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Part A

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1.1 List of Acronyms

AFCON	African Cup of Nations
AGSA	Auditor-General of South Africa
AIDS	Acquired Immune Deficiency Syndrome
APP	Annual Performance Plan
ART	Antiretroviral Therapy
ARV	Antiretroviral
APP	Annual Performance Plan
AU	African Union
BAS	Basic Accounting System
BCP	Business Continuity Plan
BBB-EE	Broad Based Black Economic Empowerment
BME	Benefit Medical Examination
BRICS	Brazil, Russia, India, China and South Africa
CARMMA	Campaign on Accelerated Reduction of Maternal and Child Mortality in Africa
CCM	Chronic Care Model
CCOD	Compensation Commissioner for Occupational Diseases
CEO	Chief Executive Officer
CHBAH	Chris Hani Baragwanath Academic Hospital
CHC	Community Health Centre
CIDA	Canadian International Development Aid
CHW	Community Health Worker
CMS	Council for Medical Schemes
CORE	Code of Remuneration
CPT	Cotrimoxazole Prophylaxis Therapy
CSIR	Council for Scientific and Industrial Research
CSTL	Care and Support for Teaching and Learning
DBE	Department of Basic Education
DCST	District Clinical Specialist Team
DDG	Deputy Director General
DEA	Department of Environmental Affairs
DFID	Department for International Development
DG	Director-General
DHA	District Health Authority
DHIS	District Health Information System
DHMIS	District Health Management Information System
DHMT	District Health Management Team
DHS	District Health System
DHP	District Health Plan
DBSA	Development Bank of Southern Africa
DORA	Division of Revenue Act
DPSA	Department of Public Service and Administration
DRP	Disaster Recovery Plan
EA	Executive Authority
EAP	Employee Assistance Programme
EEL	Essential Equipment List
EHP	Environmental Health Practitioner
EMIS	Education and Management Information System
EMP	Environmental Management Plan
EPI	Expanded Programme on Immunisation
ESMOE	Essential Steps in the Management of Obstetric Emergencies
EU	European Union
FAO/WHO	Food and Agricultural Organisation / World Health Organisation
FDC	Fixed Dose Combination
FET	Further Education and Training
FIT	Facility Improvement Team
FSHPC	Forum for Statutory Health Professions Council
HAART	Highly Active Antiretroviral Therapy

HCT	HIV Counselling and Testing
HDI	Human Development Index
HFIT	Health Facility Improvement Team
HIG	Health Infrastructure Grant
HIV	Human Immuno-Deficiency Virus
HPCSA	Health Professions Council of South Africa
HPTDG	Health Professionals Training and Development Grant
HPV	Human Papilloma Virus
HR	Human Resources
HRG	Hospital Revitalisation Grant
HRP	Human Resources Plan
HST	Health System Trust
HT	Health Technology
HW SETA	Health and Welfare Sector Education and Training Authority
ICCM	Integrated Chronic Care Model
ICT	Information Communication Technology
IHR	International Health Regulations
IMR	Infant Mortality Rate
IPT	Isoniazid Preventive Therapy
IRS	Indoor Residual Spray
ISHP	Integrated School Health Programme
IT	Information Technology
IUSS	Infrastructure Unit Support System
IYM	In-Year Monitoring
LFA	Local Funding Agency
MBFI	Mother Baby Friendly Initiative
MBOD	Medical Bureau for Occupational Diseases
MCC	Medicines Control Council
MCWH	Mother, Child and Women's Health
MDG	Millennium Development Goals
MDR-TB	Multi-drug-Resistant Tuberculosis
MISP	Master Information Systems Plan
M&E	Monitoring and Evaluation
MMC	Male Medical Circumcision
MMR	Maternal Mortality Ratio
MOU	Memorandum of Understanding
MRC	Medical Research Council
MTEF	Medium Term Expenditure Framework
NCE	New Chemical Entity
NCDs	Non-Communicable Diseases
NCCEMD	National Committee for the Confidential Enquiries into Maternal Deaths
NCOP	National Council of Provinces
NDoH	National Department of Health
NDP	National Development Plan
NEMA	National Environmental Health Act
NHI	National Health Insurance
NHI-CG	National Health Insurance Conditional Grant
NHIRD	National Health Information Repository and Data Warehouse
NHISSA	National Health Information Systems Committee of South Africa
NHLS	National Health Laboratory Services
NGO	Non-Government Organisation
NHREC	National Health Research Ethics Council
NHRC	National Health Research Committee
NICD	National Institute for Communicable Diseases
NIDS	National Indicator Data Set
NPM	Nutrient Profiling Model
NSDA	Negotiated Service Delivery Agreement
NTSG	National Tertiary Services Grant
NTSP	National Tertiary Services Plan
NWU	North West University

OHS	Occupational Health and Safety
OHSA	Occupational Health and Safety Act
OHSC	Office of Health Standard Compliance
OHU	Occupational Health Unit
OSD	Occupation-specific Dispensation
ODA	Overseas Development Aid
OPSC	Office of Public Service Commission
PCR	Polymerase Chain Reaction
PEPFAR	President's Emergency Plan for AIDS Relief
PERSAL	Personnel Salary System
PFMA	Public Finance Management Act
PHC	Primary Health Care
PHSDSDC	Public Health and Social Development Sectoral Bargaining Council
PMTCT	Preventing of Mother-to-Child Transmission
RFQ	Request for Quotation
SADHS	South Africa Demographic and Health Survey
SAHPRA	South African Health Products Regulatory Authority
SANAC	South African National AIDS Council
SAPS	South African Police Services
SANHANES	South African National Health and Nutritional Examination Survey
SARRAH	Support for HIV and Health in South Africa
SCM	Supply Chain Management
SCOPA	Select Committee on Public Accounts
SDC	Step Down Care
SDIP	Service Delivery Improvement Plan
SMS	Senior Management Service
SSA	State Security Agency
SOP	Standard Operating Procedure
STI	Sexually Transmitted Infection
UCT	University of Cape Town
UNAIDS	United Nations Programme on HIV/AIDS
UNFP	United Nations Fund for Population Development
USAID	United States Agency for International Development
WBOT	Ward Based PHC Outreach Team
WHO	World Health Organization
WISN	Work Indicators for Staffing Needs

1.2 Foreword by Minister

This Annual Report is being presented at the onset of the new medium term strategic framework. The report is particularly significant this year in the light of major changes sweeping the public health sector globally.

South Africa's National Development Plan (NDP) implores us, amongst others, to: increase life expectancy to 70 years by 2015; achieve a generation of under-20s free of HIV and AIDS; reduce maternal and child mortality; significantly reduce the burden of diseases, both communicable and non-communicable; implement the National Health Insurance (NHI) in phases, complemented by a relative reduction in the cost of private health care, supported by better human resources and systems.

There is consensus that the Post-2015 World Health Agenda must be characterised by three goals: (1) MDGs 4, 5 and 6 need to continue far beyond 2015 – which means that efforts to reduce child and maternal mortality, and the fight against HIV and AIDS, TB and malaria should not stop in 2015; (2) the world must deal decisively with the risk factors causing the ever-exploding pandemic of non-communicable diseases (NCDs) i.e. smoking, harmful use of alcohol, poor diet and lack of exercise; (3) implementation of Universal Health Coverage (in South Africa called the National Health Insurance) by every country.

In June this year, the Partnership Forum Summit was held in Johannesburg, hosted by the World Health Organisation (WHO). The communiqué at the end of this Summit stated that we need to ensure the well-being of every woman, child, newborn and adolescent. The communiqué implores us both individually and collectively to strive for the realisation of this noble goal. This is because maternal and child mortality is not only a health issue, but also an issue of the development of humanity.

Despite the Department's strong belief that no woman should die giving life, the following continue to be a major cause of death in pregnancy and childbirth among South African women, HIV and AIDS, which accounts for 49% of maternal mortality and 35% of child mortality; hypertension in pregnancy; and haemorrhage, including ante- and post-partum haemorrhage.

For this reason, we at the Department of Health consistently and persistently pursue strong HIV and AIDS programmes for pregnant women, like the PMTCT Programme. We have scored significant achievements in this regard. Whereas a decade ago 70 000 children in South Africa were born HIV-positive every year, we now have less than 8 000 annually, due to a massive and successful PMTCTProgramme. The Department plans to build on this success in the medium term until no child is born HIV-positive.

During the past 18 months, 1 468 doctors and 3 625 professional nurses have been trained in Essential Steps in the Management of Obstetric Emergencies (ESMOE). Data suggest that in the districts where the training has been done, maternal deaths from bleeding after delivery are on the decline. The Department will continue with this programme until doctors and midwives in all districts in the country are well trained.

The National Committee for the Confidential Enquires into Maternal Deaths' (NCCEMD) triennial studies indicate that of the more than 1 million women who fall pregnant annually, 8% are girls under the age of 18 years, who account for a massive 36% of maternal deaths. There have been wild claims that the key driver of teenage pregnancy is the child support grant. However, there is no scientific evidence to support this. The Department has always argued, supported by United Nations Fund for Population Development (UNFP), that one of the main drivers of teenage pregnancy in Sub-Saharan Africa is the lack of family planning. This has also led to an exponential increase in teenage abortions.

In dealing with this crisis, on 17 February 2014 the Department launched a new National Family Planning Campaign in Ekurhuleni in Gauteng, under the theme "Dual Protection" for consistent use of a condom together with another form of contraception device. We launched a new contraceptive device called the Sub-dermal implant, which is implanted just under the skin on the inner upper arm. This is the first time that this long-acting, reversible contraceptive, which remains active for a period of three years, has been made available in the public health sector in South Africa. While it will cost up to R1 700.00 in the private health sector, it is provided in all public health facilities free of charge to any woman, regardless of her socio-economic status.

For this campaign, the Department has thus far trained 5 325 nurses across all public health facilities, who are now able to administerimplants even in the absence of a doctor.

When the campaign started, the department undertook to order 80 000 units of the implant every quarter, resulting in at least 320 000 implants being inserted per annum.

Within four months, we have already inserted 362 000 implants, far exceeding our initial annual target of 320 000. Already, 600 000 implants have been ordered and we have reason to believe that they will all be inserted by the end of this financial year.

In our determination to protect our future mothers against cancer of the cervix of the uterus, the Department of Health, together with the Department of Basic Education, launched the HPV (Human Papilloma Virus) Vaccine Programme targeting Grade 4 girls, in March this year.

During March and April this year over 2 000 vaccination teams were trained, and visited over 90% of all public schools that have Grade 4 learners. Over 87% or just over 345 377 of eligible Grade 4 girls were immunised. The Department is planning for a second dose in September and October this year, and thereafter we will immunise new Grade 4 girls every year. The girls that have not yet turned nine years during their Grade 4 year will be vaccinated the following year, even if they have left Grade 4.

This nationwide initiative will have far-reaching implications for preventing cervical cancer in our future generations of women.

It should be appreciated that when one's country is faced with a huge burden of disease and the NDP implores us to reduce this burden, it means that the healthcare system has to be directed. We cannot achieve this through a largely curative healthcare system. A huge disease burden such as ours can only be reduced through a Primary Health Care system that is directed at prevention of diseases and promotion of health.

In the current term of government, we in the South African healthcare system have no choice but to comply with the NDP directive to re-organise our health system to be pro-poor and to promote health and wellbeing.

This Report outlines key achievements during the last financial year. A great deal of progress has been made. Millions of individuals have been supported to access both the HIV and AIDS and TB treatments, and we encourage them to adopt healthier lifestyles.

While much has been achieved over the last five years, many challenges remain, including helping people to keep up the positive lifestyle changes they have made. But we are also aware that progress towards better health and wellbeing for South Africans may be threatened by the aggressive marketing of alcohol, tobacco products and unhealthy foods. We will continue to engage the industry responsible for the production of these products to see the logic in our endeavours to protect and promote the health of our people. We have to work together to ensure that we move South Africa forward and that our people enjoy a long and healthy life.

Dr A Motsoaledi, MP
Minister of Health
Date: 4 September 2014

1.3 Deputy Minister's Statement

Reading this Report, one gets a sense that health and well being in South Africa continues to improve. Several gains have been made towards improving the health status among South Africans. These include: an increase in overall life expectancy from 57.1 years in 2009 to 61.3 years in 2012; a decrease in the Under-5 Mortality Rate (U5MR) from 56 deaths per 1000 live births in 2009, to 41 deaths per 1000 live births in 2012. A decrease in the Infant Mortality Rate (IMR) from 39 deaths per 1000 live births in 2009, to 27 deaths per 1000 live births in 2012; a decrease in mother-to-child transmission (MTCT) of HIV from 8.5% in 2008, to 3.5% in 2010 and to 2.7% in 2011; and an increase in the number of people initiated on antiretroviral therapy from 47 000 in 2004 to 2.4 million in 2013.

Currently, the 30–70 year age group, NCDs account for 43% of total deaths.Cardiovascular diseases (including hypertension), cancer, diabetes, chronic respiratory infections, mental disorders and other diseases have been part of our health landscape for decades, but until recently due to high levels of infectious diseases, have tended to play second fiddle to communicable diseases in low- and middle-income countries.

Non-communicable diseases are emerging as major health problems of the future globally, and with increased urbanisation and industrialisation, we are already seeing growing trends of these diseases in South Africa.These diseases are often called "silent killers" because many people who have diabetes or hypertension, for example, are not aware that they have a problem at all.

The National Development Plan (NDP) 2030 is clear in this regard: "South Africa's health challenges are more than medical. Behaviour and lifestyle also contribute to ill-health.To become a healthy nation, South Africans need to make informed decisions about what they eat, whether or not they consume alcohol, sexual behaviour, levels of physical activity, among other factors."

The NDP goes on to say: "Promoting health and wellness is critical to preventing and managing lifestyle diseases, particularly the major non-communicable diseases among the poor, such as heart disease, high blood pressure, cholesterol and diabetes. These diseases are likely to be a major threat over the next 20 to 30 years."

South Africa, together with the international community, has acknowledged through a General Assembly Resolution in 2011 (Resolution A/66/L.1) that NCDs are not merely a health problem but a major development concern. NCDs are now not only a problem of the old and infirm, and of developed countries, but of the productive workforce everywhere. They also drain budgets intended for the poorest of the poor.

Two weeks ago representatives from around the globe again gathered at the General Assembly in New York to review progress made in implementing the Political Declaration for the Prevention and Control of NCDs. I am pleased to report that South Africa was acknowledged as a leading country in taking serious steps towards addressing the major risk factors of NCDs, as well as in developing health system innovations that improve healthcare provision.

We were recognised as a leader in areas such as tobacco control, trans-fat and salt regulation, and also in our proposals to restrict alcohol advertising and sponsorships. Since 1995 we have brought down our smoking rates by around 30% – including amongst school going children.

Safeguards are needed to ensure that this trend is strengthened rather than reversed, and brought in line with the Framework Convention on Tobacco Control. To this end additional regulations are being planned.

The salt regulations, which industry is now beginning to implement ahead of the compulsory targets set for 2016 and 2019, are projected to result in 7 400 fewer deaths due to cardiovascular disease and 4 300 fewer non-fatal strokes per year.

Alcohol consumption remains far too high, at 27 litres of pure alcohol per annum in people 15 years and over. Amongst men this is a very high 33 litres, significantly higher than both the African and World average intake of 21 litres.

We realise that these figures will not drop dramatically by restricting advertising alone, but it is well established from several studies that alcohol advertising influences behaviour it brings about false beliefs about drinking and encourages young people to drink alcohol sooner and in greater quantities.

The integrated approach to managing all chronic diseases, whether they are communicable or non- communicable, will go a long way in improving effectiveness.The estab-

lishment of the National Health Commission will enhance intersectoral collaboration.

The Ministerial Advisory Committee on Cancer has been functioning for a little over a year. The introduction of the HPV vaccine is a critical step forward and we are confident that it will go a long way in reducing cancer of the cervix. The South African Cancer Control Strategy will be launched during 2014/15 and will be providing additional impetus and direction for the prevention, care and treatment of cancer.

We have made progress in the reduction of blood alcohol backlogs in our Forensic Chemistry Laboratories (FCLs) due to the appointment of additional analysts and procurement of additional equipment. The budget for FCLs has increased from R78 883 000 in the 2013/14 financial year to R122 896 000 in 2014/15. This significant increase has also contributed to a decrease in toxicology backlogs and in the turn-around time of toxicology analysis in cases of unnatural death. I commend this report as a reflection of our achievements and the challenges the Department is committed to overcome.

Dr J Phaahla, MP
Deputy Minister of Heath
Date:2 September 2014

1.4 Report by the Accounting Officer to the Executive Authority and Parliament of the Republic of South Africa

1. 4 .1 Overview of the operations of the Department

1.4.1.1 Strategic Issues Facing the Department

During 2013/14, South Africa continued to be faced with a quadruple Burden of Disease (BoD) consisting of HIV & AIDS and TB; High Maternal and Child Mortality; Non-Communicable Diseases; and Violence and Injuries.

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

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

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

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

Strengthening the effectiveness of the health system is the foundation on which successful interventions to improve health outcomes can be built. International experience points to the fact that only a strengthened health system, further fortified by effective intersectoral collaboration to address social determinants of health, can improve health outcomes.

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

1.4.1.2 Significant events that have taken place during the year

(a) Medical Research Council (2013): Rapid Mortality Surveillance (RMS) Report 2012 highlights several gains made towards improving the health status of all South Africans. These include the following:

- An increase in overall life expectancy from 57.1 years in 2009 to 61.3 years in 2012.
- A decrease in the Under-5 mortality rate (U5MR) from 56 deaths per 1 000 live births in 2009, to 41 deaths per 1 000 live births in 2012
- A decrease in the Infant Mortality Rate (IMR) from 39 deaths per 1 000 live births in 2009, to 27 deaths per 1 000 live births in 2012.
- A decrease in Maternal Mortality ratio from 304 per 100 000 live births in 2009, to 269 per 100 000 live births in 2012

The health sector continued with the implementation of key strategies linked to the NHI Pilot Sites. The primary intention of the pilots is to undertake real-life demonstration of the various aspects of NHI as outlined in the Green Paper. The real-life demonstrations will be implemented at district level in alignment with the NHI implementation strategy of initially focusing on primary health care services. The NHI pilots are testing a set of interventions and delivery models. The focus is to assess whether the new interventions can reduce the burden of disease and improve health outcomes especially maternal, child and infant mortality.

The indirect Schedule 6A, called the National Health Grant, was established in 2013/14. This grant has two components, one for NHI and one for Health Facility Revitalisation. The National Department has played a larger role in delivering some of the services, with the concurrence of provinces and in the establishment of NHI. This was introduced as a measure to deal with under-spending and weaknesses in performance on these grants.

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

The Department continues to implement the new re-engineered Primary Health Care (PHC) model for South Africa. The model consists of four streams namely: District Specialist Clinical Support Teams; Primary Health Care Ward Based Outreach Teams, the School-based Health programme and the Contracting of General Practitioners to work in Primary Health Care Facilities.

As at March 2014 District Clinical Specialist Teams with at least three specialists were established in 46 districts.

Ward-based PHC Outreach Teams: At the end of this financial year, a cumulative total of 1063 Municipal Ward Based Primary Health Care Outreach Teams (WBPHCOT) were established and reported their activities on the District Health Information System. The NDoH managed to exceed the 2013/14 target of 750 WBPHCOT reporting on the DHIS by 313 teams. During the reporting period the Department provided continuous support to the individual provinces including the appointment of PHC coordinators through donor funding.

The Integrated School Health Programme (ISHP) had a 31% coverage rate for 2013/14 in quintile 1 and 2 schools. During October 2013-March 2014, school health nurses were involved with preparation and implementation of the Human Papilloma Virus (HPV) Vaccine campaign thus reducing their availability to focus on quintile 1 and 2 schools.

Prevention is the mainstay of efforts to combat HIV and AIDS. During 2013/14, a total of 6 688 950 people accepted HIV testing as part of HIV Counselling and Testing (HCT) services. A total of 662 312 new patients were placed on Antiretroviral Therapy (ART) during 2013/14.

Follow-ups of new-borns (post-natal care) and their mothers constitute an essential part of the continuum of care. During 2013/14, 73% (increase of 7.8% from 2012/13) of mothers received post-natal care within 6 days after delivery.

1.4.1.3 Major Projects Undertaken or Completed During the Year

One of the significant achievements during the 2013/2014 year was the approval of the National Health Amendment Act by Parliament and its signing into law by the President, in July 2013. The proclamation of the National Health Amendment Health Act (Act 12 of 2013) by the President of the Republic of South Africa on 2nd September 2013 and inauguration of the Board in January 2014, formalised the existence of the Office of Health Standards Compliance (OHSC) as an independent public entity. During the 2013/14 financial year, significant progress was made in setting up the basis of the future Office through carrying out of "mock" inspections in 582 facilities, thus exceeding the target of 567 and more than doubling the number conducted the previous year. These inspections were accompanied by extensive efforts to disseminate the National Core Standards. Re-inspections in a small number of establishments did indicate that quality improvements are being implemented.

During 2013/14 a total number of 260 Hospital CEOs have gone through a training program. This was largely achieved because of the implementation strategy that was adjusted by grouping provinces, thereby enabling more hospital CEOs to attend. The main goal of the training programme is to enhance the management capacity of the public health sector, ensure excellence and achieve the objectives set in the HRH Strategy published in October 2011.

To enhance the production of doctors in South Africa, the intake of medical students by academic institutions is rapidly being scaled up. A Public Health Enhancement Fund has been created, jointly with the private sector. A total of 23 private sector CEOs have pledged a total of R40million. From this amount, R20 million is utilised to support training of 100 medical students from disadvantaged backgrounds, who demonstrate potential, but who would otherwise not have been accepted into academic institutions. On completion of their medical training, the doctors will return to serve their areas of origin.

During 2013/14, Workload Indicators for Staffing Need (WISN) model was used to determine health workforce staffing requirement. WISN reports were drafted with technical support from the World Health Organization (WHO). Staffing norms for Clinics and Community Health Centres were developed and adopted as guidelines for implementation by National Health Council. The next phase will focus on the development of staffing norms for hospitals.

The eHealth strategy for the public health sector for 2012/13-2016/17 was approved by the Minister on the 09th July 2012. In 2013/14, the Normative Standards Framework for eHealth was developed and approved. The eHealth Strategy provides the roadmap for achieving a well-functioning national health information system with the patient located at the centre. The strategy also seeks to ensure that the Integrated National Patient-Based Information System will be based on agreed upon scientific standards for inter-operability, which improves the efficiency of clinical care, produces the indicators required by management, and facilitates patient mobility.

1.4.2 Overview of the financial results of the department: Departmental receipts

Departmental receipts	2013/14			2012/13		
	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Sale of goods and services other than capital assets	38 076	67 136	(29 060)	31 892	37 750	(5 858)
Interest, dividends and rent on land	420	1 858	(1438)	300	460	(160)
Financial transactions in assets and liabilities	912	2 612	(1 700)	914	(4 380)	5 294
Total	**39 408**	**71 606**	**(32 198)**	**33 106**	**33 830**	**(724)**

The revenue grew from R33,8 million in 2012/13 to R71,6 million in 2013/14, at an average of 111,66%. The main source of revenue is from fees from registration of medicines which yielded a significant increase of 78,73% in 2013/14. The tariffs charged by the Department in this regard are in terms of the provisions of the Medicines and Related Substances Act of 1965 as published in the Government Gazette on 7 November 2012.

The majority of revenue collected by the NDoH is derived from applications for registration of medicines, which falls under the Medicines Control Council (MCC).

The increase in revenue collected from medicine registration fees in 2013/14, had a direct influence on interest gained on the bank account, thus collecting more revenue than expected. The Department received an amount in respect of a claim from an Insurance Company for the car of the deceased Deputy Minister. The MRC refunded the Department for the conference that was not held in the previous financial year. A refund was received from a Company which had received a double payment in the previous year. All of the events mentioned above, were not anticipated.

1.4.3 Programme Expenditure

Programme Name	2013/14			2012/13		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	405 505	363 960	41 545	402 434	390 478	11 956
Health Planning and Systems Enablement	492 994	197 905	295 089	303 794	293 286	10 508
HIV and AIDS, TB and Maternal, Child and Women's Health	11 036 505	10 958 798	77 707	9 230 346	9 165 474	64 872
Primary Health Care Services	100 960	88 199	12 761	113 842	105 362	8 480
Hospitals, Tertiary Services and Workforce Development	17 728 804	17 483 962	244 842	17 423 129	17 349 729	73 400
Health Regulation and Compliance Management	763 413	732 273	31 140	583 658	545 526	38 132
Total	**30 528 181**	**29 825 097**	**703 084**	**28 057 203**	**27 849 855**	**207 348**

From a total allocation for the year under review amounting to R30, 528 billion, the Department spent R29, 825 billion, which is 97,7% of the budget available.

The economic classifications which were under-spent were mainly Goods and Services and Capital. Goods and services (G&S) were under-spent mainly due to late commitments and deliveries. Capital expenditure was under-spent due to construction projects not completed by 31 March 2014.

Reasons for under/(over) expenditure

Programme 1: Administration
The programme shows an expenditure of R363, 960 million (89.63%), with an under expenditure of R41, 545 million (10.37%), against a budget of R405, 505 million.

The underspending on Goods & Services can mainly be attributed to the following: the Health Statistics Publication was not published; invoices regarding the Family Planning Campaign were not received; various invoices regarding Novell Licence renewals, intranet server and datalines could not be paid timeously; trips to monitor the Limpopo Province's financial matters were cancelled and service provider could not be appointed in time.

Programme 2: Health Planning and Systems Enablement
The programme shows an expenditure amounting to R197, 905 million (40.1%), with an under expenditure of R295, 089 million (59.9%), against a budget of R492, 994 million. The under expenditure is mainly due to the slow take-off of the national Health Insurance Indirect Grant.

Programme 3: HIV and AIDS, TB and Maternal, Child and Women's Health
From a total allocation of R11, 036 billion, the programme has spent 99.3% of its allocated funds amounting to R10, 958 billion, with an under expenditure of R77, 707 million (0,7%).Underspending is due to challenges experienced with the condom supplies.

Programme 4: Primary Health Care Services (PHC)
The total allocation for the programme amounted to R100, 960 million. The programme shows an expenditure outcome of R88, 199 million, which is 87.4%, with an under expenditure of R12 761 million (12.6%). The under-spending is mainly due to slow spending on the District Health Information System.

Programme 5: Hospitals, Tertiary Services and Workforce Development
The programme has spent R17, 483 billion (98,6%) of its allocated funds, amounting to R17, 728 billion, which resulted in an under expenditure of R244, 842 million (1,4%). The underspending on Goods and Services is mainly due to the slow spending by the Subprogramme: Human Resources for Health; invoices for goods and services ordered at the Forensic Chemistry Laboratories were not received in time and no expenditure was incurred on the Nursing Colleges Project. The main underspending is due to incomplete infrastructure projects funded through the Health Facility Infrastructure Indirect Grant.

Programme 6: Health Regulation and Compliance Management
The programme has spent R732, 273 million (95.9%) of its R763, 413 million allocated funds, with an under expenditure of R31, 140 million (4.1%). The underspending on Goods & Services can be ascribed to slow spending by the Subprogrammes: Pharmaceutical Trade & Product Regulation, Office of Health Standards Compliance and the Commissioner for Occupational Diseases.The last mentioned Subprogramme also spent very little of the capital funds on the refurbishing of the buildings, from there the large underspending on Payment for Capital assets.

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

The Director-General granted approval for the virement of R59,935 million from Goods and Services to:

- Households (leave gratuity payments): R1, 522 million
- Machinery and equipment: R3, 517 million
- Within Compensation of Employees: R35, 842 million
- Within Goods and Services: R17, 854 million

National Treasury approved the following new or increased transfers:

• 11 October 2013	R5,0m	Health Information Systems Programme
• 30 December 2013	R2,4m	Western Cape National Health Insurance Grant
• 18 February 2014	R2,0m	Soul City
• 21 February 2014	R4,2m	Heart and Stroke Foundation
• 21 February 2014	R50 000	Albinism Society of SA
• 11 March 2014	R3,0m	Medical Research Council
• 13 March 2014	R15,0m	SA National AIDS Council
• 17 March 2014	R1,2m	National Institute of Communicable Diseases

National Treasury further granted approval for the virement of R18,5 million from Goods and Services to Compensation of Employees

Roll overs

The following amounts were rolled over form the 2012/13 to the 2013/14 financial year:

- South African National AIDS Council: R10.951 million
- Walter Sisulu University: Increased medical student intake: R4.0 million
- Forensic Chemistry Laboratories:Specialised laboratory equipment: R7.234 million
- Unauthorised expenditure: None
- Fruitless and wasteful expenditure: An amount of R43 000 was identified during the re porting period of which R13 000 relates to the current year and R30 000 relates to the prior year.

Public Private Partnerships

The Department continued with the planning phase of seven PPP projects namely, Dr George Mukhari, Chris Hani Baragwanath Academic, new Limpopo Academic, King Edward VIII Academic, Nelson Mandela Academic, and the new Mpumalanga Tertiary, Tygerberg Academic hospital. Feasibility studies (first drafts) for Chris Hani Baragwanath Academic and new Limpopo Academic Hospital's have been presented by the respective Transactional Advisors to steering committees. The Department is reviewing the current feasibility studies and investigating a more affordable and appropriate model to be considered for implementation to the current hospital projects.

Biovac Institute is still mandated to source and supply good quality EPI vaccines on behalf of the provincial departments on health.The partnership is in effect until 2016.

- Discontinued activities/activities to be discontinued: No activities were discontinued
- during the year under review.
- New or proposed activities: None
- Supply chain management: No unsolicited bid proposals were concluded by the department for the year under review.

Processes and controls are in place to curb the occurrence of irregular expenditure as can be seen in its reduction over the last few financial years. Proper Contract Management is still lacking in the Department. This capacity has to be built and resourced within the Department. This will become more important as the Infrastructure implementation matures and gains momentum over the MTEF.

Increasing the effectiveness of the Departmental procurement plan. Standard Operating Procedures were developed to guide end users through the SCM processes and to enhance compliance with prescripts.

Redundant, obsolete, unserviceable and damaged assets and items were identified and disposed off for the year under review. Some assets were sold as scrap and the other were donated to Schools.

- Gifts and Donations received in kind from non related parties: In kind good and services amounting to R58,7 million were received during the financial year and is disclosed in the Annual Financial Statements.
- Exemptions and deviations received from the National Treasury: *None received*
- Events after the reporting date: None to report
- Other: During the 2011/12 financial year, an amount of R28, 200 million was paid to the Development Bank of South Africa for the Project Management Support Unit. An amount of R2, 851 million was expended by DBSA in 2011/12 and the balance of R25, 349 million was expended in 2012/13.

Acknowledgements

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

Approval

The Annual Financial Statements have been approved by the Accounting Officer.

MS. M.P. MATSOSO
DIRECTOR-GENERAL
30 JULY 2014

1.5 Statement of Responsibility and Confirmation of the Accuracy of the Annual Report

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

All information and amounts disclosed throughout the Annual Report are consistent.

The Annual Report is complete, accurate and is free from any material omissions.

The Annual Report has been prepared in accordance with the guidelines on the Annual Report as issued by National Treasury.

The Annual Financial Statements (Part E) have been prepared in accordance with the modified cash standard, and the relevant frameworks and guidelines issued by the National Treasury.

The Accounting Officer is responsible for the preparation of the annual financial statements and for the judgements made in this information.

The Accounting Officer is responsible for establishing, and implementing a system of internal control, which has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.

The Auditor- General of South Africa (AGSA) was engaged to express an independent opinion on the annual financial statements and performance information.

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

Yours faithfully

Ms MP Matsoso
Director-General: Health
30 JULY 2014

1.6 Strategic Overview

Mission
A Long and Healthy Life for all South Africans

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

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

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

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

These outputs are interlinked. An effective and well-functioning health system is essential for the attainment of the desired improved health outcomes. The NSDA 2010 to 2014 informed the development, implementation and monitoring of the Annual Performance Plan (APP) of the NDoH for 2013/14.

1.7 Legislative and Other Mandates

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

1.7.1 Legislation falling under the Portfolio Responsibilities of the Minister

- **Constitution of the Republic of South Africa Act,108 of 1996**

Pertinent sections provide for the right of access to health care services, including reproductive health and emergency medical treatment.

- **National Health Act, 61 of 2003**

Provides for a transformed national health system for the entire Republic.

- **Medical Schemes Act, 131 of 1998**

Provides for the regulation of the medical schemes industry to ensure consonance with national health objectives.

- **Medicines and Related Substances Act, 101 of 1965**

Provides for the registration of medicines and other medicinal products to ensure their safety, quality and efficacy. The Act also provides for transparency in the pricing of medicines.

- **Mental Health Care Act, 17 of 2002**

Provides a legal framework for mental health in the Republic, and in particular the admission and discharge of mentally ill health patients in institutions, with emphasis on human rights for mentally ill patients.

- **Choice on Termination of Pregnancy Act, 92 of 1996**

Provides a legal framework for termination of pregnancies based on choice under certain circumstances.

- **Sterilisation Act, 44 of 1998**

Provides a legal framework for sterilisations, also for persons with mental health challenges.

- **SA Medical Research Council Act, 58 of 1991**

Provides for the establishment of the SA Medical Research Council and its role in relation to health research.

- **Tobacco Products Control Amendment Act, 63 of 2008**

Provides for the control of tobacco products, prohibition of smoking in public places and advertisements of tobacco products, as well as sponsoring of events by the tobacco industry.

- **National Health Laboratory Service Act, 37 of 2000**

Provides for a statutory body that provides laboratory services to the public health sector.

- **Health Professions Act, 56 of 1974 as amended**

Provides for the regulation of health professions, in particular, medical practitioners, dentists, psychologists and other related health professions, including community service by these professionals.

- **Pharmacy Act, 53 of 1974 as amended**

Provides for the regulation of the pharmacy profession, including community service by pharmacists.

- **Nursing Act, 33 of 2005**

Provides for the regulation of the nursing profession.

- **Allied Health Professions Act, 63 of 1982 as amended**

Provides for the regulation of health practitioners like chiropractors, homeopaths and others, and for the establishment of a council to regulate these professions.

- **Dental Technicians Act, 19 of 1979**

Provides for the regulation of dental technicians and for the establishment of a council to regulate the profession.

- **Hazardous Substances Act, 15 of 1973**

Provides for the control of hazardous substances, in particular those emitting radiation.

- **Foodstuffs, Cosmetics and Disinfectants Act, 54 of 1972 as amended**

Provides for the regulation of foodstuffs, cosmetics and disinfectants, in particular, setting quality and safety standards for the sale, manufacturing and importation thereof.

- **Occupational Diseases in Mines and Works Act, 78 of 1973**

Provides for medical examinations of persons suspected of having contracted occupational diseases, especially in controlled mines and works, and for compensation in respect of those diseases.

- **Council for Medical Schemes Levies Act, 58 of 2000**

Provides for a legal framework for the Council to charge medical schemes certain fees.

- **Human Tissue Act, 65 of 1983**

Provides for the administration of matters pertaining to human tissue.

- **State Information Technology Act, 88 of 1998**

Provides for the creation and administration of an institution responsible for the State's information technology system.

- **Child Care Act, 74 of 1983**

Provides for the protection of the rights and wellbeing of children.

- **The Competition Act, 89 of 1998**

Provides for the regulation of permissible competitive behaviour, regulation of mergers of companies and matters related thereto.

- **The Copyright Act, 98 of 1998**

Provides for the protection of intellectual property of a literary, artistic or musical nature that is reduced to writing.

- **The Patents Act, 57 of 1978**

Provides for the protection of inventions, including gadgets and chemical processes.

- **The Merchandise Marks Act, 17 of 1941**

Provides for the covering and marking of merchandise, and incidental matters.

- **Trade Marks Act, 194 of 1993**

Provides for the registration of trademarks, certification trademarks and collective trademarks and matters incidental thereto.

- **Designs Act, 195 of 1993**

Provides for the registration of designs and matters incidental thereto.

- **Promotion of Equality and the Prevention of Unfair Discrimination Act, 4 of 2000**

Provides for the further amplification of the constitutional principles of equality and elimination of unfair discrimination.

- **State Liability Act, 20 of 1957**

Provides for the circumstances under which the State attracts legal liability.

- **Broad-Based Black Economic Empowerment Act, 53 of 2003**

Provides for the promotion of black economic empowerment in the manner that the State awards contracts for services to be rendered, and incidental matters.

- **Unemployment Insurance Contributions Act, 4 of 2002**

Provides for the statutory deduction that employers are required to make from the salaries of employees.

