tion	Final Appro-priation	Actual Expendi-ture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
8.1 Community Health Facilities									
Current payment	8,515	-	-	8,515	6,436	2,079	75.6%	4,972	4,972
Payment for capital assets	22,904	-	920	23,824	24,813	(989)	104.2%	8,154	8154
8.2 Emergency Medical Rescue									
Payment for capital assets	16,842	-	-	16,842	9,093	7,749	54.0%	510	213
8.3 District Hospital Services									
Current payment	16,311	-	-	16,311	11,349	4,962	69.6%	4,993	4,878
Transfers and subsidies	-	-	-	-	1	(1)	-	-	-
Payment for capital assets	59,467	-	-	59,467	47,299	12,168	79.5%	48,409	22,761
8.4 Provincial Hospital Services									
Current payment	31,067	-	36	31,103	43,771	(12,668)	140.7%	14,254	14,237
Payment for capital assets	144,557	-	-	144,557	148,129	(3,572)	102.5%	139,716	119,800
8.5 Central Hospital Services									
Current payment	27,288	-	-	27,288	23,729	3,559	87.0%	22,000	18,654
Payment for capital assets	6,897	-	-	6,897	17,363	(10,466)	251.7%	14,698	17,477
8.6 Other Facilities									
Current payment	7,745	-	-	7,745	3,764	3,981	48.6%	734	713
Transfers and subsidies	-	-	-	-	1	(1)	-	-	-
Payment for capital assets	3,500	-	-	3,500	8,607	(5,107)	245.9%	7,363	5,166
TOTAL	**345,093**	**-**	**956**	**346,049**	**344,355**	**1,694**	**99.5%**	**265,803**	**217,025**

Economic classification	2006/07							2005/06	
	Adjusted Appro-priation	Shifting of Funds	Virement	Final Appro-priation	Actual Expendi-ture	Variance	Expendi-ture as % of final Appropria-tion	Final Appro-priation	Actual Expendi-ture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	11,036	-	-	11,036	6,735	4,301	61.0%	-	-
Goods and services	79,890	-	36	79,926	82,314	(2,388)	103.0%	46,953	43,454
Transfers and subsidies to:									
Provinces and municipalities	-	-	-	-	2	(2)	-	-	-
Payment for capital assets									
Buildings and other fixed structures	227,487	-	920	228,407	229,685	(1,278)	100.6%	195,350	155,703
Machinery and equipment	26,500	-	-	26,500	25,520	980	96.3%	23,500	17,855
Software and other intangible assets	180	-	-	180	99	81	55.0%	-	13
Total	**345,093**	**-**	**956**	**346,049**	**344,355**	**1,694**	**99.5%**	**265,803**	**217,025**

NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2007

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

Detail of these transactions can be viewed in note 7 (Transfers and subsidies) and Annexure 1 (A-K) 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 financial transactions in assets and liabilities:

Detail of these transactions per programme can be viewed in note 6 (Financial transactions in assets and liabilities) to the Annual Financial Statements.

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

4.1 Per Programme

Programme	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appro-priation
	R'000	R'000	R'000	%
Administration	162,201	162,125	76	0%
District Health Services	1,984,999	1,922,792	62,207	3%
(1) Underspending of Forensic Pathology Services particularly due to a underspending of Capital Works projects. Shortened tender processes were attempted to expedite construction work in order to increase expenditure. Furthermore, the National Department of Transport and Public Works only claimed a small portion of their committed expenditure. The South African Police Services did not claim for the secondment of personnel as was agreed. (2) The Global Fund Appropriation was also not spent in full.				
Emergency Medical Services	277,882	277,844	38	0%
Provincial Hospital Services	1,384,106	1,397,635	(13,529)	(1%)
The acute services provided by the regional hospitals operate under tremendous pressure and patient load has increased. Trauma and emergency services within the Metro area reflect an increase in volumes and patients are presented with a high acuity of illness. HIV and AIDS pandemic contributes to the load on services and acuity of illness. Additional beds have been opened to relieve the service pressures within the Khayelitsha and Mitchells Plain drainage areas, until these two hospitals have been built.				
Central Hospital Services	2,123,014	2,123,000	14	0%
Health Science and Training	105,114	98,858	6,256	6%
Due to service delivery pressures, the non-profit organisations (NPO's) were not able to release the expected numbers of community home based carers for training. NPO's did not recruit sufficient numbers of relief workers as projected. The reasons provided by NPO's was their limited capacity and time constraints to train, coach and supervise relief workers, the administrative burden of recruitment and appointing relief workers and the limited pool of relief workers.				

NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2007

Programme	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appro-priation
	R'000	R'000	R'000	%
Health Care Support Services	92,983	92,906	77	0%
Health Facility Management	346,049	344,355	1,694	0%

4.2 Per economic classification

	2006/07 R'000	2005/06 R'000
Current payment:		
Compensation of employees	3,419,042	2,976,610
Goods and services	2,206,764	1,892,503
Financial transactions in assets and liabilities	1,415	1,900
Transfers and subsidies:		
Provinces and municipalities	141,475	225,571
Departmental agencies and accounts	6,089	9,263
Universities and Technikons	1,275	54,429
Non-profit institutions	164,525	152,143
Households	64,992	61,192
Payments for capital assets:		
Buildings and other fixed structures	234,589	163,879
Machinery and equipment	179,116	181,127
Software and other intangible assets	233	195

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2007

	Note	2006/07 R'000	2005/06 R'000
REVENUE			
Annual Appropriation	*1*	6,476,348	5,776,822
Appropriation for unauthorised expenditure approved	*9*	-	48,604
Departmental revenue	*2*	611	22,208
Local and foreign aid assistance	*3*	38,737	20,745
TOTAL REVENUE		**6,515,696**	**5,868,379**
EXPENDITURE			
Current expenditure			
Compensation of employees	*4*	3,419,042	2,976,610
Goods and services	*5*	2,206,764	1,892,503
Financial transactions in assets and liabilities	*6*	1,415	1,900
Local and foreign aid assistance	*3*	36,462	19,507
Unauthorised expenditure approved	*9*	-	48,604
Total current expenditure		5,663,683	4,939,124
Transfers and subsidies	*7*	378,356	502,598
Expenditure for capital assets			
Buildings and other fixed structures	*8*	234,589	163,879
Machinery and equipment	*8*	179,116	181,127
Software and other intangible assets	*8*	233	195
Local and foreign aid assistance	*3*	1,341	33
Total expenditure for capital assets		415,279	345,234
TOTAL EXPENDITURE		**6,457,318**	**5,786,956**
SURPLUS/(DEFICIT)		58,378	81,423
Add back unauthorised expenditure	*9*	13,529	9,965
SURPLUS/(DEFICIT) FOR THE YEAR		**71,907**	**91,388**
Reconciliation of Surplus/(Deficit) for the year			
Voted Funds	*14*	70,362	67,975
Departmental Revenue	*15*	611	22,208
Local and foreign aid assistance	*3*	934	1,205
SURPLUS/(DEFICIT) FOR THE YEAR		**71,907**	**91,388**

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

STATEMENT OF FINANCIAL POSITION
at 31 March 2007

	Note	2006/07 R'000	2005/06 R'000
ASSETS			
Current assets		576,375	553,484
Unauthorised expenditure	*9*	425,020	411,459
Cash and cash equivalents	*10*	83,935	103,470
Prepayments and advances	*11*	4,004	2,917
Receivables	*12*	63,416	35,638
Non-current assets		2	2
Investments	*13*	2	2
TOTAL ASSETS		**576,377**	**553,486**
LIABILITIES			
Current liabilities		563,267	548,888
Voted funds to be surrendered to the Revenue Fund	*14*	70,362	67,975
Departmental revenue to be surrendered to the Revenue Fund	*15*	28,571	13,074
Payables	*16*	463,400	466,635
Local and foreign aid assistance unutilised	*3*	934	1,204
TOTAL LIABILITIES		**563,267**	**548,888**
NET ASSETS		**13,110**	**4,598**
Represented by:			
Recoverable revenue		13,110	4,598
TOTAL		**13,110**	**4,598**

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

STATEMENT OF CHANGES IN NET ASSETS
for the year ended 31 March 2007

	Note	2006/07 R'000	2005/06 R'000
Recoverable revenue			
Opening balance		4,598	6,024
Transfers		8,512	(1,426)
Irrecoverable amounts written off	*6.4*	(469)	(23)
Debt movement		8,981	(1,403)
Closing balance		13,110	4,598
TOTAL		13,110	4,598

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

CASH FLOW STATEMENT
for the year ended 31 March 2007

	Note	2006/07 R'000	2005/06 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		6,839,535	6,122,765
Annual appropriated funds received	*1,1*	6,476,348	5,776,822
Appropriation for unauthorised expenditure received	*9.1*	-	48,604
Departmental revenue received		324,450	276,594
Local and foreign aid assistance received	*3*	38,737	20,745
Net (increase)/decrease in working capital		(45,661)	8,146
Surrendered to Revenue Fund		(378,142)	(315,019)
Current payments		(5,663,683)	(4,890,520)
Unauthorised expenditure – Current payment		13,529	-
Transfers and subsidies paid		(378,356)	(502,598)
Net cash flow available from operating activities	*17*	387,222	422,774
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets		(415,279)	(345,234)
Proceeds from sale of capital assets	*2.3*	10	24
Net cash flows from investing activities		(415,269)	(345,210)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		8,512	(1,426)
Net cash flows from financing activities		8,512	(1,426)
Net increase/(decrease) in cash and cash equivalents		(19,535)	76,138
Cash and cash equivalents at the beginning of the period		103,470	27,332
Cash and cash equivalents at end of period	*10*	83,935	103,470

1. Annual Appropriation

1.1 Annual Appropriation

Included are funds appropriated in terms of the Appropriation Act for Provincial Departments.

Programmes	Final Appropriation R'000	Actual Funds Received R'000	Funds not requested/ not received R'000	Appropriation received 2005/06 R'000
Administration	162,201	162,201	-	168,872
District Health Services	1,984,999	1,984,999	-	1,640,479
Emergency Medical Services	277,882	277,882	-	256,112
Provincial Hospital Services	1,384,106	1,384,106	-	1,297,321
Central Hospital Services	2,123,014	2,123,014	-	1,974,576
Health Science and Training	105,114	105,114	-	79,987
Health Care Support Services	92,983	92,983	-	93,672
Health Facility Management	346,049	346,049	-	265,803
Total	**6,476,348**	**6,476,348**	**-**	**5,776,822**

1.2 Conditional grants

	Note	2006/07 R'000	2005/06 R'000
Total grants received	*Annex 1A*	2,054,907	1,861,159
Provincial Grants included in total grants received		2,054,907	1,861,159

2. Departmental revenue to be surrendered to Provincial Revenue Fund

Sales of goods and services other than capital assets	*2.1*	223,713	200,081
Fines, penalties and forfeits		-	1
Interest, dividends and rent on land	*2.2*	205	96
Sales of capital assets	*2.3*	10	24
Financial transactions in assets and liabilities	*2.4*	16,484	8,500
Transfer received	*2.5*	85,252	67,916
Total revenue collected		325,664	276,618
Less: Departmental Revenue Budgeted	*15*	325,053	254,410
Departmental revenue to be surrendered		**611**	**22,208**

2.1 Sales of goods and services other than capital assets

Sales of goods and services produced by the Department	223,713	200,081
Sales by market establishment	223,713	200,081
Total	**223,713**	**200,081**

		Note	2006/07 R'000	2005/06 R'000
2.2	**Interest, dividends and rent on land and buildings**			
	Interest		205	96
	Total		**205**	**96**
2.3	**Sale of capital assets**			
	Other capital assets		10	24
	Total		**10**	**24**
2.4	**Financial transactions in assets and liabilities**			
	Other Receipts including Recoverable Revenue		16,484	8,500
	Total		**16,484**	**8,500**
2.5	**Transfers received**			
	Universities and technikons		11,050	10,109
	International Organisations		74,202	57,807
	Total		**85,252**	**67,916**

Transfers from International Organisations:	**R'000**
Transfers received	R52,598
Transfers not received	R21,604
Total	R74,202

	Note	2006/07 R'000	2005/06 R'000

3. Local and foreign aid assistance

3.1 Assistance received in cash: Other

Local		
Opening Balance	1,300	-
Revenue	(1,205)	1,300
Expenditure	1,300	-
Capital	1,300	-
Closing Balance	(1,205)	1,300
Foreign		
Opening Balance	(95)	4,600
Revenue	38,737	14,845
Expenditure	36,503	19,540
Current	36,462	19,507
Capital	41	33
Closing Balance	2,139	(95)
Total assistance		
Opening Balance	1,205	4,600
Revenue	37,532	16,145
Expenditure	37,803	19,540
Current	36,462	19,507
Capital	1,341	33
Closing Balance	934	1,205
Analysis of balance		
Local and foreign aid unutilised	934	1,204
Closing balance	934	(1,204)

Accrual accounting provides for balances to be carried over from one year to the next year. Due to cash accounting being utilised in this instance the opening balance has been negated.

4. Compensation of employees

4.1 Salaries and Wages

Basic salary	2,315,059	2,001,393
Performance award	34,354	21,616
Service Based	8,171	9,740
Compensative/circumstantial	354,695	313,696
Periodic payments	14,707	16,639
Other non-pensionable allowances	302,059	257,939
Total	**3,029,045**	**2,621,023**

	Note	2006/07 R'000	2005/06 R'000
4.2 Social contributions			
4.2.1 Employer contributions			
Pension		260,914	234,034
Medical		127,785	120,667
UIF		407	131
Bargaining council		741	723
Official unions and associations		-	1
Insurance		150	31
Total		**389,997**	**355,587**
Total compensation of employees		**3,419,042**	**2,976,610**
Average number of employees		24,395	23,603

		Note	2006/07 R'000	2005/06 R'000
5.	**Goods and services**			
	Advertising		16,432	11,030
	Attendance fees (including registration fees)		31	-
	Bank charges and card fees		947	948
	Bursaries (employees)		2,567	3,035
	Communication		41,936	34,185
	Computer services		22,278	22,584
	Consultants, contractors and special services		276,946	183,962
	Courier and delivery services		1,141	692
	Tracing agents & Debt collections		5,465	3,404
	Drivers' licences and permits		18	18
	Entertainment		2,278	501
	External audit fees	*5.1*	5,899	5,454
	Equipment less than R5000		31,747	31,332
	Freight service		-	98
	Honoraria (Voluntary workers)		16	3
	Inventory	*5.2*	1,027,900	893,946
	Legal fees		2,427	726
	Maintenance, repairs and running costs		142,150	112,710
	Medical Services		317,601	350,884
	Operating leases		17,189	10,346
	Personnel agency fees		169	2,911
	Photographic services		8	11
	Plant flowers and other decorations		39	51
	Printing and publications		849	442
	Professional bodies and membership fees		2,816	449
	Resettlement costs		2,040	1,238
	Subscriptions		306	106
	Owned leasehold property expenditure		135,669	124,987
	Translations and transcriptions		105	161
	Transport provided as part of the departmental activities		4,174	2,167
	Travel and subsistence	*5.3*	99,231	63,664
	Venues and facilities		1,720	1,720
	Protective, special clothing & uniforms		17,409	16,633
	Training & staff development		27,261	12,105
	Total		**2,206,764**	**1,892,503**

		Note	2006/07 R'000	2005/06 R'000
5.1	**External audit fees**			
	Regulatory audits		5,899	5,454
	Total external audit fees		**5,899**	**5,454**
5.2	**Inventory**			
	Strategic stock		791	616
	Domestic consumables		54,027	44,570
	Agricultural		5	-
	Food and Food supplies		47,272	39,682
	Fuel, oil and gas		3,850	2,965
	Laboratory consumables		11,043	10,942
	Other consumables		4,889	3,776
	Parts and other maintenance material		20,134	22,276
	Stationery and printing		30,502	23,443
	Medical supplies		855,387	745,676
	Total Inventory		**1,027,900**	**893,946**
5.3	**Travel and subsistence**			
	Local		98,599	63,042
	Foreign		632	622
	Total travel and subsistence		**99,231**	**63,664**
6.	**Financial transactions in assets and liabilities**			
	Material losses through criminal conduct			
	- Theft	*6.3*	3	23
	- Other material losses written off	*6.1*	943	1,072
	- Debts written off	*6.2*	469	805
	Total		**1,415**	**1,900**
6.1	**Other material losses written off**			
	Nature of losses			
	Government vehicle losses		727	969
	Other losses		216	103
	Total		**943**	**1,072**

		Note	2006/07 R'000	2005/06 R'000
6.2	**Debts written off**			
	Nature of debts written off			
	Salary Overpayments		190	458
	Guarantees		63	58
	Tax		122	74
	Interest		17	9
	Accommodation		28	30
	Telephone account		3	104
	Other		46	72
	Total		**469**	**805**
6.3	**Theft**			
	Detail of theft			
	State Money		-	22
	Nebuliser		-	1
	Fire Extinguisher		1	-
	Other		2	-
	Total		**3**	**23**
6.4	**Irrecoverable amounts written off**			
	Receivables written off		469	23
	Miscellaneous Debt		469	23
	Total		**469**	**23**
7.	**Transfers and subsidies**			
	Provinces and municipalities	*ANNEXURE 1F*	141,475	225,571
	Departmental agencies and accounts	*ANNEXURE 1G*	6,089	9,263
	Universities and Technikons	*ANNEXURE 1H*	1,275	54,429
	Non-profit institutions	*ANNEXURE 1K*	164,525	152,143
	Households	*ANNEXURE 1L*	64,992	61,192
	Total		**378,356**	**502,598**
8.	**Expenditure for capital assets**			
	Buildings and other fixed structures	*30*	234,589	163,879
	Machinery and equipment	*30*	179,116	181,127
	Software and other intangible assets		233	195
	Computer software	*31*	233	195
	Total		**413,938**	**345,201**

	Note	2006/07 R'000	2005/06 R'000

9. Unauthorised expenditure

9.1 Reconciliation of unauthorised expenditure

Opening balance	411,459	450,131
Unauthorised expenditure – current year	13,528	9,965
Amounts approved by Parliament/Legislature (with funding)	-	(48,604)
Current expenditure	-	(48,604)
Transfer to receivables for recovery (not approved)	33	(33)
Unauthorised expenditure awaiting authorisation	**425,020**	**411,459**

9.2 Analysis of current unauthorised expenditure

Incident	Disciplinary steps taken/criminal proceedings	
Over expenditure on Programme 4.1	No disciplinary steps or criminal proceedings will take place. The matter will be dealt with in a Finance Act.	
Total		**13,528**

Unauthorised expenditure for 2004/05 (R19,199 million) was approved but funds where only received in 2007/08 financial year.

An amount of R33,000 should have been disallowed in respect of an over-expenditure on a Donor Fund. The amount was not disallowed, thus the adjustment, as the over-expenditure was funded.

10. Cash and cash equivalents

Consolidated Paymaster General Account	4,825	(17,175)
Cash receipts	12	239
Cash on hand	106	99
Cash with commercial banks (Local)	78,992	120,307
Total	**83,935**	**103,470**

11. Prepayments and advances

Description		
Travel and subsistence	94	101
Advances paid to other entities	3,910	2,816
Total	**4,004**	**2,917**

	Note	2006/07 R'000	2005/06 R'000

12. Receivables

	Notes	Less than one year	One to three years	Older than three years	Total	Total
Staff debtors	*12.1*	6,275	4,057	10,745	21,077	12,474
Other debtors	*12.2*	24,770	1,772	4,633	31,175	12,249
Intergovernmental receivables	*Annex 4*	2,214	-	8,950	11,164	10,915
Total		**33,259**	**5,829**	**24,328**	**63,416**	**35,638**

12.1 Staff Debtors

Salary Reversal Control	(414)	546
Sal: Deduction Disall Account: CA	33	26
Sal: Tax Debt: CA	112	68
Private Telephone: CA	-	1
Debt Account: CA	21,347	11,833
Total	**21,078**	**12,474**

12.2 Other debtors

Disallowance miscellaneous	8,658	6,522
Disallowance Dishonoured Cheques	65	4
Disallowance Damage & losses	1,144	723
Damage Vehicles: CA	244	-
Housing Loan Guarantees: CA	-	367
Sal: Recoverable	(540)	-
Donor Funds	21,604	4,633
Total	**31,175**	**12,249**

13. Investments

Current		
Securities other than shares	2	2
Total current	**2**	**2**
Securities other than shares	*Annex 2A*	
Isaac Chames	2	2
Total	**2**	**2**
Total non-current	**2**	**2**

	Note	2006/07 R'000	2005/06 R'000
14. Voted funds to be surrendered to the Revenue Fund			
Opening balance		67,975	16,807
Transfer from Statement of Financial Performance		70,362	67,975
Paid during the year		(67,975)	(16,807)
Closing balance		**70,362**	**67,975**
15. Departmental revenue to be surrendered to the Provincial Revenue Fund			
Opening balance		13,074	34,668
Transfer from Statement of Financial Performance		611	22,208
Departmental revenue budgeted	*2*	325,053	254,410
Paid during the year		(310,167)	(298,212)
Closing balance		**28,571**	**13,074**

Revenue paid during the year comprises Revenue paid over 2006/2007 = R275,479,000 + Revenue previous year = R13,074,000 + Global Fund not paid = R21,604,000 + rounding.

16. Payables – current

Description	Note	30 Days R'000	30+ Days R'000	Total R'000	Total R'000
Amounts owing to other entities	*Annex 5*	-	16,697	16,697	2,590
Clearing accounts	*16.1*	-	446,703	446,703	464,045
Total		**-**	**463,400**	**463,400**	**466,635**

16.1 Clearing accounts

Description		
Patient Fee Deposits	673	716
Sal: Regional Services Council	-	12
Sal: Pension Fund	49	88
Sal: Medical Aid	-	3
Sal: Income Tax	904	1,033
Sal: Housing	3	-
Sal: Official Unions	-	1
Sal: Insurance Deductions	-	2
Sal: Bargaining Councils	2	3
Conversion: M/F Difference – One	-	-
Advances from Western Cape	458,791	458,791
Advances from Public Entities	2,237	636
Advances from Public Corporations & Private Entities	741	750
Donor Funds	-	4,600
Claims from other Depts included in Annexure 5	(16,697)	(2,590)
Total	**446,703**	**464,045**

	Note	2006/07 R'000	2005/06 R'000
17. Net cash flow available from operating activities			
Net surplus/(deficit) as per Statement of Financial Performance		71,907	91,388
Add back non cash/cash movements not deemed operating activities		315,315	331,386
(Increase)/decrease in receivables – current		(27,778)	10,939
(Increase)/decrease in prepayments and advances		(1,087)	(509)
(Increase)/decrease in other current assets		(13,561)	38,672
Increase/(decrease) in payables – current		(3,235)	(2,284)
Proceeds from sale of capital assets		(10)	(24)
Expenditure on capital assets		415,279	345,234
Surrenders to Revenue Fund		(378,142)	(315,019)
Departmental revenue budgeted		323,849	254,377
Net cash flow generated by operating activities		**387,222**	**422,774**
18. Reconciliation of cash and cash equivalents for cash flow purposes			
Consolidated Paymaster General account		4,825	(17,175)
Cash receipts		12	239
Cash on hand		106	99
Cash with commercial banks (Local)		78,992	120,307
Total		**83,935**	**103,470**

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

19. Contingent liabilities

Liable to	Nature	Note	2006/07 R'000	2005/06 R'000
Housing loan guarantees	Employees	*Annex 3A*	21,337	26,991
Claims against the department		*Annex 3B*	165,649	128,860
Other departments (interdepartmental unconfirmed balances)		*Annex 5*	16,697	1,371
Other		*Annex 3B*	(16)	(58)
Total			**203,667**	**157,164**

The closing balance of 2005/06 financial year for item housing loan guarantee has been adjusted by R3,242,000 iro of ex-employee's guarantees which had not been released and accounted for.

Item Other departments has been adjusted by R154,000

20. Commitments

	2006/07 R'000	2005/06 R'000
Current expenditure		
Approved and contracted	82,807	70,318
Approved but not yet contracted	16,487	17,208
	99,294	**87,526**
Non current expenditure		
Approved and contracted	7,674	51,569
Approved but not yet contracted	3,284	2,020
	10,958	53,589
Total Commitments	**110,252**	**141,115**

	Note	2006/07 R'000	2005/06 R'000

21. Accruals

By economic classification	30 Days R'000	30+ Days R'000	Total R'000	Total R'000
Compensation of employees	4,933	777	5,710	1,786
Goods and services	101,626	24,068	125,694	106,900
Transfers and subsidies	13,999	17,060	31,059	36,119
Buildings and other fixed structures	26,026	3,030	29,056	7,202
Machinery and equipment	1,316	353	1,669	25,280
Total	**147,900**	**45,288**	**193,188**	**177,287**

Listed by programme level			
Administration		1,539	7,213
District Health Services		48,277	46,553
Emergency Medical Services		2,274	3,213
Provincial Hospital Services		25,416	24,333
Central Hospital Services		75,002	85,308
Health Sciences and Training		1,076	304
Health Care Support Service		1,967	2,211
Health Facility Management		37,637	8,152
Total		**193,188**	**177,287**
Confirmed balances with other departments	*Annex 5*	**-**	1,219
		-	**1,219**

22. Employee benefit provisions

Leave entitlement	50,943	37,127
Thirteenth cheque	87,842	79,600
Performance awards	34,550	33,810
Capped leave commitments	215,136	219,256
Total	**388,471**	**369,793**

Leave taken before 31 March 2007 is still being captured on the system.
This effectively means that the leave entitlement provision has been overstated and can only be corrected once all the leave has been captured.

23. Lease Commitments

	Note		2006/07 R'000	2005/06 R'000
23.1	**Operating leases**	**Machinery and equipment**	**Total**	**Total**
	Not later than 1 year	4,640	4,640	6,539
	Later than 1 year and not later than 5 years	4,762	4,762	13,820
	Later than five years	1,762	1,762	48
	Total present value of lease liabilities	**11,164**	**11,164**	**20,407**

23.2	Finance leases	**Machinery and equipment**	**Total**	**Total**
	Not later than 1 year	1,133	1,133	-
	Later than 1 year and not later than 5 years	4,835	4,835	-
	Later than five years	561	561	-
	Total present value of lease liabilities	**6,529**	**6,529**	**-**

In terms of national treasury practice Note 5 of 2006/07 all lease agreements entered into in terms of RT3 of 2002/03/06 are finance leases and should be disclosed as such in 2006/07 financial statements.

	Note	2006/07 R'000	2005/06 R'000

24. Receivables for departmental revenue

Sale of goods and services other than capital assets		
Health care provided	475,179	535,000
Total	**475,179**	**535,000**

The Department's patient debt amounts to R475 million and comprise the following debt:

	2006/07	2005/06
Road Accident Fund (RAF):	R251 m	R181 m
Other:	R224 m	R354 m
Total:	R475 m	R535 m

The Department's patient debt amounts to R475 m.
Of this amount, R42 m should already have been deleted from the system due to departmental policy and because it is debt older than 3 years. The remaining valid debt is thus R433 m. Of this amount, 58% consists of Road Accident Fund Debt. The Department estimates that a quarter of this debt is irrecoverable due to the RAF rules for shared accountability. The cost of debt recovery is also very high, currently at 28% of amounts recovered. The Department therefore considers 46% of this debt as recoverable on a net basis. However, it may take many years to recover this debt. The Department's debt grows by approximately R10 m per month, and this is solely due to RAF debt. Of the valid debt, 26% relates to individuals. The Department estimates that only 39% of this debt is recoverable due to the average low income of the Department's clients. The Department has an appointed debt collector to assist with the recovery of the debt with the necessary sensitivity. Of the valid debt, 11% relates to medical aids, of which only 59% is estimated to be recoverable because medical aids on average pay what they owe within two to three months. Most of the valid debt is therefore the individuals' share of the cost, and is more difficult to recover. The total recoverable debt is therefore estimated at R206 m.

The above-mentioned debt includes a credit balance of R9,6 m.
Credit balances are attributed to incorrect allocation of payments to an invoice within the same accountholder, simultaneous write-offs, payments and duplicate payments.

Debts written off during the year:
Patient Fees written off amounts to R93,744 m.

	Note	2006/07 R'000	2005/06 R'000

25. Irregular expenditure

a. Reconciliation of irregular expenditure

Opening balance	1,021	154
Add: Irregular expenditure – current year	4,896	18,369
Less: Amounts condoned	92	17,502
Current expenditure	92	17,502
Irregular expenditure awaiting condonement	**5,825**	**1,021**
Analysis of awaiting condonement per classification		
Current expenditure	1,218	1,021
Transfers and subsidies	4,607	-
	5,825	**1,021**
Analysis of awaiting condonement per age classification		
Current	4,804	1,021
Prior years	1,021	-
Total	**5,825**	**1,021**

b. Irregular expenditure

Incident	Disciplinary steps taken/criminal proceedings		
Incidents reported 2005/06		-	18,369
Radie Kotze Provincial Aided Hospital	Matter being investigated	1,685	-
CSIR	Matter being investigated	147	-
O'Brien Personnel	Matter being investigated	107	-
Clanwilliam Provincial Aided Hospital	Matter being investigated	2,922	-
Werkomed	Matter being investigated	2	-
S M Nel	Matter being investigated	33	-
Total		**4,896**	**18,369**

26. Related party transactions

Refer to paragraph 14 of the Report of the Accounting Officer.

	Note	2006/07 R'000	2005/06 R'000

27. Key management personnel

Description	No of Individuals		
Political office bearers (provide detail below)	1	866	819
Officials			
Level 15 to 16	4	3,138	2,814
Level 14 (incl CFO if at a lower level)	8	4,535	4,080
Family members of key management personnel			
Total		**8,539**	**7,713**

28. Public Private Partnership

Refer to paragraph 7 of the Report of the Accounting Officer.

Contract fee paid		
Fixed component	960	-
Total	**960**	**-**

29. Provisions

Potential irrecoverable debts		
Staff debtors	83	56
Total	**83**	**56**

30. Tangible Capital Assets

MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2007

	Opening balance	Current Year Adjustments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
BUILDING AND OTHER FIXED STRUCTURES	**163,879**	**-**	**(133,788)**	**30,013**	**78**
Non-residential buildings	163,879	-	(133,866)	30,013	-
Other fixed structures	-	-	78	-	78
MACHINERY AND EQUIPMENT	**310,342**	**563,456**	**197,316**	**61,595**	**1,009,519**
Transport assets	9,051	306	14,960	23,175	1,142
Computer equipment	25,732	20,750	12,799	2,709	56,572
Furniture and office equipment	6,562	102,096	3,549	589	111,618
Other machinery and equipment	268,997	440,304	166,008	35,122	840,187
TOTAL TANGIBLE ASSETS	**474,221**	**563,456**	**63,528**	**91,608**	**1,009,597**

Finance leases amounting to R6,553 m have not been capitalised and disclosed as part of this note.

30.1 ADDITIONS TO TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2007

	Cash	Non-cash	(Capital Work in Progress current costs)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
BUILDING AND OTHER FIXED STRUCTURES	**234,589**	**30,091**	**(398,468)**	**-**	**(133,788)**
Non-residential buildings	234,589	30,013	(398,468)	-	(133,866)
Other fixed structures	-	78	-	-	78
MACHINERY AND EQUIPMENT	**179,116**	**18,390**	**-**	**(190)**	**197,316**
Transport assets	14,997	27	-	(64)	14,960
Computer equipment	12,424	489	-	(114)	12,799
Furniture and office equipment	3,537	62	-	(50)	3,549
Other machinery and equipment	148,158	17,812	-	38	166,008
TOTAL	**413,705**	**48,481**	**(398,468)**	**(190)**	**63,528**

30.2 DISPOSALS OF TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2007

	Sold (Cash)	Non-Cash	Total Cost	Cash Received Actual
	R'000	R'000	R'000	R'000
BUILDING AND OTHER FIXED STRUCTURES	**-**	**30,013**	**30,013**	**-**
Non-residential buildings	-	30,013	30,013	-
MACHINERY AND EQUIPMENT	**10**	**61,585**	**61,595**	**10**
Transport assets	-	23,175	23,175	-
Computer equipment	-	2,709	2,709	-
Furniture and office equipment	10	579	589	10
Other machinery and equipment	-	35,122	35,122	-
TOTAL	**10**	**91,598**	**91,608**	**10**

30.3 MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2007

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
BUILDING AND OTHER FIXED STRUCTURES	**-**	**163,879**	**-**	**163,879**
Non-residential buildings	-	163,879	-	163,879
MACHINERY AND EQUIPMENT	**125,323**	**185,915**	**896**	**310,342**
Transport assets	-	9,051	-	9,051
Computer equipment	5,228	20,527	23	25,732
Furniture and office equipment	2,541	4,174	153	6,562
Other machinery and equipment	117,554	152,163	720	268,997
TOTAL TANGIBLE ASSETS	**125,323**	**349,794**	**896**	**474,221**

31. Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2007

	Opening balance	Current Year Adjust-ments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	195	-	233	-	428
TOTAL INTANGIBLE ASSETS	**195**	**-**	**233**	**-**	**428**

31.1 ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2007

	Cash	Non-Cash	(Develop-ment 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
CAPITALISED DEVELOPMENT COSTS					
COMPUTER SOFTWARE	233	-	-	-	233
TOTAL	**233**	**-**	**-**	**-**	**233**

31.2 CAPITAL INTANGIBLE ASSET MOVEMENT FOR THE YEAR ENDED 31 MARCH 2006

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	195	-	-	195
TOTAL	**195**	**-**	**-**	**195**

WESTERN CAPE – DEPARTMENT OF HEALTH
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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007