- **Public Finance Management Act, 1 of 1999**

Provides for the administration of State funds by functionaries, their responsibilities and incidental matters.

- **Protected Disclosures Act, 26 of 2000**

Provides for the protection of "whistle-blowers" in the fight against corruption.

- **Control of Access to Public Premises and Vehicles Act, 53 of 1985**

Provides for the regulation of individuals entering government premises, and incidental matters.

- **Conventional Penalties Act, 15 of 1962**

Provides for the enforceability of penal provisions in contracts.

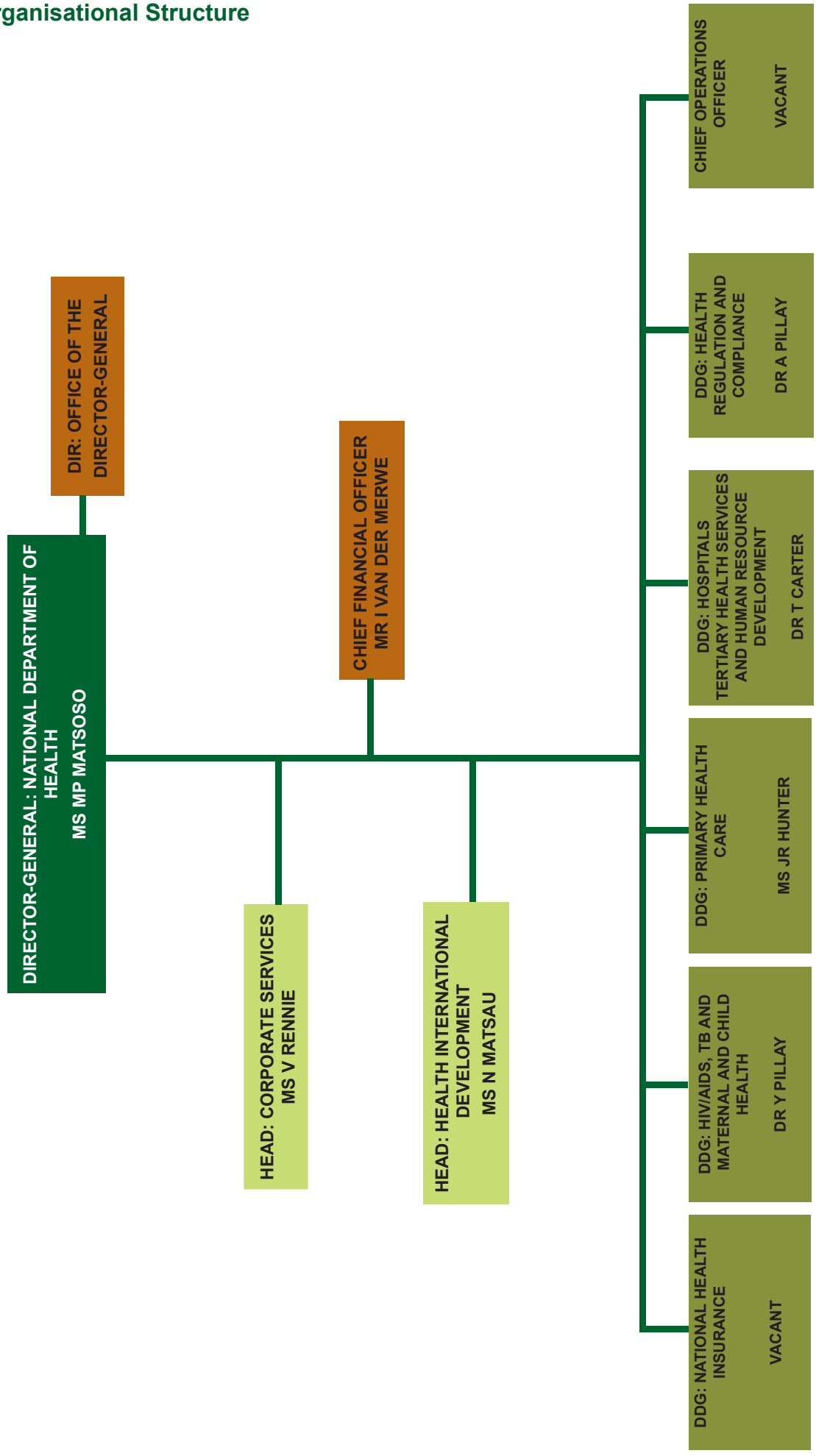
- **Intergovernmental Fiscal Relations Act, 97 of 1997**

Provides for the manner of harmonisation of financial relations between the various spheres of government, and incidental matters.

- **Public Service Commission Act, 46 of 1997**

Provides for the amplification of the constitutional principles of accountability, good governance, and incidental matters.

1.8 Organisational Structure



1.9 Entities Reporting to Minister

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

Part B

Performance Information

2.1 Auditor- General's Report: Predetermined Objectives

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

Refer to page 122 of the Report of the AGSA, in Part E: Financial Information.

2.2 Overview of Departmental Performance

Service Delivery Improvement Plan

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

Main services provided and standards

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

Consultation arrangements with customers

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

Service delivery access strategy

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

Service information tool

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

Complaints mechanism

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

2.3 Performance Information by Programme

Programme 1: Administration

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

- Ministry
- Management
- Financial Management
- Corporate Services

The **Human Resources Management sub-programme** implemented the abolition of posts that had been dormant for six months or more as part of the first phase of the PERSAL Clean-up process. The Department also reduced the vacancy rate to 4.34%, which is below the DPSA's prescribed 10%. The revised Human Resources (HR) delegations were approved for implementation. An Audit and Risk Plan was also developed and implemented to address the management of leave, signing of Performance Agreements and appointment of employees.

The **Legal Services sub-programme** provided legal expertise and services, which ensured finalisation of the National Health Amendment Bill and the publication of 91 regulations in the 2013/14 financial year.

The **Communications sub-programme** continued to ensure open and regular communication with the media and the public on key initiatives, achievements and developments within the public health sector. Efforts were made to ensure that communication with external stakeholders covered issues focussing on the health and comprehensive range of programmes and activities relating to the Department's execution of its mandate.

As part of the implementation of the approved Information Communication Technology (ICT) Strategic Plan, during the year under review the Department ensured the stabilisation of the ICT environment through replacement of old infrastructure with a NEC server, and roll-out of the reload to the remote sites providing a back-up system for Departmental emails, as well as an infrastructure upgrade at the Medical Bureau for Occupational Diseases (MBOD). The envisaged Business Continuity Plan will include development of a departmental records management system in compliance with the Archives Act.

The **Policy Coordination and Integrated Planning sub-programme:** The key strategic objective of the Department for 2013/14, set in the Annual Performance Plan (APP) for 2013/14 to 2015/16, was to facilitate and coordinate evidence-based planning for all levels of the healthcare system, aligned to the health sector's 10-point plan and negotiated service delivery agreement. In 2013/14, the Policy Co-ordination and Integrated Planning cluster facilitated an extensive consultative process to refine the Medium Term Strategic Framework (MTSF) 2014–2019. The National Department of Health provided leadership by also facilitating the development of an Annual Performance Plan format to be used by Provincial Departments of Health. This format consists of indicators to track implementation of the MTSF 2014–2015. These indicators will be found in all provincial Annual Performance Plans 2014/15.

The National Department of Health and all Provincial Departments of Health Annual Performance Plans for the 2014/15 year were developed in close alignment to the draft Outcome 2 MTSF 2014–2019 and planning guidelines.

Strategic Objective	Performance Indicator	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from Planned Target to Actual Achievement 2013/2014	Comments on deviation
To ensure effective financial management and accountability	Audit opinion from Auditor- General	Unqualified Audit opinion	Unqualified Audit Opinion	Unqualified Audit Opinion	None	None
	Total number of provinces with financial improvement plans	9	9	9	None	None
	Number of provinces that submit reports against defined set of non-negotiable items on a monthly basis	New indicator	9	9	None	None
Facilitate and coordinate evidence-based planning for all levels of the healthcare system, aligned to the health sector's 10-point plan and negotiated service delivery agreement	Planning guidelines for provincial Annual Performance Plans (APPs) developed and implemented	1 national APP and 9 provincial APPs developed according to guidelines	9 provincial APPs developed according to guidelines	9 provincial APPs developed according to guidelines	None	None
	Total number of provincial APPs reviewed and feedback provided	9 provincial APPs analysed and feedback provided	9 provincial APPs reviewed and feedback provided	9 provincial APPs reviewed and feedback provided	None	None
To ensure that Information Communication Technology (ICT) supports the business objectives of the Department	Develop the ICT Strategic plan	A draft Information and Communication Technology (ICT) Strategic Plan was developed which would form the basis of the Master Information System Plan MISP.	ICT Strategic plan developed and Phase I of the Strategic Plan implemented	ICT Strategy developed and phase 1 of the Strategy implemented	None	None
	Produce an ICT Business Continuity Plan (BCP) which incorporates a Disaster Recovery Plan	The BCP and DRP had to be reviewed to be aligned to the business processes of the Department . The EMC data backup solution project was completed as the first step of data protection and forms part of disaster recovery	ICT Business Continuity Plan inclusive of a Disaster Recovery Plan developed and implemented	A draft IT Service Continuity Plan has been developed	Delay in the development of the Department-wide Business Continuity Plan	Process has been initiated to ensure the development of the Departmental BCP for the next financial year

Strategic Objective	Performance Indicator	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from Planned Target to Actual Achievement 2013/2014	Comments on deviation
To ensure sound and effective Human Resource Management and Development practices	Develop NDoH Human Resource (HR) Plan	New indicator	NDoH HR Plan developed and commenced with implementation	The NDoH HR plan was developed and implementation	None	None
	Performance Agreements for all Senior Managers signed (as required by PSR 4/III/B.1)	New indicator	Performance Agreements for all Senior Managers for the period 13/14 signed	103 of 109 Senior Managers signed and timeously filed their Performance Agreements with Department of Public Service and Administration DPSA and/or Public Service Commission (PSC)	6 Senior Managers did not have signed Performance Agreements	One Senior Manager was within the 3-months grace period to contract; two managers are foreign-based employees who must contract with High Commissioners; one manager was on long period of absence (incapacity leave) and two members failed to submit without a good reason

Changes to planned targets

There were no changes to the planned targets for this programme.

Linking performance with budgets

	2013/2014			2012/2013		
Sub-programmes	**Final Appropriation**	**Actual Expenditure**	**(Over)/Under Expenditure**	**Final Appropriation**	**Actual Expenditure**	**(Over)/Under Expenditure**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**
Ministry	31 657	27 595	4 062	26 833	25 547	1 286
Management	37 982	30 496	7 486	33 257	30 567	2 690
Corporate Services	182 449	157 816	24 633	169 082	158 081	11 001
Office Accommodation	97 514	93 532	3 982	93 526	92 978	548
Financial Management	55 903	54 521	1382	79 736	83 305	-3 569
Total	405 505	363 960	41545	402 434	390 478	11 956

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

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

There are five budget sub-programmes:

Technical Policy and Planning provides advisory and strategic technical assistance on policy and planning, and supports policy implementation.

Health Information Management, Monitoring and Evaluation develops and maintains a national health information system, commissions and coordinates research, develops and implements disease surveillance programmes, and monitors and evaluates strategic health programmes.

The M&E plan for the NSDA 2010 to 2014 was produced and implemented during the reporting period, and significant progress has been made in the development of other related M&E systems. The Health Data Advisory and Co-ordination Committee (HDACC), which was established by the Department in 2010 to gain consensus on key health outcome indicators in South Africa, has also advanced considerably. As part of their contribution to the work of HDACC, the Medical Research Council (MRC) of South Africa and the School of Actuarial Sciences at the University of Cape Town (UCT), released the second report based on the Rapid Mortality Surveillance (RMS) System in February 2014, which provides estimates for Output One and Two targets of the NSDA up to 2012. The RMS System report estimated that the average life expectancy of South Africans increased from 57.1 years in 2009 to 61.5 years in 2012. The Infant Mortality Rate (IMR) decreased from 39 deaths per 1 000 live births in 2009 to 27 deaths per 1000 live births in 2012; and the Under-5 Mortality Rate decreased from 56 deaths per 1000 live births in 2009 to 41 deaths per 1000 live births in 2012. The RMS System report also estimated that the Maternal Mortality Ratio was at 308 per 100 000 live births in 2009 and at 269 per 100 000 live births in 2010.

The draft M&E system framework was revised, with comments and inputs received during 2013/14. It will be finalised in the 2014/15 reporting period. As part of the M&E system, a total of 2 754 health facilities were implementing the electronic ART Register (TIER.Net) of which 1 419 facilities were on Phase 6, capturing of ART data live, and can produce quarterly ART cohort reports. Paper-based Tier 1 facilities were reduced to 832 facilities in 2013/14. Readiness assessments for Tier 3: SMARTER were conducted at seven clinics, two community health centres and five hospitals in NHI pilot districts. Four sets of Standard Operating Procedures for routine data management were printed for use at sub-district, district, provincial and national levels. The National Indicators Data Set (NIDS) for 2013–2015 was implemented by all provinces from April 2013. Data quality assessments were conducted and feedback on the findings was provided in more than 30 facilities, requiring that data quality improvement plans per facility are prepared.

The 2012 National Antenatal Sentinel HIV and HSV-type 2 Prevalence Survey Report was finalised Since 1990, the Annual Sentinel Antenatal Point Prevalence Surveys have been conducted in order to monitor the HIV sero-prevalence amongst first-time antenatal clinic attendees and to monitor trends in HIV prevalence over time. These surveys have also been used to monitor syphilis prevalence trends since 1997 in order to determine its role as a potential co-factor for HIV transmission. Empirical evidence has thus far shown no direct correlation between HIV prevalence and syphilis prevalence. Based on this observation, a decision was taken to investigate whether there is association between HIV and Herpes Simplex Virus type-2 (HSV-type 2). For the first time, the 2012 survey reports on the association between HIV and Human Herpes Virus type-2 (HSV2) prevalence in selected pilot provinces of KwaZulu-Natal, Western Cape, Gauteng and Northern Cape. Data collection for these estimates and trends for the 2013 Survey was completed.

A Government Gazette notice was prepared in terms of the Section 74 (2) of the National Health Act No 61 of 2003. This notice will ensure that conformity assessments are done to test compliance of Patient Information Systems utilised in South Africa with the Normative Standards Framework for Interoperability. The Council for Scientific and Industrial Research (CSIR) was also commissioned to assess the Patient Information System used in Primary Health Care settings and recommend an effective patient information system. The International Classification of Diseases (ICD) 10 Committee conducted an assessment of the implementation of the ICD10 in 15 hospitals, and clinics and prepared the ICD10 Phase 4 Notices to healthcare stakeholders and the ICD10 Updated Master Industry Table regarding the full implementation of Phases 3 and 4.1 as of 1 July 2014.

The following seven health research priorities were identified in 2012/2013: funding, human resources, health research infrastructure, priority research fields, national regulatory framework, planning and translation, and monitoring and evaluation. Under the auspices of the National Health Research Council, three key activities linked to the health research priorities were implemented and supported. The activities included the processes to develop an Integrated National Strategy for Health Research (INSHR) and to develop a proposal and implementation plan for the National Health Research Observatory (NHRO). The Department, together with Health Systems Trust, conducted a literature study for the establishment of an NHRO. Health Systems Trust also developed a National Health Research Database. The Department also made available funding for the National Health Scholarship Fund in 2013/14. The first intake on the National Health Scholars Programme was 13 PhD candidates. In 2013/14, an additional 26 students were enrolled. By providing scholarships, the Programme seeks to grow a new cadre of academic health professionals

in all fields of health care, including nursing, dentistry, medicine, pharmacy and physiotherapy. This programme seeks to produce 1 000 PhD graduates in all fields of Health Sciences over the next 10 years.

Planning for the next South Africa Demographic and Health Survey (SADHS) 2014/2015 is on course and the survey will be conducted by a consortium which consists of the Medical Research Council, Statistics South Africa and Human Sciences Research Council.

Sector-wide Procurement is responsible for the selection of essential medicines, the development of standard treatment guidelines, the administration of pharmaceutical tenders, and the procurement and licencing of persons and premises that deliver pharmaceutical services.

In addition to the Essential Medicines List (EML) and Standard Treatment Guidelines (STGs) being available for all levels of care, an interactive electronic format for the Hospital Level was developed for cell phone applications.

There was cost saving on the 13 pharmaceutical contracts that were issued. Post contract administration included the imposition of penalties on suppliers, which also assisted in the award of future contracts where suppliers are performing poorly.

Monitoring medicines supply and availability across the medicine supply chain has been a challenge due to the absence of an electronic stock availability system at facility level. An early warning system has been implemented to prevent stock-outs at facility level. The system includes a reporting template on stock availability at facility level. In addition a cell phone application has been developed, and a toll free line is also available to report low stock levels.

In an effort to improve access and to decongest public facilities, work has started in NHI pilot districts whereby stable patients on chronic medicines are offered the opportunity to collect their chronic medicines at a point close to their homes or workplaces.

To monitor the overall performance of the Provincial Pharmaceutical Services, a dashboard of key pharmaceutical indicators has been developed.

The Interim Traditional Health Practitioners Council (ITHPC) has been established and systems developed to manage knowledge of African Traditional Medicines.

Health Financing and National Health Insurance undertakes health economics research; develops policy for medical schemes and public-private partnerships; provides technical oversight over the Council for Medical Schemes; develops and implements policies, legislation and frameworks for National Health Insurance; oversees the coordination of research into alternative healthcare financing mechanisms for achieving universal health coverage; and oversees the NHI conditional grant, as well as central hospital and district pilot activities.

The NHI pilot districts have implemented interventions aimed at strengthening the district health system as part of the preparations for the phased implementation of NHI. The various interventions implemented in the pilot districts have focused on developing capacity in the area of monitoring and evaluation, training capacity in the fields of supply chain management, and planning and strengthening the referral system through capacitating PHC teams with key resources to assist in delivering services to catchment populations. The pilot districts were also supported with the procurement of essential PHC equipment and information technology infrastructure as part of service delivery improvements.

An independent review on the performance of the NHI pilot districts was conducted by Health and Life Science Partners (HLSP), Clinton Health Access Initiative (CHAI) and Centres for Disease Control and Prevention (CDC).

Work on the development of the Diagnosis Related Grouper (DRG) as an alternative reimbursement tool for central hospitals has commenced.

A number of central hospitals were supported to enhance records management systems and revenue collection capacity. Targets in revenue collection were exceeded in six central hospitals.

International Health and Development develops and implements bilateral and multilateral agreements with strategic partners, such as the Southern African Development Community (SADC), the African Union (AU), United Nations (UN) and BRICS. These are aimed at strengthening the health system and managing processes of technical capacity and financial assistance. South Africa is organising the 3rd BRICS Health Ministers Forum in Cape Town.

During 2013/2014, this sub-programme performed numerous international health development functions. South Africa was elected as a member of the executive board of the World Health Organisation for a three year term and is represented by the Director General.

Other activities were the processing of applications to study medicine in Cuba, which resulted in 885 students being admitted into the Cuban programme, as well as facilitating the deployment of 89 new medical doctors from Cuba to provinces.

A further five cross-border projects of the first round of the SADC HIV and AIDS Fund were implemented. The engagements in SADC activities resulted in the development and adoption of various regional resolutions to advance regional integration on health, such as the SADC Declaration in the mines, establishment of three Supranational and Regional Centres of Excellence in laboratories that are located at the National Health Laboratory Services.

In the area of bilateral relations, strategic agreements with Lesotho, Botswana and Namibia were concluded to manage cross-border control of infectious diseases. With respect to Iran and Tunisia, doctors from these countries

continue to provide the necessary clinical services to rural and under-served areas of South Africa, such as in Limpopo, Northern Cape and Mpumalanga. With respect to humanitarian assistance, a Trilateral Agreement with Sierra Leone was also concluded for the recruitment and deployment of a Cuban Medical Brigade to work in Sierra Leone. Furthermore, financial assistance of R1 million was provided for the procurement of essential medicines and other supplies to the State of Palestine.

Various resource mobilisation projects with development partners were also accomplished, such as the Primary Health Care Policy Support Programme through SA/EU primary healthcare sector policy support, the Trade, Development Cooperation Agreement (TDCA) for the establishment of the institutes for Regulatory Sciences, the renewal of the US Government funding for several health sector initiatives in South Africa for the year 2013, the signing of SA–Germany Agreement for HIV Prevention, and discussions on the SA/UK MOU for health.

South Africa also participated in the following African Union activities:

- Conference of AU Health Ministers (CAMH6) held in Addis Ababa, Ethiopia, April 2013, theme: "The Impact of Non-Communicable Diseases (NCDs) and Neglected Tropical Diseases (NTD) on Development in Africa"

- Special Summit of the African Union on HIV/AIDS, Tuberculosis and Malaria, held in Abuja, Nigeria, 8 to 16 July 2013

Strategic objectives, performance indicators, planned targets and actual achievements

Strategic Objective	Performance Indicator	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from Planned Target to Actual Achievement 2013/2014	Comments on deviation
Develop and implement an integrated monitoring and evaluation plan aligned to outcomes contained in the negotiated service delivery agreement	Integrated monitoring and evaluation plan developed and implemented	Different components of the monitoring and evaluation system are being implemented and maintained. This includes the NSDA M&E plan, District Health Information System Policy, 3-tier ART M&E system, maintenance of the NHIRD	Monitoring and evaluation plan for health reviewed and implemented	Monitoring and evaluation plan for health was reviewed and revised	The revised monitoring and evaluation plan for health was not finalised and therefore not implemented	Extensive consultation delayed the finalisation of revision of the monitoring and evaluation plan for health
Monitor HIV and syphilis prevalence by conducting the annual national HIV survey	Annual National HIV and Syphilis Survey Reports published	2011 National Antenatal Sentinel HIV and Syphilis Prevalence Survey Report was published on 10 December 2012	2012 Annual National HIV and syphilis prevalence estimates and trends report published	The 2012 National Antenatal Sentinel HIV and HSV-type 2 Prevalence Survey Report has been published	None	None
To develop and manage eHealth	eHealth strategy developed and implemented to guide the establishment of a national patient based information system	eHealth strategy was developed and finalised in July 2012	Normative Standards Framework (NSF) for eHealth developed	Normative Standards Framework (NSF) for eHealth developed and approved	None	None
Strengthen research and development	National health research priorities identified and studies commissioned	The National Health Research Priority List was published.	National health research priority list reviewed and research studies commissioned	National health research priority list was reviewed. A total 23 students enrolled on National Health Scholars Programme.	None	None

Strategic Objective	Performance Indicator	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from Planned Target to Actual Achievement 2013/2014	Comments on deviation
Improve management ofpharmaceutical contracts	Number of pharmaceutical contracts awarded	New indicator	13 pharmaceutical contracts awarded	13 pharmaceutical contracts awarded	None	None
Review of Essential Medicines List (EML) and Standard Treatment Guidelines (STG)	Publication of Hospital level paediatric EML/ STG	New indicator	Published Hospital level paediatric EML/ STG	Published Hospital level paediatric EML/ STG	None	None
Review of Essential Medicines List (EML) and Standard Treatment Guidelines (STG)	Publication of Hospital level paediatric EML/ STG	New indicator	Published Hospital level paediatric EML/ STG	Published Hospital level paediatric EML/ STG	None	None
	Publication of Hospital level adult EML/STG	New indicator	Published Hospital level adult EML/STG	Published Hospital level adult EML/STG	None	None
	Publication of Tertiary level EML	New indicator	Tertiary level EML reviewed and published	Tertiary level EML published	None	None
Monitor availability of medicine at provincial depot level	Number of quarterly medicine availability reports produced	New indicator	4 reports produced to monitor medicine availability at all provincial pharmaceutical depots	4 reports produced to monitor medicine availability at all provincial pharmaceutical depots	None	None
Improve systems and processes to monitor the licensing system for pharmacies	Proportion of complete applications (which include good pharmacy practice compliance) that were processed in 120 days	New indicator	80% of complete applications processed	81% of complete applications processed	None	None
Inspect dispensing licenced prescribers	Total number of inspections conducted at licenced dispensing prescribers	New indicator	2 000	83	-1 917	Staff had to be redeployed to address drug supply management challenges hence inspections could not be done

Strategic Objective	Performance Indicator	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from Planned Target to Actual Achievement 2013/2014	Comments on deviation
Prepare for the implementation of the National Health Insurance (NHI)	Policy and legal framework for the Implementation of NHI developed	Draft White Paper on NHI Draft Bill on NHI	White Paper on NHI finalised and Gazetted	Draft White Paper on NHI revised and tabled to the Social Cluster in November 2013	The White Paper on NHI has not been finalised and Gazetted as planned	Consultations with the National Treasury to determine consistency between the proposals outlined in the White Paper and the discussion issues in the Treasury paper on Financing NHI
	Creation of NHI Fund	New indicator	Conceptual Framework for the Creation of NHI Fund developed	Draft document outlining the proposed structure of the NHI Fund prepared	The document on creation of the NHI Fund is still in draft form	The finalisation of the document for the creation of the NHI fund is dependent on the finalisation of the NHI White Paper.
	Contracting of General Practitioners and other health service providers	New indicator	Establishment of the National Technical Task Team for GPs contracting	the National Technical Task Team for GPs contracting established and fully functional	None	None
			Contracting framework in order to test reimbursement mechanisms for contracting general practitioners developed and tested	Contracting framework to test reimbursement mechanisms for contracting general practitioners developed and utilised for the reimbursement of contracted doctors	None	None
			600 GPs contracted for 533 clinics	119 GPs contracted	-481	Challenges experienced with the contracting of GPs included the slow uptake from potential GPs and contractual concerns raised by GPs
Strengthen information systems to improve revenue collection by reducing billing backlog and improving administrative efficiency in order to prepare for NHI implementation	Number of central hospitals that had an increase in revenue collection	New indicator	4	6 central hospitals improved their annual revenue collection	+2 central hospitals increased their annual revenue collection	Additional resources were allocated to this function

Strategic Objective	Performance Indicator	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from Planned Target to Actual Achievement 2013/2014	Comments on deviation
Provide stewardship and leadership for improving health outcomes through working with international development partners, SADC, AU, UN agencies, IBSA and BRICS, as well as bilateral and multilateral relations	Number of projects and programmes initiated or being implemented within the SADC protocols	7 cross-border initiatives facilitated	3 projects and programmes initiated or being implemented	5 projects and programmes implemented	+2 projects and programmes	SADC regional activities increased due to the need for a regional approach to deal with health systems issues and diseases confronting the region

Strategies to overcome areas of under- performance

The legal team is reviewing the contract to accommodate the concerns raised by General Practitioners. Quarterly meetings are being held with doctor associations. Special meetings in districts are being held with doctor groups to discuss these concerns. The Department is reviewing the option of engaging service providers that are involved with doctor practices.

Furthermore, some challenges continue to be experienced with the contracting of GPs programme. These include submitting incorrect time sheets, incomplete supporting documentation, and/or incorrect billable hours. These factors have continued to cause delays in the payment process. The Department will continue to engage actively with GPs to correct the accuracy of their documentation. Also, a GP induction programme will be implemented to ensure that all contracted GPs are fully aware of the processes that must be followed in submitting information for payment. It is anticipated that this will assist in streamlining the challenges and ensure timely payment for the rendered services. Finally, the contracting programme will be expanded to focus on all health professional categories (not just GPs), as well as to cover other health districts (not just the NHI pilot sites), so that the scope, depth and breadth of the programme is larger than initially conceptualised.

Changes to planned targets

There were no changes to the planned targets for this programme.

Linking performance with budgets

	2013/2014			2012/2013		
Sub-programmes	**Final Appropriation**	**Actual Expenditure**	**(Over)/Under Expenditure**	**Final Appropriation**	**Actual Expenditure**	**(Over)/Under Expenditure**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**
Technical Policy & Planning	3 657	2 659	998	12 382	12 399	-17
Health Information Management, Monitoring & Evaluation	41 205	34 102	7 103	43 076	41 721	1 355
Sector-wide Procurement	22 202	20 817	1 385	20 454	19 838	616
Health Financing and & NHI	366 499	76 029	290 470	172 956	166 377	6 579
International Health & Development	59 431	64 298	- 4867	54 926	52 951	1 975
Total	**492 994**	**197 905**	**295 089**	**303 794**	**293 286**	**10 508**

Programme 3: HIV and AIDS, TB and Maternal and Child Health

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

There are four budget sub-programmes:

HIV and AIDS is responsible for policy formulation, coordination, and monitoring and evaluation of HIV and sexually transmitted infections services. This entails coordinating the implementation of the National Strategic Plan on HIV, STIs and TB, 2012–2016. Management and oversight of the HIV conditional grant from the National Treasury for implementation by the provinces is an important function of the sub-programme. Another important purpose is the coordination and direction of donor funding for HIV, especially PEPFAR and Global Fund, in the health sector.

Flowing from the country's national strategic plan for HIV, STIs and TB 2012-2016, the Department's strategic objectives were to scale up combination prevention interventions to reduce the rate of new infections, and to improve the quality of life of people living with HIV, by providing a comprehensive package of care, treatment and support services to at least 80% of people living with HIV and AIDS.

HIV counselling and testing is an entry point to all HIV programmes. Since the campaign was introduced in 2010, over 35 million people have been tested. During the 2012/13 year, 8 978 177 people, of all ages, were tested, whilst in 2013/14, 6 688 950 people between the ages of 15 and 49 years were tested. The target was based on testing rates during the previous HCT campaign, where significantly more resources were deployed to support the campaign.

Medical Male Circumcision (MMC) is one of the key strategies for HIV prevention. The MMC programme has achieved over 1 million male circumcisions (for males 15–49 years old) since it started in 2010. This was attributable to partnerships between government and donors such as PEPFAR and the Global Fund. In 2012/13, 422 262 MMCs were performed, against a target of 600 000. In 2013/14, 331 668 circumcisions were performed. The reliance on a small number of medical doctors has been a limiting factor in achieving the ambitious target of 600 000 circumcisions during the financial year.

South Africa's treatment programme is the largest in the world, which is commensurate with the burden of disease. In 2013/14 the target for initiating new patients on antiretroviral therapy (ART) was 500 000. The programme exceeded the target, with 662 312 new patients initiated on ART. This has been made possible through technical support from PEPFAR and funding for antiretroviral therapy from the Global Fund. In the last two years, the Global Fund has contributed to the treatment of 10% of patients. By the end of the year, over 2.5 million patients were on treatment. One of the strategic interventions introduced during the financial year was Fixed Dose Combination (FDC) triple therapy to increase access to ART and adherence of patients to treatment. Since implementation of FDCs in September 2013, approximately 900 000 of the 2.5 million patients remaining in care were on FDCs. The Department is on track towards meeting the National Strategic Plan (NSP) 2015/16 target of 3 million patients on ART.

An independent review of the HIV, TB and PMTCT programme was conducted in October 2013. The review was aimed at assessing progress made over the past five years, with a view to informing policy and programme implementation. In summary, notable progress had been made in scaling up ART, MMC and HCT. However, retention of patients on treatment in care needs to be strengthened. Strengthening HIV prevention, i.e. HCT and MMC and integration of HIV, TB and PMTCT services, are some of the challenges that must be addressed in 2014/15. Some of the strategies to be employed include using the cascade approach recommended by the review to ensure that populations at risk are mapped and targeted, ensuring effective interventions through the various stages of care, including screening, counselling, diagnosis, treatment, retention in care, and outcomes.

Tuberculosis develops national policies and guidelines, and sets norms and standards for TB. The number of new TB infections has been declining as the treatment success and cure rates have increased over the last five years. South Africa now has the largest programme to implement the latest TB diagnostic technology, the GeneXpert, with over 300 machines deployed. The Department was also successful in attracting significant funding from the Global Fund for HIV, TB and malaria. These funds will be used over the next two-and-a-half years to: strengthen TB services in Correctional Services; to strengthen services in peri-mining communities; and to further decentralise multi-drug-resistant TB services.

Women's, Maternal and Reproductive Health develops and monitors policies and guidelines, and sets norms and standards for maternal and women's health, including contraception and family planning services. Major achievements during the financial year included accelerated implementation of the maternal, neonatal, child and women's health and nutrition strategy as it impacts on women and maternal health.

According to the 2013 MDG Country Report, the Maternal Mortality Ratio was 269/100 000 live births in 2013. In addition, in partnership with the University of Pretoria, with funding from DFID, 2 967 doctors and 6 776 professional nurses have been trained in the management of obstetric emergencies (ESMOE) and emergency obstetric simulation training (EOST), to ensure that health workers

have the skills to deal with obstetric haemorrhage in particular – which continues to be major cause of maternal mortality. Preliminary data suggests that the ESMOE and EOST have begun to improve maternal and neonatal health outcomes.

The introduction of FDC Antiretroviral drug in public sector facilities, to all pregnant women who test HIV-positive, regardless of CD4 count, has resulted in further improvements in reducing mother-to-child transmission (MTCT) of HIV. According to the DHIS, 77% of HIV-positive pregnant women attending antenatal care (ANC) have been initiated on FDC since its implementation in April 2013.

Transmission of HIV from mothers to children has been declining since 2008, when it was 8.5%. By 2012 the transmission rate was 2.6%, as reported by the MRC annual surveys. Routine data collected though the laboratory by the NHLS suggests that transmission in 2013 was down to 2% – significantly lower than the target for 2013/14.

The Department co-hosted, with the African Union, an international conference on maternal, neonatal and child health in August 2013. The conference agreed on a programme of action that builds on the AU's Campaign on the Accelerated Reduction of Maternal and Child Health (CARMMA). The action plan was approved for implementation by all AU members at the joint AU/WHO Health Ministers meeting.

The Cluster finalised the Contraceptive Policy and Clinical Guidelines, which was approved by the National Health Council (NHC). In March 2014, the Minister of Health launched the policy and a national family planning campaign. At the launch, the contraceptive implant was also introduced in an effort to expand the choice of contraceptives available to women.

Child, Youth and School Health develops and monitors policies and guidelines, and sets norms and standards for child health. Under-5 mortality rates continue to decline largely due to the vaccination programme, as well as the HIV and PMTCT programmes. According to the latest data from the MRC, neonatal, under-1 and under-5 mortality has continued to decline. Between 2009 and 2012, the MRC estimates that neonatal mortality declined from 14/1000 to 12/1000, under-1 mortality declined from 39/1000 to 27/1000 and under-5 mortality declined from 56/1000 to 41/1000. These declines are largely due to declines in mortality from HIV, as well as from pneumonia and diarrhoea (both due to high coverage of the two new vaccines introduced in 2009).

The following have been identified as priority interventions for reducing child deaths in South Africa. Efforts to reduce child mortality rates therefore need to focus on ensuring that every woman, mother and child receives these services as part of comprehensive service packages at community, Primary Health Care (PHC) and hospital levels. District Clinical Specialist Teams (DCST) and Ward-Based PHC Outreach Teams (WBPHCOT) will play a key role in ensuring that these services achieve full coverage.

Significant progress has been made in developing and implementing a plan to reduce neonatal mortality. This includes hiring a neonatalologist to develop a package of interventions and to host training workshops in health districts to ensure that health workers have the skills to prevent avoidable neonatal mortality. Preliminary results from this initiative, together with training in ESMOE, suggest that neonatal mortality is declining.

Given that cervical cancer is the second highest prevalent cancer (after breast cancer) and kills more than 3 000 women every year, it was decided to roll out the Human Papilloma Virus (HPV) vaccine in 2013. The first dose to Grade 4 girls was provided during March and April 2014. More than 350 000 girls received their first dose, with the second dose to be administered in September and October 2014.

Strategic objectives, performance indicators, planned targets and actual achievements

Strategic Objective	Performance Indicator	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from Planned Target to Actual Achievement 2013/2014	Comments on deviation
Scale up combination of prevention interventions to reduce new infections	Number of Medical Male Circumcisions performed	422 262	600 000	331 668	-268 332	The MMC programme is doctor driven. Changing to the use of a device, rather than relying on doctors, will increase the MMC rate
	Number of HIV test client 15–49 years	8 978 177 (all ages)	13 000 000	6 688 950	-6 311 050	In setting the target it was assumed that the testing rate would remain same as during the 2010 HCT campaign; in addition, the target was for all ages as in 2012/13 not just for those between 15 and 49
Contribute to improved life expectancy by increasing the number of people put on ARVs	Total number of new clients put on ART	612 118	500 000	662 312	+162 312	Eligibility criteria for patients (including pregnant women) was revised; FDC was rolled out resulting in more patients accessed ART. In addition, more nurses were trained on initiating patients on ART

Strategic Objective	Performance Indicator	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from Planned Target to Actual Achievement 2013/2014	Comments on deviation
Reduce infant, child and youth morbidity and mortality	Immunisation coverage under 1 year (annualised)	94.0%	90%	91.8%	+1.8%	Target achieved, although provinces did experience unavoidable vaccine stock-outs (Hepatitis B) due to batch-failures
	Measles 2nd dose coverage (annualised)	82.7%	90%	80.2%	-9.8%	The non-achievement of this target reflects the ongoing difficulty in getting children back to the clinic during the 2nd year of life for preventive health care
	Integrated School Health Programme (ISHP) coverage of Quintile 1 and Quintile 2 schools	160%	70% (9 666 of 13 809 schools)	20.2%	-49.8%	Competing priorities (preparation and introduction of HPV vaccine), limited human resources as well as transport
	ISHP coverage of Grade 1 learners in Quintile 1 and Quintile 2 schools	75%	60% (297 000 of 495 000 learners)	19.3%	40.7%	Competing priorities (preparation and introduction of HPV vaccine), limited human resources as well as transport
	ISHP coverage of Grade 8 learners in Quintile 1 and Quintile 2 schools	129%	20% (80 400 of 402 000 learners)	11.9%	-8.1%	Competing priorities (preparation and introduction of HPV vaccine), limited human resources as well as transport
	Antenatal 1st visit before 20 weeks rate	44% (antenatal coverage before 20 weeks)	60%	50%	-10%	Seeking antental care before 20 weeks of pregnancy remains a challenge in many provinces. There are mutlifactorial causes including: cultural factors; use of private health facilities (which are not recorded in the DHIS); and lack of knowledge about the importance of early antenatal visits in some instances

Strategic Objective	Performance Indicator	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from Planned Target to Actual Achievement 2013/2014	Comments on deviation
	Delivery in facility rate	91.3%	95%	89%	-6%	This is linked to challenges of seeking antenatal care early. In addition the couple year protection has increased, meaning that there may be less women delivering
	Mother postnatal visit within 6 days rate	65.2%	79%	73%	-6%	There are mutlifactorial causes including cultural factors. As the number of WBOTs that are established increases, coverage will increase
	Number of districts implementing the district specialist teams	New indicator	20	46	+26	This programme has received significant support, including resources from the national level. Active recruitment of teams
Improve access to sexual and reproductive health services	Cervical cancer screening coverage	55.4%	56%	58.3%	+2.3%	Cervical cancer screening coverage has been remarkably successful due to a concerted effort to reach women over the age of 30 years
	Couple year protection rate	37.8%	36%	42.5%	+6.5%	The target was achieved due to training of health workers in sexual and reproductive health. The launch of the National Family Planning Campaign by the Minister refocused awareness on the need for contraception
Expand the PMTCT coverage to pregnant women	Antenatal client initiated on ART rate	81.6%	90%	77.5%	-12.5%	After the move from the single-drug regimen to the Fixed Dose Combination (FDC) therapy, data capturing challenges were noted and are being attended to
	Infant 1st PCR test positive within 2 months rate	2.5%	2.5%	2%	+0.5%	This indicator has been achieved due to the concerted efforts that were put into supporting the PMTCT programme at district level
Reduce the burden of Tuberculosis	TB (new pulmonary) cure rate	73.8%	85%	75.9%	-9.1%	High completion rates without confirmation of cure at six months post initiation of treatment, have resulted in sub-optimal cure rates
	TB (new pulmonary) defaulter rate	6.1%	<5%	6.2%	-1.2%	Migration of patients resulting in loss to follow up, is a continuing challenge
	Number of TB tests conducted with GeneXpert	New indicator	800 000	2 102 935	+1 302 935	Campaigns conducted in high risk populations resulted in increased numbers of people with TB symptoms who were tested

Strategic Objective	Performance Indicator	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from Planned Target to Actual Achievement 2013/2014	Comments on deviation
	Number of confirmed TB MDR clients initiated on treatment	New indicator	6 900	7 218	+318	The increase is linked to the high numbers diagnosed through GeneXpert and intensified campaigns conducted in high-risk populations
	Number of districts with a decentralised MDR unit	New indicator	45	26	-19	Shift in policy from dedicated MDR-TB teams to integrated TB/HIV-MDR-TB teams has slowed down the pace of decentralisation as well as inadequate budget for infrastructure upgrading at provincial level
Combat TB and HIV by reducing co-infection burden	TB client tested for HIV rate	85.3%	94%	88.7%	-5.3%	Some recording problems in ETR-net were experienced in addition to failure of some health workers to offer TB patients HCT
	TB/HIV co-infected client initiated on ART rate	New Indicator	85%	31.2%	-53.8%	Not all TB nurses trained on ART initiation; patients lost to follow up between services within the facility; lack of full integration of TB and HIV services to be remedied in new FY
	Number of HIV-positive new client initiated on isoniazid preventive therapy (IPT)	374 073	450 000	337 237	-112 763	More clinicians are now accepting protocols linked to IPT due to training and greater awareness of IPT

Strategy to overcome areas of under-performance

Medical Male Circumcision (MMC)
The current service delivery model for MMC is a doctor-driven model, hence reducing the capacity to deliver the programme given the shortage of doctors in the health system. Introducing task shifting to enable nurses to conduct circumcisions will alleviate the human resources shortage and allow programme implementation in clinics, which will take the programme closer to the community and improve access to MMC services. The Nursing Council will be engaged on this issue in the new financial year. At the end of the 2012/13 financial year, a costing exercise was underway to explore contracting of GPs to conduct circumcisions in their private practice, which will also increase coverage of MMC services. The feasibility of introducing non-surgical medical devices (PrePex) is being explored. Use of the devices will provide an alternative to the surgical method and could increase coverage. MMC will be integrated into the HCT campaign, which will include an intensified social mobilisation and communication plan to increase demand for MMC services.

HIV Counselling and Testing (HCT)
In December 2013, the Deputy President and the Minister of Health re-launched the revitalised HCT campaign. The campaign will be taken to a number of sectors, including the private sector, farms and higher education, to reach more people. Furthermore, a rigorous social mobilisation and communication campaign, spanning a period of five years, will be launched in the new financial year. This will increase awareness and education on HIV and AIDS and STIs, and create demand for the service.

Antiretroviral Therapy (ART)
Whilst the programme has been successfully scaled up, there are challenges with regard to quality of care and retention of patients in care. For example, the joint HIV, TB and PMTCT review showed that at 36 months after patients are started on treatment, 40% of them are lost to follow-up. The interventions that will be instituted to address these challenges include: the clinical mentorship programme will be strengthened; monitoring of ART clinical outcomes using TIER.Net system to be strengthened at facility level; Use the cascade approach, map populations at risk and target them, ensuring they are monitored through the various stages of care, including screening, counselling, diagnosis, treatment, retention in care and outcomes; and the finalisation and implementation of a treatment adherence strategy and implementation guide.

Tuberculosis (TB)
The National TB Programme will focus on strengthening linkage to treatment and retention in care to further improve treatment outcomes (treatment success and defaulter rates) for all patients, including those with drug-resistant TB. The following strategies will be implemented:

- tracing of patients lost to follow-up;
- implementing adherence strategies for infected TB patients; and
- decentralising the management of MDR-TB to lower levels of the health system, including training nurses to initiate MDR-TB treatment.

Specific interventions for increasing access to ART for TB/HIV co-infected clients initiated include:
- training of all nurses on NIMART and TB; and
- strengthening the integration of TB/HIV care, treatment and support.

Child Health
The Department will ensure that the immunisation status of all children is routinely checked and those that are behind schedule are immediately immunised. Using Ward Based Outreach Teams to identify and refer children who have missed doses, and a mobile health programme will be launched, whereby mothers will be reminded to take their children for immunisation. The Department is encouraging facilities to utilise growth-monitoring charts.

School health services have been identified as a policy priority for the health system and therefore district plans must include school health. Deployment of additional Integrated School Health Programme (ISHP) mobile clinics in NHI pilot districts will occur in 2014/15.

Maternal and Women's Health
Antenatal visits to public health facilities by pregnant women before 20 weeks of gestation, remains a challenge. WBOTs will assist in early detection of suspected pregnancy and advise women to attend clinics early. In addition, a community awareness campaign in the form of national mobile health (mHealth) initiative, which seeks to improve health-seeking behaviour and raise awareness in this group, will also assist in reminding pregnant women of the importance of early (less than 20 weeks) antenatal visits.

The PHC Re-engineering process, especially the deployment of District Clinical Specialist Teams (DCSTs), is beginning to bear fruit in improving the quality of maternal and child care, and they will increase their activities in the financial year 2014/15.

A quarterly dashboard of indicators that monitor different aspects of improving the health status of all women, has been developed, and will be used to work with provinces to improve their performance.

Changes to planned targets
There were no changes to the planned targets for this programme.

Linking performance with budgets

	2013/2014			2012/2013		
Sub-programmes	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
HIV and AIDS	10 978 412	10 904 278	74 134	9 182 503	9 127 936	54 567
Tuberculosis	24 778	23 800	978	20 510	13 426	7 084
Women's Maternal & Rep health	16 051	14 117	1 934	12 534	10 724	1 810
Child, Youth & School Health	17 264	16 603	661	14 799	13 388	1 411
Total	**11 036 505**	**10 958 798**	**77 707**	**9 230 346**	**9 165 474**	**64 872**

Programme 4: Primary Health Care Services (PHC)

Purpose
Develop and oversee implementation of legislation, policies, systems, and norms and standards for a uniform district health system, environmental health, communicable and non-communicable diseases, health promotion, and nutrition.

There are five budget sub-programmes:

District Services and Environmental Health promotes, coordinates and institutionalises the district health system; integrates programme implementation using the primary healthcare approach; coordinates the delivery of environmental health services for all levels of the healthcare system including monitoring and delivery of municipal health services; implements the third stream of PHC re-engineering, namely ward-based outreach teams inclusive of community-based services. The programme continues to develop norms and standards for all aspects of the district health system, primary health care and environmental health services.

A key objective of the NDoH is to strengthen the delivery of Primary Health Care (PHC) through the implementation of the re-engineering of PHC strategy. A number of new indicators have been developed to measure performance of the programme. The re-engineering of the PHC system is intended to improve access and health outcomes for the population. Health promotion and disease prevention are central to a successful PHC programme.

The draft framework on Social Determinants of Health has been developed. Going forward, the NDoH will facilitate a consultation process toward finalisation and adoption of the framework, which will allow implementation to commence.

At the end of this financial year, a cumulative total of 1 063 Municipal Ward Based Primary Health Care Outreach Teams (WBPHCOT) were established and reported their activities on the District Health Information System. The NDoH managed to exceed the 2013/14 target of 750 WBPHCOT reporting on the DHIS by 313 teams. During the reporting period the Department provided continuous support to the individual provinces, including the appointment of PHC coordinators, through donor funding.

Additionally, as part of improving the WBPHCOTs, the Department is introducing the use of mobile technology to strengthen monitoring and evaluation. The districts targeted for this intervention are:Thabo Mofutsanyana, uMgungundlovu, Pixley ka Seme, Dr Kenneth Kaunda, Gert Sibande and Cacadu Health Districts.

Supervision is a key intervention for the delivery of quality PHC services. During the period under review, the Department came close to achieving the set target of 80% for PHC supervision. Numerous factors influenced the supervisory rate, such as availability of supervisors, and logistical requirements such as vehicles. The supervision of PHC facilities will receive serious attention in the next medium term. In order to facilitate uniform implementation and improvement of the frequency and quality of PHC supervision, the Department has revised the PHC supervision policy and manual.

During 2013/14, a PHC utilisation rate of 2.4 visits per person per annum was achieved. This comes close to the target of 2.8 visits per person. The utilisation of PHC services in all provinces was lower than the national target, particularly in Gauteng Province, where visits had been less than two visits per person. The work pertaining to the "Ideal Clinic" project, aimed at improving the quality of primary healthcare services, is intended to improve achievement in this area. This includes attending to data quality at clinic level.

The District Health Systems Policy Framework has been completed and implementation commences in the 2014/15 financial year.

Forty-three 2014/15 DHPs were received, reviewed and feedback for improvement given, to ensure that new policy

initiatives like Campaign for Accelerated Reduction in Maternal Mortality in Africa (CARMMA) are included in the plans.

Thirty-five out of thirty-six targeted ports of entry to be designated in terms of International Health Regulations (IHR) have been assessed for core capacity, with the assistance of WHO, and were found to be compliant with the International Health Regulations (IHR). The remaining ports will be assessed once the transfer of the Port Health Services is completed.

The preparation for transferring the management of all South Africa's ports of entry from Provincial Departments of Health to the National Department of Health has been completed. To ensure appropriate allocation of resources to manage ports of entry optimally, the transfer will take effect in September 2014 as part of the budget adjustment process.

The compliance of the Department to the requirements of the National Environmental Management Act (NEMA) 1998, remains a key policy priority for the provision of quality environmental health services. The Department complied fully with the requirements of Chapter 3 of NEMA. DoHs third Annual Compliance Report for 2012/13 on its 2nd Edition Environmental Management Plan (EMP) was adopted by the Subcommittee for Environmental Management Plans, coordinated by the Department of Environmental Affairs. The report reflects implementation of the commitments of the EMP by all nine provinces.

The National Norms and Standards for Environmental Health were published in the Government Gazette for public comment. These norms and standards aim at setting acceptable standards for premises and ensuring a standardised approach in environmental health monitoring and provision of environmental health services in the country.

The National Environmental Health Policy was approved and published in the Government Gazette for implementation. This is the first ever policy for environmental health in the country.

The National Health Act Amendment Bill, which assigned the facilitation and management of Port Health Services from province to become a national competency, are signed. This will facilitate compliance with International Health Regulations.

The Minister has promulgated Regulations Relating to the Management of Human Remains under the National Health Act, 2003. This piece of legislation aims to regulate all matters relating to premises used in connection with the handling, storage and preservation of human remains, the importation and exportation of remains, as well as burial sites and burials at sea, for prevention of health hazards and risks.

Communicable Diseases develops policies and supports provinces to ensure the control of infectious diseases, and supports the National Institute of Communicable Diseases, a division of the National Health Laboratory Service.

To strengthen South Africa's outbreak response capacity, 35 districts were trained in this regard. During the 2013/14 financial year, the malaria incidence per 1 000 local population at risk has decreased even further from 0.60 in 2010/11 to 0.17. This puts South Africa well on its way to elimination of malaria by 2018.

Non-Communicable Diseases establishes policy, legislation and guidelines; and assists provinces in implementing and monitoring services for chronic diseases, disability, elderly people, eye care, oral health, mental health and substance abuse.

To facilitate the promotion of health and strengthen the prevention and management of non-communicable diseases, the Department introduced the Integrated Chronic Disease Management Model, which facilitates a higher compliance with treatment and care by patients through convenient and holistic care. This is being implemented in seven districts and is now included in the model for the "Ideal Clinic", to ensure larger scale-up.

Cataract surgery is a key intervention provided by the health sector to restore the sight of older persons. The annual target for 2013/14 was to achieve a cataract surgery rate of 1 500 per million uninsured population in six provinces. The Western Cape Province met the target. Gauteng and KwaZulu-Natal came close, both obtaining 95% of the target. A further three provinces achieved between 60% and 70% of the target, namely, Eastern Cape 69%, Northern Cape 67% and Free State 61%.

The public education campaign on salt reduction regulations has commenced. A targeted media campaign in cooperation with the Heart and Stroke Foundation will continue in the 2014/15 financial year.

The amendment to the regulations on warning labels on alcohol containers is at the stage of internal legal review. The Alcohol Amendment Bill has been subjected to regulatory impact assessment.

The Mental Health Care Amendment Bill (b39b, 2012) was passed by Parliament. This legislation secures the human rights of forensic mental health patients by improving the efficiency of processing patients kept under the Act. Regulations have been drafted and will be gazetted once the President has signed the amendment into law.

A draft document on the rehabilitation service model has been developed in consultation with stakeholders in the disability sector.

Health Promotion and Nutrition formulates and monitors policies, guidelines, and norms and standards for health promotion and nutrition. Over the medium term, focus will be placed on finalising an integrated health promotion policy and strategy, as well as the roadmap for nutrition in South Africa.

The Roadmap for Nutrition in South Africa 2013–2017 was approved and published. The five-year Roadmap for Nutrition for South Africa provides a framework for the implementation of existing and new policies, using a range of delivery platforms, as part of a re-engineered Primary Health Care approach. Within this PHC approach the health sector has an important advocacy and information role in relation to other sectors, notably agriculture, rural development, social development, trade and industry, economic affairs and education, to maximise the nutritional benefit of actions undertaken by those sectors. It identifies specific strategic focus areas and actions to be undertaken to ensure that nutrition-related actions of the health sector contribute significantly to improving the health, longevity and prosperity of all South Africans.

The 2013 Infant and Young Child Feeding Policy was approved and published. The Policy defines strategies and actions that should be implemented to promote, support and protect appropriate infant and young child feeding practices, including in the context of HIV. Furthermore it is in line with the 2010 WHO recommendations on HIV and Infant Feeding and the Tshwane Declaration commitments.

Breastfeeding is a critical contributor to improving child survival. The Mother-Baby-Friendly Initiative (MBFI) programme aims to ensure that mothers are supported to successfully breastfeed. An additional 59 facilities acquired MBFI status during the 2013/14 financial year. At the end of the financial year, 62% (337/545) of health facilities that have maternity beds were accredited. Poorly performing Provincial DoHs were provided with additional support. This includes mobilisation of resources from partners, mentorship, and capacity building workshops to improve implementation.

A diagnostic and implementation evaluation of Government Nutrition Programmes targeting children under five was undertaken as part of the National Evaluation Plan for 2013. The evaluation confirmed that South Africa has produced evidence-based policies and developed a comprehensive national nutrition programme. It has also found that the programme is inconsistently implemented across the country.

The National Health Promotion Strategy was approved by the National Health Council (NHC). The strategy aims to provide guidance to support health promotion actions at various levels. A number of regulations were developed including Graphic Health Warnings (GHWs), Display at Point of Sale, and Smoking in Indoor Public and Certain Outdoor Places.

Violence, Trauma and EMS formulates and monitors policies, guidelines, and norms and standards for the management of violence and trauma and emergency medical services (EMS). The National Committee on Emergency Medical Services had been established to coordinate emergency medical services throughout the country in order to achieve the NDP Goals 2014: Health Systems Reform completed and universal health coverage achieved.

A National Emergency Care on Education and Training Policy was approved by the National Health Council. The aim of the policy is to improve quality of care within the emergency care environment.

Regulations for Emergency Medical Services have been approved by the National Health Council for publishing for public comment. These regulations will allow for Provincial Health Departments to license all emergency medical services within particular provinces and introduce minimum standards for the operation of such services.

The National Emergency Medical Services Review Committee appointed by the Minister of Health, completed its review with a number of recommendations.

As part of the National Health Sector Strategic Plan for injury and violence prevention, a National Forensic Pathology Services Committee was established through a gazetted Notice including a Notice calling for Nominations for this Committee in relation to the National Health Act 2003, by the Minister of Health.

A National Health Sector Strategic Plan for the prevention of injury and violence has been developed.

Strategic objectives, performance indicators, planned targets and actual achievements

Strategic Objective	Performance Indicator	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from Planned Target to Actual Achievement 2013/2014	Comments on deviation
Improve the quality and integration of PHC services	Develop Inter-sectoral Framework for addressing the Health Impact of Social Determinants of Health	Draft Framework for addressing the Social Determinants of Health developed	Framework for addressing the Health Impact of Social Determinants of Health developed	Final Framework for addressing the Health Impact of Social Determinants of Health developed	None	None
	No. of DHPs aligned to policy priorities (PHC re-engineering and CARMMA	New indicator	25 DHPs 2014/15 include indicators and strategies for the re-engineering of PHC and the Implementation of CARMMA	43 DHPs submitted by provinces included the indicators and strategies for the re-engineering of PHC and the implementation of CARMMA	+18	Cooperation from the provinces enabled the cluster to receive, assess and give feedback on the DHPs
	Develop and implement a manual for capacity building for PHC supervisors and facility managers developed and implemented	New indicator	Manual for capacity building of PHC supervisors and facility managers developed and tested	Final Manual for capacity building of PHC supervisors and facility managers developed	The manual has not been tested for implementation	Process for testing the manual was delayed because of the need to determine, together with the Academy for Leadership and Management, what the profiles for the future supervisors and managers should be
	PHC supervisor visit rate (fixed clinic/CHC/CDC)	76%	80%	74%	-6%	Shortages of dedicated supervisors and limited transport available for supervisors
	PHC utilisation rate (annualised)	2.5 visits	2.8 visits	2.4 visits	-0.4visits	Non-availability of mobile clinics (Free State), shortage of professional nurses in some facilities, inadequate doctor to support PHC services

Strategic Objective	Performance Indicator	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from Planned Target to Actual Achievement 2013/2014	Comments on deviation
Support the re-engineering of PHC through establishment of Ward Based Outreach Teams	Number of ward based PHC outreach teams established	945	750 teams reporting on the DHIS	1 063 teams reporting on the DHIS	+313	Continuous support to provinces and improved coordination from NDoH has led to the improved performance
Support the implementation of a functional District Health System	DHS strategy developed	Draft DHS policy in place	DHS strategy inclusive of a model for a District Health Authority developed	DHS strategy was developed	None	None
	Develop and implement guidelines for conducting District Quarterly Reviews	New indicator	Guidelines for conducting District Quarterly Reviews developed	Guidelines for conducting District Quarterly Reviews developed	None	None
Promote the health and improve the nutrition of the people of South Africa	Develop and implement an integrated Health Promotion Strategy	Strategy not implemented but a draft strategy is in place	Health Promotion Strategy finalised and published	Health Promotion Strategy finalised and approved for publication	None	None
	Vitamin A supplementation 12-59 months coverage (annualised)	42.8%	50%	44.3%	-5.7%	Provinces are at different stages of implementation with regard to CHWs administering of Vitamin A. Provinces also experienced stock-outs
	Proportion of health facilities in which deliveries are done that are Mother Baby Friendly Initiative (MBFI) accredited	51% (278 facilities)	60% (331 facilities)	62% (337 out of 545 facilities)	+2%	Increased frequency of assessment and provided additional support to provinces that had not performed well in the previous financial year
	Proportion of hospitals with paediatric wards in NHI pilot districts implementing management of Severe Acute Malnutrition Protocol	New indicator	25% (18 out of 78 hospitals)	28.8% (21 out of 73 hospitals)	+3.8	Scaled up training on management of severe malnutrition

Strategic Objective	Performance Indicator	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from Planned Target to Actual Achievement 2013/2014	Comments on deviation
Strengthen the provision of quality Environmental Health Services that are aligned to relevant legislation	Develop and implement regulations for health-care waste management in health facilities	Norms and standards for Environmental Health Services were developed and finalised	Regulations for healthcare waste management in health facilities developed	Regulations developed, approved by the NHC for publishing in the Government Gazette for public comment	None	None
	Number of ports of entry designated in terms of the international health regulations	27 ports of entry were assessed and found ready for designation. Draft regulations for South Africa developed to effect designation	36	35 were assessed and found ready for designation	Zero ports of entry designated in terms of the IHR	Official designation not completed because IH Rs not yet finalised into South African law. Draft regulations for South Africa were published for public comment. 1 point of entry could not be assessed
	Number of Ports of Entry transferred from provincial to national level	New indicator	10 Ports of Entry transferred to from provincial to national level	Number of Ports of Entry transferred from provincial to national level	Ports of Entry not yet transferred	The approach to the transfer process was changed as a result of the amendment of the National Health Act. The Department decided it would be advantageous to transfer all 75 Ports of Entry simultaneously in order to ensure compliance with the with the National Health Act
Strengthen the outbreak response capacity of district outbreak response teams	Number of trained district outbreak response teams	New indicator	20	36 districts trained for the year	+15 districts	None
Reform and strengthen the Capacity of National Institute for Communicable Diseases (NICD) by establishing a National Health Institute	National Public Health Institute established	New indicator	Framework for National Public Health Institute developed	Framework for National Public Health Institute developed	None	None
Eliminate malaria by 2018 by reducing the local transmission of malaria cases	Malaria incidence per 1000 population at risk	0.18 (n=919) confirmed local cases 0.28 (n=1404) aggregate of local cases and of cases of unknown origin	0.37 confirmed local cases 0.54 aggregate of local cases and cases of unknown origin	0.17 (3 408) confirmed local cases 0.21 (4 247) aggregate of local cases and cases of unknown origin	-0.2 confirmed local cases -0.31aggregate of local cases and cases of unknown origin	The Chief Directorate instituted active case finding and surveillance

Strategic Objective	Performance Indicator	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from Planned Target to Actual Achievement 2013/2014	Comments on deviation
Promote health and strengthen the prevention and management of non-communicable diseases	National Health Commission established	New indicator	Commission established Plans for sectors drafted	National Health Commission not established Plans for sectors not drafted	National Health Commission deferred	The establishment of National Health Commission is dependent on the finalisation of the NHI White Paper
	Regulations on Graphic Health (GHWs) Warnings on tobacco products approved and implemented	New indicator	Regulations on GHWs finalised and gazetted	Draft regulations on GHWs submitted for gazetting for public comment	Regulations not gazetted	Research to support the regulations took longer than expected. Consultation with WHO
	Revise regulations on warning labels on alcohol containers	Draft legislation prepared	New regulation on warning labels on alcohol containers passed	New regulation on warning labels on alcohol containers not passed	Draft regulation for finalisation with Legal Unit	Excessive work pressures experienced in Legal Unit
	Conduct public education campaigns on salt reduction regulations	Regulation on salt in food passed	Public education campaign on salt reduction regulations conducted	Public education campaign on salt reduction regulations conducted	None	None
	Number of districts implementing the Chronic Care model (CCM)	3 districts implementing the CCM	8 districts implemented the Chronic care model	The ICDM is being implemented in 6 districts	-2 districts	As the ICDM is now an integral part of the model for clinics, the process of roll-out is being done in conjunction with broader clinic changes. This has slowed down the process of roll-out in the initial stages but lays the foundation for quicker roll-out in the longer term

Strategic Objective	Performance Indicator	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from Planned Target to Actual Achievement 2013/2014	Comments on deviation
	Mental Health Care Act amended and new regulations passed	New indicator	Mental Health Care Amendment Bill passed and new regulations to this Act gazetted	Mental Health Care Amendment Bill (b39b-2012) passed	new regulations to this Act not gazetted	New regulations will be gazetted once the Amendment Act has been ratified by the President
	Cataract surgery rate (annualised)	1 province reached the target and 2 provinces reached the 80% of the target.	1 province reached the target and 2 provinces reached the 80% of the target.	Cataract surgery rates of 1 500 per million population reached in one province	-5 provinces	Due to conflicting priorities, provinces are experiencing difficulty with theatre time, required consumables, and human resources, and shifting to mechanisms proposed by national to increase rates. These issues are being addressed
Develop an integrated Rehabilitation Service Model	Develop and implement Rehabilitation Service Model	New indicator	Rehabilitation Service Model completed and costed	A draft Integrated Rehabilitation Service Model	The model has not yet been costed	Costing will be completed by June 2014
Improve management and training of Emergency Medical Services (EMS)	Develop and implement regulations, norms and standards governing EMS	New indicator	Regulations, norms and standards governing EMS published	The regulations governing EMS, including norms and standards, have been published	None	None
	Develop and implement Emergency Care Education and Training Policy	New indicator	Emergency Care Education and Training Policy developed	The Emergency Care Education and Training Policy has been developed	None	None
Reduce intentional and non-intentional injuries through the prevention of trauma and violence	Health Sector Strategic Plan for injury and violence prevention developed and implemented	New indicator	Health Sector Strategic Plan for injury and violence prevention developed	The National Health Sector Strategic Plan for injury and violence prevention has been developed	None	None

Strategies to overcome areas of under-performance

The manual for capacity building of primary healthcare supervisors and facility managers will be completed in cooperation with the Academy for Leadership and Management, after the profiles for future supervisors and managers have been determined and documented. This work will be completed in the 2014/15 financial year. This process, together with attention to the required logistics, should also improve the Primary Health Care supervision rate.

We must ensure that the primary health care utilisation rate is calculated using the correct data, through ensuring that health facilities have data capturers. The implementation of the staffing norms recommended through the WISN process should make staff available for services at primary health care level.

The task team on improving cataract surgery has already documented its proposals for meeting cataract targets. Constraints experienced by provinces will be addressed systematically.

The preparation for transferring the management of all South Africa's ports of entry from provincial departments of health to the National Department of Health has been completed. To ensure appropriate allocation of resources to manage ports of entry optimally, the transfer will take effect in September 2014 as part of the adjustment budget process.

Changes to planned targets

The target to transfer the management of 10 Ports of Entry from Provincial Health Departments to the National Department of Health was changed to the Transfer of all Ports of Entry.

Set up and implementation of a National Health Commission was deferred from 2013/2014 to 2014/15.

Population updates: As part of the routine management of the DHIS, the health sector agreed to the Stats SA recommendation of replacing historic projections for the entire population horizon (2002–2018) on an annual basis when retrospective projections and future projections are provided by Stats SA by November each year at the latest.

The release of the new population estimate based on Census 2011 population data impacted on the 2013/14 APP targets and reported performance. National Treasury was consulted on this matter last year. Their view was that all Annual Performance Plans (APPs) must contain a disclaimer indicating that "the baselines and targets provided are based on mid-year 2012 population estimates. The introduction of Census 2011 will have an impact on these (performance) figures during the 2013/14 financial year."

The table below illustrates the difference between the total population estimates on which previous indicator values were calculated and the population estimates based on the Census 2011 figures.

Year	Total population		
	2007 population survey estimates	2011 Census estimate	Differences
2010	49 963 786	50 895 701	931 915
2011	50 426 600	51 579 603	1 153 003
2012	50 867 473	52 274 952	1 407 479
2013	51 283 407	52 981 992	1 698 585

In future, the year-on-year increase and differences between one census/survey and the next will not be as significant in number due to the annual update process that StatsSA has now initiated. This will mean that there will be less variance in future denominator values, and thus have less of an effect on the indicator values.

For the purpose of the 2013/14 Annual Report, the indicator values that uses population figures as denominator, the census 2001 population estimates were used to calculate the indicator values for 2013/14. This was done to ensure alignment between the between the indicator target values and the figures reported for the 2013/14 performance. The affected indicators are shown in the table below.

Indicator	New population (mid-year estimates based on Census 2011)	Old population (mid-year estimates based on Census 2001)
Cervical cancer screening coverage (annualised)	54.1%	58.3%
Couple year protection rate (annualised)	37.2%	38.7%
Delivery in facility rate (annualised)	81.8%	89.0%
Immunisation coverage under 1 year (annualised)	84.3%	91.8%
Measles 2nd dose coverage (annualised)	75.0%	80.2%
PHC utilisation rate (annualised)	2.4	2.5
Vitamin A dose 12–59 months coverage (annualised)	44.3%	46.4%

Linking performance with budgets

	2013/2014			2012/2013		
Sub-programmes	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
District Services and Environmental Health	22 620	14 070	8 550	26 225	24 932	1 293
Communicable Diseases	14 919	13 784	1 135	44 567	43 624	943
Non-communicable Diseases	25 620	25 441	179	24 434	22 692	1 742
Health Promotion and Nutrition	25 231	23 880	1 351	18 616	14 114	4 502
Violence, Trauma and EMS	12 570	11 024	1 546	-	-	-
Total	100 960	88 199	12 761	113 842	105 362	8 480

Programme 5: Hospital, Tertiary Health Services and Human Resource Development

Purpose
Develop policies, delivery models and clinical protocols for hospitals and emergency medical services. Ensure alignment of academic medical centres with health workforce programmes.

There are six budget sub-programmes:

Health Infrastructure Management focuses on coordinating and funding health infrastructure to enable provinces to plan, manage, modernise, rationalise and transform infrastructure, health technology and hospital management, and improve the quality of care in line with national policy objectives. It is also responsible for conditional grants for health infrastructure. In this budget the three health infrastructure-related conditional grants (Hospital Revitalisation, Health Infrastructure, and Nursing Colleges and Schools) will be merged to create the Health Facility Revitalisation conditional grant.

The Health Revitalisation Grant component made up 82% of the amount spent, 88% from the Health Infrastructure Grant component and 67% from the Nursing Conditional Grant component. At the end of 2013/14, a total of 91 projects were cancelled, 842 projects were in various stages of construction, 587 projects were in different stages of planning, 39 projects have been handed over, and 409 were at the retention stage.

Progress has been made towards finalisation of Infrastructure Norms and Standards through the CSIR. Forty-three activities/packages were developed and presented to the Technical Advisory Committee of the NHC and approved by the National Health Council to be gazetted as a guideline (which will be done in the 2014/15 financial year).

DBSA continued to support the Department through the provision of a Project Monitoring Support Unit (PMSU). A team of experts assists the sector to monitor and oversee the implementation of the infrastructure projects. A technical expert was seconded to each province, while a panel was created at National level to assist the province as required. A budget from the grant was created to fund developed provincial structures, and all provinces are busy with the appointment of the identified positions.

The monitoring system was changed from a manual to a web-based system through the Project Management Information System. The aim of PMIS is to ensure project management and that the information is available on the system for all projects funded from the grants. The aim is that all reports that were submitted manually by the province will be generated from the system.

Through the Health Facility Revitalisation Grant, 14 hospitals were revitalised and commissioned. These were: Dr Malizo Mphehle Hospital (EC), Ladybrand Hospital (FS), Mamelodi, Natalspruit, Germiston and Zola Hospitals (GP), King Dinizulu level 1 (King George) Hospital (KZN), Nkhensani, Dilokong hospitals (LP), Upington Hospital (NC), Moses Kotane and Vryburg Hospitals (NW) and Khayelitsha and Paarl Hospital (WC).

In 2015/16, an additional eight hospitals (that were started four years ago) will be completed.

Through the National Health Grant created in the 2013/14 financial year, the NDoH initiated the programme to install doctor's consulting rooms at clinics that were identified to have space problems.

Through partnership with DBSA, the NDoH initiated the programme of refurbishment in NHI district clinics by Further Education and Training (FET) College students doing their practical training. This project started in the 2013/14 financial year and 105 clinics have benefited from it and are funded from the National Health Grant (NHG).

The Request for Quotation (RFQ) for Chris Hani Baragwanath, Dr George Mukhari, Limpopo Academic and King Edward VIII hospital projects were submitted by the Transaction Advisor. The PPP Task Team is currently reviewing these RFQs to come up with various affordable scenarios. The Transaction Advisor for Tygerberg Hospital has been appointed, while the one for the new Mpumalanga Tertiary Hospital is pending.

The Department is also upgrading 12 nursing education institutions. This followed the successful completion of the master planning exercise for Nursing Colleges and Institutions, coupled with commencement of their feasibility studies, designed and initiated by the Department and implemented through DBSA. These 12 nursing colleges are currently at the tender stage and it is expected that the contractors will be on site in August 2014.

The Department appointed Clinical Engineering Technicians at national office to help with maintenance, procurement and management of medical equipment within NHI districts and provinces with no Clinical Engineering Services. Provinces will be encouraged to employ Clinical Engineers to improve technical services.

Tertiary Health Care Planning and Policy focuses on developing an effective referral system to ensure clear delineation of responsibilities by level of care. This will assist in providing clear guidelines for referral and improved communication, developing specific and detailed hospital plans, and facilitating quality improvement plans for hospitals. Tertiary Health Care Planning and Policy focuses on developing the long-term provision of tertiary high quality specialised services in a modernised and reconfigured manner; identifies tertiary and regional hospitals that should serve as centres of excellence for disseminating quality improvements; and is responsible for the management of the National Tertiary Services Grant.
The Department started with the development of a comprehensive national tertiary service plan. A Tertiary Service Committee was appointed by the Minister, to

develop the comprehensive plan. The committee assessed and identified gaps in the tertiary services in the country. The committee also finalised the tertiary services package. This forms the basis of the development of these services to provide improved access to tertiary health services. The Department has commenced work in a number of strategic areas, including governance mechanisms for central hospitals; implementation of the national tertiary services plan; and the cost centre management at Dr George Mukhari, Charlotte MaXeke and Kalafong hospitals as pilot sites. Part of the governance model will also be to facilitate semi-autonomy to institutions, by increasing delegation.