ANNEXURE 1A
STATEMENT OF CONDITIONAL GRANTS RECEIVED

NAME OF DEPARTMENT	GRANT ALLOCATION					SPENT			2005/06	
	Division of Revenue Act/ Provincial Grants	Roll Overs	DORA Adjustments	Other Adjustments	Total Available	Amount received by Department	Amount spent by Department	% of available funds spent by Department	Division of Revenue Act	Amount spent by Department
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
National Tertiary Services	1,272,640	-	-	-	1,272,640	1,272,640	1,272,640	100.0%	1,214,684	1,214,684
Health professions training and development	323,278	-	-	-	323,278	323,278	323,278	100.0%	323,278	323,278
Hospital management and quality improvement	-	-	-	-	-	-	-	-	17,608	18,016
HIV/AIDS	115,670	-	17,500	-	133,170	133,170	133,227	100.0%	82,451	92,773
Integrated Nutrition	-	-	-	-	-	-	-	-	5,288	5,288
Forensic pathology services	68,605	8,329	8,800	-	85,734	85,734	44,453	51.8%	14,583	6,254
Hospital Revitilisation	149,703	28,553	-	-	178,256	178,256	174,337	97.8%	148,038	99,417
Provincial Infrastructure	61,829	-	-	-	61,829	61,829	64,056	103.6%	55,229	55,229
Total	**1,991,725**	**36,882**	**26,300**	**-**	**2,054,907**	**2,054,907**	**2,011,991**		**1,861,159**	**1,814,939**

ANNEXURE 1F
STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		SPENT			2005/06
	Amount	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Total Available
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000
HO										
- City of Cape Town	131,256	-	-	131,256	129,915	99.0%	129,915	129,915	100.0%	104,662
Boland										
- Breede Valley	-	-	-	-	-	-	-	-	-	3,997
- Breeriver/Winelands	-	-	-	-	-	-	-	-	-	850
- Overstrand	-	-	-	-	-	-	-	-	-	1,230
- Overberg	1,565			1,565	1,684	107.6%	1,684	1,684	100.0%	7.921
- Theewaterskloof	-	-	-	-	-	-	-	-	-	2,112
- Witzenberg	-	-	-	-	-	-	-	-	-	346
- Cape Winelands	2,540	-	-	2,540	1,311	51.6%	1,311	1,311	100.0%	9,722
WESTCOAST/WINELANDS										
- Drakenstein	-	-	-	-	-	-	-	-	-	7,699
- Cederberg	-	-	-	-	-	-	-	-	-	707
- Saldanha	-	-	-	-	-	-	-	-	-	4,000
- Matzikama	-	-	-	-	-	-	-	-	-	749
- Swartland	-	-	-	-	-	-	-	-	-	2,829
- Stellenbosch	-	-	-	-	-	-	-	-	-	6,570
- Cape Winelands	-	-	-	-	-	-	-	-	-	7,418
- West Coast	2,414	-	-	2,414	2,414	100.0%	2,414	2,414	100.0%	10,869

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NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		SPENT			2005/06
	Amount	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Total Available
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000
South Cape										
- Beaufort West	-	-	-	-	-	-	-	-	-	1,463
- George	-	-	-	-	-	-	-	-	-	11,981
- Knysna	-	-	-	-	-	-	-	-	-	3,738
- Hessequa	-	-	-	-	-	-	-	-	-	1,040
- Oudtshoorn	-	-	-	-	-	-	-	-	-	1,362
- Mossel Bay	-	-	-	-	-	-	-	-	-	3,766
- Bitou	-	-	-	-	-	-	-	-	-	3,510
- Prince Albert	-	-	-	-	-	-	-	-	-	335
- Central Karoo	1,850	-	-	1,850	1,369	74.0%	1,369	1,369	100.0%	4,910
- Eden	2,752	-	-	2,752	2,540	92.3%	2,540	2,540	100.0%	13,641
Regional Service Council Levy (Various Mun's)	2,379	-	-	2,379	2,242	94.2%	2,242	2,242	100.0%	8,144
Total	**144,756**	**-**	**-**	**144,756**	**141,475**		**141,475**	**141,475**		**225,571**

ANNEXURE 1G
STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENT/ AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2005/06
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Cape Medical Depot	2,540	-	1,504	4,044	4,044	100.0%	7,316
SETA	2,065	-	-	2,065	2,045	99%	1,947
Total	**4,605**	**-**	**1,504**	**6,109**	**6,089**		**9,263**

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ANNEXURE 1H
STATEMENT OF TRANSFERS TO UNIVERSITIES AND TECHNIKONS

UNIVERSITY/TECHNIKON	TRANSFER ALLOCATION				TRANSFER			2005/06
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Amount not transferred	% of Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
Stellenbosch	-	-	-	-	-	-	-	22,437
Western Cape	-	-	-	-	-	-	-	9,835
Cape Town	-	-	-	-	-	-	-	18,996
Cape Peninsula University of Technology	1,407	-	-	1,407	1,275	132	90.6%	3,161
Total	**1,407**	**-**	**-**	**1,407**	**1,275**	**132**		**54,429**

ANNEXURE 1K
STATEMENT OF TRANSFERS/SUBSIDIES TO NON-PROFIT INSTITUTIONS

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2005/06
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
Provincial-aided hospitals							
- St Josephs	5,757	-	-	5,757	5,757	100.0%	5,483
- Sarah Fox	4,034	-	-	4,034	4,034	100.0%	3,842
- Maitland Cottage	4,595	-	-	4,595	4,595	100.0%	4,376
- Booth Memorial	7,495	-	-	7,495	7,796	104.0%	7,138
- Clanwilliam	7,057	-	-	7,057	7,029	99.6%	6,793
- Radie Kotze	4,118	-	-	4,118	4,043	98.2%	3,850
- Murraysburg	2,360	-	-	2,360	2,360	100.0%	2,177
- Prince albert	3,500	-	-	3,500	3,500	100.0%	3,380
- Uniondale	2,850	-	-	2,850	2,850	100.0%	2,595
- Laingsburg	-	-	-	-	-	-	2,905
S.A. Red Cross Air Mercy	16,428	-	(375)	16,053	16,053	100.0%	11,835
Conradie Care Centre	27,338	-	-	27,338	27,008	98.8%	25,744
Community Outreach	7,073	-	-	7,073	6,124	86.6%	1,135
Social Capital	-	-	-	-	-	0.0%	1,328
DP Marais	5,330	-	-	5,330	5,330	100.0%	8,291

WESTERN CAPE – DEPARTMENT OF HEALTH
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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2005/06
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Non-Governmental Organisations							
- HIV/AIDS	35,815	-	-	35,815	34,245	95.6%	31,103
- Nutrition	1,790	-	-	1,790	1,374	76.7%	1,622
- TB NGOs	3,390	-	-	3,390	3,250	95.9%	1,497
- Day Care Centres	2,837	-	-	2,837	3,049	107.5%	2,798
- HCW NGO	486	-	-	486	486	100.0%	451
- Licensed homes	2,601	-	-	2,601	3,723	143.1%	3,642
- Group homes	3,594	-	-	3,594	3,132	87.1%	3,114
- PSCHO Soc Rehab groups	320	-	-	320	255	79.7%	297
- Santa Guidance	126	-	-	126	81	64.3%	17
- Global Fund	19,194	-	-	19,194	18,451	96.1%	16,730
Total	**168,088**	**-**	**(375)**	**167,713**	**164,525**		**152,143**

ANNEXURE 1L
STATEMENT OF TRANSFERS/SUBSIDIES TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2005/06
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
Employee social benefits-cash residents	6,390	-	1,821	8,211	8,168	99.5%	6,697
Claims against the state: households	11,746	-	(7,498)	4,248	4,248	100.0%	13,300
Bursaries	46,887	-	943	47,830	47,830	100.0%	37,958
PMT/Refund&Rem-Act/Grace (Injuries on duties)	3,820	-	826	4,646	4,646	100.0%	3,115
Donations & Gifts Households - cash	100	-		100	100	100.0%	122
Total	**68,943**	**-**	**(3,908)**	**65,035**	**64,992**		**61,192**

ANNEXURE 1M
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED FOR THE YEAR ENDED 31 MARCH 2007

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2006/07	2005/06
		R'000	R'000
Received in kind			
Gifts & Donations and sponsorships received for the year ending 31 March 2006	Various	-	9,497
Groote Schuur Hospital	Bi Plan cath lab package	8,567	-
Groote Schuur Hospital	3D Mapping systems	2,006	-
Groote Schuur Hospital	Monitoring system	1,141	-
Groote Schuur Hospital	Eye consumables, lenses etc	776	-
Groote Schuur Hospital	Ultrasound system	648	-
Groote Schuur Hospital	Canon digital Fundus	470	-
Groote Schuur Hospital	Cardiac & Cancer research work	464	-
Groote Schuur Hospital	Computer equipment	384	-
Groote Schuur Hospital	Staff salaries (I Cloete) PAOU R/O	379	-
Eerste River Hospital	Photoagulator	314	-
Groote Schuur Hospital	Patient eelfare & staff welfare	247	-
Groote Schuur Hospital	Sessional staff	245	-
Groote Schuur Hospital	Plasma Coagulation Unit	217	-
Groote Schuur Hospital	EEG equipment & accessories	213	-
Groote Schuur Hospital	Office equipment	204	-
Groote Schuur Hospital	Travailing & Accommodation	197	-
Groote Schuur Hospital	Stimulator	191	-
Somerset Hospital	Dinamap Pro 1000	175	-
Groote Schuur Hospital	Maintenance Building	137	-
Red Cross Hospital	Ultrasonic Irrigator	132	-
Groote Schuur Hospital	ECG machine	126	-
Groote Schuur Hospital	ECG machine	126	-
Eerste River Hospital	Keratometer	112	-

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2006/07	2005/06
		R'000	R'000
Somerset Hospital	Cardica monitor	110	-
Groote Schuur Hospital	Eye instruments, forcepts etc	102	-
Somerset Hospital	Dinamap Pro 300	99	-
Montagu Hospital	Renovation of casualty	95	-
Somerset Hospital	Wheelchairs	91	-
Groote Schuur Hospital	Staff training	80	-
Tygerberg Hospital	EMG Machine	80	-
Tygerberg Hospital	Digital LED Display	80	-
Groote Schuur Hospital	Card reader	76	-
Eerste River Hospital	Slit lamp X 1	75	-
Groote Schuur Hospital	Gardens & grounds	73	-
Red Cross Hospital	Theatre instruments	70	-
Victoria Hospital	CCTV camera system	63	-
Eerste River Hospital	Scanner – Eye clinic	60	-
Groote Schuur Hospital	Maintenance – Furniture	60	-
Groote Schuur Hospital	Blinds, curtains, carpets etc	58	-
Somerset Hospital	Patient trolleys	54	-
Eerste River Hospital	Chair	53	-
Eerste River Hospital	Slit lamp X 1	47	-
Groote Schuur Hospital	Catering	47	-
Groote Schuur Hospital	Artwork	47	-
Groote Schuur Hospital	Artwork	47	-
Groote Schuur Hospital	Sterostaic knife system	45	-
Red Cross Hospital	Procycler	45	-
Red Cross Hospital	Procycler	45	-
Tygerberg Hospital	Ambulator Ph Recoder with blue tooth	45	-
Tygerberg Hospital	Medtronic external pacemakers X 2	44	-
Victoria Hospital	Diathermy machine	44	-
Groote Schuur Hospital	Cellphones	40	-

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2006/07	2005/06
		R'000	R'000
Somerset Hospital	3 x Wetrock polishers	39	-
Groote Schuur Hospital	Books & publications	39	-
Victoria Hospital	Patient trolley	35	-
Groote Schuur Hospital	Expanded binoculars – Oncology	31	-
Eerste River Hospital	Buggies x 7	31	-
Somerset Hospital	Jaundice meter	26	-
Somerset Hospital	Wetrock Polisher	26	-
Groote Schuur Hospital	Maintenance – vehicle	26	-
Eerste River Hospital	Coffee Machine	26	-
Somerset Hospital	Dinamap Pro 1000	25	-
Somerset Hospital	ECG Machine	24	-
Somerset Hospital	Laptop	24	-
WC Winelands R/O	Notebook x 2	23	-
Stellenbosch Hospital	Light, medical	22	-
Groote Schuur Hospital	2 x Headlights Theatres	22	-
Red Cross Hospital	Ventalators	22	-
Eerste River Hospital	Fridge	22	-
Tygerberg Hospital	Computers	22	-
Eerste River Hospital	Ophthalmoscope	21	-
Tygerberg Hospital	Upholster chairs	21	-
Somerset Hospital	Patient warming device	21	-
Tygerberg Hospital	Laryngeal mask	21	-
Tygerberg Hospital	Curtains	20	-
Eerste River Hospital	Projector	19	-
Victoria Hospital	ABP Ambulatory pressure meter	19	-
Groote Schuur Hospital	CT Scanner spares	19	-
Red Cross Hospital	Suction pumps	18	-
Groote Schuur Hospital	Printing & stationery	18	-
Eben Donges Hospital	Mecer P4 Notebook	17	-

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2006/07	2005/06
		R'000	R'000
Groote Schuur Hospital	Subscription to M-Net for In-patients	17	-
Groote Schuur Hospital	Bookstand-upright	16	-
Red Cross Hospital	Chair scale	16	-
Tygerberg Hospital	Lamps	15	-
Groote Schuur Hospital	Data capturing	15	-
Red Cross Hospital	Curtains	15	-
WC Rehab	Wheelchairs x 10, Wet wipes x 3 boxes, shoes x 80 pm.	15	-
Beaufort West Hospital	Welch Allyn Diagnostic Set	15	-
Beaufort West Hospital	Pulse Oximeter	15	-
False Bay Hospital	Turfmaster 750 Robin EH41 lawnmower	15	-
Stellenbosch Hospital	Notebook IBM Thinkpad	15	-
Oudtshoorn Hospital	Air conditioning, split unit 24000 BTU Samsung x 2	15	-
Stellenbosch Hospital	Light source unit, Olympus model CLH-250	15	-
Red Cross Hospital	Blood pressure set	14	-
Red Cross Hospital	Ripple mattress	14	-
Groote Schuur Hospital	Carbon panel	14	-
Groote Schuur Hospital	Audiovisual equipment – CEO	13	-
Eerste River Hospital	Keratometer	13	-
Tygerberg Hospital	TV Monitors	13	-
Somerset Hospital	Stoves	13	-
WC Rehab	3 boxes wetwipes, 4 spades, 10 wheelchairs	13	-
Eerste River Hospital	Lensometer	13	-
Groote Schuur Hospital	Pole mount – neomatal	13	-
Tygerberg Hospital	Drills	11	-
Montagu Hospital	Linen/crockery for wards	11	-
WC Winelands R/O	Projector	11	-
Mowbray maternity Hospital	Linen locker	11	-
Stellenbosch Hospital	Trolley, electric food	10	-
Stellenbosch Hospital	Trolley, electric food	10	-

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2006/07	2005/06
		R'000	R'000
Stellenbosch Hospital	Trolley, electric food	10	-
Somerset Hospital	Water warming cabinet	10	-
Somerset Hospital	Water warming cabinet	10	-
WC Rehab	Custom buggy	10	-
Various	Other	737	-
Subtotal		21,218	9,497
Total		**21,218**	**9,497**

ANNEXURE 1N
STATEMENT OF LOCAL AND FOREIGN AID ASSISTANCE RECEIVED

NAME OF DONOR	PURPOSE	OPENING BALANCE	REVENUE	EXPENDITURE	CLOSING BALANCE
		R'000	R'000	R'000	R'000
Received in cash					
Local:					
Rotary Club	Purchase of CT Scanner for GF Jooste Hospital	-	1,300	1,300	-
Foreign:					
TB HIV Global Fund	Fight against TB, AIDS and Malaria	-	842	-	842
European Union Funds	Home Based Care	-	35,425	36,152	(727)
Belgium Fund	Purchase of Wheelchairs	-	1,075	357	718
World Population Fund	Reproductive Health Project	-	95	3	92
Total		-	**38,737**	**37,812**	**925**

ANNEXURE 1O
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE AND REMMISSIONS, REFUNDS AND PAYMENTS MADE AS AN ACT OF GRACE FOR THE YEAR ENDED 31 MARCH 2007

NATURE OF GIFT, DONATION OR SPONSORSHIP	2006/07	2005/06
	R'000	R'000
Paid in cash		
Elim House (Home for the disabled)	-	100
University Of Western Cape	-	72
Development Bank of South Africa (Mali Project)	-	50
Teaching Hospital Facility Board – Donation towards the 30 year anniversary celebration	100	-
Sub-total	100	222
Made in kind		
Remissions, refunds, and payments made as an act of grace	-	-
Payment made as an act of grace	38	-
Sub-total	38	-
TOTAL	**138**	**222**

ANNEXURE 2A
STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO NATIONAL/PROVINCIAL PUBLIC ENTITIES AS AT 31 MARCH 2007
(Only Public and Private Entities)

Name of Public Entity	State Entity's PFMA Schedule type (state year end if not 31 March)	% Held 06/07	% Held 05/06	Number of shares held		Cost of investment R'000		Net Asset value of investment R'000		Profit (Loss) for the year R'000		Losses guaran-teed
				2006/07	2005/06	2006/07	2005/06	2006/07	2005/06	2006/07	2005/06	Yes/No
National/Provincial Public Entity												
Isaac Chames						-	-	2	-	-	-	No
Total						-	-	2	-	-	-	

ANNEXURE 3A
STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2007 – LOCAL

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2006	Guarantees draw downs during the year	Guarantees repayments/ cancelled/ reduced/ released during the year	Currency revaluations	Closing balance 31 March 2007	Guaranteed interest for year ended 31 March 2007	Realised losses not recoverable
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Standard Bank	Housing	-	2,898	153	712	-	2,339	-	-
Nedbank (Cape of Good Hope)	Housing	-	145	-	59	-	86	-	-
Nedbank	Housing	-	1,090	91	306	-	875	-	-
First Rand	Housing	-	2,947	18	548	-	2,417	-	-
Nedbank (Inc BOE)	Housing	-	674	-	76	-	598	-	-
Absa	Housing	-	9,996	305	2,306	-	7,995	-	-
Old Mutual Fin Ltd	Housing	-	76	-	-	-	76	-	-
Peoples Bank FBC Fid	Housing	-	407	-	185	-	222	-	-
Peoples Bank (NBS)	Housing	-	950	-	187	-	763	-	-
FNB (Former Saambou)	Housing	-	2,518	70	557	-	2,031	-	-
Old Mutual (Nedbank/Perm)	Housing	-	4,657	126	1,410	-	3,373	-	-
GBS Mutual Bank	Housing	-	12	-	12	-	-	-	-
Nedcor Inv, Bank Ltd	Housing	-	29	-	-	-	29	-	-
Community Bank	Housing	-	11	-	-	-	11	-	-
Unibank	Housing	-	-	-	-	-	-	-	-
BOE Bank Ltd	Housing	-	228	-	48	-	180	-	-
SA Home Loans	Housing	-	17	-	17	-	-	-	-
Green Start Home Loans	Housing	-	41	23	17	-	47	-	-
NHFC (Masikeni)	Housing	-	295	-	-	-	295	-	-
Sub-Total		-	26,991	786	6,440	-	21,337	-	-
Total		**-**	**26,991**	**786**	**6,440**	**-**	**21,337**	-	-

Refer to Disclosure Note 19 for the amount R26,991,000 under Opening balance 1 April 2006 column.