Hospital Management deals with national policy on hospital services by focusing on developing an effective referral system to ensure clear delineation of responsibilities by level of care, providing clear guidelines for referral and improved communication, developing specific and detailed hospital plans, and facilitating quality improvement plans for hospitals. Priority areas for hospital improvements include; cleanliness, infection prevention and control, patient safety, drug management and availability of medicines, waiting times, and staff attitudes. Over the MTEF, the sub-programme will focus on the development of a framework that would guide the reform of the management of Central Hospitals.

The training of CEOs was well received. The Department trained the CEOs of 260 hospitals in South Africa, exceeding the target by 155. This was largely achieved because of the implementation strategy that was adjusted by grouping provinces, thereby enabling more hospital CEOs to attend.

A total of 2 678 students were registered for the first year of the medical degree. This total consisted of 1756 students trained in South Africa and 882 students trained in Cuba. A Health Attaché was appointed and assumed duties in Cuba in December 2013.

A total of 88 doctors from Cuba were distributed to provinces between December 2013 and February 2014. A conference to commemorate the 20th anniversary of the South African Cuban collaboration is planned for October 2014 in Durban.

In order to improve the quality of data, the Department engaged all provinces in workshops on Hospital Data Quality, which was well received by the members of three ministerial task teams.

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

During 2013/14, the Workload Indicators for Staffing Need (WISN) model was used to determine health workforce staffing requirements. WISN reports were drafted with technical support from the World Health Organisation (WHO). Staffing norms for clinics and community health centres were developed and adopted as guidelines for implementation by National Health Council. The next phase will focus on the development of staffing norms for hospitals.

During 2013/14, the Cluster also accomplished the following:

- Placement of 7 595 health professionals in various facilities for community service and/or medical internship.
- Training of 9 898 Community Health Workers (CHWs) on Phase One Foundation Training. The trained CHWs will be placed in the Municipality Ward Based Outreach Teams to support the PHC re-engineering process.
- Training of 75 521 health professionals and non-professional in skills programmes dealing with HIV and AIDS, STIs, TB and chronic disease management.

Nursing Services is a new sub-programme, which is responsible for developing and overseeing the implementation of a policy framework to oversee the development of required nursing skills and capacity in the system, developing nursing norms and standards, and facilitating the development of the nursing training curriculum to ensure that nurses are appropriately skilled and utilised appropriately and effectively.

Forensic Chemistry Laboratories oversee the three forensic chemistry laboratories (FCL) managed by the Department, located in Johannesburg, Pretoria and Cape Town.

The National Department of Health enrolled 70 Forensic Interns out of a pool of qualified but unemployed applicants. These interns have been trained full-time by the University of Pretoria in a Certificate Course in Toxicology. With effect from 1 April 2013, these 70 interns are now permanently employed as Forensic Analysts within the three existing and one new Forensic Chemistry Laboratories (FCL). The 70 new analysts are starting to contribute positively to the monthly case output. Some of the backlogs are starting to decrease, namely the toxicology backlog in Cape Town and the blood alcohol backlogs in Pretoria. Johannesburg FCL has no post-mortem blood alcohol backlog anymore. The other backlogs are also starting to stabilise. SANAS accreditation has been maintained at FCL Cape Town after a SANAS assessment (confirmed on 13 June 2013). National Treasury has approved additional R30 million capital funds for the 2014/15 financial year.

Strategic objectives, performance indicators, planned targets and actual achievements

Strategic Objective	Performance Indicator	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from Planned Target to Actual Achievement 2013/2014	Comments on deviation
Accelerate the delivery of health infrastructure	Develop Annual Infrastructure Implementation Plan	The target not achieved, only three years MTEF project list as drawn from provincial U-AMPs was developed and completed in the second quarter of the financial year	9 x approved Annual Implementation Plans submitted to national by provinces	All nine (9) provincial AIPs were reviewed and approved	None	None
	Monitoring projects funded under infrastructure conditional grant	85 facilities received funding from HRG, and 354 projects from HIG for revitalisation and maintenance. Three national progress review meetings were conducted to monitor facilities funded through HRG and HIG. Provincial site visits were also conducted	Quarterly performance report of quality and quantity of spending and physical progress at project and programme level	Quarterly performance report of quality and quantity of spending and physical progress at project and programme level produced	None	None
	Implement seven priority PPP Tertiary Hospital Flagship Project	Draft feasibility study for Chris Hani Baragwanath Academic Hospital (CHBAH) Draft RFQ for CHBAH done	Issue RFP, procure and sign agreement for Chris Hani Baragwanth (CHB). RFQ and RFP for Limpopo Academic Hospital (LAH) Complete feasibility studies for Dr G Mukhari (DGM), Nelson Mandela Academic (NMA) and King Edward VIII (KE8) Hospital projects Procure Transactional services for Mpumalanga Tertiary and Tygerberg Hospital projects	RFQs for Chris Hani Baragwanath, Limpopo Academic Hospital, Dr G Mukhari (DGM), Nelson Mandela Academic (NMA) Hospital and King Edward VIII (KE8) submitted Transactional services for Tygerberg Hospital project procured	Issue RFP, procure and sign agreement for Chris Hani Baragwanath (CHB) not completed. RFP for Limpopo Academic hospital not issued Feasibility studies for 3 Hospitals not completed Transactional services for Mpumalanga Tertiary Hospital not procured	PPP Model currently under review, implementation suspended until feasibility is determine

Strategic Objective	Performance Indicator	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from Planned Target to Actual Achievement 2013/2014	Comments on deviation
	Implementing universally adopted national infrastructure norms and standards for all levels of health facilities	32 standard documents have been developed	46 activities covering norms and standards, guidelines to be presented for approval to Technical Advisory Committee (TAC) of National Health Council (NHC)	46 activities and packages of Norms and Standards guideline have been developed of which three packages were presenting to NHC	43 of the activities and packages of Norms and Standards still need to be presented at NHC	NHC indicated that a task team be formed to deal with the remainder of the Norms and Standards packages to be gazetted
Ensure appropriate health technology is available and efficiently managed	Implement Health Technology Strategy	Implementation of Strategy commenced. Completed review of regulations. Medical equipment maintenance pilot project in Eastern Cape completed. Review of RT tender specifications. SAHPRA establishment proposal processes completed	Quarterly reports on the implementation of the Health Technology Strategy	Quarterly reports against individual objectives of the Health Technology Strategy submitted on Quarterly Performance Reporting System	Quarterly Report not presented to NHC	Some of the activities for strategy and maintenance were reported separately under IUSS Integrated Report
	Develop and implement Essential Equipment Lists (EELs) for different levels of care	EELs completed	EELs for the different levels of care developed	EELs for the different levels of care reviewed and updated	None	None
	Develop standards for use and maintenance of Health Technology	Draft Standards and guidelines for maintenance of Health Technology developed	Standards for maintenance of Health Technology developed	Draft Standards for maintenance of Health Technology were modified and integrated with the 46 Norms and Standards Packages.	Not achieved	43 of the activities and packages of Norms and Standards still need to be presented at NHC

Strategic Objective	Performance Indicator	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from Planned Target to Actual Achievement 2013/2014	Comments on deviation
Improve health workforce planning, management and development	Develop and implement norms and standards for health workforce	Human Resource for Health workforce norms and standards implementation commenced in all 9 provinces focusing on the NHI pilot sites using Workload Indicators of Staffing Need (WISN) Model	Model for health workforce norms and standards developed	Model for health workforce norms and standards was developed using Workload Indicators for Staffing Need.	None	None
	Number of managers trained as per the training programme developed by the Health Leadership and Management Academy	New indicator	Train 105 Hospital CEOs	260 Hospital CEOs trained	+155	Clustered training of CEOs from provinces was conducted to increase the uptake
	Number of students registered to train as Medical Doctors	New indicator	1 980 1st-year students registered to train as Medical Doctors (10% year-on-year increase)	2 678 1st-year students were registered to train as Medical Doctors	+698 (target exceeded by 35%)	Attributed to increase in local intake and up-scaling the Cuban Programme
Establish central hospitals as autonomous and improved hospital management	Develop and implement a Regulatory Framework for Central Hospitals that includes financial and HR delegations	New indicator	Published Regulatory Framework for Central Hospitals	Concept document on the Draft Regulatory Framework for Central Hospitals has been developed	Regulatory framework for Central Hospitals not published	The Framework will be published as a component of the NHI White Paper
Implementation of the policy framework to ensure that nurses are appropriately skilled and utilised effectively	Monitor implementation of the National Strategy on Nurse Education, Training and Practice (Nursing Strategy)	New indicator	Quarterly report produced against targets set in the National Strategy on Nurse Education, Training and Practice	Planned target not achieved	No quarterly report produced against targets set in the National Strategy on Nurse Education, Training and Practice	The development and implementation of the specific objectives of the Nursing Strategy was contingent on the appointment of the Chief Nursing Officer
Conduct Blood Alcohol and Toxicology analysis to determine cause of death and improve the conviction rates	Number of Blood Alcohol tests and reports completed for onward submission to investigators	New indicator	110 000	53 294	-56 706	The current infrastructure capacity of Pretoria Forensic Chemistry cannot meet the demand

Strategic Objective	Performance Indicator	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from Planned Target to Actual Achievement 2013/2014	Comments on deviation
	Number Toxicological tests and reports completed for onward submission to investigators	New indicator	3 400	2 889	-511	Some equipment failures due to aging of equipment that will only be replaced in 2014/15
Improve food safety	Number of food samples tested and reported	New indicator	3 500	7 879	+4 379	The target was exceeded due to expansion of human resources with the employed 70 new analysts in Pretoria and Cape Town Forensic Laboratories

Strategy to overcome areas of under-performance

The Department of Public Works has secured an alternative building for the Pretoria Forensic Chemistry Laboratory and preparations are in progress. Renovations to the Durban Forensic Chemistry Laboratory is also in progress, and it is envisaged that it will be fully operational by the end of 2014.

New equipment has been procured to replace redundant equipment in the Forensic Chemistry Laboratories. This will improve the outputs in the Toxicology Section. We have also entered into partnership with Forensic Pathologist to improve the turnaround times for toxicology analysis.

Changes to planned targets

There were no changes to the planned targets for this programme.

	2013/2014			2012/2013		
Sub-programmes	**Final Appropriation**	**Actual Expenditure**	**(Over)/Under Expenditure**	**Final Appropriation**	**Actual Expenditure**	**(Over)/Under Expenditure**
	R'000	R'000	R'000	R'000	R'000	R'000
Health Facilities Infrastructure Management	5 791 166	5 546 053	245 113	6 317 883	6 265 785	52 098
Tertiary Health Care Planning and Policy	9 624 692	9 624 393	299	8 883 459	8 882 259	1 200
Hospital Management	5 499	5 664	-165	26 632	25 126	1 506
Human Resources for Health	2 215 167	2 212 908	2 259	2 119 876	2 111 834	8 042
Nursing services	1 738	1 093	645	1 250	503	747
Forensic Chemistry Labs	90 542	93 851	-3 309	74 029	64 222	9 807
Total	17 728 804	17 483 962	244 842	17 423 129	17 423 129	73 400

Programme 6: Health Regulation and Compliance Management

Purpose
Regulate the procurement of medicines and pharmaceutical supplies, including food control,
and the trade in health products and health technology. Promote accountability and compliance by regulatory bodies for effective governance and quality of health care.

There are five budget sub-programs:

Pharmaceutical Trade and Product Regulation regulates the sale of medicines, through an assessment of the efficacy, safety and quality of medicines.

During this period there was a 22% increase in evaluations compared to 2012/13. Registrations of key essential medicines, particularly antiretrovirals, anti-tuberculosis medication and contraceptives, were finalised timeously for tenders to be competitive.

Regulations for medical devices were approved by the Minister for publication for public comment.

Regulations relating to complementary medicines and medical devices were published, thereby introducing a regulatory system for previously unregulated products. The legislation establishing a new regulatory authority (South African Health Products Authority) has been finalised and submitted to Parliament for consideration.

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

An Interdepartmental Task Team has been established to integrate the regulation of food. The Task Team has agreed on an action plan for Food Control and Labelling.

Labelling regulations relating to the nutrient profile of foods with health claims have been promulgated. Guidelines have also been finalised regarding the advertising of foods to children.

Office of Standards Compliance: This sub-programme deals with quality assurance, development and inspections for compliance with national standards, patient complaints, and radiation control.

The most significant achievements during the 2013/2014 year were the approval of the National Health Amendment Act by Parliament and its signing into law by the President, in July 2013. The proclamation of the National Health Amendment Health Act (Act 12 of 2013) by the President of the Republic of South Africa on 2nd September 2013 and inauguration of the Board in January 2014, formalised the existence of the Office of Health Standards Compliance (OHSC) as an independent public entity. Transitional arrangements have been initiated and the OHSC was listed as an entity.

During the 2013/14 financial year, significant progress was made in setting up the basis of the future Office through carrying out of “mock” inspections in 582 facilities, thus exceeding the target of 567 and more than doubling the number conducted the previous year. These inspections were accompanied by extensive efforts to disseminate the National Core Standards, including thorough training of CEOs and support provided to district-level staff, and on-site feedback of results to management teams. Re-inspections in a small number of establishments did indicate that improvements could be seen.

The requirement for establishments to conduct self-assessments (gap-assessments) and develop improvement plans to correct identified gaps, showed quite good progress given that this was a new indicator. The target of 30% of facilities conducting self-assessments was exceeded. A total 1928 (51%) health facilities conducted self-assessments. A total of 868 facilities developed annual Quality Improvement Plans compared to the 2013/14 target of 1134 facilities. A number of guidelines covering aspects such as self-assessment and quality improvement, which were developed to assist in this process and ensure the intent of improving the quality of care provided, were realised.

Improved management of patient complaints in preparation for the establishment of the Health Standards Ombudsman, was also supported through training in five provinces (reaching 1221 officials) on a new in-house complaints management database and the revision of the national complaints protocol. This, together with the newly revised Patient Satisfaction Survey protocol, would much enhance the capacity of the Department to be more aware of how users experience health services and provide information for planning and implementing improved care.

During the financial year 2013/14, the Cluster: Office of Standards Compliance comprised Compliance Inspections, Quality Assurance and Improvement, and Radiation Control, with a total staff complement of 78. The establishment of the OHSC will necessitate a split in this structure, whereby the Compliance Inspections functions and component of the current Cluster will be transferred to the new entity. The functions under the current Cluster: Office of Standards Compliance that will not be transferred to the new entity are those of Quality Assurance and Improvement, and Radiation Control. Quality Assurance and Improvement facilitates and ensures that the public health system implements the actions needed to improve quality and the patient’s experience of care, including through better response to complaints. Radiation Control will, over the coming year or two, be formally incorporated into the future SAHPRA, and will continue with its work of licencing, importation and control.

Public Entities Management provides policy frameworks for health public entities and statutory health professions councils with regard to planning, budgeting procedures, ownership, governance, remuneration, accountability, and financial reporting and oversight. The bulk of this sub-programme's budget is transferred to the following health public entities: the Medical Research Council, the National Health Laboratory Service and the Council for Medical Schemes. The sub-programme supports the Executive Authorities' oversight responsibility for the Statutory Health Professions Councils namely; the Allied Health Professions Council of South Africa, the Health Professions Council of South Africa, the South African Pharmacy Council, South African Dental Technicians Council of South Africa, the South African Nursing Council and the Interim Traditional Health Practitioners Council.

During the financial year under review, the sub-programme facilitated the approval of the Annual Performance Plans (APPs) of all public entities for the 2013/14 financial year, and subsequent tabling in Parliament. The sub-programme also monitored the implementation of these APPs, ensuring satisfactory financial and non-financial performance against the approved Annual Performance Plans, and reporting gross under-performance against targets. Four quarterly performance analysis reports were produced during the 2013/14 financial year. The sub–programme also played a crucial role in promoting compliance with relevant legislation, such as ensuring the submission of quarterly reports, ensuring the publication and tabling of Annual Reports, and facilitating the approval of significant transactions. The functionality of governance structures is one of the key responsibilities of the sub-programme in ensuring effective oversight by the Executive Authority.

The Minister appointed the following new Boards/Councils: the Board of the MRC for the three-year period effective from 1 November 2013, the Board of the OHSC for the three-year period effective from 1 January 2014, the SADTC for the five-year period effective from 3 September 2013, the SANC for the five-year period effective from 25 June 2013, and the SAPC for a five-year period effective from 21 October 2013.

Vacancies as they arose in the various Boards and Councils were also filled during the course of the year. Two governance and compliance reports were produced during the financial year under review, highlighting governance issues and the extent of compliance by the public entities to relevant legislation.

During the financial year under review, the sub-programme also managed the assessment and training of the various Board and Council members on Corporate Governance. The sub-programme also supported the functionality of the Forum of Statutory Health Professions Councils. This Forum is established in terms of section 50 of the National Health Act, 2003 (Act No. 61 of 2003), on which all the Statutory Health Professions Councils are represented. The first Annual Report (2013/14) on the performance of Statutory Health Professions Councils will be published by end of July 2014 in accordance with section 50(4)(l) of the National Health Act, 2003.

Amendments to the National Health Laboratory Service Act No. 37 of 2000 were developed in order to strengthen the governance and funding mechanism of the Service; and to provide for matters connected therewith.

Compensation Commissioner for Occupational Diseases and Occupational Health is responsible for the payment of compensation to active and ex-workers in controlled mines and works who have been certified to be suffering from cardio-pulmonary related diseases as a result of workplace exposures in the controlled mines or works. Over the medium term, focus will be placed on re-engineering business processes regarding revenue to ensure sustainability; reducing the turnaround period in settling claims, amending the Occupational Diseases in Mines and Works Act (1973); and improving governance, internal controls and relationships with the key stakeholders.

New business process re-engineering initiatives resulted in the following achievements:

- The number of persons accessing Benefit Medical Examinations far exceeded the Annual target.
- The appointment of a Director in January 2014 improved the number of persons certified and referred for payment.
- The turnaround time in the payment of claimants resulted in the target being exceeded.
- The setting up of an Inspectorate function in October 2013 resulted in the target being drastically exceeded.

Strategic objectives, performance indicators, planned targets and actual achievements

Strategic Objective	Performance Indicator	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from Planned Target to Actual Achievement 2013/2014	Comments on deviation
Improve the registration timelines of medicines through capacity development	Average registration timelines for NCE	21 human NCEs were registered, 8 from the backlog. 13 NCEs registered in an average of 36 months	28 months	38 months	-10 months	The timelines were not achieved due to the limited number of evaluators available to review submissions
	Average registration timelines for generic medicines	706 generic medicines were registered. 224 of these were from the backlog. The remaining 482 were registered in an average of 34 months	30 months	37 Months	-7 months	The timelines were not achieved due to the limited number of evaluators available to review submissions
Improve oversight over the registration of pharmaceutical and related products	Establish the Pharmaceutical and Health Product Regulatory Authority	Draft amendments to the legislation submitted to Cabinet	MCC migrated to SAHPRA	Draft amendments submitted to Parliament	MCC could not migrate to SAHPRA	Delays in intergovernmental consultation process and reduce parliamentary time in an election year resulted in the legislation not being promulgated
Improve the quality of health services	Complaint resolution within 25 working days rate	57%	80%	62% (171 out of 278 resolved complaints were resolved within 25 working days)	18%	In many instances, the 25 working days are inadequate to resolve a complaint since this requires provincial co-operation

Strategic Objective	Performance Indicator	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from Planned Target to Actual Achievement 2013/2014	Comments on deviation
	Develop and implement a standardised protocol for conducting patient satisfaction surveys	New indicator	Protocol for conducting Patient Satisfaction Surveys developed	Protocol for conducting Patient Satisfaction Surveys was developed	None	None
	Proportion of health establishments conducting gap assessments for compliance with the National Core Standards	New indicator	30% (1134) facilities assessed	51% (1928) facilities conducted gap assessments	+21% (+824	The establishment of the OHSC has raised awareness on compliance with Core Standards of Care contributing to increased uptake. Facilities also trained on the use of self-assessment tools
	Number of Districts Supported by facility improvement teams	New indicator	13	11	-2	-
	Proportion of health establishments with gap assessment that have developed annual Quality Improvement Plans based on their assessment	New indicator	100% (1134) of health establishments with completed gap assessments	76% (868) developed QIPs	-24% (-266)	There is still a lack of understanding between self-assessment and the subsequent development of QIPs
Establish an independent Office of Health Standards Compliance as a national quality regulatory body	National Health Amendment Bill promulgated and proclaimed	New indicator	National Health Amendment Act promulgated	National Health Amendment Act ppromulgated	None	None
	Regulations issued in terms of National Health Amendment Bill	New indicator	Regulations drafted	Technical proposals tabled to National Health Consultative Forum in November 2013	None	None
	Office of Health Standards Compliance established and functional	New indicator	Office of Health Standards Board and 40% of staff establishment appointed	Office of Health Standards Board inaugurated	Staff not appointed	National Treasury had proposed that the entity should be supported by the NDoH initially
	Number of Health establishments inspected by OSC/OHSC	6.2% (235) facilities	567 inspections conducted (15% of 3780 public establishments)	583 inspections conducted	+15	Additional inspectors were appointed

Strategic Objective	Performance Indicator	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from Planned Target to Actual Achievement 2013/2014	Comments on deviation
Strengthen food control measures in accordance with national and international standards	Implementation of the Nutrient profiling model to evaluate health claims	Nutrient Profile Model finalised and placed on the NDoH website	Nutrient profiling Model implemented for evaluation of all health claims	Nutrient profiling Model published on website and being utilised	None	None
	Framework and criteria for foods and beverages which may not be marketed or advertised to children developed	New indicator	Framework and criteria for foods and beverages (which may not be marketed or advertised to children) developed	Guidelines developed	None	None
	Number of Regulations under Foodstuffs Act gazetted	Seven sets of regulations were drafted published and gazetted as draft and final regulations	4 sets of regulations drafted and gazetted	4 sets of regulations gazetted	None	None
Ensure consistent application of Food Control legislation	Develop Norms & Standards for Food Control	New indicator	Norms and Standards for Food Control developed and distributed to stakeholders	Draft Norms and Standards prepared	Norms and standards not finalised	Delays in consultation with stakeholders led to norms and standards not being finalised
Strengthen and facilitate good corporate governance and management of Public Health Entities and Statutory Health Professions Councils	Framework for governance and management of Public Health Entities developed	New indicator	Public Health Entities Governance and Management Framework implemented and reported bi-annually	Public Health Entities Governance and Management Framework implemented and governance reports produced bi-annually	None	None
Monitor compliance and implementation of policies and legislative prescripts relevant to public entities	Public entities quarterly compliance report	Public entities quarterly compliance reports were produced	Public entities quarterly compliance report using the performance guidelines for public entities produced	Public entities' quarterly compliance report using the performance guidelines for public entities produced	None	None
Monitor functionality of the Forum of Statutory Health Professions Council established in terms of Section 50 of the National Health Act, 2003	Bi-annual Forum meetings of Statutory Health Professions Councils	The Forum of Statutory Health Professions Council was established and bi-annual reports produced	Two Forum meetings of Statutory Health Professions Councils. Annual Report on the performance of Statutory Health Professional Councils published	Two Forum meetings of statutory Health Professions Councils. Draft Annual Report on the performance of Statutory Health Professional Councils produced	None	None
Strengthen laboratory services	Amended NHLS Act	New indicator	Amendment to the NHLS act developed	Amendment to the NHLS act developed	None	None

Strategic Objective	Performance Indicator	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from Planned Target to Actual Achievement 2013/2014	Comments on deviation
Strengthen laboratory services	Amended NHLS Act	New indicator	Amendment to the NHLS act developed	Amendment to the NHLS act developed	None	None
Improve access to medical examinations and compensation for workers and ex-workers in mines and works	Number of worker and ex-workers in controlled mines and works accessing benefit medical examinations	12 242	7 500	10 601	+3 101 benefit medical examinations	Enhanced outreach and awareness activities to mineworkers, trade unions, employers and health professionals
	Number of persons certified at the MBOD and referred to CCOD for payments	New indicator	5 500	2 919	2 581	Lack of medical personnel and inefficiencies in claims processing; Director of MBOD was appointed in January 2014
	Number of persons compensated by CCOD (other than pensioners)	New indicator	2 500	3 124	+624 persons compensated	Enhanced management interventions and appointment of finance staff
	Number of controlled mines and works inspected	0	12	29	17 mines and works inspected	Appointment of inspectorate manager and personnel

Strategy to overcome areas of under-performance

The Medical Bureau for Occupational Diseases (MBOD) cannot recruit health professionals owing to the salary packages and the specialised area of work. There is one Certification Committee with a substantial backlog in assessing the Benefit Medical Examination (BME) reports. A new organogram will be finalised in the new financial year with revised salary packages, and the possibility of using community service doctors in 2015 is being explored. Delegation of functions and amendments to the Occupational Diseases in Mines and Works Act, 78 of 1973, to increase the number of Certification Committees, will assist with the assessments of BMEs. There is a need for substantial investment in Information Technology and business processing of claims.

With regard to improving performance on complaints resolved within 25 working days, it is envisaged that the target of 25 days be revisited to determine whether or not the 25 days are realistic considering the magnitude of health-related complaints, the complexity of many complaints, and the limited availability of resources required to investigate each complaint. The apparent lack of a link between a self-assessment and subsequent development of a Quality Improvement Plan (QIP) will be addressed by focusing on QIP development through a process of support to provinces in monitoring the progress their respective health facilities are making against their individual annual QIP.

Changes to planned targets

There were no changes to the planned targets for this programme.

	2013/2014			2012/2013		
Sub-programmes	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Food Control	8 277	7 156	1 121	9 992	9 928	64
Pharmaceutical Trade and Product Regulation	98 352	92 539	5 813	86 181	77 707	8 474
Public Entities Management	543 670	543 172	498	385 493	384 716	777
Office of Health Standards Compliance	58 155	52 966	5 189	57 949	36 994	20 955
Compensation Commissioner for Occupational Diseases and Occupational Health	54 959	36 440	18 519	44 043	36 181	7 862
Total	**763 413**	**732 273**	**31 140**	**583 658**	**545 526**	**38 132**

2.4 Transfer Payments

Transfer payments to Entities

Entity	TRANSFER ALLOCATION				TRANSFER
	Adjusted appropriation	Roll-Overs	Adjustments	Total Available	Actual Transfer
	R'000	R'000	R'000	R'000	R'000
Compensation Fund	3 062	-	-	3 062	3 062
Medical Research Council	419 460	-	-	419 460	419 460
Medical Schemes Council	4 525	-	-	4 525	4 525
National Health Laboratory Services	105 536	-	-	105 536	105 536
Service Sector Education & Training Authority	1 326	-	-	1 326	1 309
South African National AIDS Council	-	10 951	15 000	25 951	25 951
Total	**533 909**	**10 951**	**15 000**	**559 860**	**559 843**

Organisation	TRANSFER ALLOCATION				TRANSFER
	Adjusted appropriation	Roll-Overs	Adjustments	Total Available	Actual Transfer
	R'000	R'000	R'000	R'000	R'000
University of Limpopo (MEDUNSA)	2 000	-	-	2 000	-
University of Cape Town	1 000	-	-	1 000	-
Walter Sisulu University		4 000	-	4 000	4 000
Health Systems Trust	10 252	-	-	10 252	10 252
Life Line	18 308	-	-	18 308	18 308
LoveLife	70 430	-	-	70 430	70 430
SA Council for the Blind	684	-	-	684	684
Soul City	22 820	-	-	22 820	22 820
South African Community Epidemiology Network on Drug Abuse (SACENDU)	428	-	-	428	428
South African Federation for Mental Health	305	-	-	305	305
Health Promotion: NGO: National Council Against Smoking	5 000	-	-	5 000	5 000
Maternal, Child and Women's Health: NGO	1 343	-	-	1 343	-
Mental Health and Substance Abuse: NGO	173	-	-	173	169
HIMME: NGO: Health Information System Programme	5 000	-	-	5 000	4 979
Non-Communicable Diseases NGO	100	-	-	100	100
District Services and Environmental Health	100	-	-	100	100
HIV and AIDS: NGOs	76 115	-	-	76 115	76 079
Total	**214 058**	**4 000**	**0**	**218 058**	**213 654**

2.5 Conditional Grants

Conditional grants and earmarked funds paid

Health Professional Training and Development Grant

Department that transferred the grant	National Health Department
Purpose of the grant	Support provinces to fund service costs associated with training of health science trainees on the public service platform; co-founding of the national human resource plan for health in expanding undergraduate medical education for 2013 and beyond (2025)
Expected outputs of the grant	• Number of undergraduate health science trainees • Number of post graduate health science trainees • Registrars • Number of specialists on training platform
Actual outputs achieved	• Number of undergraduate health science trainees = 22 754 • Number of post graduate health science trainees = 4 584 • Registrars = 3 055 • Number of Specialists on training platform = 2 231
Amount per amended DORA	R2 190 366
Amount received (R'000)	R2 190 366
Reasons if amount as per DORA was not received	N/A
Amount spent by the department (R'000)	R2 199 659
Reasons for the funds unspent by the entity	None – 99.9% of transferred funds was spent
Reasons for deviations on performance	N/A
Measures taken to improve performance	N/A
Monitoring mechanism by the receiving department	• Monthly and quarterly reports • Visits to the benefiting health facilities

Health Revitalisation Grant

Department who transferred the grant	**National Health Department**
Purpose of the grant	• To help accelerate construction, maintenance, upgrading and rehabilitation of new and existing infrastructure in health including health technology, organisation systems and quality assurance, by supplementing expenditure on health infrastructure delivered through public-private partnerships • To enhance capacity to deliver infrastructure in health
Expected outputs of the grant	
Actual outputs achieved	• 587 health facilities planned including designed. • 845 facilities on different stages of construction • 406 on retention • 352 maintained
Amount per amended DORA	R5 290 816
Amount received (R'000)	R5 290 816
Reasons if amount as per DORA was not received	N/A
Amount spent by the department (R'000)	R4 650 996
Reasons for the funds unspent by the entity	• Poor management of projects by the Department of Public Works as the implementing agent. There are delays in the awarding of tenders and appointment of contractors, as a result, projects gets affected leading to under-spending. • Another challenge that the provinces reported was the significant delays with the procurement process by the internal supply chain management units. • Late approval of roll-overs by National Treasury also had an impact on the total expenditure. An amount of R300 million on roll-overs was approved and only made available two months before the end of the financial year.
Reasons for deviations on performance	
Measures taken to improve performance	Strengthening of the provincial capacity by appointing all relevant staff, particularly technical personnel to better monitor the implementation of projects. Also intervention by NDOH on the challenges faced by the PDOHs with Department of Public Works.
Monitoring mechanism by the receiving department	All Provincial Infrastructure Units have M&E officials appointed as well as the support of the PMSU personnel.

HIV and AIDS Grant

Department who transferred the grant	**National Health Department**
Purpose of the grant	• To enable the health sector to develop an effective response to HIV and AIDS including universal access to HIV Counselling and Testing (HCT) • To support the implementation of the National Operational Plan for comprehensive HIV and Aids treatment and care • To subsidise in-part funding for the antiretroviral treatment programme
Expected outputs of the grant	• No. of Medical Male Circumcisions performed (600 000) • No. of HIV test client 15–49 years (13 million) • No. of new clients put on ART (500 000)
Actual outputs achieved	• No. of Medical Male Circumcisions performed (331 668) • No. of HIV test clients 15–49 years (6 688 950) • No. of new clients put on ART (662 312)
Amount per amended DORA	R10 533 886
Amount received (R'000)	R10 533 886
Reasons if amount as per DORA was not received	N/A
Amount spent by the department (R'000)	R10 603 899
Reasons for the funds unspent by the entity	Grant has spent 99.8%, which is within the acceptable norm
Reasons for deviations on performance	• Limpompo the Province is not paying all invoices due to local treasury not releasing the full amount of the monthly transfer to Health on time. There is a challenge of compliance with the Provincial Treasury's processes for cash-flow management. • Delays in procuring medical equipment due to the items not appearing on the tender approved items. Delays in procuring condoms and test kits due to shortage of stock from suppliers supplying the Department. • Nothern Cape – Delays in the transfer of payments to NGOs and procurement of Condoms due to shortage of stock from suppliers.
Measures taken to improve performance	• The data for Q4 2013/14 is incomplete with 2 months reported. Including outstanding data should bring circumcisions performed during financial year • closer to the target. Data from private sectors not yet accessed. • There is a major decrease in testing uptake as compared to the original HCT campaign period. This was addressed by the re-launch of the revitalised HCT campaign on 2013 World AIDS Day, which should impact positively on testing uptake. Indicators are being revised to accommodate expansion to include all the age groups that are testing. Current reports are on 15–49 years. • FDC successfully rolled out in all provinces; ART guideline revised, where criteria for eligibility CD4 count increased to < 350; Increased NIMART trained nurses; Monitoring, capturing and reporting of patient initiated on ART – paper based, TIER.Net. • Visit provinces twice a year to monitor implementation and provide support. • Meet with National Treasury to review performance of the grant.
Monitoring mechanism by the receiving department	• Intensified monitoring of expenditure and outcomes • Targeted 25% expenditure per quarter • Immediate intervention at a high level of under-performing provinces • Continuous feedback to the National Health Council • Training and support at facility level to improve data quality and reporting time lines • Support in the implementation of the TIER.Net system • intensify social mobilisation, for demand creation of HIV and AIDS services

National Health Insurance

Department who transferred the grant	**National Health Department**
Purpose of the grant	To test innovations in health services provision for implementing National Health Insurance, allowing for each district to interpret and design innovations relevant to its specific context to undertake health system strengthening initiatives To assess the feasibility, acceptability, effectiveness and affordability of innovative ways of engaging private sector resources for public purpose
Expected outputs of the grant	• Improved supply chain management systems and processes to support efficient and effective health services provision within the district • Enhanced district capacity in the areas of district health planning and monitoring and evaluation • Strengthened referral system based on a re-engineered primary health care platform with a particular focus in rural and previously disadvantaged areas
Actual outputs achieved	• Improved health services delivery capacity of districts in the areas of planning, and monitoring and evaluation • Strengthened performance of the district health system in readiness for the phased implementation of NHI
Amount per amended DORA	R50 953
Amount received (R'000)	R50 953
Reasons if amount as per DORA was not received	N/A
Amount spent by the Department (R'000)	R71 614
Reasons for deviations on performance	N/A
Measures taken to improve performance	• Provinces must demonstrate existing capacity to implement the approved business plans and spend the allocated funding in the selected pilots districts. • For the purpose of district interventions, funding from this grant to provinces will be on the basis that the National Department of Health approves the business plan for each of the selected pilot sites. • Districts to submit operational plans and project management plans as part of the 2014/15 compliance requirements. • Appointment of provincial NHI coordinators to assist with project management, oversight, and monitoring and evaluation. • Provision in the grant framework allowing pilot districts to appoint Deputy Managers focusing on monitoring and evaluation as part of strengthening programme performance and compilation of portfolios of evidence.
Monitoring mechanism by the receiving department	• Provide guidance and support for implementing and testing innovative arrangements for engaging public- and private-sector providers, including methods of contracting (types of contracts and payment mechanisms). • Monitor implementation and provide support to provinces and selected pilot districts including regular visits to provinces and selected district. • Submit quarterly performance reports to National Treasury within 45 days after the end of each quarter. • Ensure the participation of provinces in the selection of the pilot districts and monitoring and evaluation of interventions • Determine the interventions that will be implemented in each of the selected pilot districts. • Provinces/districts submit monthly financial reports to the National Department of Health (NDOH) within 20 days after the end of each month. • Quarterly reporting by provinces and selected pilot districts on the quarterly achievements against the outputs and targets as stipulated in the approved business plans using the prescribed format, must be submitted to NDOH within 30 days after the end of each quarter. • Submit Annual Performance Evaluation Report containing details of outputs of this grant must be submitted to NDOH by end of May 2014

National Tertiary Service Grant

Department that transferred the grant	**National Health Department**
Purpose of the grant	To ensure provision of tertiary health services for all South African citizens, and to compensate tertiary facilities for the costs associated with provision of these services, including cross-boundary patients
Expected outputs of the grant	Provision of designated central and national tertiary services in 33 hospitals/ complexes as agreed between the Province and the National Department of Health (NDoH)
Actual outputs achieved	99.56% spent
Amount per amended DORA	R9 620 357
Amount received (R'000)	R9 620 357
Reasons if amount as per DORA was not received	None
Reasons for the funds unspent by the entity	• Limpopo Province has an under expenditure of 14%. This was due to delays in deliveries by suppliers and also delays in submission of invoices by suppliers. • The province is also awaiting completion of installation of Cathlab and pending recruitment processes of specialists. • Mpumalanga Province has an under expenditure of 12%. The underspending on capital is due to delays in procurement processes. • The province also under spent under goods and services due to misalignment, as budget was locked under COE resulting in delays in purchase of goods and services.
Reasons for deviations on performance	Limpopo and Mpumalanga Provinces had challenges with delays in procurement processes and high staff turnover.
Measures taken to improve performance	The NTSG directorate, during support visits to Limpopo and Mpumalanga Provinces, advised that provinces need to have an NTSG organogram in order that there are people dedicated to the monitoring of expenditure on the grant.
Monitoring mechanism by the receiving department	• There are Programme Managers at provincial level who are responsible for monitoring the grant. • Provinces are having monthly meetings to discuss performance on the grant. • Monthly financial reports are produced and Interim Year Monitoring reports (IYM) are compiled. • Provinces submit quarterly reports to the NDoH 30 days after the end of each quarter.