ANNEXURE 3B
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2007

Nature of Liability	Opening Balance 01/04/2006	Liabilities incurred during the year	Liabilities paid/cancelled/reduced during the year	Liabilities recoverable(Provide details hereunder)	Closing Balance 31/03/2007
	R'000	R'000	R'000	R'000	R'000
Claims against the Department					
Labour Relations Claims	207	62	-	-	269
Medico Legal	126,455	36,055	4,248	-	158,262
Civil & Legal Claims	2,198	4,920	-	-	7,118
	128,860	**41,037**	**4,248**	**-**	**165,649**
Other					
Ex-gratia payments	(58)	80	38		(16)
Sub-total	(58)	80	38	-	(16)
Total	**128,802**	**41,117**	**4,286**	**-**	**165,633**

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007

ANNEXURE 4
INTER-GOVERNMENT RECEIVABLES

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2007	31/03/2006	31/03/2007	31/03/2006	31/03/2007	31/03/2006
	R'000	R'000	R'000	R'000	R'000	R'000
PROVINCE OF THE WESTERN CAPE						
Department of Correctional Services	-	-	15	125	15	125
Department of Social Development	-	-	18	143	18	143
Department of Transport & Public Works	483	-	-	599	483	599
Department of Community Safety	21	11	-	-	21	11
Department of Education	59	-	-	92	59	92
Department of the Premier	62	-	16	22	78	22
Government of Motor Transport	-	-	-	-	-	-
Parliament	-	-	241	-	241	-
Department of Economic Development & Tourism	-	-	-	-	-	-
South African Social Security Agency	-	-	1,076	-	1,076	-
NORTH WEST PROVINCE						
Department of Health	-	-	-	7	-	7
PROVINCE OF THE EASTERN CAPE						
Department of Health	-	-	12	56	12	56
NORTHERN CAPE PROVINCE						
Department of Health	-	-	32	-	32	-
KWAZULU-NATAL PROVINCE						
Department of Health	-	-	80	67	80	67

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2007	31/03/2006	31/03/2007	31/03/2006	31/03/2007	31/03/2006
	R'000	R'000	R'000	R'000	R'000	R'000
NATIONAL DEPARTMENTS						
Department of Defense	-	-	-	-	-	-
Department of Justice	-	-	-	-	-	-
Department of Health	-	-	6	137	6	137
OTHER						
EC F Piet	-	-	35	-	35	-
Integrated Nutrition Prog (METRO DHS)	-	-	58	65	58	65
	625	**11**	**1,589**	**1,313**	**2,214**	**1,324**
Other Government Entities						
Pension Recoverable	-	-	(160)	(40)	(160)	(40)
Agency Service	-	-	9,110	9,631	9,110	9,631
Sub-total	-	-	8,950	9,591	8,950	9,591
TOTAL	**625**	**11**	**10,539**	**10,904**	**11,164**	**10,915**

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007

ANNEXURE 5
INTER-GOVERNMENT PAYABLES

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2007	31/03/2006	31/03/2007	31/03/2006	31/03/2007	31/03/2006
	R'000	R'000	R'000	R'000	R'000	R'000
DEPARTMENTS						
Current						
WESTERN CAPE PROVINCE						
Provincial Treasury	-	178	-	-	-	178
Departmental Transport and Public Works	-	473	-	-	-	473
Government Motor Transport	-	-	16,667	1,352	16,667	1,352
Department of Premier	-	153	22	-	22	153
Department of Cultural Affairs and Sport	-	-	-	19	-	19
Department of Local government and Housing	-	12	-	-	-	12
Department of Education	-	-	8	-	8	-
FREE STATE PROVINCE						
Department of Health	-	47	-	-	-	47
NATIONAL DEPARTMENTS						
National Department of Justice and Constitutional Development	-	356	-	-	-	356
Subtotal	**-**	**1,219**	**16,697**	**1,371**	**16,697**	**2,590**
TOTAL	**-**	**1,219**	**16,697**	**1,371**	**16,697**	**2,590**

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

General Review of the State of Affairs

Budget Allocation

The budget requirement in respect of the operational expenditure of the Cape Medical Depot is recovered from hospitals and institutions by means of a levy charged for goods supplied. The budget of the Cape Medical Depot is included in the approved budget statement of the Department. The budget allocation for administrative expenditure amounted to R31,711 million for the 2006/07 financial year. The administrative budget comprises compensation of employees, goods and services, and payments for capital assets.

The budget allocation for the 2006/07 financial year to purchase goods for resale amounted to R341,760 million. The actual purchases (receipts posted on the Medical Stores Administration System (MEDSAS)) for the year amounted to R300,054 million against actual issues (sales) for the year amounting to R318,519 million. Revenue amounting to R18,465 million was therefore available to fund operating expenditures.

The cumulative capital and reserves available to the Depot as at 31 March 2007 for the purchase of stock amounted to R42,791 million. This amount remains static until Treasury is requested to grant an increase in the approved capital via normal budgeting processes. During the year under review the Depot's Trading Capital was augmented by R4,044 million.

Over/Under spending

The operating expenditure for the year under review was exceeded by R2,191 million resulting in a loss to be funded by the Department from the 2006/07 financial year budget allocation.

The closing stock figure as per the Medical Stores Administration System (MEDSAS) was R54,834 million. The high stock level enables the Depot to meet the demands and ensures a consistent reliable supply of pharmaceutical and related items to all users within the Province.

Spending Trends

All items requisitioned for use in the administration of the Depot are channelled through a budget committee to ensure that funds are available and that the Depot expenditure stays within budget.

Services rendered by the Trading Entity

The CMD caters for the provisioning of pharmaceutical and non-pharmaceutical supplies in bulk from suppliers, thereby enabling users to keep lower stock levels and rely on shorter delivery lead-times. Better control is exercised over purchases and the advantage of buying bulk results in lower costs especially on medical supplies. The Depot is responsible for the storage and management of this stock, to service provincial hospitals, provincial-aided hospitals, old age homes, day hospitals, local authorities and clinics with stock, upon receipt of requisitions in this regard.

The CMD consists of four sections, namely Pharmaceutical Depot, Non-pharmaceutical Depot, DDV (Direct Delivery Voucher) Pharmaceutical Depot and DDV Dental Depot. The Oudtshoorn Medical Depot is a sub-depot of the Cape Medical Depot and supplies pharmaceuticals to the Southern Cape/Karoo and surrounding areas.

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

Tariff Policy

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

Pharmaceutical and non-pharmaceutical depot stock	:	8 % levy on average prices
Direct delivery items	:	5 % levy on average prices
Pre-pack items	:	R0.68 per unit

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

Capacity Constraints

- *Interest on Capital* – The CMD is currently the only Depot in the country to carry this expenditure.

- *Working capital* – The working capital has to be reviewed and increased annually in order to meet the increasing demands. The biggest factor impacting on the CMD's capability to trade efficiently is the relatively high medical inflation.

- *Physical limitations of the building* – The building limits further expansion and leads to operational inefficiencies. In this regard a recent report by the SA Pharmacy Council highlighted several shortcomings in the building which will require rectification in order to ensure that the building complies with legislation that became effective on the 1st July 2005. Negotiations have been entered into with the Department of Works to provide air-conditioning and to clad the walls and floors to ensure compliance.

- The Depot functions on a modified cash accounting system i.e. the Basic Accounting System. In terms of Treasury Regulations, Trading Entities must compile Financial Statements on an accrual basis of accounting. The conversion of the information to comply with the accounting principles of SA GAAP is extremely time consuming.

Utilisation of Donor Funds

No donor funding was received at the CMD.

Business Address

16 Chiappini Street	Private Bag 9036
Cape Town	Cape Town
8001	8000

New/Proposed Activities

The Department will be constructing a larger Oudtshoorn Medical Sub-Depot to cater for increased demand and to comply with legislation during the 2006/07 financial year.

The Pre-pack Unit which was situated at Karl Bremer Hospital has been re-located to the CMD Warehouse during the 2005/06 financial year.

The Department of Works has also been requested to address the current deficiencies within the CMD to comply with legislation. These deficiencies amongst others are:

- Inadequate climate control
- Inadequate security
- Inadequate cold storage facilities

Events after the Balance Sheet date

No material events.

Performance Information

The following performance indicators are available as standard reports on the MEDSAS system:

	2006/07	2005/06
Stock Turnover	6.02	7.5
Dues Out	7.6%	8.6%
Service Level	84%	81%

Stock turnover target is set at 8 by National Treasury. During the year under review, in order to compensate for erratic supplier performance, stock holding was increased significantly, resulting in a reduced stock turnover. The service level, (defined as the number of orders satisfied within 48 hours of receipt) has however increased from 81% in 2005/06 to 84% 2006/07.

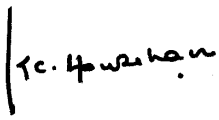
This can mainly be attributed to staff attending ABET and Pharmacy Assistant courses resulting in orders not being satisfied within 48 hours of receipt.

Other

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

Approval

The Annual Financial Statements set out on pages 221 to 238 have been approved by the Accounting Officer.



PROFESSOR KC HOUSEHAM
ACCOUNTING OFFICER
DATE: 31 May 2007

REPORT OF THE AUDITOR-GENERAL TO THE WESTERN CAPE PROVINCIAL PARLIAMENT ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF THE CAPE MEDICAL DEPOT FOR THE YEAR ENDED 31 MARCH 2007

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of the Cape Medical Depot which comprise the balance sheet as at 31 March 2007, income statement, statement of changes in net equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 221 to 238.

Responsibility of the accounting officer for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with South African Statements of Generally Accepted Accounting Practice (SA Statements of GAAP) and in the manner required by the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA). This responsibility includes:

    - designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error
    - selecting and applying appropriate accounting policies
    - making accounting estimates that are reasonable in the circumstances.

Responsibility of the Auditor-General

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996, read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) and section 40(2) of the PFMA, my responsibility is to express an opinion on these financial statements based on my audit.

4. I conducted my audit in accordance with the International Standards on Auditing and General Notice 647 of 2007, issued in Government Gazette No. 29919 of 25 May 2007. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

6. An audit also includes evaluating the:

    - appropriateness of accounting policies used
    - reasonableness of accounting estimates made by management
    - overall presentation of the financial statements.

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

Opinion

8. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Cape Medical Depot as at 31 March 2007 and its financial performance and cash flows for the year then ended, in accordance with South African Statements of Generally Accepted Accounting Practice and in the manner required by the PFMA.

OTHER MATTERS

I draw attention to the following matters that are ancillary to my responsibilities in the audit of the financial statements:

Non-compliance with applicable legislation

Treasury regulations

9. Supporting documentation for transactions with a total value of R1 397 524 (2005-06: R1 174 623) was, contrary to Treasury Regulation 17.2, not retained and could therefore not be submitted for audit purposes to verify the validity, accuracy and completeness of the transactions.

10. Invoices to the value of R63 218 421 (2005-06: R58 739 980) were, contrary to Treasury Regulation 8.2.3 and Finance Instructions, not settled within 30 days of receipt of the invoices.

Medicines and Related Substance Act

11. The entity is presently operating in contravention of the provisions of the Medicines and Related Substances Act, 1965 (Act No. 101 of 1965). Due to non-compliance with Good Wholesaling Practice requirements relating to the warehousing of medicines, the Medical Control Council has not issued the required licence for the wholesaling of medicines.

Material corrections made to the financial statements submitted for audit

12. The financial statements, approved by the accounting officer, as submitted for audit on 31 May 2007, have been significantly revised in respect of a material misstatement of R2 147 728 as a result of inventory items that were delivered after year-end, but incorrectly recognised as inventory in the 2006-07 financial year.

Internal control

Control activities

13. The effectiveness of control activities over business and accountancy processes is not adequate. This is evident from the matters reported as supporting documentation not retained and the misstatement of inventory.

Delay in finalisation of audit

14. Due to the national public sector strike action during June 2007, the finalisation of the audit for the 2006-07 financial year was delayed until 31 August 2007.

OTHER REPORTING RESPONSIBILITIES

Reporting on performance information

15. Performance information relating to the entity is included in the performance information of the Department of Health as set out on pages 103 to 108. My audit of this performance information and any findings thereon are included in the audit report on the financial statements and performance information of the Department of Health.

APPRECIATION

16. The assistance rendered by the staff of the Cape Medical Depot during the audit is sincerely appreciated.

J Diedericks for Auditor-General

Cape Town

31 August 2007

AUDITOR-GENERAL

Cape Medical Depot

Accounting Policies
for the year ended 31 March 2007

The Annual Financial Statements have been prepared in accordance with South African Statements of Generally Accepted Accounting Practice and the Public Finance Management Act, Act 1 of 1999 as amended.

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

1. Basis of preparation

The financial statements have been prepared on the historical cost basis.

2. Currency

These financial statements are presented in South African Rands.

3. Revenue recognition

Revenue from the sale of goods is recognised when significant risks and rewards of ownership of the goods have been transferred to the buyer.

4. Expenditure

Compensation of Employees

Salaries and wages comprise payments to employees. Salaries and wages are recognised as an expense in the Income Statement when the final authorisation for payment is effected on the system. The expenditure is classified as capital where the employees were involved, on a full time basis, on capital projects during the financial year. All other payments are classified as current expense.

Social contributions include the entities contribution to social insurance schemes paid on behalf of the employee.

Short-term employee benefits

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

5. Retirement benefit costs

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

6. Irregular and fruitless and wasteful expenditure

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

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

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

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

7. Unusual items

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

8. Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation.

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

	%
Plant and equipment	20% p.a.
Computer Equipment	33⅓% p.a.
Furniture and Fittings	20% p.a.
Medical Allied Equipment	10% p.a.

9. Impairment

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

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are immediately recognised as an expense.

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

10. Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value represents the estimated selling price in the ordinary course of business less any costs of completion and costs to be incurred in marketing, selling and distribution.

Cost is determined on the following bases:

- All inventories are value at average cost.

11. Financial instruments

Financial assets

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

❑ Trade receivables

Trade receivables are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

Financial liabilities

The Cape Medical Depot's principle financial liabilities are accounts payable.

All financial liabilities are measured at amortised cost, comprising original debt less principle payments and amortisations.

❑ Trade payables

Trade and other payables are stated at their nominal value.

12. Provisions

Provisions are recognised when the Cape Medical Depot has a present obligation as a result of a past event and it is probable that this will result in an outflow of economic benefits that can be estimated reliably.

13. Changes in accounting estimates and errors

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

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

14. Lease commitments

Lease commitments for the period remaining from the reporting date until the end of the lease contract are disclosed as part of the disclosure notes to the Annual Financial Statements.
Operating lease expenditure is expensed when the payment is made.

15. Contingent liabilities

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

(a) it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, or

(b) the amount of the obligation cannot be measured with sufficient reliability.

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

(a) an estimate of its financial effect;

(b) an indication of the uncertainties relating to the amount or timing of any outflow, and

(c) the possibility of any reimbursement.

16. Events after the reporting date

The Entity considers events that occur after the reporting date for inclusion in the AFS. Events that occur between the reporting date (31 March 2007) and the date on which the audit of the financial statements is completed (31 July 2007) are considered for inclusion in the AFS.

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

(a) provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date), and

(b) were indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

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

(a) The nature of the event.

(b) An estimate of its financial effect or a statement that such an estimate cannot be made.

Cape Medical Depot

Income Statement
for the year ended 31 March 2007

	Note	2006/07 R'000	2005/06 R'000
REVENUE			
Sale of Goods	*3*	318,519	311,848
Cost of Sales	*4*	(300,054)	(294,085)
Gross Profit		18,465	17,763
Other Income	*5*	2	1
		18,467	17,764
EXPENDITURE			
Administrative Expenses	*6*	(1,678)	(1,492)
Staff Costs	*7*	(12,352)	(11,250)
Audit Fees	*8*	(797)	(344)
Transfers and Subsidies	*9*	(7)	(68)
Depreciation	*10*	(419)	(295)
Other Operating Expenses	*11*	(2,388)	(1,350)
Surplus/(Deficit) from Operations		826	2,965
Finance Cost	*12*	(3,017)	(3,792)
Net Profit/(Loss) for the Year		(2,191)	(827)

Cape Medical Depot

Balance Sheet
as at 31 March 2007

	Note	2006/07 R'000	2005/06 R'000
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	*13*	1,182	1,200
		1,182	1,200
Current Assets			
Inventory	*14*	54,834	59,372
Trade and Other Receivables	*15*	5,677	7,549
		60,511	66,921
Total Assets		**61,693**	**68,121**
EQUITY AND LIABILITIES			
Capital and Reserves	*16*	42,791	40,938
Non-Current Liabilities			
Provisions	*17*	637	654
Current Liabilities			
Short Term Provisions	*17*	197	154
Cash and Cash Equivalents	*18*	12,339	7,739
Trade and Other Payables	*19*	5,729	18,162
Income Received in Advance	*20*		474
		18,265	26,529
Total Equity and Liabilities		**61,693**	**68,121**

Statements of Changes in Equity
for the year ended 31 March 2007

		Trading Fund R'000	Accumulated profit/(loss) R'000	Total R'000
Balance at 1 April 2005		36,103	(1,654)	34,449
Net loss for the year			(827)	(827)
Transfers from Department of Health		5,165	2,151	7,316
Balance at 1 April 2006	16	41,268	(330)	40,938
Net loss for the year			(2,191)	(2,191)
Transfers from Department of Health		2,540	1,504	4,044
Balance at 31 March 2007	16	43,808	(1,017)	42,791

Cash Flow Statement
for the year ended 31 March 2007

	Note	2006/07 R'000	2005/06 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash utilised in operations	*22*	(8,243)	(8,049)
Interest paid		(3,017)	(3,792)
Net cash outflows from operating activities		(11,260)	(11,841)
CASH FLOWS FROM INVESTING ACTIVITIES			
Net cash used in investing activities	*23*	(401)	(917)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash from/(used in) financing activities	*24*	7,061	11,108
Net decrease in cash and cash equivalents		(4,600)	(1,650)
Cash and cash equivalents at the beginning of the year	*18*	(7,739)	(6,089)
Cash and cash equivalents at end of the year	*18*	(12,339)	(7,739)

1. Adoption of South African Accounting Standards

The financial statements for the year ended 31 March 2007 have been prepared in accordance with South African Statements of Generally Accepted Accounting Practice.

2. Nature of Enterprise

The Cape Medical Depot is a Trading Entity, under the control of the Department of Health, and is domicile in South Africa.

3. Sale of Goods

	31/03/2007 R'000	31/03/2006 R'000
An analysis of the Cape Medical Depot's revenue is as follows:		
Sales of goods	318,519	311,848
Hospitals, NGO's, Provincially Aided Hospitals and Local Authorities	318,519	311,848
Total	**318,519**	**311,848**

4. Cost of sales

	R'000	R'000
Freight Service	5,360	3,385
Packaging	983	1,174
Purchases	293,711	289,526
Total	**300,054**	**294,085**

5. Other Income

	R'000	R'000
Profit on disposal of Asset	2	1
Total	**2**	**1**

6. Administrative expenses

	R'000	R'000
General and Administrative Expenses	1,055	1,175
Stationary and Printing	258	188
Training and Staff Development	365	129
Total	**1,678**	**1,492**

7. Staff costs

	R'000	R'000
Wages and Salaries	11,015	9,980
Basic Salaries	8,704	8,331
Performance Awards	193	88
Periodic Payments	40	36
Other Non-pensionable Allowance	953	552
Temporary Staff	343	
Leave Payments	(1)	(73)
Overtime Pay	783	1,046
Defined Pension Contribution Plan Expense	890	833
Social Contributions (Employer's Contributions)	447	437
Medical	415	434
Official Unions and Associations	3	3
Other Salary Related Costs	29	
Total	**12,352**	**11,250**

8. Audit Fees

	R'000	R'000
Auditor's remuneration		
- Audit fees	797	344
Total	**797**	**344**

9. Transfers and subsidies

	R'000	R'000
Transfers		
Local Governments	7	29
Households		39
Total	**7**	**68**

10. Depreciation

	R'000	R'000
- Computer Equipment and Peripherals	70	102
- Office Furniture and Fittings	349	193
Total	**419**	**295**

11. Other Operating Expenses

	R'000	R'000
Consultants, Contractors and Special Services	636	191
Equipment items expensed as per entity policy	42	334
Maintenance, Repairs and Running Costs	263	68
- Property and Buildings	81	32
- Machinery and Equipment	140	34
- Other Maintenance, Repairs and Running Costs	42	2
Impairment of Disallowance Accounts	45	
Stores/Consumables	370	87
Travel and Subsistence	430	192
Communication Costs	525	384
Rentals in respect of operating leases	77	94
- Plant, Machinery and Equipment	67	65
- Security and Alarms	10	29
Total	**2,388**	**1,350**

The Cape Medical Depot occupies a building owned by the Department of Works for which no rental is paid.

12. Finance Cost

	R'000	R'000
Interest paid on Trading Fund	3,017	3,792

13. Property, Plant and Equipment

	Computer Equipment and Peripherals R'000	Office Furniture and Fittings R'000	TOTAL R'000
Year ended 31/3/2006			
Opening net carrying amount	149	429	578
Gross carrying amount	487	752	1,239
Accumulated depreciation	(338)	(323)	(661)
Additions	58	859	917
Depreciation charge	(102)	(193)	(295)
Net carrying amount 31 March 2006	105	1,095	1,200
Year ended 31/3/2007			
Opening net carrying amount	105	1,095	1,200
Gross carrying amount	545	1,611	2,156
Accumulated depreciation	(440)	(516)	(956)
Additions	131	270	401
Depreciation charge	(70)	(349)	(419)
Net carrying amount 31 March 2007	166	1,016	1,182

14. Inventory

	R'000	R'000
Work in Progress	4,018	5,951
Packaging Material	235	145
Finished Goods	50,581	53,276
Stock losses awaiting write-off approval	676	324
Provision for Stock Losses	(676)	(324)
Total	**54,834**	**59,372**

Inventory surpluses to the value of R85,329 (Western Cape Depot: R63,784 and Oudtshoorn Depot: R21,545) was taken in stock during the year and recognised as a decrease in Cost of Sales of the Cape Medical Depot. At year-end CMD was awaiting approval for the write-off of Inventory shortages amounting to R183,107 (Western Cape Depot: R183 300 (shortage) and Oudtshoorn Depot: R193 (surplus)). Furthermore potential losses of stock to the value of R103,000 that was in transit between the Western Cape Depot and Oudtshoorn Depot are currently under investigation.

15. Trade and other receivables

	R'000	R'000
Trade Receivables	4,998	7,472
	4,998	7,472
Other Receivables:		
Disallowance Miscellaneous	724	77
Less Provision for Doubtful debts on disallowance accounts	(45)	
	679	77
Total	**5,677**	**7,549**

Trade and other receivables were evaluated based on age analysis at year-end and on past experience, and it was concluded that a provision for bad debts of R45 000 was needed for long standing disallowance accounts to bring Trade and other receivables in line with its fair value.

16. Capital and reserves

	Trading Fund	Accumulated profit/(loss)	TOTAL
	R'000	R'000	R'000
Balance at 1 April 2005	36,103	(1,654)	34,449
Net loss for the year		(827)	(827)
Transfers from the Department of Health	5,165	2,151	7,316
Balance at 1 April 2006	41,268	(330)	40,938
Net profit/(loss) for the year		(2,191)	(2,191)
Transfers from the Department of Health	2,540	1,504	4,044
Balance at 31 March 2007	43,808	(1,017)	42,791

The trading fund is a reserve that ring-fence the contribution that the Department of Health (the mother Department) made to the operating capital of the Cape Medical Depot. The CMD paid interest to the Department of Health on the trading fund up to December 2006, after which legislation has been changed and no further interest will be paid on these funds.

17. Provisions

Disclosure of Provisions for 2007

Description of Components of Provisions	Provision for Performance Bonuses R'000	Provision for Capped Leave R'000	TOTAL PROVISIONS R'000
Opening balance	154	654	654
Amounts utilised against the Provision	(149)	(17)	(17)
Unused amounts reversed during the year	(5)		
Provisions made during the year	197		
Less: Short Term Provisions	(197)		
Closing balance	0	637	637

Disclosure of Provisions for 2006

Description of Components of Provisions	Provision for Performance Bonuses R'000	Provision for Capped Leave R'000	TOTAL PROVISIONS R'000
Opening balance	84	829	913
Amounts utilised against the provision	(84)	(32)	(116)
Unused amounts reversed during the year		(143)	(143)
Provisions made during the year	154		154
Less: Short Term Provisions	(154)		(154)
Closing balance	0	654	654

18. Cash and Cash Equivalents

	R'000	R'000
Cash owed to Western Cape Department of Health	(12,339)	(7,739)
	(12,339)	(7,739)
For the purpose of the cash flow statement:		
Cash and cash equivalents at the beginning of the year	(7,739)	(6,089)

19. Trade and other Payables

	R'000	R'000
Trade creditors	189	4,868
Accruals	5,539	13,293
Other Payables	1	1
	5,729	18,162

20. Income Received in Advance

	R'000	R'000
Revenue received for goods not yet delivered		474
Total		474

21. Correction of Error

The CMD reclassified its audited prior year expenses to align its expenses to the classifications used by Other Trading Entities and Provincial Departments. This has been done to enhance the comparability of the Financial Statements. The effect of the reclassification of expenses on the 2005/06 figures are as follows:

Affect of Corrections on Income Statement

	2005/06 Audited	2005/06 Amended	Difference
	R'000	R'000	R'000
Cost of Sales			
FREIGHT SERVICES	3,443	3,385	**(58)**
PACKAGING	1,174	1,174	**-**
PURCHASES	286,467	289,526	**3,059**
Sub Total	**291,084**	294,085	**3,001**
Due to the increase in Cost of Sales, the Gross Profit has decreased from R20 765 as disclosed in the audited 2005/2005 financial statements to R17 764 in the comparative figures of these financial statements.			
Finance Cost			**-**
INTEREST PAID ON TRADING FUND	-	3,792	**3,792**
Sub Total	**-**	3,792	**3,792**
Administrative expenses			
GENERAL AND ADMINISTRATIVE EXPENSES	1,783	1,175	**(608)**
STATIONARY AND PRINTING		188	**188**
TRAINING AND STAFF DEVELOPMENT		129	**129**
TRAVEL AND SUBSISTENCE	490		**(490)**
RENTALS IRO OPERATING LEASES:	62		**(62)**
Sub Total	**2,335**	1,492	**(843)**
Staff Costs			
BASIC SALARY	7,814	8,331	**517**
PERFORMANCE ARWARDS	158	88	**(70)**
PERIODIC PAYMENTS	36	36	**-**
OTHER NON PENSIONABLE ALLOWANCES	1,069	552	**(517)**
LEAVE PAYMENTS	(143)	(73)	**70**
OVERTIME PAY	1,046	1,046	**-**
DEFINED CONTRIBUTION PLAN EXPENSE	833	833	**-**
SOCIAL CONTRIBUTIONS:	437	437	**-**
Sub Total	**11,250**	11,250	**-**

Other Operating Expenses			
STAFF TRAINING AND DEVELOPMENT	129	-	**(129)**
CONSULTANTS, CONTRACTORS & SPECIAL SERVICES	191	191	**-**
EQUIPMENT ITEMS EXPENSED AS PER ENTITY POLICY	334	334	**-**
MAINTENANCE, REPAIRS & RUNNING COSTS:	69	68	**(1)**
OTHER	6,577	-	**(6,577)**
STORES/CONSUMABLES	-	87	**87**
TRAVEL AND SUBSISTENCE	-	192	**192**
COMMUNICATION COSTS	-	384	**384**
RENTALS IRO OPERATING LEASES:	-	94	**94**
Sub Total	**7,300**	1,350	**(5,950)**
Total Expenses	**311,969**	**311,969**	**-**

Affect of Corrections on Cash Flow Statement

	2005/06 Audited R'000	**2005/06 Amended R'000**	**Difference R'000**
Net cash outflows from operating activities	(8,049)	(11,841)	(3,792)
Net cash from/(used in) financing activities	7,316	11,108	3,792

The change on the Cash Flow Statement is due to the fact that Interest paid now disclosed as an Operating activity of CMD, whilst it was previously disclosed as a Financing activity.

22. Cash Utilised in Operations

Reconciliation of profit before taxation to cash utilised in operations

	R'000	**R'000**
Profit before taxation	(2,191)	(827)
Adjusted for:		
- Depreciation on plant and equipment	419	295
- Increase/(Decrease) in accrual raised for goods & services received	(7,754)	2,453
- Increase in provision for doubtful debts	45	
- Increase/(Decrease) in provisions	26	218
Operating cash flows before working capital changes		
Working capital changes	1,212	(10,188)
- Increase/(Decrease) in inventories	4,538	(13,239)
- Increase/(Decrease) in receivables	1,827	(6,236)
- Increase/(decrease) in payables	(4,679)	8,813
- Increase in Income Received in Advance	(474)	474
Cash utilised in operations	(8,243)	(8,049)

23. Net cash used in investing activities

	R'000	R'000
Acquisition of plant and equipment	(401)	(917)
Cash used in investing acivities	(401)	(917)

24. Net cash from/(used in) financing activities

	R'000	R'000
Financing activities		
Interest Paid	3,017	3,792
Transfers from the Provincial Department of Health	4,044	7,316
Cash from/(used in) financing activities	7,061	11,108

25. Contingent Liabilities

25.1 Housing Loan Guarantees

	R'000	R'000
Housing Loan guarantees (Employees)	133	133

25.2 A supplier instituted a claim in the Pretoria High Court against the CMD, arising from monies recovered in terms of State Tender Board regulations during the period 1999/00. If successful the CMD will be liable for the costs of suit and damages. It is impossible to quantify the claim at this stage. This implies that a contingent liability exists, but has not been raised in the financial statements as the existence of this obligation will only be confirmed pending the outcome of the court case.

26. Operating lease arrangements

The CMD as lessee

Lease of Photocopiers:

The contract expired in respect of this operating lease agreement on 28/02/2005 and is renewed on a month to month basis at the same rate and is cancellable within a 30-day notice period. One of the photocopiers was upgraded during 2005/06 and the rental in respect of this lease agreement is set for the period of 36 months.

	2006/07 R'000	2005/06 R'000
Up to 1 year	57	57
1 to 5 years	27	67
More than 5 years		-
	84	**124**

27. Fruitless and Wasteful Expenditure

An amount of R10,742.71 has been identified as fruitless and wasteful expenditure in the 2005/06 financial year in respect of rental payments for equipment that has not been in use since the financial year 2002/03. This matter is currently under investigation.

28. Irregular Expenditure

An amount of R109,440 relating to the purchase of an Tablet Counting Machine during the financial year 2006/07 is regarded as irregular expenditure as the procurement of the machine was not performed in accordance with Supply Chain Management Regulations.

29. Financial Instruments

29.1 Interest Rate Management

No formal policy exists to hedge volatilities in the interest rate market.

29.2 Credit Risk Management

Potential concentrations of credit risk consist principally of trade accounts receivable.

Trade accounts receivable consist of a small consumer base. The granting of credit is controlled, reviewed and updated on a regular basis.

At 31 March 2007 the institution did not consider there to be any significant concentration of credit risk that had not been adequately provided for.

29.3 Fair Value

The estimated net fair values have been determined as at March 31, 2007 using available market information and appropriate valuation methodologies and are not necessarily indicative of the amounts that the institution could realise in the normal course of business.

	2006/07 Carrying Amounts R'000	2005/06 Carrying Amounts R'000	2006/07 Fair Values R'000	2005/06 Fair Values R'000
Assets				
Trade and other receivables	5,677	7,549	5,677	7,472
Liabilities				
Trade and other payables	5,729	18,162	5,729	18,162

30. Events after the reporting date

Management have not identified any events (adjusting or non adjusting) after the reporting date.

PART 5: HUMAN RESOURCE MANAGEMENT (OVERSIGHT REPORT)

5.1 Service delivery

The Department of Health in conjunction with the DPSA embarked on the process of reviewing existing and developing additional common service standards which will define the minimum levels of service delivery.

5.2 Expenditure

Departments budget in terms of clearly defined programmes. The following tables summarise final audited expenditure by programme (Table 5.2.1) and by salary bands (Table 5.2.2). In particular, it provides an indication of the amount spent on personnel costs in terms of each of the programmes or salary bands within the Department.