National Health Grant in Kind: Infrastructure

Department that transferred the grant	**National Health Department**
Purpose of the grant	To address capacity constraints in the provinces and to create an alternate track to speed up infrastructure delivery;To improve spending, performance, and monitoring and evaluation on National Health Insurance pilots and infrastructure projects
Expected outputs of the grant	• 18 Clinics and CHCs • 7 Hospitals • 102 Park-Homes • 11 Nursing Colleges and Schools • 6 PPP Projects • Maintenance of identified Clinics in the NHI Districts
Actual outputs achieved	• Out of 102 clinics that were selected to get additional space (Doctor's Consulting rooms) 79 are completed. Maintenance of NHI identified clinics is also underway as planned. 340 FET College Students have been appointed through DBSA and work has resumed in GP, KZN, KZN and MP Provinces. • On the PPP Projects, the feasibility studies for Limpopo Academic Hospital and Chris Hani Baragwanath Hospital in Gauteng Province have been finalised. • The appointment of the implementing agent for the Eastern Cape projects, COEGA (CDC) has been finalised and the team has already resumed the work. • The appointment of Loco-supervision has been finalised through the DBSA and the NDOH Bid Adjudication Committee. • Procured Computers and Printers at different NHI Clinics.
Amount per amended DORA	R440 025
Amount received (R'000)	R440 025
Reasons if amount as per DORA was not received	N/A
Amount spent by the department (R'000) and deviations on performance	R373 483
Measures taken to improve performance	
Monitoring mechanism by the receiving department	Appointment of Loco-supervision and Project Managers at Provincial level. Also strengthening the Infrastructure Unit by appointing more staff in order to ensure proper and effective planning, implementation and monitoring of projects.

National Health Grant in Kind: National Health Insurance

Department that transferred the grant	**National Department**
Purpose of the grant	• To develop and implement innovative models for contracting general practitioners within selected NHI pilot districts • To identify and test alternative reimbursement models for central hospitals in readiness for the phased implementation of the NHI • To support central hospitals in strengthening health information systems and revenue management
Expected outputs of the grant	• Innovative models for the contracting of general practitioners within selected NHI pilot districts • Models for strengthening information management systems, reimbursement mechanisms and revenue management in central hospitals
Actual outputs achieved	• The project on the development of DRGs as a reimbursement tool for central hospitals has been initiated. Department has appointed a service provider to assist with undertaking the work over a 24-month period. Project is estimated to cost R16.337 million. • 119 GPs contracted to render services in PHC clinics located in the NHI pilot districts.
Amount per amended DORA	R291 million (R20 million towards the DRG project and R271 million for contracting of GPs)
Amount received (R'000)	R291 million (R20 million towards the DRG project and R271 million for contracting of GPs)
Reasons if amount as per DORA was not received	N/A
Amount spent by the department (R'000) and deviations on performance.	R9 457 630.22 (3% of allocated funds for 2013/14)
Measures taken to improve performance	• Unavoidable delays in finalising all SCM processes and procedures including signing of the SLA with the preferred service provider for the DRG project • Slow uptake by doctors for contracts under GP contracting programme
Monitoring mechanism by the receiving department	• Unavoidable delays in finalising all SCM processes and procedures including signing of the SLA with the preferred service provider for the DRG project • Slow uptake by doctors for contracts under GP contracting programme

2.6 Donor Funds

Donor Funds Received

Name of Donor	**Health and Welfare SETA**
Full amount of the funding	R9 950
Period of the commitment	2011–2014
Purpose of the funding	Skills Programme for data capturers – national bursaries National Skills Fund (NSF)
Expected outputs	56 learners obtain health-related and other qualifications
Actual outputs achieved	28 learners obtained health-related and other qualifications
Amount received (R'000)	R1 161
Amount spent by the Department (R'000)	R534
Reasons for the funds unspent	The programme still continuing for 2014 academic year
Monitoring mechanism by the Donor	Submission of performance and financial reports

Name of Donor	**CDC (United States)**
Full amount of the funding	R30 000
Period of the commitment	12 months
Purpose of the funding	Strengthen the capacity of National Department of Health to scale up PHC services to improve the management of HIV and AIDS services
Expected outputs	Strengthened capacity of National Department of Health to scale up PHC services for improved management of HIV and AIDS services
Actual outputs achieved	100% of actual outputs achieved
Amount received (R'000)	R8 342
Amount spent by the Department (R'000)	R8 342
Reasons for the funds unspent	N/A
Monitoring mechanism by the Donor	The Donor has been allocated an office at NDoH. Monthly meeting with Programme Managers, Quarterly Cooperative Agreement (COAG) meetings entailing report back to the Deputy Director General: HIV and AIDS, TB and MCWH. Periodic to the donor. The fund is audited by an external audit firm annually.

Name of Donor	**European Union**
Full amount of the funding	R1 100 000
Period of the commitment	2012–2017
Purpose of the funding	Expanded partnership for the delivery of Primary Health Care including HIV and AIDS
Expected outputs	Improve access to public health services and increase the quality service delivery in Primary Health Care
Actual outputs achieved	Strengthening health system's effectiveness
Amount received (R'000)	R171 796 000
Amount spent by the Department (R'000)	R164 601 282
Reasons for the funds unspent	Delay in procurement processes
Monitoring mechanism by the Donor	Quarterly meetings were used for monitoring the expenditure, and annual reports were used to evaluate the performance of the whole budget

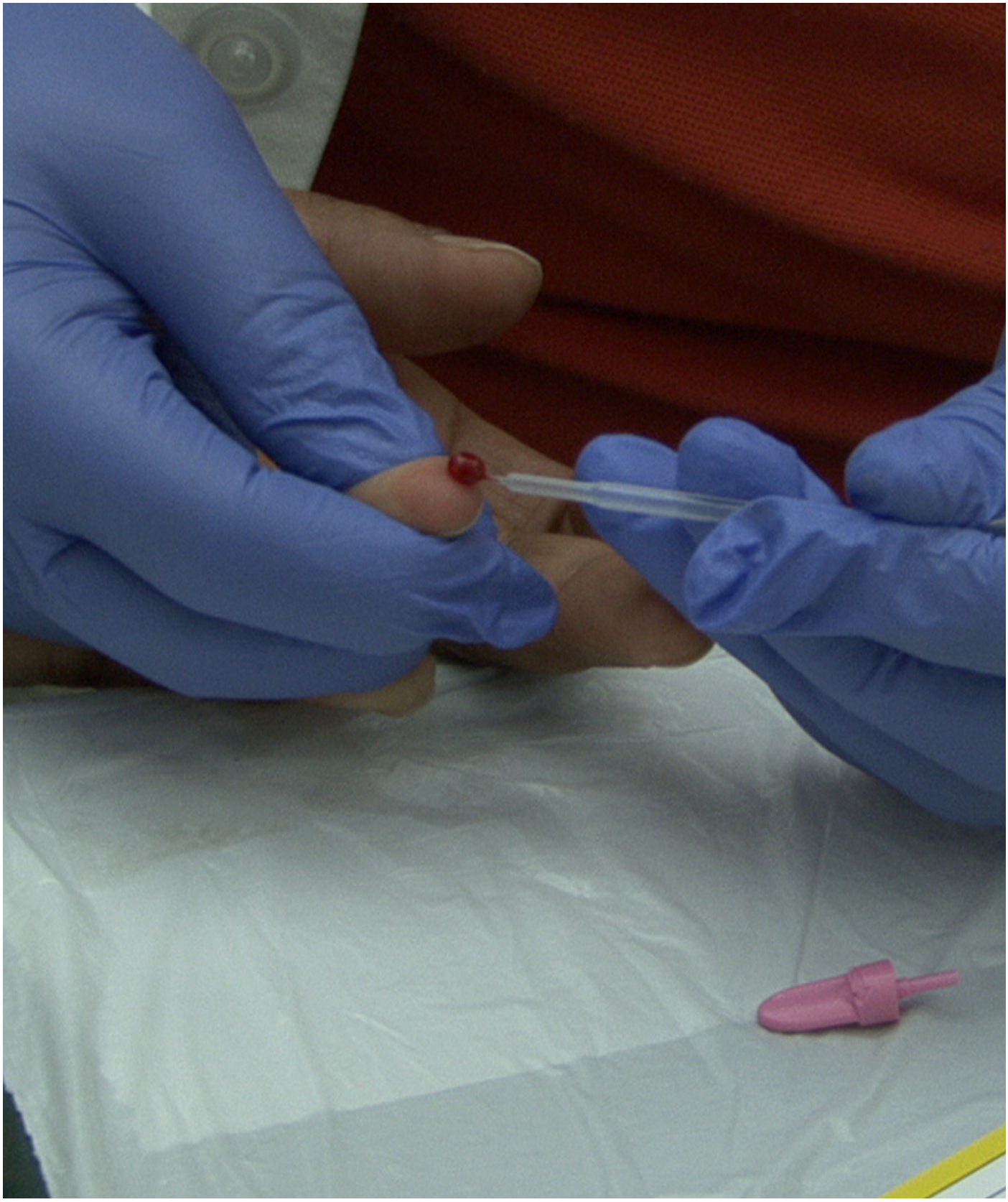
Name of Donor	Global Fund
Full amount of the funding	R1 660 456
Period of the commitment	April 2013–March 2016
Purpose of the funding	Increasing Investment for Accelerated Impact of the National Strategic Plan for HIV and TB, 2012–2016
Expected outputs	• 100% of pregnant women tested for HIV • 100% of people tested for TB and who receive TB treatment • 100% of pregnant women assessed for eligibility for antiretroviral therapy • 100% of HIV-positive pregnant women who received antiretrovirals to reduce the risk of mother to child transmission • 1890 of health professionals trained on ARV monitoring – TIER.Net system • 1342 facilities utilising electronic ARV Register • 2 754 423 adults and children with advanced HIV Infection receiving antiretroviral therapy • 69 of pharmacovigilance centres reporting on ARV adverse effects • 880 of Health Professionals trained on PMTCT and quality improvement (QI) • 143 909 TB patients diagnosed using Xpert MTB/RIF • 90% proportion of HIV-positive antenatal client initiated on ART • 85% proportion of TB/HIV co-infected client initiated on ART
Actual outputs achieved	• 98.3% of pregnant women tested for HIV • 86.9% of people tested for TB and who receive TB treatment • 76.8% of pregnant women assessed for eligibility for antiretroviral therapy • 88.7% of HIV-positive pregnant women who received antiretrovirals to reduce the risk of mother-to-child transmission • 514 health professionals trained on ARV monitoring – TIER.Net system • 2 464 facilities utilising electronic ARV Register • 2 500 000 adults and children with advanced HIV infection (currently) receiving antiretroviral therapy (10% through Global Fund) • 133 of pharmacovigilance centres reporting on ARV adverse effects • 595 of Health Professionals trained on PMTCT and quality improvement (QI) • 306 040 TB patients diagnosed using Xpert MTB/RIF • 90% of HIV-positive antenatal clients initiated on ART • 65% of TB/HIV co-infected clients initiated on ART
Amount received (R'000)	R691 746
Amount spent by the Department (R'000)	R460 846
Reasons for the funds unspent	• Under-spending was due to the following: • Delays in delivery of ordered ARV drugs from various suppliers, and suppliers invoicing incorrect quantities at incorrect prices. • Orders were cancelled by suppliers. • Procurement of equipment to strengthen the TIER.net system was delayed for implementation due ongoing process of engaging all key stakeholders. • Revision of the TB programme work plan and budget that was approved by the Global Fund on the 27 March 2014 impacted spending on TB programme.
Monitoring mechanism by the Donor	The National Department of Health as Principal Recipient conducts the following activities to monitor the implementation and performance of funded programmes: • quarterly data verification and site visits on implemented activities • quarterly workshops and meetings with sub-recipient for programme management • on-site technical assistance and capacity building The Global Fund conducts regular country visits, which include site visits to implementing facilities. The NDoH submits quarterly reports to Global Fund, which are verified by KPMG, the Local Funding Agent (LFA), prior to submission to the Global Fund. The LFA represents the Global Fund in-country. The Global Fund also conducts on-site data verification processes as part of quality checks. Periodically, the Global Fund commissions an audit through the Office of the Inspector-General (OIG) as part of assessing the Global Fund's investments and identifying risks.

2.7 Capital Investment

Capital investment, maintenance and asset management plan

	2013/2014			2012/2013		
Infrastructure projects	**Final Appropriation**	**Actual Expenditure**	**(Over)/Under Expenditure**	**Final Appropriation**	**Actual Expenditure**	**(Over)/ Under Expenditure**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**
*New and replacement assets (Doctors Consulting Rooms)**	218 324	113 726	104 598	-	-	-
Existing infrastructure assets	-	-	-	-	-	-
Upgrades and additions	-	-	-	-	-	-
Rehabilitation, renovations and refurbishments	-	-	-	-	-	-
*Maintenance and repairs (FET Maintenance)**	60 630	39 685	20 945	-	-	-
Total	**278 954**	**153 411**	**125 543**	**-**	**-**	**-**

*Note: In Kind Grant started only in the 2013/14 financial year.




STOP
HIV & TB

Part C

Governance

3.1 Introduction

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

3.2 Risk Management

The Risk Management Unit has been established, initially forming part of the Internal Audit Unit, in order to secure its establishment and sustainability. The Risk Management Unit is being capacitated by the appointment of Deputy Director: Risk Management. The post of the Chief Director: Internal Audit and Risk Management have been finalised and the successful candidate has accepted an offer and started at the beginning of May 2014

A Risk Committee, which is a sub-committee of the Audit Committee, has been established to oversee and provide advice on risk management activities. A risk assessment is being finalised and the current risk register is being updated.

The Internal Audit Unit has assisted in the facilitation of risk management activities, including the monitoring of the risk assessment workshops facilitated by an independent audit and accounting firm. From 2013/14 onwards, all employees of the Department are required to include risk management as a key performance area in their performance agreements.

3.3 Fraud and Corruption

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

3.4 Code of Conduct

The Department has adopted and is adhering to the Public Service Code of Conduct in an effort to promote a high standard of professional ethics in the workplace and encourage public servants to think and behave ethically. The Department is adhering to the Code of Conduct by training employees at every induction. When there is breach of conduct the directorate dealing with the Code of Conduct investigates the matter thoroughly and after investigation the matter is dealt with either formally or informally, depending in the seriousness of the conduct.

3.5 Health, Safety and Environmental Issues

Decent work is a key element in building fair, equitable and inclusive societies, based on principles of employment creation, workers' rights, equality between women and men, social protection and social dialogue. The Department has developed and implemented an integrated wellness strategy wherein a reference team is established to offer assistance to employees by internal and external experts.

The Department's strategic implementation on wellness further promotes the physical, social, emotional, occupational, spiritual, financial, and intellectual wellness of individuals and comprehensive identification of psycho-social health risks, by conducting quarterly health screening of employees.

3.6 Portfolio Committees

The Department engaged with 10 different Portfolio Committees in the 2013/14 financial year. A separate comprehensive report on these meetings is available.

3.7 SCOPA Resolutions

During 2013/14 there were no outstanding SCOPA resolutions.

3.8 Prior modifications to audit reports

Nature of qualification, disclaimer, adverse opinion and matters of non-compliance	Financial year in which it first arose	Progress made in clearing/ resolving the matter*
None	None	None

3.9 Internal Control Unit

Internal Control Unit ensures that a sound internal control environment is in place within the Department. The unit performs the necessary co-ordination work in this regards, ensuring that activities are performed regularly, effectively and in accordance with Department Strategy, applicable legislation and operational policies additionally, it monitor the integrity and reliability of accounting and recording system.

3.10 Internal Audit and Audit Committee

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

3.11 Audit Committee Report

We are pleased to present our report of the National Department of Health in terms of the National Treasury Regulations and Guidelines, for the financial year ended 31 March 2014.

Composition of the Committee

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

Name of Member	Designation	Date of appointment and termination
Mr. Humphrey Buthelezi, CA(SA)	Chairman and member of the IoD	16/03/2011
Ms Thandi Sihlaba	Risk Management Consultant and Member of the IoD	16/03/2011 to 24/10/2013
Adv. William Huma	Performance Management Expert, Fellow of the IoD, Advocate of the High Court of South Africa	16 /03/2011
Ms PMK Mvulane, CA(SA), RA	Independent Professional and Registered Accountant & Auditor	15/06/2012
Mr. T Mofokeng, CA(SA), CIA	Independent Professional	15/06/2012

The members have adequate balance in terms of experience and expertise as it relates to the mandate of the department to discharge their responsibilities.

Attendance at Meetings

The terms of reference require the Committee to meet at least 4 times a year, as a minimum. For the year under review, the Committee had 3 formal and 2 special meetings as indicated below:

Name of Member	Types and Number of Meetings Attended		
	Normal	Special	Total Meetings
Mr. H Buthelezi (Chairman)	3	1	4
Adv. W Huma	3	2	5
Ms PMK Mvulane	3	2	5
Mr. T Mofokeng	3	2	5

Responsibility of the Audit Committee

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

The Effectiveness of the Internal Control Systems

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

In line with the Public Finance Management Act, the Internal Audit provides the Audit Committee and management with assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management processes, as well as the identification of corrective actions and suggested enhancements to the controls and business processes. The Committee reviewed the internal audit reports for the year under review and provided advice on issues raised. From both the interim and final management reports of the Auditor-General of South Africa, it was noted that there were material deficiencies in the system of internal control regarding performance management on provincial indicators and the control environment in general. This was evidenced by the audit findings which are older than one year. Management assured the Committee that the issues raised will be addressed and resolved within a reasonable time frame. However, we report that despite the reported weaknesses, the system of internal control over the financial and non-financial reports for the year under review was effective and reliable.

Sub-Committees of the Audit Committee:

Risk Committee

In order to strengthen the oversight role of the Committee, a sub-committee structure was set up to focus on issues of risk management and risk governance. This Committee has had meetings for the year under review to develop and adopt a risk management strategy, framework and policy to govern its work going forward. These documents have been adopted by the NDOH. The Chairman of the Sub-Committee provides regular feedback to the Audit Committee relating to the outcomes of its meetings. The attendance to its meetings during the year was as follows:

Name of Member	Types and Number of Meetings Attended
Ms PMK Mvulane (Chairperson)	2
Adv. W Huma	1
Mr. T Mofokeng	1

Performance Committee

A sub-committee structure was also set up for the Performance Information oversight role. This Committee has also had meetings for the period under review to enhance the policy for performance information and align the systems utilized by the NDOH in compiling the annual performance information. The Chairman of the Sub-Committee provides regular feedback to the Audit Committee relating to the outcomes of its meetings. The attendance to its meetings during the year was as follows:

Name of Member	Types and Number of Meetings Attended
Adv. W Huma (Chairman)	7
Ms PMK Mvulane	6
Mr. T Mofokeng	5

Evaluation of the Annual Financial Statements

We have:

- discussed and reviewed the audited annual financial statements together with the relevant accounting policies, to be included in the annual report, with the Accounting Officer and the Auditor-General of South Africa;
- reviewed the Auditor-General of South Africa's management report and the related management responses thereto;
- reviewed the Department's compliance with legal and regulatory provisions;
- reviewed significant adjustments arising from the audit; and
- reviewed the going concern status of the department

The Committee recommended the annual financial statements for approval to the Accounting Officer.

We concur and accept the Auditor-General of South Africa's unqualified audit opinion on the annual financial statements for the year under review.

Internal Audit Function

The committee had reviewed the work of internal audit and raised concerns about capacity within the unit. Subsequent to year end management responded to this concern and the Chief Director: Internal Audit was appointed. Therefore significant improvements are expected from this area.

Auditor General of South Africa

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

Ms PMK Mvulane
Acting Chairperson of the Audit Committee
11 September 2014


AMS


DFM

Part D

Human Resources Management

Legislation that governs Human Resources Management

POLICY	OBJECTIVE
The Constitution of the Republic of South Africa	Provides supreme law of the Republic, any law or conduct that is inconsistent with it is invalid.
Basic Conditions of Employment Act, 75 of 1997	Gives effect to the right to fair Labour Practices referred to in Section 23(1) of the Constitution by establishing and making provisions for the regulation of Basic Conditions of Employment Act.
Employee Relations Act, 66 of 1995	Advances economic development, social justice, labour peace and the democratisation of the workplace by fulfilling the primary objects of the Act.
Public Service Regulations, 2001 as amended	Provides a new framework for the management of the Public Service, including decentralised decision making and planning within the boundaries of national strategies, programmes and policies.
Skills Development Act, 97 of 1998	Establishes a high-quality skills development system that is cost-effective and accountable, meets skills needs, and promotes employment generation and economic growth.
Occupational Health and Safety Act, 85 of 1993	Provides for occupational health and safety standards that need to be adhered to by the Department, and the monitoring and evaluation thereof.
Employment Equity Act, 55 of 1998	Achieves equity in the workplace by promoting equal opportunity and fair treatment through the elimination of unfair discrimination and implementing affirmative action measures to redress the disadvantages in employment experienced by designated groups, in order to ensure their equitable representation in all occupational categories and levels in the workplace.
National Human Resource Development Strategy	Maximises the potential of the people of SA, through the acquisition of knowledge and skills, to work productively and competitively in order to achieve a rising quality of life for all, and to establish an operational plan, together with the necessary institutional arrangements, to achieve this.
White Paper on Public Service Delivery – Batho Pele	Establishes a framework of values, norms and standards to improve public service delivery.
White Paper on the Transformation of the Public Service	Provides a Strategic Framework for public service transformation to support the service delivery objective of government.
Human Resource Development Strategy for the Public Service Vision 2015	Addresses the major human resource capacity constraints currently hampering the effective and equitable delivery of public services.
White Paper on Human Resource Management in the Public Service	Ensures that human resource management in the Public Service becomes a model of excellence, in which the management of people is seen as everyone's responsibility and is conducted in a professional manner.
Public Finance Management Act, 1 of 1999	Provides for the administration of State funds by functionaries, their responsibilities and incidental matters.

4.1 Introduction

Human resources practices endeavour to provide leadership in the management and co-ordination of the implementation of human resources information systems, organisation development and change management programmes, as well as employee acquisition. These practices afford the Department an opportunity to "take stock" of the current human resources needs and assist in the determination of future human resource needs necessary to consistently achieve organisational objectives.

For the year under review, an in-depth analysis of the current workforce, the external and internal challenges or influences and their impact on the future financial and human resources needs, as well as identification of actual activities, were undertaken. This evaluative process was carried out in order to ensure that the Department achieves its objectives.

4.1.1 Human Resources Service Charter

The Human Resources Service Charter was developed and approved during this period.It outlines the service commitment that sets human resources performance targets and operating standards.It is intended to ensure that clients' expectations of service delivery are matched by achievable, measurable and value-adding performance standards.

4.1.2 Organisational Development

During this reporting period the Department continued with the maintenance of the PERSAL Clean-up process. Coupled with the continued implementation of the DPSA's Recruitment Strategy, the Department has maintained a vacancy rate of 4.34%. This is within the DPSA's recommended target vacancy rate of 10% or below, for all departments.

4.1.3 Recruitment

The Department's Recruitment and Retention strategy was reviewed and approved during this period. This is aimed at attracting and retaining critical and scarce skills, as well as employees from designated groups. In addition, business processes on recruitment were developed to ensure that all recruitment process are conducted within the required timeframes.

4.1.4 Performance Management

The newly created Performance Management and Development System (PMDS) Unit continues to provide advisory and administration support in ensuring linkages between individual and organisation performance. Consequently, compliance with regard to the submission of performance agreements, as well as the implementation of employees work plans, has improved vastly.

4.1.5 Employee Wellness

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

4.1.6 Labour Relations

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

4.1.7 HR Challenges

The Department is currently faced with the following workforce challenges:

- Equitable representation;
- Recruitment and retention of people with disabilities; and
- Impact Assessments of Capacity-building Initiatives

The Department has put strategies in place to ensure that the above workforce challenges are addressed in 2014/15, as part of the implementation of the HR Plan.

Table 1 Personnel expenditure by programme for the period 1 April 2013 to 31 March 2014

Programme	Total voted expenditure (R'000)	Compensation of employees expenditure (R'000)	Training expenditure (R'000)	Professional and special services (R'000)	Compensation of employees as % of total expenditure *1	Average compensation of employees cost per employee (R'000) *2	Employment *3
Administration	363 443	162 028	1 303	2 839	44.6%	362 476	442
NHI, Health PLN & Sys Enable	198 905	75 483	711	234	37.9%	443 717	171
HIV&Aids, TB & Child Health	10 935 584	59 555	652	642	0.6%	460 886	127
Primary Health Care Services	88 198	51 010	178	55	57.8%	510 100	98
Hosp, Tertiary Ser & HR Dev	17 625 074	88 791	770	359	0.5%	298 959	285
Health Regul & Compliance MNG	732 274	118 501	2310	284	16.2%	352 681	287
Z=Total as on Financial Systems (BAS)	29 943 478	555 318	5924	4 413	1.9%	375 572	1410

* Includes Minister and Deputy Minister and are accounted for on level 16
*1 Compensation of employees expenditure divided by total voted expenditure multiplied by 100
*2 Compensation of employees expenditure divided by number of employees per programme

*3 Total number of permanent employees plus additional positions on the establishment.

Table 2 Personnel Costs by salary band for the Period 1 April 2013 to 31 March 2014

Salary bands	Compensation of employees cost (R'000)	% of total personnel cost for department *1	Average compensation cost per employee (R'000) *2	Total personnel cost for department including goods and transfers (R'000) *2	Number of employees *3
Lower skilled (Levels 1-2)	529	0.09%	66 125	555 318	8
Skilled (Levels 3-5)	51 838	9.33%	152 914	555 318	339
Highly skilled production (Levels 6-8)	123 464	22.23%	232 951	555 318	530
Highly skilled supervision (Levels 9-12)	237 083	42.70%	559 158	555 318	424
Senior management (Levels 13-16)	83 914	15.10%	769 853	555 318	109
Contract (Levels 1-2)	2 338	0.42%	292 250	555 318	8
Contract (Levels 3-5)	2 366	0.43%	147 875	555 318	16
Contract (Levels 6-8)	19 554	3.51%	224 759	555 318	87
Contract (Levels 9-12)	8 580	1.55%	476 667	555 318	18
Contract (Levels 13-16)	7552	1.40%	1 550 000	555 318	5
Periodical Remuneration	18 100	3.25%	75 104	555 318	241
TOTAL	**555 318**	**100.00%**	**311 103**	**555 318**	**1785**

* Includes Minister and Deputy Minister and are accounted for on level 16

*1 Compensation of employees divided by total Personnel cost for Department multiplied by 100

*2 Compensation of employees per salary band divided by number of employees per salary band (in hundreds)

*3 Total number of permanent employees plus additional positions on the establishment.

Table 3 Salaries, Overtime, Home Owners Allowance and Medical Aid by Programme for the period 1 April 2013 to 31 March 2014

Programme	Salaries (R'000)	Salaries as % of Personnel Cost *1	Overtime (R'000)	Overtime as % of Personnel Cost *2	HOA (R'000)	HOA as % of Personnel Cost *3	Medical Subsidy (R'000)	Medical Subsidy as % of Personnel Cost *4	Total Personnel Cost per Programme (R'000)
Administration	147 130	90.8%	4 263	2.6%	4714	2.9%	5 919	3.7%	162 028
NHI, Health PLN & Sys Enable	71 346	94.6%	317	0.4%	1 695	2.2%	2 074	2.7%	75 433
HIV&Aids, TB & Child Health	56 507	94.9%	32	0.1%	1 322	2.2%	1 776	2.9%	59 555
Primary Health Care Services	48 198	94.5%	172	0.3%	1 256	2.5%	1 385	2.7%	51 010
Hosp, Tertiary Ser & HR Dev	82 583	93.0%	448	0.5%	2 565	2.9%	3 195	3.6%	88 791
Health Regul & Compliance MNG	110 110	92.9%	706	0.6%	3 026	2.6%	4 659	3.9%	118 501
Total	**515 874**	**92.9%**	**5 938**	**1.1%**	**14 578**	**2.6%**	**19 008**	**3.4%**	**555 318**

*1 Salaries divided by total Compensation of employees expenditure in Table 1 multiplied by 100
*2 Overtime divided by total Compensation of employees expenditure in Table 1 multiplied by 100
*3 Home Owner's allowance divided by total Compensation of employees' expenditure in Table 1 multiplied by 100
*4 Medical Subsidy divided by total Compensation of employees expenditure in Table 1 multiplied by 100

Table 4 Salaries, Overtime, Home Owners Allowance and Medical Aid by Salary Band for the period 1 April 2013 to 31 March 2014

Salary bands	Salaries (R'000)	Salaries as % of personnel cost *1	Overtime (R'000)	Overtime as % of personnel cost *2	HOA (R'000)	HOA as % of personnel cost *3	Medical subsidy (R'000)	Medical subsidy as % of personnel cost *4	Total personnel cost per salary band (R'000)
Lower skilled (Levels 1-2)	529	100.00%	0	0.00%	81	15.31%	184	34.78%	529
Skilled (Levels 3-5)	51036	98.45%	2907	5.61%	3283	6.33%	3880	7.48%	51 838
Highly skilled production (Levels 6-8)	114415	92.67%	1986	1.61%	5265	4.26%	7652	6.20%	123 464
Highly skilled supervision (Levels 9-12)	226630	95.59%	1043	0.44%	3916	1.65%	5859	2.47%	237 083
Senior management (Levels 13-16)	82900	98.79%	0	0.00%	1723	2.05%	1018	1.21%	83 914
Contract (Levels 1-2)	2302	98.46%	0	0.00%	0	0.00%	0	0.00%	2 338
Contract (Levels 3-5)	2297	97.08%	2	0.08%	0	0.00%	0	0.00%	2 366
Contract (Levels 6-8)	19553	99.99%	0	0.00%	0	0.00%	0	0.00%	19 554
Contract (Levels 9-12)	8580	100.00%	0	0.00%	181	2.11%	133	1.55%	8 580
Contract (Levels 13-16)	7632	100.00%	0	0.00%	129	1.46%	202	3.19%	7632
Periodical Remuneration	0	0.00%	0	0.00%	0	0.00%	0	0.00%	18 100
TOTAL	**515 874**	**92.90%**	**5 938**	**1.07%**	**14 578**	**2.62%**	**18 928**	**3.42%**	**555 318**

*1 Salaries divided by total Compensation of employees expenditure in Table 1 multiplied by 100
*2 Overtime divided by total Compensation of employees expenditure in Table 1 multiplied by 100
*3 Home Owner's allowance divided by total Compensation of employees expenditure in Table 1 multiplied by 100
*4 Medical Subsidy divided by total Compensation of employees expenditure in Table 1 multiplied by 100

4.2.2 Employment and vacancies

Table 5 Employment and Vacancies by Programme as on 31 March 2014

Programme	Nr of permanent posts	Nr of filled posts	Vacancy rate *1	Nr of posts additional to the establishment *2
Administration	466	442	5.15%	9
NHI, Health PLN & Sys Enable	180	171	5.00%	10
HIV&Aids, TB & Child Health	132	127	3.79%	9
Primary Health Care Services	101	98	2.97%	3
Hosp, Tertiary Ser & HR Dev	290	285	1.72%	83
Health Regul & Compliance MNG	305	287	5.90%	20
TOTAL	**1474**	**1410**	**4.34%**	**134**

*1: (Number of permanent posts minus number of filled posts) divided by number of permanent posts multiplied by 100
Office note: Post listed includes only Voted Funds

Table 6 Employment and Vacancies by Salary Band as on 31 March 2014

Salary band	Nr of permanent posts	Nr of filled posts	Vacancy rate *1	Nr of posts additional to the establishment
Lower skilled (Levels 1-2), Permanent	8	8	0.00%	0
Skilled (Levels 3-5), Permanent	353	339	3.97%	0
Highly skilled production (Levels 6-8), Permanent	548	530	3.28%	0
Highly skilled supervision (Levels 9-12), Permanent	443	424	4.29%	0
Senior management (Levels 13-16), Permanent	122	109	10.66%	0
Contract (Levels 1-2), Permanent	0	0	0.00%	8
Contract (Levels 3-5), Permanent	0	0	0.00%	16
Contract (Levels 6-8), Permanent	0	0	0.00%	87
Contract (Levels 9-12), Permanent	0	0	0.00%	18
Contract (Levels 13-16), Permanent	0	0	0.00%	5
TOTAL	**1 474**	**1 410**	**4.34%**	**134**

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

Table 7 Employment and Vacancies by Critical Occupation as on 31 March 2014

Critical occupations	Nr of permanent posts on the approved establishment	Nr of filled posts	Vacancy rate *1	Nr of posts additional to the establishment
Administrative related, Permanent	153	142	7.19%	2
Ambulance and related workers, Permanent	0	0	0.00%	0
Artisan project and related superintendents, Permanent	1	1	0.00%	0
Auxiliary and related workers, Permanent	19	19	0.00%	0
Biochemistry pharmacol. zoology & life scie.techni, Permanent	211	201	4.74%	72
Cleaners in offices workshops hospitals etc., Permanent	56	52	7.14%	0
Client inform clerks(switchb recept inform clerks), Permanent	4	4	0.00%	0
Communication and information related, Permanent	14	13	7.14%	0
Computer programmers., Permanent	5	4	20.00%	0
Computer system designers and analysts., Permanent	5	4	20.00%	0
Custodian personnel, Permanent	0	0	0.00%	0
Dental practitioners, Permanent	1	1	0.00%	0
Dental Therapy, Permanent	1	1	0.00%	0
Dieticians and nutritionists, Permanent	9	9	0.00%	0
Emergency Services Related, Permanent	1	1	0.00%	0
Engineering sciences related, Permanent	1	1	0.00%	0
Engineers and related professionals, Permanent	2	1	50.00%	0
Environmental health, Permanent	4	4	0.00%	1
Finance and economics related, Permanent	10	9	10.00%	0
Financial and related professionals, Permanent	22	20	9.09%	3
Financial clerks and credit controllers, Permanent	30	29	3.33%	1
Food services aids and waiters, Permanent	11	10	9.09%	0
General legal administration & rel. professionals, Permanent	3	3	0.00%	0
Head of department/chief executive officer, Permanent	1	1	0.00%	0
Health sciences related, Permanent	71	65	8.45%	9
Human resources & organisat developmENT & relate prof, Permanent	53	50	5.66%	0

Table 7 (Continued) Employment and Vacancies by Critical Occupation as on 31 March 2014

Critical occupations	Nr of permanent posts on the approved establishment	Nr of filled posts	Vacancy rate *1	Nr of posts additional to the establishment
Human resources clerks, Permanent	0	0	0.00%	0
Human resources related, Permanent	14	13	7.14%	2
Information technology related, Permanent	23	22	4.35%	0
Language practitioners interpreters & other commun, Permanent	0	0	0.00%	0
Legal related, Permanent	0	0	0.00%	0
Librarians and related professionals, Permanent	1	1	0.00%	0
Library mail and related clerks, Permanent	26	26	0.00%	0
Light vehicle drivers, Permanent	3	3	0.00%	0
Logistical support personnel, Permanent	68	68	0.00%	0
Material-recording and transport clerks, Permanent	0	0	0.00%	3
Medical practitioners, Permanent	1	1	0.00%	0
Medical research and related professionals, Permanent	0	0	0.00%	1
Medical specialists, Permanent	6	6	0.00%	1
Medical technicians/technologists, Permanent	2	2	0.00%	0
Messengers porters and deliverers, Permanent	21	20	4.76%	0
Natural sciences related, Permanent	0	0	0.00%	0
Other administrat & related clerks and organisers, Permanent	215	206	4.19%	18
Other administrative policy and related officers, Permanent	76	75	1.32%	4
Other information technology personnel, Permanent	0	0	0.00%	0
Other occupations, Permanent	2	2	0.00%	0
Other occupations, Temporary	0	0	0.00%	0
Pharmacists, Permanent	14	14	0.00%	2
Pharmacologists pathologists & related professional, Permanent	0	0	0.00%	1
Physicists, Permanent	0	0	0.00%	0
Professional nurse, Permanent	3	3	0.00%	0
Radiography, Permanent	2	2	0.00%	0
Secretaries & other keyboard operating clerks, Permanent	98	95	3.06%	3
Security guards, Permanent	0	0	0.00%	0
Security officers, Permanent	83	81	2.41%	8
*Senior managers, Permanent *2*	121	118	2.48%	3
Social sciences related, Permanent	0	0	0.00%	0
Social work and related professionals, Permanent	4	4	0.00%	0
Staff nurses and pupil nurses, Permanent	1	1	0.00%	0
Statisticians and related professionals, Permanent	2	2	0.00%	0
TOTAL	**1474**	**1410**	**4.34%**	**134**

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

*2 the 128 excludes Minister, Deputy Minister and Director General.