Table 5.2.1: Personnel costs by programme, 2006/07

Programme	Total Expenditure (R'000)	Compensation of Employees/ Social Contributions (R'000)	Training Expenditure (R'000)	Goods and Services (R'000)	Personnel costs as a percent of total expenditure	Average personnel cost per employee (R'000)	Total number of employees
	A	B	C	D	E	F	G
Programme 1	162,125	69,853	571	78,979	43%	186	376
Programme 2	1,922,792	940,896	8,698	674,357	49%	142	6,638
Programme 3	277,844	167,467	0	79,275	60%	131	1,276
Programme 4	1,397,635	880,442	3,201	490,215	63%	126	7,005
Programme 5	2,123,000	1,293,684	1,812	740,484	61%	153	8,473
Programme 6	98,858	20,605	98,858	26,699	21%	108	191
Programme 7	92,906	39,360	240	34,441	42%	90	435
Programme 8	344,355	6,735	1,628	82,314	2%	0	0
Total	**6,419,515**	**3,419,042**	**115,008**	**2,206,764**	**53%**	**140**	**24,394**

Notes:

- The above expenditure totals and personnel totals exclude Medsas and EU Funding.
- Appointments on an hourly/sessional basis are included in the expenditure but not in the personnel totals which will inflate the average personnel cost per employee.
- Compensation of Employees/Social Contributions exclude SCOA item HH/Employer Social Benefits on BAS.
- Goods and Services consists of the SCOA item Consultants, Contractors and Special Services on BAS.
- The percentage personnel expenditure for Programme 1 and 2 of the total expenditure is lower as a result of a higher expenditure in transfer payments and goods and services.
- Total number of employees is the average of employees that was in service on 2006/03/31 and 2007/03/31.

Table 5.2.2: Personnel costs by salary bands, 2006/07

Salary bands	Personnel Expenditure (R'000)	% of total personnel cost	Average personnel cost per employee (R'000)	Total number of employees
Lower skilled (Levels 1 - 2)	223,365	6.76	56	4,008
Skilled (Levels 3 - 5)	684,885	20.72	83	8,222
Highly skilled production (Levels 6 - 8)	1,338,296	40.48	144	9,316
Highly skilled supervision (Levels 9 - 12)	977,326	29.56	357	2,735
Senior management (Levels 13 - 16)	81,888	2.48	725	113
Total	**3,305,760**	**100.00**	**136**	**24,394**

Notes:

- The above expenditure totals exclude the Medsas and EU Funding personnel.
- Appointments on an hourly/sessional basis are included in the expenditure but not in the personnel totals which will inflate the average personnel cost per employee.
- The Senior Management cost includes commuted overtime of health professionals which inflates the average personnel cost per employee.

The following tables provide a summary per programme (Table 5.2.3) and salary bands (Table 5.2.4), of expenditure incurred as a result of salaries, overtime, home owners allowance and medical assistance. In each case, the table provides an indication of the percentage of the personnel budget that was used for these items.

Table 5.2.3: Salaries, Overtime, Housing Allowance and Medical Aid by programme, 2006/07

Programme	Salaries		Overtime		Housing Allowance		Medical Assistance	
	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of personnel cost	Amount (R'000)	Housing as a % of personnel cost	Amount (R'000)	Medical Assistance as a % of personnel cost
Programme 1	64,968	94.34	708	1.03	181	0.26	3,009	4.37
Programme 2	798,576	91.62	36,911	4.23	3,314	0.38	32,773	3.76
Programme 3	151,395	92.49	3,023	1.85	496	0.30	8,767	5.36
Programme 4	776,039	88.67	60,201	6.88	4,939	0.56	33,991	3.88
Programme 5	1,074,344	84.81	142,101	11.22	7,080	0.56	43,168	3.41
Programme 6	18,598	92.85	367	1.83	145	0.72	920	4.59
Programme 7	36,419	91.63	1,151	2.90	474	1.19	1,702	4.28
Total	**2,920,339**	**88.34**	**244,462**	**7.40**	**16,629**	**0.50**	**124,330**	**3.76**

Notes:

- The above expenditure totals exclude the Medsas and EU Funding personnel.
- Appointments on an hourly/sessional basis are included in the expenditure.
- Expenditure of the joint establishment (universities conditions of service) is excluded in the above.

Table 5.2.4: Salaries, Overtime, Housing Allowance and Medical Aid by salary bands, 2006/07

Salary Bands	Salaries		Overtime		Housing Allowance		Medical Assistance	
	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of personnel cost	Amount (R'000)	Housing as a % of personnel cost	Amount (R'000)	Medical Assistance as a % of personnel cost
Lower skilled (Levels 1 - 2)	207,768	93.02	2,852	1.28	4,429	1.98	8,316	3.72
Skilled (Levels 3 - 5)	623,406	91.02	21,381	3.12	6,509	0.95	33,589	4.90
Highly skilled production (Levels 6 - 8)	1,229,441	91.87	42,622	3.18	5,167	0.39	61,066	4.56
Highly skilled supervision (Levels 9 - 12)	790,712	80.91	166,679	17.05	524	0.05	19,411	1.99
Senior management (Levels 13 -16)	69,012	84.28	10,928	13.35	0	0	1,948	2.38
Total	**2,920,339**	**88.34**	**244,462**	**7.40**	**16,629**	**0.50**	**124,330**	**3.76**

Notes:

- The above expenditure totals exclude the Medsas and EU Funding Personnel.
- Appointments on an hourly/sessional basis are included in the expenditure.
- Expenditure of the joint establishment (universities conditions of service) is excluded in the above.
- Commuted overtime is included in salary bands Highly skilled supervision (Levels 9 - 12) and Senior management (Levels 13 - 16).

5.3 Employment and Vacancies

The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate, and whether there are any staff that are additional to the establishment. This information is presented in terms of three key variables: - programme (Table 5.3.1), salary band (Table 5.3.2) and critical occupations (Table 5.3.3). Departments have identified critical occupations that need to be monitored. Table 5.3.3 provides establishment and vacancy information for the key critical occupations of the Department.

The vacancy rate reflects the percentage of posts that are not filled.

Table 5.3.1: Employment and vacancies by programme, 31 March 2007

Programme	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Programme 1	583	348	40.31	37
Programme 2	9,565	6,810	28.80	120
Programme 3	1,529	1,292	15.50	6
Programme 4	8,884	7,037	20.79	73
Programme 5	9,770	8,434	13.67	48
Programme 6	881	148	83.20	9
Programme 7	642	440	31.46	2
EU Funding posts	38	4	89.47	30
Medsas	176	97	44.89	15
Total	**32,068**	**24,610**	**23.26**	**340**

Notes:

- Appointments on an hourly/sessional basis are excluded.
- The staff establishment consists of 32,068 posts of which 24,610 are filled and a further 2,382 posts are funded. The remainder of 5,242 posts are unfunded which inflates the vacancy rate. All unfunded posts on the current approved structure will be abolished with the implementation of HealthCare 2010.
- The vacancy rate for Programme 6 includes 455 student posts that became vacant as a result of the allocations of bursaries to new intakes. The said posts will be abolished.
- The 38 EU Funding posts are permanent posts from other programmes that have been utilised to appoint employees on contract and to utilise the EU Funding. This position will be rectified in the new reporting year.

Table 5.3.2: Employment and vacancies by salary bands, 31 March 2007

Salary band	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Lower skilled (Levels 1 - 2)	5,350	3,919	26.75	13
Skilled (Levels 3 - 5)	11,005	8,409	23.59	112
Highly skilled production (Levels 6 - 8)	12,089	9,363	22.55	81
Highly skilled supervision (Levels 9 - 12)	3,245	2,690	17.10	89
Senior management (Levels 13 - 16)	165	128	22.42	0
EU Funding posts	38	4	89.47	30
Medsas	176	97	44.89	15
Total	**32,068**	**24,610**	**23.26**	**340**

Notes:

- Appointments on an hourly/sessional basis are excluded.
- The staff establishment consists of 32,068 posts of which 24,610 are filled and a further 2,382 posts are funded. The remainder of 5,242 posts are unfunded which inflates the vacancy rate. All unfunded posts on the current approved structure will be abolished with the implementation of HealthCare 2010.
- The vacancy rate for levels 3 - 5 includes 455 student posts that became vacant as a result of the allocations of bursaries to new intakes. The said posts will be abolished.

- The 38 EU Funding posts are permanent posts that have been utilised to appoint employees on contract and to utilise the EU Funding. Future appointments are done additional to the establishment.

Table 5.3.3: Employment and vacancies by critical occupation, 31 March 2007

Critical occupations	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Medical Ort & Prosthetist	23	12	47.83	0
Medical Physicist	17	14	17.65	1
Clinical Technologist	99	74	25.25	0
Pharmacist	458	306	33.19	9
Industrial Technician	76	52	31.58	0
Total	**673**	**458**	**31.95**	**10**

Notes:
- Appointments on an hourly/sessional basis are excluded.
- The information in each case reflects the situation as at 31 March 2007. For an indication of changes in staffing patterns over the year under review, please refer to paragraph 5.5 in this section of the report.

5.4 Job evaluation

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

The following table (Table 5.4.1) summarises the number of jobs that were evaluated during the year under review. The table also provides statistics on the number of posts that were upgraded or downgraded.

Table 5.4.1: Job Evaluation, 1 April 2006 to 31 March 2007

Salary band	Number of posts	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower skilled (Levels 1 - 2)	5,432	5	0.09	5	100.00	0	0.00
Skilled (Levels 3 - 5)	11,261	35	0.31	35	100.00	0	0.00
Highly skilled production (Levels 6 - 8)	12,324	23	0.19	23	100.00	0	0.00
Highly skilled supervision (Levels 9 - 12)	3,385	5	0.15	5	100.00	0	0.00
Senior management (Service Band A)	138	0	0.00	0	0.00	0	0.00
Senior management (Service Band B)	30	0	0.00	0	0.00	0	0.00

Salary band	Number of posts	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Senior management (Service Band C)	3	0	0.00	0	0.00	0	0.00
Senior management (Service Band D)	1	0	0.00	0	0.00	0	0.00
Grand Total	**32,574**	**68**	**0.21**	**68**	**100.00**	**0**	**0.00**

Notes:

- Posts on an hourly/sessional basis are excluded.

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

Table 5.4.2: Profile of employees whose salary positions were upgraded due to their posts being upgraded, 1 April 2006 to 31 March 2007

Beneficiaries	African	Asian	Coloured	White	Total
Female	7	0	26	11	44
Male	1	0	6	10	17
Total	**8**	**0**	**32**	**21**	**61**
Employees with a disability	0	0	0	0	0

Notes:

- Appointments on an hourly/sessional basis are excluded.

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

Table 5.4.3: Employees whose salary level exceed the grade determined by job evaluation, 1 April 2006 to 31 March 2007 (in terms of PSR 1.V.C.3)

Occupation	No of em-ployees	Job evalua-tion level	Remuneration level	Reason for deviation
Assistant Director: Nursing	1	9	9 (16th notch)	On contract – extension granted until 30/04/2007. Thereafter advertised post.
Administrative Officer	1	7	8	Retention of services due to better job offer
Industrial Technician	1	6	7 (10th notch)	Retention of services due to better job offer
Industrial Technician (Clinical Engineering)	1	7	8 (2nd notch)	Retention of services due to better job offer
Director: Supply Chain	1	13	13 (6th notch)	Retention of services due to better job offer
Chief Medical Officer	1	12	12 (1st notch)	Applied for an advertised post of specialist on SL 11.

Occupation	No of em-ployees	Job evalua-tion level	Remuneration level	Reason for deviation
Occupational Therapist	1	6	7	Retention of services due to better job offer
Professional Nurse	2	6	7	Retention of services due to better job offer
Professional Nurse	1	6	7 (16th notch)	Recruitment of services
Professional Nurse (speciality)	2	7	7 (16th notch)	Recruitment of services
Professional Nurse	1	7	8	Retention of services due to better job offer
Pharmacist	2	8	8 (16th notch)	Recruitment of services
Principal Pharmacist	2	9	9 (16th notch)	Recruitment of services
Radiographer	1	6	7	Retention of services due to better job offer
Registrar (sub-speciality)	1	10	11 (16th notch)	Retention of services due to better job offer
Specialist	1	11	12 (16th notch)	Retention of services due to better job offer
Specialist	1	11	11 (16th notch)	Retention of services due to better job offer
Senior Specialist	1	12	13	Retention of services due to better job offer
State Accountant	1	7	8	Retention of services due to better job offer
Assistant Director: Finance	1	9	10	Retention of services due to better job offer
Total number of employees whose salaries exceeded the level determined by job evaluation in 2006/07				25
Percentage of total employment				0.1%

Table 5.4.4 summarises the beneficiaries of the above in terms of race, gender, and disability.

Table 5.4.4: Profile of employees whose salary level exceed the grade determined by job evaluation, 1 April 2006 to 31 March 2007 (in terms of PSR 1.V.C.3)

Beneficiaries	African	Asian	Coloured	White	Total
Female	1	0	6	9	16
Male	0	0	5	4	9
Total	**1**	**0**	**11**	**13**	**25**

5.5 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 (Table 5.5.1) and by critical occupations (Table 5.5.2). (These "critical occupations" should be the same as those listed in Table 5.3.3).

Table 5.5.1: Annual turnover rates by salary band for the period 1 April 2006 to 31 March 2007

Salary Band	Number of employees per band as on 1 April 2006	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Lower skilled (Levels 1 - 2)	4,093	531	473	11.56
Skilled (Levels 3 - 5)	7,974	1,840	1,286	16.13
Highly skilled production (Levels 6 - 8)	9,249	1,483	1,314	14.21
Highly skilled supervision (Levels 9 - 12)	2,702	989	933	34.53
Senior management (Service Band A)	81	4	8	9.88
Senior management (Service Band B)	14	2	0	0.00
Senior management (Service Band C)	2	0	0	0
Senior management (Service Band D)	1	0	0	0
Total	**24,116**	**4,849**	**4,014**	**16.64**

Notes:

- Appointments on an hourly/sessional basis are excluded.
- The turnover rate for levels 9-12 includes community service doctors as well as registrars.

Table 5.5.2: Annual turnover rates by critical occupation for the period 1 April 2006 to 31 March 2007

Occupation	Number of employees per occupation as on 1 April 2006	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Clinical Technologists	81	13	20	24.69
Industrial Technician	53	3	4	7.55
Medical Ort & Pros	12	2	1	8.33
Medical Physicist	9	1	0	0.00
Pharmacists	287	199	179	62.37
Total	**442**	**218**	**204**	**46.15**

Notes:

- Appointments on an hourly/sessional basis are excluded.
- Any differences in numbers between 2006 and 2007 are a result of the rectification of occupational classification and job title codes.

Table 5.5.3 identifies the major reasons why staff left the Department.

Table 5.5.3: Reasons why staff are leaving the Department

Termination Type	Number	% of total
Death	72	1.85
Resignation	1,251	32.10
Expiry of contract	2,040	52.35
Dismissal – operational changes	0	0.00
Dismissal – misconduct	83	2.13
Dismissal – inefficiency	1	0.03
Discharged due to ill-health	61	1.57
Retirement	233	5.98
Other	156	4.00
Total	**3,897**	**100.00**
Total number of employees who left as a % of the total employment		15.62

Notes:

- Appointments on an hourly/sessional basis are excluded.

Table 5.5.4: Promotions by critical occupation

Occupation	Employees as at 1 April 2006	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progressions as a % of employees by occupation
Clinical Technologists	81	4	4.94	56	69
Industrial Technician	53	5	9.43	46	87
Medical Ort & Pros	12	2	16.67	9	75
Medical Physicist	9	0	0.00	7	78
Pharmacists	287	11	3.83	125	43.55
Total	**442**	**22**	**4.98**	**243**	**54.98**

Notes:

- Appointments on an hourly/sessional basis are excluded.
- Promotions to another salary level includes event 10 – Promotion and 52 – Promotion: Package SMS.
- Progression to another notch within a salary level includes event 61 – Pay Progression, but excludes event 62 – Higher Notch PSR 2001 I.V.C.3 and event 63 – Higher Notch PS Act 1994, Section 37(2)(c)
- The above figures exclude the upgrading of 4 persons in the categories Industrial Technician (2) and Pharmacist (2) respectively.

Table 5.5.5: Promotions by salary band

Salary Band	Employees 1 April 2006	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progressions as a % of employees by salary band
Lower skilled (Levels 1 - 2)	4,093	29	0.71	3,512	85.81
Skilled (Levels 3 - 5)	7,974	278	3.49	6,086	76.32
Highly skilled production (Levels 6 - 8)	9,249	610	6.60	6,718	72.63
Highly skilled supervision (Levels 9 - 12)	2,702	154	5.70	1,477	54.66
Senior management (Levels 13 - 16)	98	10	10.20	76	0
Total	**24,116**	**1,081**	**4.48**	**17,869**	**74.10**

Notes:

- Appointments on an hourly/sessional basis are excluded.
- The above figures include personnel of the Medsas.
- Promotions to another salary level includes event 10 – Promotion and 52 – Promotion: Package SMS.
- Progression to another notch within a salary level excludes event 61 – Pay Progression, but excludes event 62 – Higher notch PSR 2001 I.V.C.3 and event 63 – Higher Notch PS Act 1994, Section 37(2)(c)

5.6 Employment equity

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

Table 5.6.1: Total number of employees (including employees with disabilities) in each of the following occupational categories (SASCO) as on 31 March 2007

Occupational categories (SASCO)	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials & managers	7	9	1	12	1	2	0	7	39
Professionals	125	339	134	902	152	457	142	952	3,203
Technicians and associate professionals	240	608	9	186	840	3,465	55	1,158	6,561
Clerks	190	828	4	143	336	1,148	11	498	3,158
Service and sales workers	276	990	28	162	907	4,798	10	504	7,675
Craft and related trades workers	6	86	1	81	0	3	0	0	177
Plant and machine operators and assemblers	26	145	1	4	3	6	0	0	185

Occupational categories (SASCO)	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Labourers and related workers	417	1,033	3	70	485	1,926	1	17	3,952
Total	**1,287**	**4,038**	**181**	**1,560**	**2,724**	**11,805**	**219**	**3,136**	**24,950**
Employees with disabilities	2	24	0	25	1	13	0	21	86

Notes:

- Appointments on an hourly/sessional basis are excluded.
- The above figures include the Medsas and EU Funded personnel.
- Total number of employees includes employees additional to the establishment.