4.2.3 Filling of SMS posts

Table 8 SMS Post information as on 31 March 2014

SMS level	Nr of funded SMS posts	Nr of SMS posts filled	% of SMS posts filled*1	Nr of SMS posts vacant	% of SMS posts vacant*2
Director-General / Head of Department	1	1	100%	0	0%
Salary Level 16, but not HOD	2	2	100%	0	0%
Salary Level 15	9	7	78%	2	22%
Salary Level 14	31	27	87%	4	13%
Salary Level 13	79	72	91%	7	9%
Total	**122**	**109**	**89%**	**13**	**11%**

*1 Total number of SMS posts filled per level divided by Total number of funded SMS posts per level multiplied by 100
*2 Total number of SMS posts vacant per level divided by Total number of funded SMS posts per level multiplied by 100

Table 9 SMS Post information as on 30 September 2013

SMS level	Nr of funded SMS posts	Nr of SMS posts filled	% of SMS posts filled*1	Nr of SMS posts vacant	% of SMS posts vacant*2
Director-General / Head of Department	1	1	100%	0	0%
Salary Level 16, but not HOD	2	2	100%	0	0%
Salary Level 15	9	7	78%	2	22%
Salary Level 14	31	27	87%	4	13%
Salary Level 13	79	72	91%	7	9%
Total	**122**	**109**	**89%**	**13**	**11%**

*1 Total number of SMS posts filled per level divided by Total number of funded SMS posts per level multiplied by 100
*2 Total number of SMS posts vacant per level divided by Total number of funded SMS posts per level multiplied by 100

Table 10 Advertising and Filling of SMS Posts for the period 1 April 2013 - 31 March 2014

SMS Level	Nr of vacancies advertised in 6 months of becoming vacant	Nr of vacancies per level filled in 6 months after becoming vacant	Nr of vacancies per level filled within 12 months after becoming vacant
Director-General / Head of Department	0	0	0
Salary Level 16, but not HOD	0	0	0
Salary Level 15	0	0	0
Salary Level 14	2	0	1
Salary Level 13	10	0	0
Total	**12**	**0**	**1**

Table 11 Reasons for not having complied with the filling of funded vacant SMS – Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2013 to 31 March 2014

Reasons for vacancies not advertised within six months	Reasons for vacancies not filled within twelve months
Restructuring and re-prioritisation of posts due to fiscal constraints and the resultant uncertainty as to which posts would be filled and which would be abolished.	Shortage of suitable applicants for posts which results in posts being advertised more than once and sometimes head hunting still has to be undertaken after that. This process takes much time. Furthermore, sometimes awaiting PSC feedback delays the filling of posts, by many months.

Table 12 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2013 to 31 March 2014.

Disciplinary steps taken
None

4.2.4 Job Evaluation

Table 13 Job Evaluation by Salary Band for the period 1 April 2013 to 31 March 2014

Salary band	Nr of posts on approved establishment	Nr of additional posts to the establishment *1	Nr of posts evaluated*2	% of posts evaluated per salary band *3	Posts upgraded		Posts downgraded	
					Nr	% of posts evaluated *4	Nr	% of posts evaluated*5
Contract (Levels 1-2)	0	8	0	0.00%	0	0.00%	0	0.00%
Contract (Levels 3-5)	0	16	10	0.00%	14	0.00%	0	0.00%
Contract (Levels 6-8)	0	87*6	4	0.00%	0	0.00%	0	0.00%
Contract (Levels 9-12)	0	18	18	0.00%	1	0.00%	0	0.00%
Contract (Band A)	0	1	4	0.00%	0	0.00%	0	0.00%
Contract (Band B)	0	2	0	0.00%	0	0.00%	0	0.00%
Contract (Band C)	0	2	0	0.00%	0	0.00%	0	0.00%
Contract (Band D)	0		0	0.00%	1	0.00%	0	0.00%
Lower skilled (Levels 1-2)	9		0	0.00%	0	0.00%	0	0.00%
Skilled (Levels 3-5)	357		0	0.00%	133	37.25%	0	0.00%
Highly skilled production (Levels 6-8)	498		5	1.00%	16	3.21%	0	0.00%
Highly skilled supervision (Levels 9-12)	485		26	5.36%	59	12.16%	0	0.00%
Senior Management Service Band A (13)	86		18	20.93%	0	0.00%	0	0.00%
Senior Management Service Band B (14)	34		8	23.53%	0	0.00%	0	0.00%
Senior Management Service Band C (15)	9		6	66.67%	0	0.00%	0	0.00%
Senior Management Service Band D (16)	3		0	0.00%	0	0.00%	0	0.00%
TOTAL	**1 481**	**134**	**99**	**6.68%**	**224**	**15.12%**	**0**	**0.00%**

*1: Additional Posts were created using Donor Funds and were JE.
*2 Although only 99 posts were evaluated, the rest of the posts were benchmarked.
*3 Number of posts Evaluated divided by Total Number of Posts multiplied by 100
*4 Number of posts Upgraded divided by Total Number of Posts multiplied by 100
*5 Number of posts Downgraded divided by Total Number of Posts multiplied by 100
*6 74 positions are OSD appointments

Table 14 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2013 to 31 March 2014

Gender	African	Asian	Coloured	White	Total
Female	112	1	10	11	134
Male	77	2	6	5	90
Total	**189**	**3**	**16**	**16**	**224**
Employees with a Disability	2				2

Table 15 Employees with salary levels higher that those determined by job evaluation by occupation for the period 1 April 2013 to 31 March 2014

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Cleaners in Offices Workshops Hospitals, etc.	8	2	3	Retention strategy
Security Officers	6	3	4	Retention strategy
Library Mail and Related Clerks	1	4	5	Retention strategy
Secretaries & other Keyboard Operating Clerks	18	5	6	Retention strategy
Other Administrat & Related Clerks and Organisers	34	6	7	Retention strategy
Other Administrat & Related Clerks and Organisers	15	7	8	Retention strategy
Biochemistry Pharmacol. Zoology & Life Scie.Techni	9	8	9	Retention strategy
Administrative Related	90	9	10	Retention strategy
Biochemistry Pharmacol. Zoology & Life Scie.Techni	8	10	11	Retention strategy
Administrative Related	70	11	12	Retention strategy
Senior Management	3	12	13	Retention strategy
Senior Management	1	13	14	Retention strategy
Senior Management	1	14	15	Retention strategy
Senior Management	1	15	16	Retention strategy
Total number of employees whose salaries exceeded the level determined by job evaluation				**265**
% of total employed *1				**18%**

*1 Total number of employees whose salaries exceeded the level divided by Total employment in the Department

Table 16 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2013 to 31 March 2014

Total number of employees whose salaries exceeded the grades determine by job evaluation	None

4.2.5 Employment changes

Table 17 Annual turnover rates by salary band for the period 1 April 2013 to 31 March 2014

Salary Band	Nr of employees at beginning of period 1 April 2013	Appointments & transfers into the department *1	Terminations and transfers out of the department *2	Turnover Rate *3
Lower skilled (Levels 1-2),	46	0	1	2.17%
Skilled (Levels 3-5),	296	28	16	4.94%
Highly skilled production (Levels 6-8),	471	86	25	4.49%
Highly skilled supervision (Levels 9-12),	442	35	31	6.50%
SMS Service Band A, (13)	62	5	5	7.46%
SMS Service Band B, (14)	18	4	3	13.64%
SMS Service Band C, (15)	1	5	0	0.00%
SMS Service Band D, (16)	2	1	1	33.33%
Contract (Levels 1-2),	1		0	0.00%
Contract (Levels 3-5),	8	28	12	33.33%
Contract (Levels 6-8),	2	373	6	1.60%
Contract (Levels 9-12),	6	2	8	100.00%
Contract (Band A),	11	4	3	20.00%
Contract (Band B),	3	0	0	0.00%
Contract (Band C),	6	5	1	9.09%
Contract (Band D),	1	0	0	0.00%
Interns	0	9	0	0.00%
Periodical Appointments	112	144	26	10.16%
TOTAL	**1488**	**729**	**138**	**6.22%**

*1 Appointments include transfers into the Dept.
*2 Terminations include transfers out of the Dept.
*3 Terminations divided by (employment at beginning of period plus Appointments) multiplied by 100

Table 18 Annual turnover rates by critical occupation for the period 1 April 2013 to 31 March 2014

Critical occupations	Nr of employees at the beginning of period 1 April 2013	Appointments & transfers into the department *1	Terminations & transfers out of the department*2	Turnover rate *3
Administrative related	149	371	16	3.08%
Ambulance & related workers	0	0	0	0.00%
Artisan project & related superintendents	1	0	0	0.00%
Auxiliary & related workers	6	0	1	16.67%
Biochemistry pharmacol. zoology & life scie. techni	77	73	10	6.67%
Chemists	0	0	0	0.00%
Cleaners in offices workshops hospitals etc.	58	0	3	5.17%
Client inform clerks(switchb recept inform clerks)	9	0	0	0.00%
Communication & information related	10	0	0	0.00%
Computer programmers	6	0	0	0.00%
Computer system designers and analysts	5	0	0	0.00%
Custodian personnel	1	0	0	0.00%
Dental practitioners	0	0	0	0.00%
Dieticians & nutritionists	6	0	0	0.00%
Diplomats	0	0	0	0.00%
Engineering sciences related	1	0	0	0.00%
Engineers & related professionals	1	6	2	28.57%
Environmental health	3	0	0	0.00%
Finance & economics related	13	2	1	6.67%
Financial & related professionals	22	6	4	14.29%
Financial clerks & credit controllers	27	1	7	25.00%
Food services aids and waiters	17	0	2	11.76%
General legal admin & rel. professionals	8	0	0	0.00%
HOD/CEO	1	0	0	0.00%
Health sciences related	90	20	10	9.09%
HR & OD & relate prof	10	0	3	30.00%
HR clerks	27	0	2	7.41%
HR related	23	2	7	28.00%
Information technology related	16	0	1	6.25%
Language practitioners interpreters & other commun	3	0	0	0.00%
Legal related	1	0	0	0.00%

Table 18 (continued) Annual turnover rates by critical occupation for the period 1 April 2013 to 31 March 2014

Critical occupations	Nr of employees at the beginning of period 1 April 2013	Appointments & transfers into the department *1	Terminations and transfers out of the department *2	Turnover rate *3
Librarians & related professionals	1	0	0	0.00%
Library mail and related clerks	25	0	0	0.00%
Light vehicle drivers	3	0	0	0.00%
Logistical support personnel	21	0	3	14.29%
Material-recording & transport clerks	47	13	3	5.00%
Medical practitioners	5	144	0	0.00%
Medical research & related professionals	27	0	2	7.41%
Medical specialists	2	1	0	0.00%
Medical technicians/technologists	5	0	0	0.00%
Messengers porters and deliverers	20	0	1	5.00%
Natural sciences related	2	0	0	0.00%
Other administrat & related clerks and organisers	113	36	38	25.50%
Other administrative policy & related officers	73	4	0	0.00%
Other information technology personnel.	96	0	2	2.08%
Other occupations	5	0	0	0.00%
Pharmacists	13	5	3	16.67%
Pharmacologists pathologists & related professionals	26	2	1	3.57%
Physicists	46	0	1	2.17%
Professional nurse	1	3	0	0.00%
Radiography	2	0	0	0.00%
Secretaries & other keyboard operating clerks	89	7	5	5.21%
Security guards	0	0	0	0.00%
Security officers	67	17	2	2.38%
Senior managers	81	16	8	8.25%
Social Work & related professionals	9	0	0	0.00%
Staff nurses & pupil nurses	5	0	0	0.00%
Statisticians & related professionals	1	0	0	0.00%
TOTAL	**1376**	**729**	**138**	**6.56%**

*1 Appointments include transfers into the Dept
*2 Terminations include transfers out of the Dept.

*3 Terminations divided by (employment at beginning of period plus Appointments) multiplied by 100

Table 19 Reasons why staff left the department for the period 1 April 2013 to 31 March 2014

Termination type	Nr of employees terminated	% of total terminations *1	% of total employment*2	Total terminations*3	Total employment at start of 1 April 2013 *4
Death	9	6.52%	0.65%	138	1376
Resignation	37	26.81%	2.69%	138	1376
Expiry of contract	45	32.61%	3.27%	138	1376
Transferred out of the Dept	35	25.36%	2.54%	138	1376
Dismissal/misconduct	0	0.00%	0.00%	138	1376
Retirement	12	8.70%	0.87%	138	1376
Other	0	0.00%	0.00%	138	1376
TOTAL	**138**	**100.00%**	**10.03%**	**138**	**1376**

*1 Number of employees terminated divide by Total Termination multiplied by 100
*2 Number of employees terminated divided by Total Employment as at start of period of 1 April 2012 multiplied by 100
*3 For calculation purposes
*4 For calculation purposes

Table 20 Promotions by critical occupation for the period 1 April 2013 to 31 March 2014

Occupation	Employees 1 April 2013	Promotions to another salary level	Salary Level promotions as a % of employment *1	Progressions to another notch within salary level	Notch progresions a % of employment *2
Administrative related	149	36	24.16%	43	28.86%
Ambulance and related workers	0	0	0.00%	0	0.00%
Artisan project and related superintendents	1	0	0.00%	1	100.00%
Auxiliary and related workers	6	0	0.00%	3	50.00%
Biochemistry pharmacol. zoology & life scie.techni	77	6	7.79%	77	100.00%
Chemists	0	0	0.00%	0	0.00%
Cleaners in offices workshops hospitals etc.	58	0	0.00%	23	39.66%
Client inform clerks(switchb recept inform clerks)	9	9	100.00%	4	44.44%
Communication and informa-tion related	10	0	0.00%	3	30.00%
Computer programmers	6	6	100.00%	6	100.00%
Computer system designers and analysts	5	0	0.00%	2	40.00%
Custodian personnel	1	1	100.00%	0	0.00%
Dental practitioners	0	0	0.00%	0	0.00%
Dieticians and nutritionists	6	0	0.00%	0	0.00%
Diplomats	0	0	0.00%	0	0.00%
Engineering sciences related	1	0	0.00%	1	100.00%
Engineers and related profes-sionals	1	0	0.00%	1	100.00%
Environmental health	3	0	0.00%	0	0.00%
Finance and economics related	13	0	0.00%	1	7.69%
Financial and related professionals	22	0	0.00%	16	72.73%
Financial clerks and credit controllers	27	7	25.93%	16	59.26%
Food services aids and waiters	17	7	41.18%	8	47.06%
General legal administration & rel. professionals	8	8	100.00%	0	0.00%

Occupation	Employees 1 April 2013	Promotions to another salary level	Salary Level promotions as a % of employment *1	Progressions to another notch within salary level	Notch progresions a % of employment *2
Head of department/chief executive officer	1	0	0.00%	0	0.00%
Health sciences related	90	0	0.00%	38	42.22%
Human resources & organisat developm & related prof	10	0	0.00%	10	100.00%
Human resources clerks	27	21	77.78%	22	81.48%
Human resources related	23	2	8.70%	5	21.74%
Information technology related	16	1	6.25%	9	56.25%
Language practitioners interpreters & other commun	3	3	100.00%	0	0.00%
Legal related	1	0	0.00%	0	0.00%
Librarians and related professionals	1	0	0.00%	0	0.00%
Library mail and related clerks	25	1	4.00%	13	52.00%
Light vehicle drivers	3	0	0.00%	3	100.00%
Logistical support personnel	21	13	61.90%	17	80.95%
Material-recording and transport clerks	47	1	2.13%	17	36.17%
Medical practitioners	5	5	100.00%	2	40.00%
Medical research and related professionals	27	23	85.19%	12	44.44%
Medical specialists	2	0	0.00%	0	0.00%
Medical technicians/technologists	5	5	100.00%	1	20.00%
Messengers porters and deliverers	20	1	5.00%	7	35.00%
Natural sciences related	2	0	0.00%	1	50.00%
Other administrat & related clerks and organisers	113	0	0.00%	73	64.60%
Other administrative policy and related officers	73	0	0.00%	63	86.30%
Other information technology personnel	96	96	100.00%	0	0.00%

Occupation	Employees 1 April 2013	Promotions to another salary level	Salary Level promotions as a % of employment *1	Progressions to another notch within salary level	Notch progresions a % of employment *2
Other occupations	5	5	100.00%		0.00%
Pharmacists	13	0	0.00%	13	100.00%
Pharmacologists pathologists & related professionals	26	2	7.69%	3	11.54%
Physicists	46	0	0.00%	5	10.87%
Professional nurse	1	0	0.00%	0	0.00%
Radiography	2	0	0.00%	1	50.00%
Secretaries & other keyboard operating clerks	89	0	0.00%	53	59.55%
Security guards	0	0	0.00%	0	0.00%
Security officers	67	6	8.96%	35	52.24%
Senior managers	81	0	0.00%	59	72.84%
Social Work and related professionals	9	9	100.00%	0	0.00%
Staff nurses and pupil nurses	5	5	100.00%	0	0.00%
Statisticians and related professionals	1	0	0.00%	0	0.00%
TOTAL	**1376**	**279**	**20.28%**	**667**	**48.47%**

*1 Promotions to another salary Level divided by employment at beginning of period multiplied with 100

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

Table 21 Promotions by salary band for the period 1 April 2013 to 31 March 2014

Salary band	Employees 1 April 2013	Promotions to another salary level	Salary level promotions as a % of employment *1	Progressions to another notch within salary level	Notch progressions as a % of employment *2
Lower skilled (Levels 1-2)	46	0	0.00%	6	13.04%
Skilled (Levels 3-5)	296	135	45.61%	105	35.47%
Highly skilled production (Levels 6-8)	471	41	8.70%	293	62.21%
Highly skilled supervision (Levels 9-12)	442	78	17.65%	205	46.38%
Senior management (Levels 13-16)	83	8	9.64%	58	69.88%
Contract (Levels 1-2)	1	0	0.00%	0	0.00%
Contract (Levels 3-5)	8	14	0.00%	0	0.00%
Contract (Levels 6-8)	2	0	0.00%	0	0.00%
Contract (Levels 9-12)	6	2	0.00%	0	0.00%
Contract (Levels 13-16)	21	1	0.00%	0	0.00%
TOTAL	**1376**	**279**	**20.28%**	**667**	**48.47%**

*1 Promotions to another salary level divided by Employment at beginning of period multiplied by 100
*2 Progressions to another Notch within salary level divided by Employment at the beginning of the period multiplied by 100

4.2.6 Employment Equity

Table 22 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2014

Occupational categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers, Permanent	37	4	3	10	32	2	4	6	98
Professionals, Permanent	103	5	4	20	165	7	6	25	335
Technicians and associate professionals, Permanent	135	7	2	10	178	8	7	36	383
Clerks, Permanent	124	4	1	6	205	17	5	60	422
Service and sales workers, Permanent	55	0	0	1	25	0	1	0	82
Craft and related trades workers, Permanent	1	0	0	0	0	0	0	0	1
Plant and machine operators and assemblers, Permanent	0	0	0	1	1	0	0	0	2
Labourers and Related Workers	33	2	0	0	46	6	0	0	87
TOTAL	**488**	**22**	**10**	**48**	**652**	**40**	**23**	**127**	**1410**
Employees with disabilities	**3**	**0**	**0**	**2**	**4**	**0**	**0**	**4**	**13**

Table 23 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2014

Occupational categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management, Permanent	5	3		3	11		2	2	26
Senior Management, Permanent	37	1	1	9	28	2	1	4	83
Professionally qualified and experienced specialists and mid-management, Permanent	126	9	6	25	192	12	14	40	424
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	173	5	1	7	252	14	5	73	530
Semi-skilled and discretionary decision making, Permanent	151	4	0	3	169	10	0	2	339
Unskilled and defined decision making, Permanent	6	0	0	0	2	0	0	0	8
TOTAL	**498**	**22**	**8**	**47**	**654**	**38**	**22**	**121**	**1410**

Table 24 Recruitment for the period 1 April 2013 to 31 March 2014

Occupational categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management, Permanent	3	2	0	0	4	0	0	0	9
Senior Management, Permanent	2	0	0	0	3	0	0	0	5
Professionally qualified and experienced specialists and mid-management, Permanent	6	0	0	2	24	0	1	2	35
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	35	0	0	0	52	0	0	0	87
Semi-skilled and discretionary decision making, Permanent	14	0	0	0	14	0	0	0	28
Contract (Top Management), Permanent	2	0	0	0	1	0	1	1	5
Contract (Senior Management), Permanent	2	0	0	2	0	0	0	0	4
Contract (Professionally qualified), Permanent	1	0	0	0	0	0	0	1	2
Contract (Skilled technical), Permanent	130	0	0	0	242	0	0	1	373
Contract (Semi-skilled), Permanent	13	0	0	0	15	0	0	0	28
Contract (Unskilled), Permanent	58	2	9	26	33	0	4	21	153
TOTAL	**266**	**4**	**9**	**30**	**388**	**0**	**6**	**26**	**729**
Employees with disabilities	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Table 25 Promotions for the period 1 April 2013 to 31 March 2014

Occupational categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management, Permanent	1	0	0	1	1	0	0	0	3
Senior Management, Permanent	4	0	0	0	0	0	0	1	5
Professionally qualified and experienced specialists and mid-management, Permanent	24	3	1	2	44	1	0	3	78
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	17	1	0	2	12	2	0	0	34
Semi-skilled and discretionary decision making, Permanent	49	2	1	1	72	7	1	6	139
Unskilled and defined decision making, Permanent	0	0	0	0	0	0	0	3	3
Contract (Top Management), Permanent	0	0	0	1	0	0	0	0	1
Contract (Senior Management), Permanent	0	0	0	0	0	0	0	0	0
Contract (Professionally qualified), Permanent	1	0	0	0	1	0	0	0	2
Contract (Skilled technical), Permanent	0	0	0	0	0	0	0	0	0
Contract (Semi-skilled and discretionary decision making)	8	0	0	0	6	0	0	0	14
TOTAL	**104**	**6**	**2**	**7**	**136**	**10**	**1**	**13**	**279**
Employees with disabilities	1	0	0	1	2	0	0	4	8

Table 26 Terminations for the period 1 April 2013 to 31 March 2014

Occupational categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management, Permanent	1	0	0	0	0	0	0	1	2
Senior Management, Permanent	1	0	0	0	3	0	0	1	5
Professionally qualified and experienced specialists and mid-management, Permanent	5	0	0	1	7	1	0	1	15
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	5	0	1	0	3	0	0	1	10
Semi-skilled and discretionary decision making, Permanent	3	0	0	2	5	1	0	1	12
Unskilled and defined decision making, Permanent	1	0	0	0	0	0	0	0	1
Contract (Top Management), Permanent	0	0	0	0	1	0	0	0	1
Contract (Senior Management), Permanent	3	0	0	0	0	0	0	0	3
Contract (Professionally qualified), Permanent	3	0	0	0	5	0	0	2	10
Contract (Skilled technical), Permanent	2	0	0	0	4	0	0	0	6
Contract (Semi-skilled), Permanent	4	0	0	0	8	0	0	0	12
Contract (Unskilled), Permanent	**8**	**0**	**0**	**0**	**18**	**0**	**0**	**0**	**26**
TOTAL	**36**	**0**	**1**	**3**	**54**	**2**	**0**	**7**	**103**
Employees with disabilities	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Table 27 Disciplinary action for the period 1 April 2013 to 31 March 2014

Occupational categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
TOTAL	**1**	**0**	**0**	**0**	**1**	**0**	**0**	**0**	**2**

Table 28 Skills development for the period 1 April 2013 to 31 March 2014

Occupational categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, Senior Officials and Managers	14	1	2	1	17	0	0	4	39
Professionals	41	1	1	1	46	3	3	7	103
Technicians and Associate Professionals	58	3	1	2	85	4	4	5	162
Clerks	26	4	0	0	70	3	2	2	107
Service and Sales Workers	30	0	0	0	13	0	0	0	43
Skilled Agriculture and Fishery Workers	0	0	0	0	0	0	0	0	0
Craft and related Trades Workers	1	0	0	0	0	0	0	0	1
Plant and Machine Operators and Assemblers	0	0	0	0	0	0	0	0	0
Elementary Occupations	6	0	0	0	30	0	0	0	36
TOTAL	**176**	**9**	**4**	**4**	**261**	**10**	**9**	**18**	**491**
Employees with disabilities	0	0	0	0	0	0	0	0	0

4.2.7 Signing of Performance Agreements by SMS members

Table 29 Signing of Performance Agreement by SMS members as on 31 May 2014

SMS Level	Nr of funded SMS posts	Nr of SMS members	Total number of signed Performance Agreements per level	Signed Performance Agreements as % of Nr of SMS members per level *1
Director-General / Head of Deparment	1	1	1	100%
*Salary Level 16, but not HOD *2*	2	3	3	67%
Salary Level 15	9	8	8	100%
Salary Level 14	31	26	22	85%
Salary Level 13	79	71	67	94%
Total	**122**	**109**	**101**	**93%**

*1 Total Number of signed Performance Agreements per level divided by Total number of SMS members per level multiplied by 100

*2 Inclusive of Minister, Deputy Minister

Table 30 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2014

Reasons
1. As at end of March 2014, 5 SMS members were still within their 3 months grace period.

Table 31 Disciplinary steps taken against SMS members for not having concluded Performance agreement as on 31 March 2014

Reasons
1. No disciplinary measures were taken against SMS members.

4.2.8 Performance Rewards

Table 32 Performance Rewards by race, gender and disability for the period 1 April 2013 to 31 March 2014

Race and gender	Beneficiary profile			Cost	
	Nr of beneficiaries	Total e mployment	% of total employ-ment *1	Cost (R)	Average cost per beneficiary (R'000) *2
African, Female	231	654	35%	2 018 920	8 740
African, Male	169	498	34%	1 438 670	8 513
Asian, Female	9	22	41%	144 186	16 021
Asian, Male	4	8	50%	135 038	33 760
Coloured, Female	13	38	34%	123 025	9 463
Coloured, Male	5	22	23%	62 580	12 516
White, Female	59	121	49%	723 661	12 265
White, Male	12	47	26%	174 156	14 513
TOTAL	**502**	**1 410**	**36%**	**4 820 236**	**117 668**
Employees with a disability	6	13	46%	93 202	15 534

*1 Number of beneficiaries divided by Total employment multiplied by 100
*2 Cost divided by Number of beneficiaries

Table 33 Performance Rewards by salary band for personnel below Senior Management Services for the period 1 April 2013 to 31 March 2014

Salary band	Beneficiary profile			Cost	
	Nr of beneficiaries	Total employment*1	% of total employment *2	Cost (R)	Average cost per beneficiary (R'000) *3
Lower skilled (Levels 1-2)	8	8	100%	33 203	4 150
Skilled (Levels 3-5)	128	339	38%	471 785	3 685
Highly skilled production (Levels 6-8)	189	530	36%	1 460 376	7 726
Highly skilled supervision (Levels 9-12)	162	340	48%	2 610 260	16 112
Additional Employment (Levels 1-2)	0	8	0%	0	0
Additional Employment (Levels 3-5)	0	16	0%	0	0
Additional Employment (Levels 6-8)	3	87	3%	30 884	10 294
Additional Employment (Levels 9-12)	7	18	39%	72 323	10 331
TOTAL	**497**	**1346**	**37%**	**4 678 831**	**9 414**

*1 The total of 1 346 for Total employment includes 129 Additional positions which are not included in the filled positions.
*2 Number of beneficiaries divided by Total employment multiplied by 100
*3 Cost divided by Number of beneficiaries

Table 34 Performance rewards by critical occupation for the period 1 April 2013 to 31 March 2014

Critical occupation	Beneficiary profile			Cost	
	Nr of beneficia-ries	Total employment*1	% of total employment *2	Cost (R'000)	Average cost per beneficiary (R'000) *3
Administrative Related	83	142	58.45%	943 280	11 364
Ambulance and related workers	0	0	0.00%	0	0
Artisan project and related superintendents	1	1	100.00%	4 071	4 071
Auxiliary and related workers	4	19	21.05%	30 514	7 628
Biochemistry pharmacol. zoology & life scie techni	30	210	14.29%	645 722	21 524
Cleaners in offices workshops hospitals etc.	24	52	46.15%	109 819	4 575
Client inform clerks(switchb recept inform clerks)	4	4	100.00%	13 813	3 453
Communication and information related	3	13	23.08%	64 729	21 576
Computer programmers	0	4	0.00%	0	0
Computer system designers and analysts.	1	4	25.00%	11 827	11 827
Custodian personnel	0	0	0.00%	0	0
Dental practitioners	0	1	0.00%	0	0
Dental Therapy, Permanent	0	1	0.00%	0	0
Dieticians and nutritionists	3	9	33.33%	45 467	15 155
Emergency Services Related, Permanent	0	1	0.00%	0	0
Engineering sciences related	0	1	0.00%	0	0
Engineers and related professionals	0	1	0.00%	0	0
Environmental health	0	4	0.00%	0	0
Finance and economics related	4	9	44.44%	45 821	11 455
Financial and related professionals	6	20	30.00%	64 000	10 666
Financial clerks and credit controllers	8	29	27.59%	61 209	7 651
Food services aids and waiters	13	10	130.00%	37 698	2 899
General legal administration & related profes-sionals	1	3	33.33%	8 412	8 412
Head of department/chief executive officer	0	1	0.00%	0	0
Health sciences related	24	65	36.92%	359 170	14 965
Human resources & organisat developm & related prof	14	50	28.00%	168 609	12 043
Human resources clerks	0	0	0.00%	0	0
Human resources related	9	13	69.23%	131 225	14 580
Information technology related	12	22	54.55%	90 355	7 529

Table 34 (ontinued) Performance rewards by critical occupation for the period 1 April 2013 to 31 March 2014

Critical occupation	Beneficiary profile			Cost	
	Nr of beneficia-ries	Total employment*1	% of total employment *2	Cost (R'000)	Average cost per beneficiary (R'000) *3
Language practitioners interpreters & other commun	0	0	0.00%	0	0
Legal related	0	0	0.00%	0	0
Librarians and related professionals	1	1	100.00%	11 719	11 719
Library mail and related clerks	11	26	42.31%	55 927	5 084
Light vehicle drivers	1	3	33.33%	3 488	3 488
Logistical support personnel	12	68	17.65%	91 099	7 591
Material-recording and transport clerks	0	0	0.00%	0	0
Medical practitioners	1	1	100.00%	11 872	11 872
Medical research and related profes-sionals	0	0	0.00%	0	0
Medical specialists	6	6	100.00%	29 015	4 835
Medical technicians/ technologists	2	2	100.00%	37 944	18 972
Messengers porters and deliverers	15	20	75.00%	39 394	2 626
Natural sciences related	0	0	0.00%	0	0
Other administrative & related clerks and organisers	81	206	39.32%	580 795	7 170
Other administrative policy and related officers	35	75	46.67%	296 579	8 473
Other information technology personnel	0	0	0.00%	0	0
Other occupations	0	2	0.00%	0	0
Pharmacists	0	0	0.00%	0	0
Pharmacologists pathologists & related professionals	11	14	78.57%	199 307	18 118
Physicists	1	1	100.00%	0	0
Professional nurse	1	1	100.00%	0	0
Radiography	2	3	66.67%	30 405	15 202
Secretaries & other keyboard operating clerks	40	95	42.11%	290 431	7 260
Security guards	0	0	0.00%	0	0
Security officers	31	81	38.27%	119 470	3 853
Senior managers	5	109	4.59%	234 607	46 921
Social sciences related professionals	0	0	0.00%	0	0
Social work and related professionals	1	4	25.00%	0	0
Staff nurses and pupil nurses	1	1	100.00%	10 031	10 031
Statisticians and related professionals	0	2	0.00%	0	0
TOTAL	**502**	**1410**	**35.60%**	**4 877 824**	**9 716**

*1 Number of beneficiaries divided by Total Employment multiplied by 100
*2 Number of beneficiaries divided by cost
*3 Cost divided by Number of beneficiaries

Table 35 Performance Related Rewards (Cash Bonus) by Salary Band for Senior Management Service

Salary band	Beneficiary Profile			Cost		Personnel ex-penditure *4	Total cost as a % of the total expenditure
	Nr of beneficiaries	Total employment *1	% of total employment *2	Cost (R'000)	Average cost per beneficiary (R'000)*3		
Band A (13)	3	71	4.23%	133 546	44 515	36 514 872	0.1%
Band B (14)	1	26	3.85%	45 603	45 603	31 335 556	0.1%
Band C (15)	1	8	12.50%	55 458	55 458	17 347 281	0.3%
Band D (16)	0	4	0.00%	0	0	754 820 189	0.0%
TOTAL	**5**	**109**	**4.59%**	**234 607**	**46 921**	**840 017 900**	**0.0%**

*1 Number of beneficiaries divided by Total Employment multiplied by 100
*2 Cost divided by Number of beneficiaries
*3 Cost divided by Personnel Cost SMS multiplied by 100

4.2.9 Foreign workers

Table 36 Foreign workers by salary band for the period 1 April 2013 to 31 March 2014

Salary band	01-Apr-13		31-Mar-14		Change	
	Employment at beginning of period	% of total	Employment at end of period	% of total	Change in employment	% of total
Highly skilled supervision (Levels 9-12)	1	25	5	83.3	4	66.67%
Contract (Levels 13-16)	3	75	1	16.7	-2	-33.33%
TOTAL	**4**	**100**	**6**	**100**	**2**	**33.33%**

Table 37 Foreign workers by major occupation for the period 1 April 2013 to 31 March 2014

Major occupation	01-Apr-13		31-Mar-14		Change	
	Employment at beginning of period	% of total	Employment at end of period	% of total	Change in employment	% of total
Professionals and managers	3	75	1	16.7	-1	-50
Technicians and associated professionals	1	25	5	83.3	1	50
TOTAL	**4**	**100**	**6**	**100**	**0**	**0**

4.2.10 Leave utilisation

Table 38 Sick leave for the period 1 January 2013 to 31 December 2013

Salary band	Total days	% Days with medical certification *1	Nr of employees using sick leave	% of Total employees using sick leave *2	Average days per employee*3	Estimated cost (R'000)	Nr of employees using sick leave *4	Nr of days with medical certification
Lower skilled (Levels 1-2)	12	100	1	0.1	12	4	1463	12
Skilled (Levels 3-5)	2545	82.2	276	18.9	9	970	1463	2092
Highly skilled production (Levels 6-8)	4324	78.5	506	34.6	9	2 973	1463	3396
Highly skilled supervision (Levels 9-12)	2530	77.4	360	24.6	7	3 860	1463	1958
Senior management (Levels 13-16)	403	87.8	54	3.7	7	1 283	1463	354
Contract (Levels 1-2)	25	36	14	1	2	4	1463	9
Contract (Levels 3-5)	70	82.9	15	1	5	26	1463	58
Contract (Levels 6-8)	684	61.7	199	13.6	3	392	1463	422
Contract (Levels 9-12)	162	76.5	22	1.5	7	272	1463	124
Contract (Levels 13-16)	62	75.8	16	1.1	4	198	1463	47
TOTAL	**10818**	**78.3**	**1463**	**100**	**7**	**9982**	**1463**	**8472**

*1 Total number of days with medical certificate within the salary band divided by Total days multiplied by 100
*2 Number of employees using sick leave within the salary band divided by Total number of employees using sick leave multiplied by 100
*3 Total Days divided by Number of employees using sick leave
*4 For calculation purposes

Table 39 Disability leave (temporary and permanent) for the period 1 January 2013 to 31 December 2013

Salary band	Total days	% Days with medical certification *1	Nr of employees using disability leave	% of Total employees using disability leave*2	Average days per employee *3	Estimated Cost (R'000)	Nr of employees using disability leave *4
No Data							
TOTAL	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Note: No Cases were finalised for the period 1 Jan 2013 to 31 Oct 2013 as no Health Risk Manager was appointed.
Cases after 1 November 2013 have been submitted to SOMA (Newly appointed HR Manager) for assessment

*1 Total number of days with medical certificate within the salary band divided by Total days multiplied by 100
*2 Number of employees using sick leave within the salary band divided by Total number of employees using sick leave multiplied by 100
*3 Total Days divided by Number of employees using sick leave
*4 For calculation purposes

Table 40 Annual leave for the period 1 January 2013 to 31 December 2013

Salary band	Total days taken	Average days per employee *1	Nr of employees who took leave
Lower skilled (Levels 1-2)	17	17	1
Skilled (Levels 3-5)	7285	22	334
Highly skilled production (Levels 6-8)	12456	22	568
Highly skilled supervision (Levels 9-12)	10382	22	471
Senior management (Levels 13-16)	1939	20	95
Contract (Levels 1-2)	173	5	33
Contract (Levels 3-5)	427	11	38
Contract (Levels 6-8)	3396	10	335
Contract (Levels 9-12)	502	15	33
Contract (Levels 13-16)	451	15	31
TOTAL	**37031**	**19**	**1939**

*1: Total days taken divided by Number of employees who took leave

Table 41 Capped leave for the period 1 January 2013 to 31 December 2013

Salary band	Total days of capped leave taken	Average nr of days taken per employee *1	Average capped leave per employee as at 31/12/2013 *2	Nr of employees who took capped leave	Nr of capped leave available at 31/12/2013	Nr of employees entitled to capped leave as at 31/12/2013
Skilled (Levels 3-5)	2	1	32	3	3185	99
Highly skilled production (Levels 6-8)	54	5	30	10	4864	163
Highly skilled supervision (Levels 9-12)	19	4	33	5	5258	160
Senior management (Levels 13-16)	8	4	50	2	2299	46
Contract (Levels 9-12)	13	13	0	1	0	0
TOTAL	**96**	**5**	**33**	**21**	**15606**	**468**

*1 Total days of capped leave taken within the salary band divided by Number of employees who took capped leave
*2 Total days of capped leave available at 30 December 2013 divided by Number of employees who took capped leave as at December 2013

Table 42 Leave payouts

Reason	Total Amount (R'000)	Nr of Employees	Average Payment per Employee (R'000) *1
Leave payout for 2013/14 due to non-utilisation of leave for the previous cycle	82	2	41
Capped leave payouts on termination of service for 2013/14	32	21	1 523
Current leave payout on termination of service for 2013/14	129	82	1 573
TOTAL	**243**	**105**	**2 314**

*1: Total Amount divided by Number of employees

4.2.11 HIV and AIDS and Health Promotion Programmes

Table 43 Steps taken to reduce the risk of occupation exposure

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

Table 44 Details of Health Promotion and HIV/AIDS Programmes

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	X		Adv. MT Ngake; Chief Negotiator is the chairperson of the integrated employee health and wellness committee.
2. Does the department have a dedicated unit or have you designated specific staff members to promote health and wellbeing of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	X		Employees are available and the available budget is R1.4m.
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of the programme.	X		The EAP core service is to identify troubled employees, offer counselling, do referrals and follow-up and look at prevention programmes that will enhance productivity. Health and wellness workshops, seminars and awareness campaigns in line with health calendar.
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	X		The Health and Wellness Unit is reconstituting the committee to be inclusive of all the pillars of the strategic framework.
5. Has the department reviewed the employment policies and practices of your department to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/ practices so reviewed.	X		Yes. All departmental policies/ workplace guidelines are developed to ensure that no discrimination exists against employees on the basis of HIV/Aids status, for example Recruitment and Leave policy.
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	X		Employee policy on HIV&Aids and STI and TB in the workplace has been reviewed and is waiting for management approval. Employees and prospective employees have the right to confidentiality with regard to their HIV&Aids status, if an employee informs an employer of their HIV&Aids status. The Unit works closely with Employment Equity, HIV Care and Support Unit and Employment Relations in stigma mitigation and prevention of cases of discrimination. Breaching of confidentiality and acts of discrimination constitutes misconduct.
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	X		On consultation with the Employee Assistance Programme Officer and the Departmental nurse, employees are counselled and encouraged to subject themselves to voluntary testing. Every year the department organises testing facilities for diseases of lifestyle. Where employees are encouraged to test for diseases such as diabetes; hypertension, HIV, etc.
8. Has the department developed measures/indicators to monitor and evaluate the impact of your health promotion programme? If so, list these measures/indicators.		X	Condom distribution and promotion of use of condoms. Male and female condoms are available. More condoms are being distributed as the uptake has increased. Health screening uptake has increased by 10% yearly. The number of employees who attends workshops, awareness campaigns and seminars on health and wellness issues has increased by 5% from last year.

4.2.12 Labour Relations

Table 45 Collective Agreement for the period 1 April 2013 to 31 March 2014

Subject matter	Date
Agreement on Danger Allowance for Identified EMS Categories	2013/09/06

Table 46 Misconduct and disciplinary hearing finalised for the period 1 April 2013 to 31 March 2014

Outcomes of disciplinary hearings	Nr	% of Total	Total
One month suspension without pay	1	50%	1
Final written warning	1	50%	1
Total	**2**	**100%**	**2**

Table 47 Types of misconduct addressed at disciplinary hearings for the period 1 April 2013 to 31 March 2014

Type of misconduct	Nr	% of Total	Total
Absenteeism	1	25%	1
Falsify of document	1	25%	1
Insubordination	2	50%	2
Total	**4**	**100%**	**4**

Table 48 Grievances lodged for the period 1 April 2013 to 31 March 2014

Number of grievances addressed	Nr	% of Total	Total
Non-implementation of collective agreement	31	61%	51
Unfair labour practice	5	10%	51
PMDS	7	14%	51
Recruitment process	2	4%	51
Incorrect translation	6	12%	51
Total	**51**	**100%**	**51**

Table 49 Disputes lodged with council for the period 1 April 2013 to 31 March 2014

Number of disputes addressed	Nr	% of total
Upheld	4	80%
Dismissed	1	20%
Total	**5**	**100%**

Note: Although Disputes are lodged, none has been finalised.

Table 50 Strike actions for the period 1 April 2013 to 31 March 2014

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

Table 51 Precautionary suspensions for the period 1 April 2013 to 31 March 2014

Precautionary suspensions	
Number of people suspended	2
Number of people whose suspension exceeded 30 days	2
Average number of days suspended	184
Cost (R'000) of suspensions	R 86

4.2.13 Skills Development

Table 52 Training needs identified for the period 1 April 2013 to 31 March 2014

Occupational Categories	Gender	Employment	Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials & managers	Female	44	0	27	4	31
	Male	54	0	41	5	46
Professionals	Female	203	0	258	40	298
	Male	132	0	156	26	182
Technicians & associate professionals	Female	229	0	432	40	472
	Male	154	0	273	36	309
Clerks	Female	287	0	316	76	392
	Male	135	0	174	50	224
Service & sales workers	Female	26	0	46	2	48
	Male	56	0	141	3	144
Skilled agriculture & fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft & related trades workers	Female	0	0	0	0	0
	Male	1	0	2	0	2
Plant machine operators & assemblers	Female	1	0	0	0	0
	Male	1	0	0	0	0
Elementary occupations	Female	52	0	89	0	89
	Male	35	0	31	0	31
Gender sub totals	Female	842	0	1168	162	1330
	Male	568	0	818	120	938
Total		**1 410**	**0**	**1 986**	**282**	**2 268**

Table 53 Training provided for the period 1 April 2013 to 31 March 2014

Occupational Categories	Gender	Employment	Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	44	0	22	2	24
	Male	54	0	21	0	21
Professionals	Female	203	0	81	17	98
	Male	132	0	74	8	82
Technicians and associate professionals	Female	229	0	178	8	186
	Male	154	0	105	17	122
Clerks	Female	287	0	106	23	129
	Male	135	0	56	6	62
Service and sales workers	Female	26	0	22	1	23
	Male	56	0	43	1	44
Skilled agriculture and fishery workers	Female	0	0	30	0	30
	Male	0	0	6	0	6
Craft and related trades workers	Female	0	0	0	0	0
	Male	1	0	1	0	1
Plant and machine operators and assemblers	Female	1	0	0	0	0
	Male	1	0	0	0	0
Elementary occupations	Female	52	0	0	2	2
	Male	35	0	0	0	0
Total		**1 410**	**0**	**745**	**85**	**830**

4.2.14 Injury on duty

Table 54 Injury on duty for the period 1 April 2013 to 31 March 2014

Nature of injury on duty	Number	% of total
Required basic medical attention only	6	100
Temporary Total Disablement	0	0
Permanent Disablement	0	0
Fatal	0	0
Total	**6**	**100**

4.2.15 Utilisation of consultants

Table 55 Report on consultant appointments using appropriated funds for the period 1 April 2013 to 31 March 2014

Project Title	Nr of consultants that worked on the project	Duration: Work days	Contract value in Rand
No Data			

Nr of projects	Total individual consultants	Total duration: Work days	Total contract value in Rand
No Data			

Table 56 Analysis of consultant appointments using appropriated funds, i.t.o. HDIs for the period 1 April 2013 to 31 March 2014

Project title	% ownership by HDI groups	% management by HDI groups	Nr of Consultants from HDI groups that work on the project
No Data			

Table 57 Report on consultant appointments using Donor funds for the period 1 April 2013 to 31 March 2014

Project title	Nr of consultants that worked on the project	Duration: work days	Donor and contract value in Rand
No Data			

% of projects	Total individual consultants	Total duration: work days	Total contract value in Rand
No Data			

Table 58 Analysis of consultant appointments using Donor funds, i.t.o. HDIs for the period 1 April 2013 to 31 March 2014

Project title	% ownership by HDI groups	% management by HDI groups	Nr of Consultants from HDI groups that work on the project
No Data			

4.2.16 Severance Packages

Table 59 Granting of employee initiated severance packages for the period 1 April 2013 to 31 March 2014

Category	Nr. of applications received	Nr. of applications referred to the MPSA	Nr. of applications supported by MPSA	Nr. of packages approved by department
Lower Skilled (Salary Level 1-2)	0	0	0	0
Skilled (Salary Level 3-5)	0	0	0	0
Highly Skilled Production (Salary Level 6-8)	0	0	0	0
Highly Skilled Production (Salary Level 9-12)	0	0	0	0
SMS (Salary Level 13 and higher)	0	0	0	0
Total	**0**	**0**	**0**	**0**


HEALTH OF
THE NATION

Part E

Financial Information

Report of the Auditor-General to Parliament on Vote No. 16: National Department of Health

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the financial statements of the National Department of Health set out on pages 125 to 185, which comprise the appropriation statement, the statement of financial position as at 31 March 2014, the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash standard issued by National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA), Division of Revenue Act of South Africa, 2013 (Act No. 2 of 2013) (DoRA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-general's responsibility

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

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

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

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the National Department of Health as at 31 March 2014 and its financial performance and cash flows for the year then ended, in accordance with modified cash standard issued by National Treasury and the requirements of the PFMA and DoRA.

Emphasis of matters

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

Restatement of corresponding figures

8. As disclosed in note 12 to the financial statements, the corresponding figures for 31 March 2013 have been restated as a result of an error discovered during 2014 in the financial statements of the department at, and for the year ended, 31 March 2013.

Material under spending of conditional grants

9. As disclosed in the appropriation statement, the department has materially under spent on the Health Infrastructure Grant (Indirect) to the amount of R257 million and the National Health Insurance Grant (Indirect) to the amount of R279 million.The under spending on the National Health Insurance Grant (Indirect) contributed to the under spending on programme 2 for Health Planning and System Enablement to the amount of R295 million as disclosed in the appropriation statement.

Additional matter

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

Unaudited supplementary schedules

11. The supplementary information set out on pages 186 to 208 does not form part of the financial statements and is presented as additional information.I have not audited these schedules and accordingly, I do not express an opinion thereon.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

12. In accordance with the PAA and the general notice issued in terms thereof, I report the following findings on the reported performance information against predetermined objectives for selected programmes presented in the an-

nual performance report, non-compliance with legislation as well as internal control. The objective of my tests was to identify reportable findings as described under each sub-heading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

Predetermined objectives

13 I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected programmes presented in the annual performance report of the department for the year ended 31 March 2014:

Programme 3: HIV/AIDS, Tuberculosis, Maternal and Child Health on pages 38 to 41.

Programme 5: Hospital, Tertiary Health Services and Human Resource Development on pages 55 to 58.

14.I evaluated the reported performance information against the overall criteria of usefulness and reliability.

15. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned programmes. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's Framework for Managing Programme Performance Information (FMPPI).

16. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

17.The material findings in respect of the selected programmes are as follows:

Programme 3: HIV/AIDS, Tuberculosis, Maternal and Child Health

Usefulness of reported performance information

18. I did not report any material findings on the reliability of the reported performance information for this programme.

Reliability of reported performance information

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

20. The scope of the audit was further limited by management to the inspection of manual registers as we were not allowed access to the primary source information. In respect of 15 indicators selected for programme 3, tested at 20 facilities at provincial level, the manual registers supporting the totals recorded in the information systems of the department did not agree to figures reported.Due to the inadequate control processes and limitations placed on the audit, it was also not possible to perform alternative audit procedures to acquire assurance regarding the validity, accuracy and completeness of the reported performance information and deviations from planned targets.

Programme 5: Hospital, Tertiary Health Services and Human Resource Development

Usefulness of reported performance information

21. I did not report any material findings on the reliability of the reported performance information for this programme.

Reliability of reported performance information

22. The FMPPI requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets. Adequate and reliable corroborating evidence could not be provided for two significantly important targets to assess the reliability of the reported performance information.The auditee's records did not permit the application of alternative audit procedures.

Additional matters

23. I draw attention to the following matters

Adjustment of material misstatements

24. We identified material misstatements in the annual performance report submitted for auditing on the reported performance information of Programme 3: HIV/AIDS, Tuberculosis, Maternal and Child Health and Programme 5: Hospital, Tertiary Health Services and Human Resource Development. As management subsequently corrected only some of the misstatements, we raised material findings on the usefulness and reliability of the reported performance information. Those that were not corrected are included in the material findings reported above.

Achievement of planned targets

25. Refer to the annual performance report on pages 38 to 41; 55 to 58 for information on the achievement of planned targets for the year.This information with regards

to the specific indicators should be considered in relation to the 2 material findings on the reliability of the reported performance information for programme 3 and 5 reported in paragraph 19 and 22 of this report.

Compliance with legislation

26. I performed procedures to obtain evidence that the department had complied with applicable legislation regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA, are as follows:

Annual financial statements, performance and annual reports

27. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 40(1)(b) of the PFMA. Material misstatements identified by the auditors in the submitted financial statements were adequately corrected, which resulted in the financial statements receiving an unqualified audit opinion.

Strategic planning and performance management

28. A strategic plan covering the financial year under review was not prepared as required by Treasury Regulation 5.1.1.

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

Conditional grants

30. The expenditure and non-financial information were not adequately monitored for the programmes funded by the National Tertiary Services Grant and the Health Professional Training and Development Grant in accordance with the frameworks for the allocations, as required by section 9 (1) (b) of the DoRA.

Internal control

31. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with legislation. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on the annual performance report and the findings on non-compliance with legislation included in this report.

Leadership

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

Financial and performance management

33. Management did not adequately implement controls over the daily and monthly processing and reconciling of transactions that led to the financial statements being corrected.

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

OTHER REPORTS

Performance audits

35. A performance audit on the management of pharmaceuticals is envisaged to be conducted at the National Department of Health and selected Provincial Health Departments. A pilot audit is currently being conducted at the Eastern Cape Department of Health with a final selection of provinces still be made.

Investigations

36. The Select Committee on Social Services requested the department to commission an investigation into grant spending at the North West and the Northern Cape Departments of Health.The investigation was still in progress at the date of this report.

Pretoria
31 July 2014

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Vote 16
Appropriation Statement
for the year ended 31 March 2014

Appropriation per programme									
	2013/14							2012/13	
APPROPRIATION STATEMENT	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1.ADMINISTRATION									
Current payment	413 680	(1 200)	(18 713)	393 767	357 117	36 650	90,7%	389 025	379 609
Transfers and subsidies	1 326	-	805	2 131	2 110	21	99,0%	669	666
Payment for capital assets	6 025	1 200	2 382	9 607	4 225	5 382	44,0%	12 740	5 515
Payment for financial assets	-	-	-	-	508	(508)		-	4 688
	421 031	**-**	**(15 526)**	**405 505**	**363 960**	**41 545**		**402 434**	**390 478**
2.HEALTH PLANNING AND SYSTEMS ENABLEMENT									
Current payment	438 015	-	(3 438)	434 577	140 562	294 015	32,3%	137 227	127 562
Transfers and subsidies	48 500	-	7 567	56 067	56 045	22	100,0%	164 376	164 381
Payment for capital assets	2 350	-	-	2 350	1 282	1 068	54,6%	2 191	1 161
Payment for financial assets	-	-	-	-	16	(16)		-	182
	488 865	**-**	**4 129**	**492 994**	**197 905**	**295 089**		**303 794**	**293 286**
3HIV & AIDS, TB & MATERNAL, CHILD & WOMENS HEALTH									
Current payment	302 429	-	(19 722)	282 707	209 897	72 810	74,2%	261 913	216 034
Transfers and subsidies	10 734 853	-	17 271	10 752 124	10 747 743	4 381	100,0%	8 966 981	8 948 442
Payment for capital assets	1 674	-	-	1 674	1 147	527	68,5%	1 452	944
Payment for financial assets	-	-	-	-	11	(11)		-	54
	11 038 956	**-**	**(2 451)**	**11 036 505**	**10 958 798**	**77 707**		**9 230 346**	**9 165 474**

Appropriation per programme									
	2013/14							2012/13	
APPROPRIATION STATEMENT	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
4.PRIMARY HEALTH CARE SERVICES									
Current payment	95 333	-	(2 752)	92 581	79 545	13 036	85,9%	108 472	100 631
Transfers and subsidies	2 498	-	4 428	6 926	6 921	5	99,9%	4 111	3 531
Payment for capital assets	1 453	-	-	1 453	591	862	40,7%	1 259	514
Payment for financial assets	-	-	-	-	1 142	(1 142)		-	686
	99 284	**-**	**1 676**	**100 960**	**88 199**	**12 761**		**113 842**	**105 362**
5.HOSPITAL, TERTIARY SERVICES & WORKFORCE DEVELOPMENT									
Current payment	163 050	-	8 906	171 956	214 494	(42 538)	124,7%	223 157	157 362
Transfers and subsidies	17 105 539	-	68	17 105 607	17 105 605	2	100,0%	17 186 021	17 181 217
Payment for capital assets	451 241	-	-	451 241	163 836	287 405	36,3%	13 951	11 136
Payment for financial assets	-	-	-	-	27	(27)		-	14
	17 719 830	**-**	**8 974**	**17 728 804**	**17 483 962**	**244 842**		**17 423 129**	**17 349 729**
6.HEALTH REGULATION AND COMPLIANCE MAN-AGEMENT									
Current payment	217 972	-	(2 265)	215 707	187 072	28 635	86,7%	195 087	159 864
Transfers and subsidies	538 635	-	4 328	542 963	542 962	1	100,0%	384 533	384 530
Payment for capital assets	3 608	-	1 135	4 743	2 232	2 511	47,1%	4 038	1 101
Payment for financial assets	-	-	-	-	7	(7)		-	31
	760 215	**-**	**3 198**	**763 413**	**732 273**	**31 140**		**583 658**	**545 526**
TOTAL	**30 528 181**	**-**	**-**	**30 528 181**	**29 825 097**	**703 084**	**97,7%**	**28 057 203**	**27 849 855**

Vote 16
Appropriation Statement
for the year ended 31 March 2014

	2013/14			2012/13	
	Final Appropriation	Actual Expenditure		Final Appropriation	Actual Expenditure
TOTAL (brought forward)	30 528 181	29 825 097		28 057 203	27 849 855
Reconciliation with statement of financial performance					
ADD					
Departmental receipts	71 606			33 830	
Aid assistance	881 517			937 690	
Actual amounts per statement of financial performance (total revenue)	**31 481 304**			**29 028 723**	
ADD					
Aid assistance		635 717			422 748
Actual amounts per statement of financial performance (total expenditure)		**30 460 814**			**28 272 603**

Appropriation per economic classification									
	2013/14							2012/13	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	538 400	-	18 500	556 900	555 318	1 582	99,7%	486 551	482 255
Goods and services	1 092 079	(1 200)	(56 484)	1 034 395	633 369	401 026	61,2%	828 330	658 807
Transfers and subsidies									
Provinces and municipalities	27 683 925	-	2 453	27 686 378	27 686 378	-	100,0%	26 072 610	26 071 682
Departmental agencies and accounts	540 660	-	19 200	559 860	559 843	17	100,0%	403 662	392 711
Higher education institutions	7 000	-	-	7 000	4 000	3 000	57,1%	28 000	21 000
Public corporations and private enterprises	-	-	-	-	-	-		40	40
Non-profit institutions	199 766	-	11 292	211 058	209 654	1 404	99,3%	201 255	196 213
Households	-	-	1 522	1 522	1 511	11	99,3%	1 124	1 121
Gifts and Donations	-	-	-	-	-	-		-	-
Payments for capital assets									
Buildings & other fixed structures	440 025	(30 848)	-	409 177	113 726	295 451	27,8%	15	-
Machinery & equipment	26 326	31 788	3 517	61 631	59 587	2 044	96,7%	32 074	20 371
Intangible assets	-	260	-	260	-	260		3 542	-
Payments for financial assets	-	-	-	-	1 711	(1 711)		-	5 655
Total	**30 528 181**	**-**	**-**	**30 528 181**	**29 825 097**	**703 084**	**97,7%**	**28 057 203**	**27 849 855**

Detail per Programme 1 - Administration									
	2013/14							2012/13	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expen-diture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1.1 MINISTRY									
Current payment	34 648	-	(4 188)	30 460	26 665	3 795	87,5%	26 477	25 462
Transfers and subsidies	-	-	-	-	-	-		7	6
Payment for capital assets	727	-	470	1 197	925	272	77,3%	349	78
Payment for financial assets	-	-	-	-	5	(5)		-	1
1.2 MANAGEMENT									
Current payment	41 890	-	(4 838)	37 052	30 014	7 038	81,0%	31 780	29 547
Transfers and subsidies	-	-	95	95	94	1	98,9%	79	79
Payment for capital assets	835	-	-	835	382	453	45,7%	1 398	941
Payment for financial assets	-	-	-	-	6	(6)		-	-
1.3 CORPORATE SERVICES									
Current payment	186 530	(1 200)	(11 375)	173 955	153 147	20 808	88,0%	158 096	153 210
Transfers and subsidies	1 326	-	686	2 012	1 992	20	99,0%	583	581
Payment for capital assets	3 370	1 200	1 912	6 482	2 187	4 295	33,7%	10 403	4 263
Payment for financial assets	-	-	-	-	490	(490)		-	27
1.4 OFFICE ACCOMMODATION									
Current payment	97 514	-	-	97 514	93 532	3 982	95,9%	93 526	92 978
1.5 FINANCIAL MANAGEMENT									
Current payment	53 098	-	1 688	54 786	53 759	1 027	98,1%	79 146	78 412
Transfers and subsidies	-	-	24	24	24	-	100,0%	-	-
Payment for capital assets	1 093	-	-	1 093	731	362	66,9%	590	233
Payment for financial assets	-	-	-	-	7	(7)		-	4 660
Total	**421 031**	**-**	**(15 526)**	**405 505**	**363 960**	**41 545**	**89,8%**	**402 434**	**390 478**

Vote 16
Appropriation Statement
for the year ended 31 March 2014

	2013/14							2012/13	
Programme 1 per Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payments									
Compensation of employees	177 538	-	(15 392)	162 146	162 028	118	99,9%	144 882	144 167
Goods and services	236 142	(1 200)	(3 321)	231 621	195 089	36 532	84,2%	244 143	235 442
Transfers and subsidies to:									
Departmental agencies & accounts	1 326	-	-	1 326	1 309	17	98,7%	479	479
Households	-	-	805	805	801	4	99,5%	190	187
Payment for capital assets									
Machinery and equipment	6 025	1 200	2 382	9 607	4 225	5 382	44,0%	9 240	5 515
Intangible assets	-	-	-	-	-	-		3 500	-
Payment for financial assets	-	-	-	-	508	(508)		-	4 688
Total	**421 031**	**-**	**(15 526)**	**405 505**	**363 960**	**41 545**	**89,8%**	**402 434**	**390 478**

Detail per Programme 2– Health Planning & Systems Enablement									
	2013/14							2012/13	
Detail per sub-programme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
2.1 TECHNICAL POLICY AND PLANNING									
Current payment	3 947	-	(301)	3 646	2 632	1 014	72,2%	12 373	12 248
Transfers and subsidies	-	-	11	11	11	-	100,0%	9	15
Payment for financial assets	-	-	-	-	16	(16)		-	136
2.2 HEALTH INFORMATION MANAGEMENT, MONITORING AND EVALUATION									
Current payment	44 040	(1 000)	(7 742)	35 298	28 642	6 656	81,1%	28 133	27 237
Transfers and subsidies	-	-	5 013	5 013	4 991	22	99,6%	14 139	14 139
Payment for capital assets	894	-	-	894	469	425	52,5%	804	315
Payment for financial assets	-	-	-	-	-	-		-	30
2.3 SECTOR WIDE PROCURE-MENT									
Current payment	21 324	-	505	21 829	20 538	1 291	94,1%	19 883	19 274
Transfers and subsidies	-	-	-	-	-	-		216	215
Payment for capital assets	373	-	-	373	279	94	74,8%	355	339
Payment for financial assets	-	-	-	-	-	-		-	10
2.4 HEALTH FINANCING AND NHI									
Current payment	321 433	(3 000)	(3 373)	315 060	24 862	290 198	7.9%	22 566	16 159
Transfers and subsidies	48 500	-	2 543	51 043	51 043	-	100,0%	150 012	150 012
Payment for capital assets	396	-	-	396	124	272	31,3%	378	200
Payment for financial assets	-	-	-	-	-	-		-	6
2.5 INTERNATIONAL HEALTH AND DEVELOPMENT									
Current payment	47 271	4 000	7 473	58 744	63 888	(5 144)	108,8%	54 272	52 644
Payment for capital assets	687	-	-	687	410	277	59,7%	654	307
Total	**488 865**	**-**	**4 129**	**492 994**	**197 905**	**295 089**	**40,1%**	**303 794**	**293 286**

Vote 16
Appropriation Statement
for the year ended 31 March 2014

	2013/14							2012/13	
Programme 2 per Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payments									
Compensation of employees	68 315	-	7 129	7 129	75 433	11	100,0%	74 367	73 943
Goods and services	369 700	-	(10 567)	(10 567)	65 129	294 004	18,1%	62 860	53 619
Transfers and subsidies to:									
Provinces & municipalities	48 500	-	2 453	2 453	50 953	-	100,0%	150 000	150 000
Departmental agencies & accounts	-	-	-	-	-	-		9 503	9 503
Non-profit institutions	-	-	5 000	5 000	4 979	21	99,6%	4 600	4 600
Households	-	-	114	114	113	1	99,1%	273	278
Payment for capital assets									
Machinery and equipment	2 350	(260)	-	-	1 282	808	61,3%	2 149	1 161
Intangible assets	-	260	-	-	-	260		42	-
Payment for financial assets	-	-	-	-	16	(16)		-	182
Total	**488 865**	**-**	**4 129**	**492 994**	**197 905**	**295 089**	**40,1%**	**303 794**	**293 286**

Detail per Programme 3 – HIV & AIDS, TB & MATERNAL, CHILD AND WOMEN'S HEALTH									
	2013/14							2012/13	
Detail per sub-programme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
3.1 HIV AND AIDS									
Current payment	244 697	-	(17 857)	226 840	156 043	70 797	68,8%	214 777	178 879
Transfers and subsidies	10 733 510	-	17 089	10 750 599	10 747 562	3 037	100,0%	8 966 941	8 948 402
Payment for capital assets	973	-	-	973	665	308	68,3%	785	601
Payment for financial assets	-	-	-	-	8	(8)		-	54
3.2 TUBERCULOSIS									
Current payment	25 628	-	(1 094)	24 534	23 491	1 043	95,7%	20 336	13 240
Transfers and subsidies	-	-	61	61	61	-	100,0%	-	-
Payment for capital assets	183	-	-	183	247	(64)	135,0%	174	186
Payment for financial assets	-	-	-	-	1	(1)		-	-
3.3 WOMEN'S MATERNAL & REPRODUCTIVE HEALTH	15 438	-	(1 050)	14 388	13 977	411	97,1%	12 303	10 662
Current payment	1 343	-	120	1 463	119	1 344	8,1%	40	40
Transfers and subsidies	200	-	-	200	20	180	10,0%	191	22
Payment for capital assets	-	-	-	-	1	(1)		-	-
Payment for financial assets									
3.4 CHILD, YOUTH AND SCHOOL HEALTH	16 666	-	279	16 945	16 386	559	96,7%	14 497	13 253
Current payment	-	-	1	1	1	-	100,0%	-	-
Transfers and subsidies	318	-	-	318	215	103	67,6%	302	135
Payment for capital assets	-	-	-	-	1	(1)		-	-
Payment for financial assets									
Total	**11 038 956**	**-**	**(2 451)**	**11 036 505**	**10 958 798**	**77 707**	**99,3%**	**9 230 346**	**9 165 474**

Detail per Programme 3 – HIV & AIDS, TB & MATERNAL, CHILD AND WOMEN'S HEALTH									
	2013/14							2012/13	
Programme 3 per Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payments									
Compensation of employees	61 794	-	(952)	60 842	59 555	1 287	97,9%	58 039	57 532
Goods and services	240 635	-	(18 770)	221 865	150 342	71 523	67,8%	203 874	158 502
Transfers and subsidies to:									
Provinces and municipalities	10 533 886	-	-	10 533 886	10 533 886	-	100,0%	8 762 848	8 762 848
Departmental agencies & accounts	10 951	-	15 000	25 951	25 951	-	100,0%	17 951	7 000
Higher education institutions	3 000	-	-	3 000	-	3 000		3 000	-
Public corporations & private enterprises	-	-	-	-	-	-		40	40
Non-profit institutions	187 016	-	2 000	189 016	187 637	1 379	99,3%	183 094	178 506
Households	-	-	271	271	269	2	99,3%	48	48
Payment for capital assets									
Machinery and equipment	1 674	-	-	1 674	1 147	527	68,5%	1 452	
	-	-	-	-					944
Payment for financial assets	-	-	-	-	11	(11)		-	
									54
Total	**11 038 956**	**-**	**(2 451)**	**11 036 505**	**10 958 798**	**77 707**	**99,3%**	**9 230 346**	**9 165 474**

Detail per Programme 4 – Primary Health Care Services									
	2013/14							2012/13	
Detail per sub-programme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
4.1 DISTRICT SERVICES AND ENVIRONMENTAL HEALTH									
Current payment	21 158	-	1 035	22 193	13 852	8 341	62,4%	25 067	23 904
Transfers and subsidies	100	-	-	100	100	-	100,0%	847	846
Payment for capital assets	327	-	-	327	111	216	33,9%	311	99
Payment for financial assets	-	-	-	-	7	(7)		-	83
4.2 COMMUNICABLE DISEAS-ES	14 615	-	(179)	14 436	13 627	809	94,4%	44 108	43 406
Current payment	483	-	-	483	157	326	32,5%	459	218
Payment for capital assets									
4.3 NON-COMMUNICABLE DISEASES									
Current payment	23 931	-	(406)	23 525	23 431	94	99,6%	21 564	19 594
Transfers and subsidies	1 690	-	136	1 826	1 821	5	99,7%	2 614	2 393
Payment for capital assets	269	-	-	269	186	83	69,1%	256	102
Payment for financial assets	-	-	-	-	3	(3)		-	603
4.4 HEALTH PROMOTION AND NUTRITION			(						
Current payment	22 109	-	2 123)	19 986	17 645	2 341	88,3%	17 733	13 727
Transfers and subsidies	708	-	4 292	5 000	5 000	-	100,0%	650	292
Payment for capital assets	245	-	-	245	103	142	42,0%	233	95
Payment for financial assets	-	-	-	-	1 132	(1 132)		-	-
4.5 VIOLENCE, TRAUMA AND EMS									
Current payment	13 520	-	(1 079)	12 441	10 990	1 451	88,3%	-	-
Payment for capital assets	129	-	-	129	34	95	26,4%	-	-
Total	**99 284**	**-**	**1 676**	**100 960**	**88 199**	**12 761**	**87,4%**	**113 842**	**105 362**

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	2013/14							2012/13	
Programme 4 per Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payments									
Compensation of employees	46 371	-	4 647	51 018	51 010	8	100,0%	37 748	37 008
Goods and services	48 962	-	(7 399)	41 563	28 535	13 028	68,7%	70 724	63 623
Transfers and subsidies to:									
Non-profit institutions	2 498	-	4 292	6 790	6 786	4	99,9%	4 109	3 529
Households	-	-	136	136	135	1	99,3%	2	2
Payment for capital assets									
Machinery and equipment	1 453	-	-	1 453	591	862	40,7%	1 259	514
Payment for financial assets	-	-	-	-	1 142	(1 142)		-	686
Total	**99 284**	**-**	**1 676**	**100 960**	**88 199**	**12 761**	**87,4%**	**113 842**	**105 362**

Detail per Programme 5 – Hospital, Tertiary Services and Workforce Development									
	2013/14							2012/13	
Detail per sub-programme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
5.1 HEALTH FACILITIES INFRA- STRUCTURE MANAGEMENT									
Current payment	59 161	-	851	60 012	111 013	(51 001)	185,0%	125 713	73 841
Transfers and subsidies	5 290 816	-	-	5 290 816	5 290 816	-	100,0%	6 191 776	6 191 902
Payment for capital assets	440 438		(100)	440 338	144 224	296 114	32,8%	394	42
5.2 TERTIARY HEALTH CARE PLANNING AND POLICY									
Current payment	3 563	-	772	4 335	4 035	300	93,1%	5 449	4 188
Transfers and subsidies	9 620 357	-	-	9 620 357	9 620 357	-	100,0%	8 878 010	8 878 010
Payment for capital assets	-	-	-	-	-	-		-	61
Payment for financial assets	-	-	-	-	1	(1)		-	-
5.3 HOSPITAL MANAGEMENT									
Current payment		-	(68)	5 266	5 517	(251)	104,8%	11 308	10 086
Transfers and subsidies	5 334	-	39	39	38	1	97,4%	15 016	15 015
Payment for capital assets	-	-	-	194	107	87	55,2%	308	25
Payment for financial assets	194	-	-	-	2	(2)		-	-
	-								
5.4 HUMAN RESOURCES FOR HEALTH									
Current payment									
Transfers and subsidies	22 750	-	(2 172)	20 578	18 341	2 237	89,1%	18 481	15 443
Payment for capital assets	2 194 366	-	15	2 194 381	2 194 381	-	100,0%	2 101 198	2 096 269
Payment for financial assets	208	-	-	208	174	34	83,7%	197	108
	-	-	-	-	12	(12)		-	14
5.5 NURSING SERVICES									
Current payment									
Payment for capital assets	3 710	-	(2 122)	1 588	1 054	534	66,4%	1 200	503
5.6 FORENSIC CHEMISTRY LABORATORY	50	-	100	150	39	111	26,0%	50	-
Current payment									
Transfers and subsidies	68 532	-	11 645	80 177	74 534	5 643	93,0%	61 006	53 301
Payment for capital assets	-	-	14	14	13	1	92,9%	21	21
Payment for financial assets	10 351	-	-	10 351	19 292	(8 941)	186,4%	13 002	10 900
	-	-	-	-	12	(12)		-	-
Total	**17 719 830**	**-**	**8 974**	**17 728 804**	**17 483 962**	**244 842**	**98,6%**	**17 423 129**	**17 349 729**

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Appropriation Statement
for the year ended 31 March 2014

	2013/14							2012/13	
Programme 5 per Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payments									
Compensation of employees	75 758	-	13 171	88 929	88 791	138	99,8%	66 457	65 441
Goods and services	87 292	-	(4 265)	83 027	125 703	(42 676)	151,4%	156 700	91 921
Transfers and subsidies to:									
Provinces and Municipalities	17 101 539	-	-	17 101 539	17 101 539	-	100,0%	17 159 762	17 158 834
Higher education institutions	4 000	-	-	4 000	4 000	-	100,0%	25 000	21 000
Non-profit institutions	-	-		-	-	-		1 200	1 326
Households	-	-	68	68	66	2	97,1%	59	57
Payment for capital assets									
Buildings & other fixed structures	440 025	(30 848)	-	409 177	113 726	295 451	27,8%	15	-
Machinery and equipment	11 216	30 848	-	42 064	50 110	(8 046)	119,1%	13 936	11 136
Payment for financial assets	-	-	-	-	27	(27)		-	14
Total	**17 719 830**	**-**	**8 974**	**17 728 804**	**17 483 962**	**244 842**	**98,6%**	**17 423 129**	**17 349 729**

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Detail per Programme 6 – Health Regulation and Compliance Management 2013/14								2012/13	
Detail per sub-programme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
6.1 FOOD CONTROL									
Current payment	8 228	-	-	8 228	7 115	1 113	86,5%	9 584	9 568
Transfers and subsidies	-	-	-	-	-	-		361	360
Payment for capital assets	49	-	-	49	41	8	83,7%	47	-
6.2 PHARMACEUTICAL TRADE & PRODUCT REGULATION	97 987	-	(1 263)	96 724	91 177	5 547	94,3%	85 081	77 120
Current payment	-	-	80	80	80	-	100,0%	107	106
Transfers and subsidies	413	-	1 135	1 548	1 279	269	82,6%	993	453
Payment for capital assets	-	-	-	-	3	(3)		-	28
Payment for financial assets									
6.3 PUBLIC ENTITIES MANAGEMENT	4 921	-	(1 024)	3 897	3 399	498	87,2%	4 428	3 651
Current payment	535 573	-	4 200	539 773	539 773	-	100,0%	381 065	381 065
Transfers and subsidies									
		-	-	57 387	52 310	5 077	91,2%	57 216	36 703
6.4 OFFICE OF STANDARD COMPLIANCE	57 387	-	11	11	11	-	100,0%	12	11
Current payment	-	-	-	757	642	115	84,8%	721	280
Transfers and subsidies	757	-	-	-	3	(3)		-	-
Payment for capital assets	-								
Payment for financial assets									
6.5 COMPENSATION COMMISSIONER FOR OCCUPATIONAL DISEASES	49 449								
Current payment	3 062	-	22	49 471	33 071	16 400	66,8%	38 778	32 822
Transfers and subsidies	2 389	-	37	3 099	3 098	1	100,0%	2 988	2 988
Payment for capital assets	-	-	-	2 389	270	2 119	11,3%	2 277	368
Payment for financial assets		-	-	-	1	(1)		-	3
Total	**760 215**	**-**	**3 198**	**763 413**	**732 273**	**31 140**	**95,9%**	**583 658**	**545 526**

Vote 16
Appropriation Statement
for the year ended 31 March 2014

	2013/14							2012/13	
Programme 6 per Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments								105 058	
Compensation of employees	108 624	-	9 897	118 521	118 501	20	100,0%	90 029	104 164
Goods and services	109 348	-	(12 162)	97 186	68 571	28 615	70,6%		55 700
Transfers and subsidies to:								375 729	
Departmental agencies	528 383	-	4 200	532 583	532 583	-	100,0%	8 252	375 729
& accounts	10 252	-	-	10 252	10 252	-	100,0%	552	8 252
Non-profit institutions	-	-	128	128	127	1	99,2%		549
Households								4 038	
Payment for capital assets	3 608	-	1 135	4 743	2 232	2 511	47,1%	-	1 101
Machinery and equipment	-	-	-	-	-	-			-
Intangible assets								-	
	-	-	-	-	7	(7)			31
Payment for financial assets									
Total	**760 215**	**-**	**3 198**	**763 413**	**732 273**	**31 140**	**95,9%**	**583 658**	**545 526**

NOTES TO APPROPRIATION STATEMENT
for the year end 31 March 2014

1.Detail of transfers and subsidies as per Appropriation Act (after Virement):
Detail of these transactions can be viewed in the note on Transfers and subsidies, disclosure notes and Annexure 1 (A - E) to the Annual Financial Statements.