Table 5.6.2: Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2007

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	0	1	0	2	0	0	0	1	4
Senior management	9	10	8	72	1	3	0	21	124
Professionally qualified	103	383	120	878	104	306	98	803	2795
Skilled technical	293	1315	41	419	886	4690	104	1757	9505
Semi-skilled	467	1388	9	136	1213	4815	16	538	8582
Unskilled	415	941	3	53	520	1991	1	16	3940
Total	**1287**	**4038**	**181**	**1560**	**2724**	**11805**	**219**	**3136**	**24950**

Notes:

- Appointments on an hourly/sessional basis are excluded.
- The above figures include the Medsas and EU Funded personnel.
- Senior Management includes Senior Professionals.
- Total number of employees includes employees additional to the establishment.

Table 5.6.3: Recruitment for the period 1 April 2006 to 31 March 2007

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	0	0	0	0	0	0	0	0	0
Senior management	2	0	0	2	0	0	0	0	4
Professionally qualified	32	79	37	254	60	122	53	287	924
Skilled technical	80	123	14	89	184	467	40	385	1382
Semi-skilled	173	353	2	28	432	693	10	113	1804
Unskilled	80	166	1	9	94	167	0	8	525
Total	**367**	**721**	**54**	**382**	**770**	**1449**	**103**	**793**	**4639**
Employees with disabilities	**0**	**2**	**0**	**1**	**0**	**2**	**0**	**1**	**6**

Notes:

- Appointments on an hourly/sessional basis are excluded.
- The above figures include the Medsas and EU Funded personnel.
- Senior Management includes Senior Professionals.

Table 5.6.4: Promotions for the period 1 April 2006 to 31 March 2007

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	0	1	0	0	0	0	0	0	1
Senior management	3	1	0	5	1	0	0	1	11
Professionally qualified	7	20	7	40	11	30	2	37	154
Skilled technical	42	94	0	20	70	312	11	61	610
Semi-skilled	25	46	0	6	46	149	0	6	278
Unskilled	7	11	0	0	6	4	0	1	29
Total	**84**	**173**	**7**	**71**	**134**	**495**	**13**	**106**	**1,083**
Employees with disabilities	0	2	0	0	0	0	0	1	3

Notes:

- Appointments on an hourly/sessional basis are excluded.
- The above figures include the Medsas and EU Funded personnel.
- Senior Management includes Senior Professionals (Principal and Chief Specialists).
- All Senior Professional posts are advertised nationwide and difficulties are experienced to recruit representative candidates in these highly specialised fields.

Table 5.6.5: Terminations for the period 1 April 2006 to 31 March 2007

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	0	0	0	0	0	0	0	0	0
Senior management	0	0	0	7	0	0	0	1	8
Professionally qualified	24	86	41	284	49	116	49	255	904
Skilled technical	55	102	26	88	143	484	41	330	1,269
Semi-skilled	107	280	0	23	202	541	7	86	1,246
Unskilled	59	132	0	13	54	205	0	7	470
Total	**245**	**600**	**67**	**415**	**448**	**1,346**	**97**	**679**	**3,897**
Employees with disabilities	0	0	0	2	1	0	0	0	3

Notes:

- Appointments on an hourly/sessional basis are excluded.
- The above figures include the Medsas and EU Funded personnel.
- Senior Management represents 8 Senior Professionals (5 retirements and 3 resignations).

Table 5.6.6: Disciplinary Action for the period 1 April 2006 to 31 March 2007

Disciplinary Action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Correctional counselling	11	33	0	2	32	87	0	8	173
Verbal warning	22	61	0	13	22	70	0	4	192
Written warning	29	87	0	6	29	93	0	6	250
Final written warning	33	74	0	13	17	41	0	3	181
Suspension without pay	0	1	0	0	0	0	0	0	1
Demotion	0	0	0	0	0	0	0	0	0
Dismissal	12	48	0	6	9	31	0	1	107
Not guilty	0	0	0	0	0	0	0	0	0
Case withdrawn	0	0	0	0	0	0	0	0	0
Total	**107**	**304**	**0**	**40**	**109**	**322**	**0**	**22**	**904**

Table 5.6.7: Skills development for the period 1 April 2006 to 31 March 2007

Occupational categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials & managers	3	5	1	16	0	10	5	13	53
Professionals	92	280	69	601	538	2,024	88	1,121	4,813
Technicians & associate professionals	62	246	86	401	263	1,278	39	403	2,778
Clerks	70	322	47	128	127	440	11	130	1,275
Service and sales workers	80	417	23	122	118	410	5	111	1,286
Craft and related trades workers	3	11	6	15	7	9	1	0	52
Plant and machine operators and assemblers	3	15	4	8	1	9	0	0	40
Elementary occupations	67	218	58	107	91	271	1	12	825
Total	**380**	**1,514**	**294**	**1,398**	**1,145**	**4,451**	**150**	**1,690**	**11,122**

5.7 Performance rewards

To encourage good performance, the Department has granted the following performance rewards during the year under review. The information is presented in terms of race, gender, and disability (Table 5.7.1), salary bands (Table 5.7.2) and critical occupations (Table 5.7.3).

Table 5.7.1: Performance rewards by race, gender, and disability, 1 April 2006 to 31 March 2007

	Beneficiary Profile			Cost	
	Number of beneficiaries	Total number of employees in group	% of total within group	Cost (R'000)	Average cost per employee (R'000)
African					
Male	148	1,287	0.11	693	5
Female	371	2,724	0.14	1,866	5
Asian					
Male	20	181	0.11	281	14
Female	25	219	0.11	230	9
Coloured					
Male	814	4,038	0.20	4,610	6
Female	2,797	11,805	0.24	14,781	5
White					
Male	299	1,560	0.19	4,180	14
Female	820	3,136	0.26	7,909	10
Employees with a disability	14	86	0.16		
Total	**5,294**	**24,950**	**21.22**	**34,550**	**7**

Notes:

- Appointments on an hourly/sessional basis are excluded.
- Performance awards include merit awards and allowance 0228.
- Employees with a disability are included in "TOTAL".
- Senior Management and Senior Professionals are included.

Table 5.7.2: Performance rewards by salary bands for personnel below Senior Management Service, 1 April 2006 to 31 March 2007

Salary Bands	Beneficiary Profile			Cost		
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee (R'000)	Total cost as a % of the total personnel expenditure
Lower skilled (Levels 1 - 2)	825	3,940	20.94	2,206	3	0.07
Skilled (Levels 3 - 5)	1,644	8,582	19.16	6,535	4	0.20
Highly skilled production (Levels 6 - 8)	2,202	9,505	23.17	15,796	7	0.49
Highly skilled supervision (Levels 9 - 12)	602	2,795	21.54	9,389	16	0.29
Total	**5,273**	**24,822**	**21.24**	**33,926**	**6**	**1.05**

Notes:

- Appointments on an hourly/sessional basis are excluded.
- Performance awards include merit awards and allowance 0228.
- Senior Management is excluded.

Table 5.7.3: Performance rewards by critical occupations, 1 April 2006 to 31 March 2007

Critical Occupations	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee (R'000)
Clinical Technologists	22	74	29.73	187	9
Industrial Technician	19	52	36.54	248	13
Medical Orth & Pros	5	12	41.67	43	9
Medical Physicist	2	14	14.29	55	28
Pharmacist	61	306	19.93	616	10
Total	**109**	**458**	**23.80**	**1,149**	**11**

Notes:
- Appointments on an hourly/sessional basis are excluded.
- Performance awards include merit awards and allowance 0228.

Table 5.7.4: Performance related rewards (cash bonus), by salary band, for Senior Management Service, 1 April 2006 to 31 March 2007

Salary Band	Beneficiary Profile			Cost			
	Number of beneficiaries	Number of employees	% of total within band	Total Cost (R'000)	Average cost per employee	Total cost as a % of the total personnel expenditure	Personnel cost per Band (R'000)
Band A	18	108	16.67	515	29	0.008	68,007
Band B	2	16	12.50	68	34	0.006	10,742
Band C	1	3	33.33	41	41	0.019	2,138
Band D	0	1	0.00	0	0	0.000	1,001
Total	**21**	**128**	**16.41**	**624**	**30**	**0.008**	**81,888**

Notes:
- Senior Management includes Senior Professionals (Principal and Chief Specialists).

5.8 Foreign workers

The tables below summarise the employment of foreign nationals in the Department in terms of salary bands and by major occupation. The tables also summarise changes in the total number of foreign workers in each salary band and by each major occupation.

Table 5.8.1: Foreign workers, 1 April 2006 to 31 March 2007, by salary band

Salary Band	1 April 2006		31 March 2007		Change	
	Number	% of total	Number	% of total	Number	% change
Lower skilled (Levels 1 - 2)	2	1.53	2	1.49	0	0
Skilled (Levels 3 - 5)	7	5.34	8	5.97	1	33
Highly skilled production (Levels 6 - 8)	41	31.30	37	27.61	-4	-133
Highly skilled supervision (Levels 9 - 12)	79	60.31	85	63.43	6	200
Senior management (Levels 13 - 16)	2	1.53	2	1.49	0	0
Total	**131**	**100.00**	**134**	**100.00**	**3**	**100**

Notes:

- Appointments on an hourly/sessional basis are excluded.
- Foreign workers are mainly appointed in scarce occupations where no suitable South African citizens applied or could be attracted. Foreigners who however obtained permanent residency can be appointed in a permanent capacity.

Table 5.8.2: Foreign workers, 1 April 2006 to 31 March 2007, by major occupation

Major Occupation	1 April 2006		31 March 2007		Change	
	Number	% of total	Number	% of total	Number	% change
Admin Office Workers	1	0.76	2	1.49	1	33.33
Craft Related Workers	1	0.76	1	0.75	0	0.00
Elementary Occupations	2	1.53	2	1.49	0	0.00
Professionals and Managers	88	67.18	88	65.67	0	0.00
Service Workers	6	4.58	7	5.22	1	33.33
Plant and Machine Operators	1	0.76	0	0.00	-1	-33.33
Technical and Ass Professionals	32	24.43	34	25.37	2	66.67
Total	**131**	**100**	**134**	**100**	**3**	**100.00**

Notes:

- Appointments on an hourly/sessional basis are excluded.
- Foreign workers are mainly appointed in scarce occupations where no suitable South African citizens applied or could be attracted. Foreigners who however obtained permanent residency can be appointed in a permanent capacity.

5.9 Leave utilisation for the period 1 January 2006 to 31 December 2006

The Public Service Commission identified the need for careful monitoring of sick leave within the public service. The following tables provide an indication of the use of sick leave (Table 5.9.1) and disability leave (Table 5.9.2). In both cases, the estimated cost of the leave is also provided.

Table 5.9.1: Sick leave, 1 January 2006 to 31 December 2006

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)	25,510	79.92	3,117	16.61	8	4,096
Skilled (Levels 3 - 5)	54,484	83.05	6,901	36.78	8	12,329
Highly skilled production (Levels 6 - 8)	59,226	82.19	7,443	39.66	8	23,422
Highly skilled supervision (Levels 9 - 12)	8,693	75.24	1,259	6.71	7	6,220
Senior management (Levels 13 - 16)	374	86.10	45	0.24	8	430
Total	**148,287**	**81.72**	**18,765**	**100.00**	**8**	**47,083**

Notes:
- Appointments on an hourly/sessional basis are excluded.
- Annual leave cycle is from 1 January – 31 December of each year.

Table 5.9.2: Incapacity leave (temporary and permanent), 1 January 2006 to 31 December 2006

Salary Band	Total days	% days with medical certification	Number of employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1 - 2)	5,862	100.00	266	21.49	22.04	946
Skilled (Levels 3 - 5)	9,592	100.00	437	35.30	21.95	2,259
Highly skilled production (Levels 6 - 8)	11,839	100.00	486	39.26	24.36	4,783
Highly skilled supervision (Levels 9 - 12)	948	100.00	45	3.63	21.07	691
Senior management (Levels 13 - 16)	59	100.00	4	0.32	14.75	66
Total	**28,300**	**100.00**	**1,238**	**100.00**	**22.86**	**8,675**

Notes:
- Appointments on an hourly/sessional basis are excluded.
- Annual leave cycle is from 1 January – 31 December of each year.

Table 5.9.3 summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the PSCBC in 2000 requires management of annual leave to prevent high levels of accrued leave being paid at the time of termination of service.

Table 5.9.3: Annual leave, 1 January 2006 to 31 December 2006

Salary Bands	Total days taken	Average per employee
Lower skilled (Levels 1 - 2)	92,523	23
Skilled (Levels 3 - 5)	215,075	25
Highly skilled production (Levels 6 - 8)	262,906	28
Highly skilled supervision(Levels 9 - 12)	53,237	19
Senior management (Levels 13 - 16)	2,804	23
Total	**626,545**	**25**

Notes:
- Appointments on an hourly/sessional basis are excluded.
- Annual leave cycle is from 1 January – 31 December of each year.

Table 5.9.4: Capped leave, 1 January 2006 to 31 December 2006

Salary Bands	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2006	Number of employees as at 31 December 2006	Total capped leave available as at 31 December 2006
Lower skilled (Levels 1 - 2)	5,513	1	14	3,976	56,828
Skilled (Levels 3 - 5)	11,506	1	21	8,553	180,748
Highly skilled production (Levels 6 - 8)	16,246	2	33	9,327	305,052
Highly skilled supervision (Levels 9 - 12)	2,493	1	14	2,719	39,417
Senior management (Levels 13 - 16)	259	2	44	121	5,365
Totals	**36,017**	**1**	**24**	**24,696**	**587,410**

Notes:
- Appointments on an hourly/sessional basis are excluded.
- Annual leave cycle is from 1 January – 31 December of each year.

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

Table 5.9.5: Leave payouts for the period 1 April 2006 to 31 March 2007

REASON	Total Amount (R'000)	Number of Employees	Average payment per employee (R'000)
Leave payout for 2006/07 due to non-utilisation of leave for the previous cycle	344	78	4
Capped leave payouts on termination of service for 2006/07	6,726	263	26
Current leave payout on termination of service for 2006/07	2,326	684	3
Total	**9,396**	**1,025**	**9**

Notes:

- Capped leave are only paid out in case of normal retirement, termination of services due to ill health and death.

5.10 HIV and AIDS & Health Promotion Programmes

Table 5.10.1: Steps taken to reduce the risk of occupational exposure

<table>
<tr><th>Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)</th><th>Key steps taken to reduce the risk</th></tr>
<tr><td>Employees in our clinical areas i.e. doctors, nurses, medical students, general workers and paramedics are more at risk of contracting HIV and related diseases.

The table below depicts the prominent diseases identified in terms of injuries reported by employees for 2006/07 (COIDA):
<table>
<tr><th>Disease</th><th>Total no of cases reported</th><th>Total no of cases tested positive</th></tr>
<tr><td>Needle prick injury</td><td>103</td><td>0 (HIV+)</td></tr>
<tr><td>Tuberculosis (TB)</td><td>2</td><td>2 (TB)</td></tr>
<tr><td>Latex Allergy</td><td>1</td><td>1 (Latex Allergy)</td></tr>
</table>
Note: Since 01/04/1992 – 31/03/2007 a total number of seven employees who reported needle prick injuries tested HIV positive. One employee died and six are still receiving ARV treatment.</td><td>One of the Department's objectives in terms of our HIV and AIDS, and STI policy is to:
• Prevent occupational exposure to potentially infectious blood and blood products and to manage the proper referral thereof.
• Consequently the Department have implemented a protocol to ensure universal infection control measures
• Develop and implement guidelines and provide appropriate information and access to services to all employees in the Department who have been occupationally infected or exposed. Includes advice on post-exposure prophylaxis (PEP).
Provide protective clothing and appropriate equipment to all personnel involved in working in a hazardous area or the cleaning and safe disposal thereof.</td></tr>
</table>

Table 5.10.2: Details of Health Promotion and HIV and AIDS Programmes (tick the applicable boxes and provide the required information)

Question	Yes	No	Details, if yes
1. Has the Department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	✓		Mrs B Arries Chief Director Human Resources
2. Does the Department have a dedicated unit or has it designated specific staff members to promote the health and well being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	✓		Component Staff Health Wellness Head Office level: Wellness Manager: Ms Sandra Newman Admin Support: Ms Deirdré Bam/Ms Siyanya Gudula Institutional / Regional level: Groote Schuur Hospital: Gill Reynolds Red Cross Hospital : Hilary Barlow Tygerberg Hospital: Ebeth Pedro Associated Psychiatric Hospitals: Dr Linda Hering Boland/Overberg Region: Mr James Kruger West Coast/Winelands: Ms Nicola Wilson South Cape/Karoo Region: Ms Nuruh Jacobs Cape Metropole: Ms Kay Govender CHSO: Ms Wendy Van Zyl EMS: Ms Shahnaz Adams

Question	Yes	No	Details, if yes
3. Has the Department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	✓		The Department make use of a combined model i.e. internal and external services. **Key elements - Staff Health and Wellness Programme:** • The Western Cape Department of Health has created a Staff Health and Wellness Programme (SHWP) to support employees with life's challenges. This programme is provided by ICAS; is free of charge; and is available to employees and their dependants. This multilingual service is available 24 hours a day, 365 days a year and gives access to both telephone and face-to-face counselling, as well as access to life management consultancy services. Some examples of common issues include: • Relationships: family; work; partners; friends; • Family: childcare; eldercare; state benefits; • Emotional: stress; substance abuse; depression; trauma; • Financial: money management; debt; • Legal: legal matter; maintenance; child custody; divorce law; consumer rights; • Health issues: HIV and AIDS counselling; illness; • Work: stress management; career matters, maternity; harassment; managing others; and many more. **The Key elements of the HIV and AIDS/STI programmes are:** • To ensure that every employee within the Department receives appropriate and accurate HIV and AIDS/STI risk-reduction education. • To create a non-discriminatory work environment. • To prevent occupational exposure to potentially infectious blood and blood products and to manage occupational exposures that occurred. • To provide for Voluntary Counselling and Testing services for those employees who wish to determine their own HIV status. • To determine the impact of HIV and AIDS on the Department in order to plan accordingly. • To promote condom use and provide SABS-approved condoms. • Awareness of Services. • Education and training. • Counselling. • Critical Incident Stress Debriefing (CISD). • Reporting and Evaluation.

Question	Yes	No	Details, if yes
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.	✓		HIV and AIDS is seen as a transversal issue in the PGWC. The Department of Health was appointed as the primary driver of the process and therefore have a dual role to play (i.e. to oversee and manage their departmental programme as well as to manage and co-ordinate the programme within the Province. <u>Health Departmental Committee:</u> Ms S Newman: Head Office Ms E Pedro: Tygerberg Hospital Ms H Barlow: Red Cross Hospital Dr L Hering: Associated Psychiatric Hospitals Ms Wendy Van Zyl: CHSO Ms. S Adams: EMS Ms K Govender: Cape Metropole Mr James Kruger Boland/Overberg Ms N Wilson: South Cape/Karoo <u>Provincial Committee (PEAP)</u> Ms S Newman: Health Mr D Marks: Treasury Ms C Lee-Shong: Education Ms C Julies: Office of the Premier Ms H Ward: Office of the Premier Ms C Leetz: Community Safety Ms B Claasen-Hoskins: Agriculture Ms E Abrahams: Cultural Affairs and Sport Mr P Visser: Environmental Affairs Ms L Whitlow: Economic Development & Tourism Mr W Masuku: Social Services Ms J Van Stade: Transport Ms R Gie: Local Government and Housing
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.	✓		None of the employment policies and practices discriminates unfairly against employees on the basis of their HIV and AIDS status. However the Department endeavours to engender its policies (make policies gender sensitive). The Department have a HIV and AIDS workplace programme that is reviewed annually.
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.	✓		In order to give adherence one of the objectives of the workplace programme is "to create a working environment that is free of discrimination". We: • Involve persons living with AIDS in awareness campaigns. We develop (ongoing) awareness and communication strategies. • Have trained peer educators to assist stigma barriers.
7. Does the Department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.	✓		The Department entered into partnerships with the following NGO's to render a VCT service to all employees: Life Line: Metro Region @ Heart: West Coast/Winelands Elgin Community College: Boland/ Overberg Knysna AIDS : South Cape/Karoo

<table>
<tr><th>Question</th><th>Yes</th><th>No</th><th>Details, if yes</th></tr>
<tr><td></td><td></td><td></td><td>Results:
<table>
<tr><th rowspan="2">VG Service Provider</th><th rowspan="2">Region</th><th colspan="3">No of employees tested</th></tr>
<tr><th>Tested</th><th>Nega-tive</th><th>Positive</th></tr>
<tr><td>Life Line</td><td>Metropole</td><td>1,438</td><td>1,424</td><td>14</td></tr>
<tr><td>@ Heart</td><td>West Coast/ Winelands</td><td>113</td><td>109</td><td>4</td></tr>
<tr><td>Elgin Com-munity College</td><td>Boland/ Overberg</td><td>155</td><td>152</td><td>3</td></tr>
<tr><td>Knysna AIDS</td><td>South Cape/ Karoo</td><td>227</td><td>222</td><td>5</td></tr>
</table>
Notes:
• Employees who tested positive are on the Provincial ARV programme.
• Further support is provided via our Employee Assistance Programme.
Ongoing awareness raising sessions are provided to HIV negative employees to stay negative.</td></tr>
<tr><td>8. Has the Department developed measures/indicators to monitor and evaluate the impact of its health promotion programme? If so, list these measures/indicators.</td><td>✓</td><td></td><td>The Department have a monitoring and evaluation questionnaire that must be completed for the monitoring and evaluation of this programme.

The Department also embarked on a Behaviour Risk Management survey as well as a HIV and AIDS knowledge attitude and practice survey. The survey was started in February 2007. Results will be available in July 2007.

Monthly statistics is provided by the VCT Service Providers. EAP Service Provider also provides monthly statistics.</td></tr>
</table>

5.11 Labour relations

The following collective agreements were entered into with trade unions within the Department.

Table 5.11.1: Collective agreements, 1 April 2006 to 31 March 2007

Subject matter	Date
Total collective agreements	None

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

Table 5.11.2: Misconduct and disciplinary hearings finalised, 1 April 2006 to 31 March 2007

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	173	19,14
Verbal warning	192	21,24
Written warning	250	27,65
Final written warning	181	20,02
Suspended without pay	1	0,11
Demotion	0	0
Dismissal	107	11,84
Not guilty	0	0
Case withdrawn	0	0
Total	**904**	**100%**

Table 5.11.3: Types of misconduct addressed at disciplinary hearings

Type of misconduct	Number	% of total
Absent from work without permission	479	52,99
Assault/attempts or threatens to assault	9	1,00
Conduct self in improper/unacceptable manner	73	8,08
Damages and/or causes loss of state property	8	0,88
Fails to carry out order or instruction	97	10,73
Fails to comply with or contravenes an act	75	8,30
Contravenes any code of conduct of the Public Service	58	6,42
Giving false statements/evidence in execution of duties	5	0,55
Poor work performance	22	2,43
Participate in unlawful industrial action	22	2,43
Possesses or wrongfully uses property	17	1,88
Sexual harassment	3	0,33
Steals, bribes or commits fraud	8	0,88
Under influence of habit-forming/stupefy drugs	28	3,10
Total	**904**	**100%**

Table 5.11.4: Grievances lodged for the period 1 April 2006 to 31 March 2007

	Number	% of total
Number of grievances resolved	70	63%
Number of grievances not resolved	41	37%
Total number of grievances lodged	111	100%

Table 5.11.5: Disputes lodged with Councils for the period 1 April 2006 to 31 March 2007

	Number	% of total
Number of disputes upheld	2	2.9%
Number of disputes dismissed	65	97%
Total number of disputes lodged	67	100%

Table 5.11.6: Strike actions for the period 1 April 2006 to 31 March 2007

Total number of person working days lost	
Total cost (R'000) of working days lost	8
Amount (R'000) recovered as a result of no work no pay	1,067.46

Table 5.11.7: Precautionary suspensions for the period 1 April 2006 to 31 March 2007

Number of people suspended	**28**
Number of people whose suspension exceeded 30 days	22
Average number of days suspended	47.42
Cost (R'000) of suspensions	609,788

5.12 Skills development

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

Table 5.12.1: Training needs identified 1 April 2006 to 31 March 2007

Occupational Categories	Gender	Number of employees as at 1 April 2006	Training needs identified at start of reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials & managers	Female	10		Labour relations; Finance training; Management training; Project Management; Medical Legal Workshop; Batho Pele; Change management		15
	Male	22		As Above		14

Occupational Categories	Gender	Number of employees as at 1 April 2006	Training needs identified at start of reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Professionals	Female	1,577	Diagnostic Radiography	Group Dynamics; Labour relations; Management training; Orientation to Mental Health; Personal Development; Presentation Skills; Project Management; Skills Development Facilitators training; Supervision; Trauma training; Clinical Skills	Nursing: Diploma/ Degree; Degree: Medicine; Degree: Pharmacy; Degree: Dentistry; Diploma: Radio-graphy	1,539
	Male	1,540	As above	As above	As above	1,306
Technicians and associate professionals	Female	5,074	Basic Pharmacist Assistant; Certificate in General Nursing (Enrolled); Diploma in General Nursing (Bridging); Post Basic Pharmacist Assistant	ABET/AFET; Batho Pele; Computer training; Diversity Management; Finance training; Labour relations; Meeting skills; Problem solving; Project Management; Clinical Skills; Wound Care		2,779
	Male	798	As above	As above		737

Occupational Categories	Gender	Number of employees as at 1 April 2006	Training needs identified at start of reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Clerks	Female	1,888		ABET/AFET; Client Care; Computer training; Cultural Diversity; Finance training; Information management; Labour relations; Meeting skills; Personal Development; Project Management; Record Management		1,223
	Male	1,099		As above		680
Service and sales workers	Female	5,687		ABET/AFET; Client Care; Finance training; Labour relations; Personal Development		1,676
	Male	1,442		As above		682
Skilled agriculture and fishery workers	Female	0				0
	Male	0				0
Craft and related trades workers	Female	2		ABET/AFET; Meeting, writing, communication Skills; Computer training; Finance training; HIV and AIDS; Personal Development		31
	Male	163		As above		188

Occupational Categories	Gender	Number of employees as at 1 April 2006	Training needs identified at start of reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Plant and machine operators & assemblers	Female	200		Batho Pele; Computer training; ABET/AFET; HIV and AIDS; Personal Development; Quality Assurance; Supervisions		93
	Male	235		As above		136
Elementary occupations	Female	2,478		ABET; Batho Pele; Computer training; Communication skills; HIV and AIDS; Life Skills; Meeting skills; Personal Development; Stress Management; Understanding iKapa Elihumayo; Kitchen Cleaning; Quality Assurance; Re-orientation to the Public Service		2,024
	Male	1,530		As above		590
Sub-total	Female	16,916				9,380
	Male	5,387				3,027
Total		**22,303**				**12,407**

Table 5.12.2: Training provided 1 April 2006 to 31 March 2007

Occupational Categories	Gender	Number of employees as at 1 April 2006	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials & managers	Female	10		Computer training; Clinical skills; Disaster management; Finance training; Hospital Leadership; Labour Law; Management skills; Train the trainer; Dismissal proceedings		28
	Male	22		As above		25
Professionals	Female	1,577	Diagnostic Radiography; Critical Care	Labour relations Accounting Office System; Accute poisoning; AIDS Care and treatment; Annual financial systems; Batho Pele; Change Management; Client Care; Disaster management; Employee Assistance Programme; HRM; Introduction to Xhosa		3,805
	Male	1,540	Diagnostic Radiography: Critical Care	As above		1,056

Occupational Categories	Gender	Number of employees as at 1 April 2006	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Technicians and associate professionals	Female	5,074	Basic Pharmacist Assistant; Certificate in General Nursing (Enrolled); Diploma in General Nursing (Bridging); Post Basic Pharmacist Assistant	Labour relations; Accounting Office System; Acute poisoning AIDS Care and treatment; Annual financial systems; Batho Pele; Change Management; Client Care; Disaster management; Employee Assistance Programme; HRM; Introduction to Xhosa		2,108
	Male	798	Basic Pharmacist Assistant; Certificate in General Nursing (Enrolled); Diploma in General Nursing (Bridging); Post Basic Pharmacist Assistant	As above		842
Clerks	Female	1,888		Administrative Skills; Effective Communication Interpersonal Skills; Finance training; Quality Assurance; Registry Skills;		708

Occupational Categories	Gender	Number of employees as at 1 April 2006	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
				Successful secretaries; Teambuilding; Written communication Procurement; Project Management; Group Dynamics		
	Male	1,099		As above		567
Service and sales workers	Female	5,687		Administrative Skills; Effective Communication Interpersonal Skills; Finance training; Quality Assurance; Registry Skills; Successful secretaries; Teambuilding; Written communication Procurement; Project Management; Group Dynamics		644
	Male	1,442		As above		642
Skilled agriculture and fishery workers	Female	0				0
	Male	0				0
Craft and related trades workers	Female	2		ABET; Computer training; Woodworking; Fire training; Diversity Management; Fist Aid; Finance training;		17

Occupational Categories	Gender	Number of employees as at 1 April 2006	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
				Occupational Health and Safety; Problem Solving; Xhosa training; Life Skills		
	Male	163		As above		35
Plant and machine operators & assemblers	Female	200		ABET; AIDS Awareness; Computer training; First Aid; Occupational Health and Safety; Introduction to Xhosa; Waste Management		10
	Male	235		As above		30
Elementary occupations	Female	2,478		ABET; AIDS Awareness; Computer training; First Aid; Occupational Health and Safety; Introduction to Xhosa; Waste Management		375
	Male	1,530		As above		450
Sub-total	Female	16,916				7,695
	Male	5,387				3,647
Total		**22,303**				**11,342**

5.13 Injury on duty

The following tables provide basic information on injury on duty.

Table 5.13.1: Injury on duty, 1 April 2006 to 31 March 2007

Nature of injury on duty	Number	% of total
Required basic medical attention only	0	0%
Temporary total disability	299	99%
Permanent disability	0	0%
Fatal	1	1%
Total	**300**	**100%**

5.14 Utilisation of consultants

Table 5.14.1: 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
Cape Medical Depot – Financial Management Services	2	44	R136,000
KPMG – Cape Medical Depot – Technical Assistance for relocation	1	53	R300,000
Ministry: Media Officer	1	528	R31,235 p/m R749,640
Labour Relations: ICAS Employee Assistance Programme	120 psychologist and social workers available for Western Cape Call Centres	360	R12.92 per person per month
Human Resource Management: Persal – Sakkie van Niekerk	1	240	R309 per hour R593,894
Human Resource Management: Persal – Pottie Potgieter	1	240	R200 per hour R384,000
Archnet (Bellville) Architects -Project Management – New casualty building at Khayelitsha	1	30	R500,000
Michael Smith - SCM: Asset Manager	1	240	R228 per hour R437,760
KPMG – Asset Registers at Academic Hospitals	1	160	R2,334,192.87
CSIR Built Environment – Business Plan for redevelopment of Tygerberg Hospital	1	30	R125,856
Hospital Design Group -Schedule of Accommodation for new Khayelitsha District Hospital	1	30	R570,000
Ms. F. Shelley – Food Service Units	2	88	R100,345
Utility Management Service	4	200	Fixed % of refunded monies = 29%.

Project Title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand
			Fixed % of new (ongoing) savings as a result of implementing of any savings opportunity for the duration of the bid for 24 months = 29%
Asset Management - Metropole	3	40	R44,720
Reproductive Health	5	30	R143,729
Dept Collectors	2	365	R294,043
Computer training	1	75	R50,046
Training Consultants	1	120	R445,936
Total number of projects	**Total individual consultants**	**Total duration: Work days**	**Total contract value in Rand**
18	149	2,873	R7,210,161

Table 5.14.2: Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs)

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
Cape Medical Depot – Financial Management Services	Nil	Nil	Nil
KPMG – Cape Medical Depot – Technical Assistance for relocation	Nil	Nil	Nil
Ministry: Media Officer	Nil	Nil	Nil
Labour Relations: ICAS Employee Assistance Programme	49%	49%	± 60
Human Resource Management: Persal – Sakkie van Niekerk	Nil	Nil	Nil
Human Resource Management: Persal – Pottie Potgieter	Nil	Nil	Nil
Archnet (Bellville) Architects -Project Management – New casualty building at Khayelitsha	Nil	Nil	Nil
Michael Smith - SCM: Asset Manager	Nil	Nil	Nil
KPMG – Asset Registers at Academic Hospitals	Nil	Nil	Nil
CSIR Built Environment - Business Plan for redevelopment of Tygerberg Hospital	Nil	Nil	Nil
Hospital Design Group – Schedule of Accommodation for new Khayelitsha	Nil	Nil	Nil

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
District Hospital			
Ms. F. Shelley – Food Service Units	Nil	Nil	Nil
Utility Management Service	Nil	Nil	Nil
Asset Management - Metropole	Nil	Nil	Nil
Reproductive Health	Nil	Nil	Nil
Dept Collectors	Nil	Nil	Nil
Computer training	Nil	Nil	Nil
Training Consultants	Nil	Nil	Nil

Table 5.14.3: Report on consultant appointments using Donor funds

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

Table 5.14.4: Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs)

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
Nil			