2. Detail of specifically and exclusively appropriated amounts voted (after Virement):
Detail of these transactions can be viewed in note 1 (Annual Appropriation) to the Annual Financial Statements.

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

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

4.1	Per Programme	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
		R'000	R'000	R'000	%
Administration		405 505	363 960	41 545	10%

The underspending on Goods & Services can mainly be attributed to the following: The Health Statistics Publication was not published; invoices regarding the Family Planning Campaign were not received; various invoices regarding Novell Licence renewals, intranet server and datalines could not be paid timeously; trips to monitor the Limpopo Province's financial matters were cancelled and service provider could not be appointed in time.

NHI, Health Planning and System Enablement	492 994	197 905	295 089	60%

Underspending on Goods & Services is due to the slow take-off of the National Health Insurance Indirect Grant.

HIV & AIDS, TB, Maternal and Child Health	11 036 505	10 958 798	77 707	1%

Underspending is due to challenges experienced with the condoms supplies.

Primary Health Care Services	100 960	88 199	12 761	13%

Underspending is mainly due to slow spending on the District Health Information System.

Hospitals, Tertiary Services & Human Resource Development	17 728 804	17 483 962	244 842	13%

The underspending on Goods & Services is mainly due to the slow spending by the Subprogramme: Human Resources for Health; invoices for goods and services ordered at the Forensic Chemistry Laboratories were not received in time and no expenditure was incurred on the Nursing Colleges Project. The main underspending is due to incomplete infrastructure projects funded through the Health Facility Infrastructure Indirect Grant.

Health Regulation and Compliance Management	763 413	732 273	31 140	4%

The underspending on Goods & Services can be ascribed to slow spending by the Subprogrammes: Pharmaceutical Trade & Product Regulation, Office of Health Standards Compliance and the Commissioner for Occupational Diseases.

4.2 Per Economic classification	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
Current payments:				
Compensation of employees	556 900	555 318	1 582	0%
Goods and services	1 034 395	633 369	401 026	39%
Transfers and subsidies:				
Provinces and municipalities	27 686 378	27 686 378	0	0%
Departmental agencies and accounts	559 860	559 843	17	0%
Higher education institutions	7 000	4 000	3 000	43%
Non-profit institutions	211 058	209 654	1 404	1%
Households	1 522	1 511	11	1%
Payments for capital assets:				
Buildings and other fixed structures	409 177	113 726	295 451	72%
Machinery and equipment	61 631	59 587	2 044	3%
Intangible assets	260	-	260	100%
Payment for financial assets	0	1 711	(1 711)	

Underspending on Goods and Services is mainly due to problems experienced with the obtaining of condoms and the slow take off of the National Health Insurance Indirect Grant. The main underspending on the payment for capital assets is due to incomplete infrastructure projects funded through the Health Facility Infrastructure Indirect Grant.

4.3 Per conditional grant	Final Appropriation	Final Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
Health				
National Tertiary Services Grant	9 620 357	9 620 357	0	0%
Comprehensive HIV/AIDS (Health) Grant	10 533 886	10 533 886	0	0%
Hospital Revitalisation Grant	3 751 933	3 751 933	0	0%
Health Professionals Training and Development Grant	2 190 366	2 190 366	0	0%
Health Infrastructure Grant – Direct	1 462 908	1 462 908	0	0%
Health Infrastructure Grant – Indirect	440 025	182 692	257 333	58%
National Health Insurance Grant – Direct	50 953	50 953	0	0%
National Health Insurance Grant – Indirect	288 547	9 458	279 089	97%
Nursing Colleges & Schools	75 975	75 975	0	0%

Vote 16
Statement of Financial Performance
for the year ended 31 March 2014

PERFORMANCE	*Notes*	2013/14	2012/13
		R'000	R'000
REVENUE			
Annual appropriation	1	30 528 181	28 057 203
Departmental revenue	2	71 606	33 830
Aid assistance	3	881 517	937 690
TOTAL REVENUE		**31 481 304**	**29 028 723**
EXPENDITURE			
Current expenditure			
Compensation of employees	4	555 318	482 255
Goods and services	5	633 369	658 807
Aid assistance	3	594 937	379 400
Total current expenditure		**1 783 624**	**1 520 462**
Transfers and subsidies			
Transfers and subsidies	7	28 461 386	26 682 767
Total transfers and subsidies		**28 461 386**	**26 682 767**
Expenditure for capital assets			
Tangible capital assets	8	214 093	63 719
Software and other intangible assets	8	-	-
Total expenditure for capital assets		**214 093**	**63 719**
Payment for financial assets	6	1 711	5 655
TOTAL EXPENDITURE		**30 460 814**	**28 272 603**
SURPLUS/(DEFICIT) FOR THE YEAR		**1 020 490**	**756 120**
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds		703 084	207 348
Annual appropriation			
Conditional grants		-	-
Departmental revenue	2	71 606	33 830
Aid assistance	3	245 800	514 942
SURPLUS/(DEFICIT) FOR THE YEAR		**1 020 490**	**756 120**

Vote 16
Statement of Financial Position
as at 31 March 2014

POSITION	Notes	2013/14 R'000	2012/13 R'000
ASSETS			
Current assets		**1 115 980**	**899 929**
Cash and cash equivalents	9	861 156	801 605
Prepayments and advances	10	219 086	75 542
Receivables	11	35 738	22 782
TOTAL ASSETS		**1 115 980**	**899 929**
LIABILITIES			
Current liabilities		**1 114 360**	**898 177**
Voted funds to be surrendered to the Revenue Fund	12	703 085	207 348
Departmental revenue to be surrendered to the Revenue Fund	13	64 859	372
Payables	14	98 298	173 155
Aid assistance repayable	3	246 373	514 786
Aid assistance unutilised	3	1 745	2 516
		-	-
Non-Current liabilities			
Payables			
TOTAL LIABILITIES		**1 114 360**	**898 177**
NET ASSETS		**1 620**	**1 752**
Represented by:			
Recoverable revenue		1 620	1 752
TOTAL		**1 620**	**1 752**

Vote 16
Statement of Change in Net Assets
as at 31 March 2014

NET ASSETS	*Note*	2013/14 R'000	2012/13 R'000
Recoverable revenue			
Opening balance		1 752	1 237
Transfers:		**(132)**	**515**
Debts recovered (included in departmental receipts)		(1 969)	(655)
Debts raised		1 837	1 170
Closing balance		**1 620**	**1 752**
TOTAL		**1 620**	**1 752**

Vote 16
Cash Flow Statement
as at 31 March 2014

CASH FLOW	Note	2013/14	2012/13
		R'000	R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		**31 481 304**	**29 028 723**
Annual appropriated funds received	1.1	30 528 181	28 057 203
Departmental revenue received	2	69 748	33 370
Interest received	2.2	1 858	460
Aid assistance received	3	881 517	937 690
Net (increase)/decrease in working capital		(280 384)	3 429
Surrendered to Revenue Fund		(165 439)	(294 554)
Surrendered to RDP Fund/Donor		(514 984)	(418 514)
Current payments		(1 783 624)	(1 520 462)
Payment for financial assets		(1 711)	(5 655)
Transfers and subsidies paid		(28 461 386)	(26 682 767)
Net cash flow available from operating activities	15	**273 776**	**110 200**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	8	(214 093)	(63 719)
Net cash flows from investing activities		**(214 093)**	**(63 719)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		(132)	515
Net cash flows from financing activities		**(132)**	**515**
Net increase/(decrease) in cash and cash equivalents		59 551	46 996
Cash and cash equivalents at beginning of period		801 605	754 609
Cash and cash equivalents at end of period	16	**861 156**	**801 605**

Vote 16
Accounting Policies
for the year ended 31 March 2014

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 2013.

The historical cost convention has been used, except where otherwise indicated. Management has used assessments and estimates in preparing the annual financial statements. These are based on the best information available at the time of preparation.

1. Presentation of the Financial Statements

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

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

b. Going concern
The financial statements have been prepared on a going concern basis.

c. 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.

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

e. Current year comparison with budget
A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.

f. 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.

g. 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

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

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

The net amount of any appropriated funds due to / from the relevant revenue fund at the reporting date is recognised as a payable / receivable in the statement of financial position.

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

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

c. Accrued departmental revenue
Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:

1. it is probable that the economic benefits or service potential associated with the transaction will flow to the

Vote 16
Accounting Policies
for the year ended 31 March 2014

department; and
2. the amount of revenue can be measured reliably.

The accrued revenue is measured at the fair value of the consideration receivable.

Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents.

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

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

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

3. Expenditure

a. Compensation of Employees

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

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

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

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

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

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

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

The expense is classified as capital if the goods and/or services were acquired for a capital project or if the total purchase price exceeds the capitalisation threshold (currently R5, 000). All other expenditures are classified as current.

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

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

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

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

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Accounting Policies
for the year ended 31 March 2014

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

f. Unauthorised Expenditure
Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either:

1. approved by Parliament or the Provincial Legislature with funding and the related funds are
received; or

2. approved by Parliament or the Provincial Legislature without funding and is written off
against the appropriation in the statement of financial performance; or

3. transferred to receivables for recovery.

Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.

g. Fruitless and Wasteful Expenditure
Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred.

Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables for recovery.
Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.

h. Irregular Expenditure
Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefore are provided in the note.

Irregular expenditure is removed from the note when it is either condoned by the relevant authority, transferred to receivables for recovery or not condoned and is not recoverable.

Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.

i. Other expenditure
Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid to more than the capitalisation threshold.

j. Accrued expenditure payable
Accrued expenditure payable is recorded in the notes to the financial statements when the goods are received or, in the case of services, when they are rendered to the department. Accrued expenditure payable is measured at cost.

k. Operating leases

Operating Lease
Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment. The operating lease commitments are disclosed in the discloser notes to the financial statement.

Finance Lease
Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment.

The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions.

Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of:

1. cost, being the fair value of the asset; or
2. the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.

The total finance lease payment is disclosed in the

Vote 16
Accounting Policies
for the year ended 31 March 2014

disclosure notes to the financial statements.

I. Aid Assistance

Aids assistance is recognised as revenue when received. All in-kind aid assistance is disclosed at fair value on the date of receipt in the annexures to the Annual Financial Statements

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

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

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

4. Assets

a. Cash and Cash Equivalents

Cash and cash equivalents are carried in the statement of financial position at cost.
Bank overdrafts are shown separately on the face of the statement of financial position.
For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.

b. Other Financial Assets

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

c. Prepayments and Advances

Amounts prepaid or advanced are recognised in the statement of financial position when the payments are made and are derecognised as and when the goods/ services are received or the funds are utilised.
Prepayments and advances outstanding at the end of the year are carried in the statement of financial position at cost.

d. Receivables

Receivables included in the statement of financial position arise from cash payments made that are recoverable from another party (including departmental employees) and are derecognised upon recovery or write-off.
Receivables outstanding at year-end are carried in the statement of financial position at cost plus any accrued interest. Amounts that are potentially irrecoverable are included in the disclosure notes.

e. Investments

Capitalised investments are shown at cost in the statement of financial position.
Investments are tested for an impairment loss whenever events or changes in circumstances indicate that the investment may be impaired. Any impairment loss is included in the disclosure notes.

f. Loans

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

g. Impairment

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

h. Inventory

Inventories that qualify for recognition must be initially reflected at cost. Where inventories are acquired at no cost, or for nominal consideration, their cost shall be their fair value at the date of acquisition.

All inventory items at year-end are reflected using the weighted average cost or FIFO cost formula.

i. Capital Assets

1. Movable Capital Assets

Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets

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Accounting Policies
for the year ended 31 March 2014

acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.

Where the cost of movable capital assets cannot be determined accurately, the movable capital assets are measured at fair value and where fair value cannot be determined, the movable assets are measured at R1.

All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) are recorded at R1.

Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.
Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the movable asset is recorded by another department/entity in which case the completed project costs are transferred to that department.

2. Immovable Capital Assets
Immovable capital assets are initially recorded in the notes to the financial statements at cost. Immovable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.
Where the cost of immovable capital assets cannot be determined accurately, the immovable capital assets are measured at R1 unless the fair value of the asset has been reliably estimated, in which case the fair value is used.
All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) are recorded as R1.
Immovable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.
Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the immovable asset is recorded by another department in which case the completed project costs are transferred to that department.

3. Intangible Assets
Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.

Internally generated intangible assets are recorded in the notes of the financial statements when the department commences the development phase of the project.

Where the cost of intangible assets cannot be determined accurately, the intangible capital assets are measured at fair value and where fair value cannot be determined, the intangible assets are measured at R1.
All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) are recorded at R1.
Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.
Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the intangible asset is recorded by another department/entity in which case the completed project costs are transferred to that department.

5. Liabilities

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

6. Provisions and Contingents

a. Provisions
Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.

b. Contingent liabilities
Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.

c. Contingent assets
Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department.

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Accounting Policies
for the year ended 31 March 2014

d. Commitments
Commitments are recorded at cost in the notes to the financial statements when there is a contractual arrangement or an approval by management in a manner that raises a valid expectation that the department will discharge its responsibilities thereby incurring future expenditure that will result in the outflow of cash.

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

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

g. Provisions
Provisions are disclosed when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made.

7. Receivables for Departmental Revenue
Receivables for departmental revenue are disclosed in the disclosure notes to the annual financial statements. These receivables are written off when identified as irrecoverable and are disclosed separately.

8. Net Assets

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

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

9. Related Party Transactions
Specific information with regards to related party transactions is included in the disclosure notes.

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

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

12. Prior period errors
The Development Bank of Southern Africa opened a bank account in the name of the National Department of Health for projects of the Department. The balance available was classified as a pre-payment and the interest received amounting to R277 000 was in respect of the prior year.

An amount of R402 000,00 was added under irregular expenditure – prior year – as well as under the analysis of awaiting condonement – prior year. The reason for this was that this amount was deducted in prior years under not condoned by the State Tender Board for the 2001/02 and 2004/05 financial years. These amounts were for condonation by the Accounting Officer.

Vote 16
Notes to the Annual Financial Statements
for the year ended 31 March 2014

1. Annual Appropriation

1.1 Annual Appropriation

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

			2012/14	
	Final Appropriation	Actual Funds Received	Funds not requested/ not received	Appropriation received 2011/13
	R'000	R'000	R'000	R'000
Administration	405 505	421 031	(15 526)	402 434
Health Planning and Systems Enablement	492 994	488 865	4 129	303 794
HIV & AIDS, TB & Maternal, Child and Women's Health	11 036 505	11 042 956	(6 451)	9 230 346
Primary Health Care Services	100 960	99 284	1 676	113 842
Hospital, Tertiary Services and Workforce Development	17 728 804	17 715 830	12 974	17 423 129
Health Regulation & Compliance Management	763 413	760 215	3 198	583 658
Total	**30 528 181**	**30 528 181**	**-**	**28 057 203**

2. Departmental revenue

	Notes	2012/14	2011/13
		R'000	R'000
Sales of goods and services other than capital assets	*2.1*	67 136	37 750
Interest, dividends and rent on land	*2.2*	1 858	460
Transactions in financial assets and liabilities	*2.3*	2 612	(4 380)
Total revenue collected		**71 606**	**33 830**
Departmental revenue collected		**71 606**	**33 830**

Vote 16
Notes to the Annual Financial Statements
for the year ended 31 March 2014

2.1 Sales of goods and services other than capital assets

	Notes	2012/14	2011/13
	2	R'000	R'000
Sales of goods and services produced by the department		**67 091**	**37 714**
Sales by market establishment		165	145
Administrative fees		66 677	37 307
Other sales		249	262
Sales of scrap, waste and other used current goods		45	36
Total		**67 136**	**37 750**

2.2 Interest, dividends and rent on land

	2	R'000	R'000
Interest		1 858	460
Total		**1 858**	**460**

2.3 Transactions in financial assets and liabilities

	2	R'000	R'000
Stale cheques written back		19	51
Other Receipts including Recoverable Revenue		2 593	(4 431)
Total		**2 612**	**(4 380)**

Vote 16
Notes to the Annual Financial Statements
for the year ended 31 March 2014

3. Aid assistance

3.1 Aid assistance received in cash from RDP

	Note	2013/14 R'000	2012/13 R'000
Foreign			
Opening Balance		516 141	420 064
Revenue		881 517	935 544
Expenditure		**(635 183)**	**(420 953)**
Current		(594 403)	(377 605)
Capital		(40 780)	(43 348)
Prepayments		-	-
Surrendered to the RDP		(514 984)	(418 514)
Closing Balance		**247 491**	**516 141**

3.2 Aid assistance received in cash from other sources

	2013/14 R'000	2012/13 R'000
Local		
Opening Balance	1 161	810
Revenue	**-**	**2 146**
Expenditure	**(534)**	**(1 795)**
Current	(534)	(1 795)
Closing Balance	**627**	**1 161**

3.3 Total assistance

	2013/14 R'000	2012/13 R'000
Opening Balance	517 302	420 874
Revenue	**881 517**	**937 690**
Expenditure	**(635 717)**	**(422 748)**
Current	(594 937)	(379 400)
Capital	(40 780)	(43 348)
Surrendered / Transferred to retained funds	(514 984)	(418 514)
Closing Balance	**248 118**	**517 302**

Vote 16
Notes to the Annual Financial Statements
for the year ended 31 March 2014

3.4 Analysis of balance

	2013/14	2012/13
	R'000	R'000
Aid assistance unutilised	1 745	2 516
RDP	1 117	1 354
Other sources	628	1 162
Aid assistance repayable	246 373	514 786
RDP	246 373	514 786
Closing balance	**248 118**	**517 302**

4. Compensation of employees

4.1 Salaries and Wages

	R'000	R'000
Basic salary	384 123	326 010
Performance award	4 414	5 772
Service Based	326	408
Compensative/circumstantial	4 413	4 393
Periodic payments	-	22
Other non-pensionable allowances	95 166	88 319
Total	**488 442**	**424 924**

4.2 Social contributions

	R'000	R'000
Employer contributions		
Pension	47 817	39 781
Medical	19 006	17 505
Bargaining council	53	45
Total	**66 876**	**57 331**
Total compensation of employees	**555 318**	**482 255**
Average number of employees	1 482	1 479

Vote 16
Notes to the Annual Financial Statements
for the year ended 31 March 2014

5. Goods and services

	Notes	2012/13	2011/12
		R'000	R'000
Administrative fees		232	289
Advertising		12 165	12 559
Minor assets	*5.1*	2 694	3 624
Bursaries (employees)		1 115	797
Catering		2 852	2 917
Communication		12 791	15 469
Computer services	*5.2*	6 579	9 191
Consultants, contractors and agency/outsourced services	*5.3*	181 265	181 339
Entertainment		55	72
Audit cost – external	*5.4*	30 561	23 763
Fleet services		18 532	-
Inventory	*5.5*	80 358	145 576
Consumables	*5.6*	23 029	23 820
Operating leases		87 106	85 930
Property payments	*5.7*	11 426	9 582
Rental and hiring		-	23
Travel and subsistence	*5.8*	87 915	97 773
Venues and facilities		10 469	7 292
Training and staff development		3 479	5 172
Other operating expenditure	*5.9*	60 746	33 619
Total		**633 369**	**658 807**

The comparative amount for consultants and contractors was restated with an amount of R49,027 million, which is included in Note 10 as pre payment and advances.

5.1 Minor assets

	5	R'000	R'000
Tangible assets		**2 694**	**3 624**
Machinery and equipment		2 694	3 624
Intangible assets		-	-
Total		**2 694**	**3 624**

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Notes to the Annual Financial Statements
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5.2 Computer Services

	Notes	2013/14	2012/13
	5	R'000	R'000
SITA computer services		1 508	2 110
External computer service providers		5 071	7 081
Total		**6 579**	**9 191**

5.3 Consultants, contractors and agency/outsourced services

	5	R'000	R'000
Business and advisory services		156 652	136 874
Laboratory services		-	9
Legal costs		4 085	14 592
Contractors		16 855	9 794
Agency and support/outsourced services		3 673	20 070
Total		**181 265**	**181 339**

The comparative amount for consultants and contractors was restated with an amount of R49,027 million, which is included in Note 10 as pre payment and advances.

5.4 Audit cost – External

	5	R'000	R'000
Regularity audits		30 561	23 763
Total		**30 561**	**23 763**

5.5 Inventory

	5	R'000	R'000
Clothing, material and accessories		40	-
Food and food supplies		83	52
Fuel, oil and gas		1 171	927
Materials and supplies		197	53
Medical supplies		70 518	112 416
Medicine		476	32 128
Other supplies	5.5.1	7 873	-
Total		**80 358**	**145 576**

5.5.1 Other Supplies

Other	7 873	-
Total	**7 873**	**-**

The comparative for other consumable materials and stationery and printing was restate with R23,820 million as it were part of inventory but according to SCOA of 2013/14 it was reclassified as consumables.

Vote 16
Notes to the Annual Financial Statements
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5.6 Consumables

	Note	2013/14	2012/13
	5	R'000	R'000
Consumable supplies		**649**	**6 938**
Uniform and clothing		4	-
Household supplies		321	-
Building material and supplies		1	-
IT consumables		185	-
Other consumables		138	6 938
Stationery, printing and office supplies		22 380	16 882
Total		**23 029**	**23 820**

The comparative for other consumable materials and stationery and printing was restate with R23,820 million as it were part of inventory but according to SCOA of 2013/14 it was reclassified as consumables.

5.7 Property payments

	Notes	2012/13	2011/12
	5	R'000	R'000
Municipal services		9 223	8 532
Property management fees		817	406
Property maintenance and repairs		-	644
Other		1 386	-
Total		**11 426**	**9 582**

5.8 Travel and subsistence

	5	R'000	R'000
Local		66 387	80 623
Foreign		21 528	17 150
Total		**87 915**	**97 773**

5.9 Other operating expenditure

	5	R'000	R'000
Professional bodies, membership and subscription fees		40 281	20 909
Resettlement costs		901	585
Other		19 564	12 125
Total		**60 746**	**33 619**

6. Payments for financial assets

		R'000	R'000
Other material losses written off	6.1	-	52
Debts written off	6.2	1 711	5 603
Total		**1 711**	**5 655**

Vote 16
Notes to the Annual Financial Statements
for the year ended 31 March 2014

6.1 Other material losses written off

	Notes	2013/14	2012/13
	6	R'000	R'000
Nature of losses			
Global Fund		-	52
Total		**-**	**52**

6.2 Debts written off

	6	R'000	R'000
Nature of debts written off			
Salary debt		27	27
Tax debt		31	97
Annexure 9 medication		-	2
Travel and subsistence		-	9
State Guarantee		-	20
Bursary		33	186
Debts written off to fruitless and wasteful expenditure		1 132	602
BAS fraud written off		-	4 660
Debts written off relating to irregular expenditure		485	-
Telephone debt		1	-
Memory stick		1	-
Cellular phone debt		1	-
Total debt written off		**1 711**	**5 603**

7. Transfers and subsidies

		R'000	R'000
Provinces and municipalities	*34*	27 686 378	26 071 682
Departmental agencies and accounts	*Annex 1A*	559 843	392 711
Higher education institutions	*Annex 1B*	4 000	21 000
Public corporations and private enterprises	*Annex 1C*	-	40
Non-profit institutions	*Annex 1D*	209 654	196 214
Households	*Annex 1E*	1 511	1 120
Total		**28 461 386**	**26 682 767**

Vote 16
Notes to the Annual Financial Statements
for the year ended 31 March 2014

8. Expenditure for capital assets

	Notes	2013/14 R'000	2012/13 R'000
Tangible assets		**214 093**	**63 719**
Buildings and other fixed structures	*31*	113 726	-
Machinery and equipment	*29*	100 367	63 719
intangible assets		**-**	**-**
Software	*30*	-	-
Total		**214 093**	**63 719**

8.1 Analysis of funds utilised to acquire capital assets – 2013/14

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	**173 313**	**40 780**	**214 093**
Buildings and other fixed structures	113 726	-	113 726
Machinery and equipment	59 587	40 780	100 367
Software and other intangible assets	**-**	**-**	**-**
Computer software	-	-	-
Total	**173 313**	**40 780**	**214 093**

Vote 16
Notes to the Annual Financial Statements
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8.2 Analysis of funds utilised to acquire capital assets – 2012/13

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

9. Cash and cash equivalents

	2013/14	2012/13
	R'000	R'000
Consolidated Paymaster General Account	793 044	801 580
Cash on hand	68 112	25
Total	**861 156**	**801 605**

10. Prepayments and advances

	Notes		
		R'000	R'000
Travel and subsistence		554	360
Prepayments		196 517	49 027
Advances paid	*10.1*	22 015	26 155
Total		**219 086**	**75 542**

10.1 Advances paid

		R'000	R'000
National departments	*Annexure 7A*	21 015	26 155
Provincial departments	*Annexure 7A*	1 000	-
Total		**22 015**	**26 155**

The comparative amount was restated to include a pre payment made to the Development Bank of Southern Africa.

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Notes to the Annual Financial Statements
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11. Receivables

	Notes	2013/14				2012/13
		R'000 Less than one year	R'000 One to three years	R'000 Older than three years	R'000 Total	R'000 Total
Claims recoverable	11.1 Annexure 3	32 007	554	-	32 561	18 307
Recoverable expenditure	11.2	(250)	466	-	216	1 197
Staff debt	11.3	46	286	436	768	963
Fruitless and wasteful expenditure	11.5	17	-	-	17	-
Other debtors	11.4	58	1 066	1 052	2 176	2 315
Total		**31 878**	**2 372**	**1 488**	**35 738**	**22 782**

11.1 Claims recoverable

	11	2013/14 R'000	2012/13 R'000
National departments		737	5 107
Provincial departments		543	13 200
Foreign governments		4 734	-
Public entities		26 547	-
Total		**32 561**	**18 307**

11.2 Recoverable expenditure (disallowance accounts)

	11	R'000	R'000
Salary debt		(253)	215
Dishonoured cheques		3	-
Damages and Losses		466	982
Total		**216**	**1 197**

11.3 Staff debt

	11	R'000	R'000
Bursary debt		420	552
Salary overpayments		63	203
Loss / Damage to State Property		62	18
Other		223	190
Total		**768**	**963**

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Notes to the Annual Financial Statements
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11.4 Other debtors

	Notes	2013/14	2012/13
	11	R'000	R'000
Schedule 9 medication		54	43
Laboratory tests		2	2
Other debtors		198	243
Ex-employees		1 922	2 027
Total		**2 176**	**2 315**

11.5 Fruitless and wasteful expenditure

	11	R'000	R'000
Opening balance		-	-
Less amounts recovered		(20)	-
Transfers from note 32 Fruitless and Wasteful expenditure		37	-
Total		**17**	**-**

11.6 Impairment of receivables

	11	R'000	R'000
Estimate of impairment of receivables		1 488	387
Total		**1 488**	**387**

12. Voted funds to be surrendered to the Revenue Fund

		Total	Total
		R'000	R'000
Opening balance	14.1	207 348	255 129
Prior period error (2012/13)	14.2	(49 027)	49 027
As restated	14.3	158 321	304 156
Transfer from statement of financial performance (as restated)		703 084	158 321
Paid during the year		(158 320)	(255 129)
Closing balance		**703 085**	**207 348**

12.1 Prior period error (affecting Voted funds to be surrendered)

	R'000
Nature of prior period error	49 027
Relating to 2012/13: Pre Payment and Advance made to the Development Bank of Southern Africa	49 027
Total	**49 027**

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Notes to the Annual Financial Statements
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An amount of R25 349 million is included in the R49 027 million relating to the 2011/12 financial year.

13. Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund

	Notes	**2013/14**	**2012/13**
		R'000	**R'000**
Opening balance		372	5 967
As restated		372	5 967
Transfer from Statement of Financial Performance		71 606	33 830
Paid during the year		**(7 119)**	**(39 425)**
Closing balance		**64 859**	**372**

14. Payables – current

		Total	**Total**
		R'000	**R'000**
Advances received	*14.1*	95 273	172 738
Clearing accounts	*14.2*	3 025	417
Other payables	*14.3*	-	-
Total		**98 298**	**173 155**

14.1 Advances received

	14	**Total**	**Total**
		R'000	**R'000**
National departments	*Ann 7B*	1 640	147 281
Provincial departments	*Ann 7B*	54 907	23 859
Other institutions	*Ann 7B*	38 726	1 598
Total		**95 273**	**172 738**

14.2 Clearing accounts

		Total	**Total**
		R'000	**R'000**
Income Tax	*14.*	2 518	388
Pension Fund		502	10
Garnishee Orders		-	6
Housing (Commercial banks)		5	2
Medical Aids		-	11
Total		**3 025**	**417**

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Notes to the Annual Financial Statements
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15. Net cash flow available from operating activities

	2013/14 R'000	2012/13 R'000
Net surplus/(deficit) as per Statement of Financial Performance	1 020 490	707 093
Add back non cash/cash movements not deemed operating activities	(746 714)	(596 893)
(Increase)/decrease in receivables – current	(12 956)	14 352
(Increase)/decrease in prepayments and advances	(143 544)	(11 232)
Increase/(decrease) in payables – current	(74 857)	49 336
Expenditure on capital assets	214 093	63 719
Surrenders to Revenue Fund	(165 439)	(294 554)
Surrenders to RDP Fund/Donor	(514 984)	(418 514)
Other non-cash items	(49 027)	-
Net cash flow generated by operating activities	**273 776**	**110 200**

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

	R'000	R'000
Consolidated Paymaster General account	793 044	801 580
Cash on hand	68 112	25
Total	**861 156**	**801 605**

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

Vote 16
Disclosure Notes to the Annual Financial Statements
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17. Contingent liabilities and contingent assets

Contingent liabilities

		Notes	**2012/14**	**2011/13**
			R'000	**R'000**
Liable to	**Nature**			
Motor vehicle guarantees	Employees	*Annexure 2A*	-	101
Housing loan guarantees	Employees	*Annexure 2A*	455	701
Claims against the department		*Annexure 2B*	19 160	3 504
Intergovernmental payables (unconfirmed balances)		*Annexure 4*	119	29 014
Total			**19 734**	**33 320**

18. Commitments

	R'000	**R'000**
Current expenditure	**566 302**	**228 607**
Approved and contracted	178 917	217 264
Approved but not yet contracted	387 385	11 343
Capital expenditure (including transfers)	**225 597**	**4 853**
Approved and contracted	209 787	1 556
Approved but not yet contracted	15 810	3 297
Total Commitments	**791 899**	**233 460**

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Disclosure Notes to the Annual Financial Statements
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19. Accruals and payables not recognised

			2013/14	2012/13
			R'000	R'000
Listed by economic classification				
	30 Days	**30+ Days**	**Total**	**Total**
Goods and services	38 999	50 091	**89 090**	27 673
Capital assets	12	35 888	**35 900**	119
Total	**39 011**	**85 979**	**124 990**	**27 792**

	R'000	R'000
Listed by programme level		
Administration	26 940	3 868
Health Planning and System Enablement	5 149	2 700
HIV & AIDS, TB, Maternal Child & Women's Health	7 284	4 551
Primary Health Care Services	7 213	1 549
Hospital and Tertiary Services, Workforce Development	75 187	11 915
Health Regulation & Compliance	3 217	3 209
Total	**124 990**	**27 792**

	Notes	2012/14	2011/13
		R'000	R'000
Confirmed balances with other departments	*Annexure 4*	52 534	171 140
Total		**52 534**	**171 140**

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Notes to the Annual Financial Statements
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20. Employee benefits

	2013/14	2012/13
	R'000	R'000
Leave entitlement	27 013	20 633
Service bonus (Thirteenth cheque)	15 146	13 241
Performance bonus	466	-
Capped leave commitments	17 606	16 767
Total	**60 231**	**50 641**

Included in the leave entitlement is an amount of R797 947 for negative leave credits

21. Lease commitments

21.1 Operating leases expenditure

2013/14	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000
Not later than 1 year	77 934	1 649	79 583
Later than 1 year and not later than 5 years	373 516	1 113	374 629
Later than five years	156 392	-	156 392
Total lease commitments	**607 842**	**2 762**	**610 604**

2012/13	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000
Not later than 1 year	83 700	2 471	86 171
Later than 1 year and not later than 5 years	359 643	715	360 358
Later than five years	252 823	-	252 823
Total lease commitments	**696 166**	**3 186**	**699 352**

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Notes to the Annual Financial Statements
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22. Accrued departmental revenue

	Note	2013/14	2012/13
		R'000	R'000
Sales of goods and services other than capital assets		5	4
Interest, dividends and rent on land		2 903	277
Total		**2 908**	**281**

The comparative amount was restated with R277 000 to include interest from DBSA

22.1 Analysis of accrued departmental revenue

	Note	2013/14	2012/13
		R'000	R'000
Opening balance		281	.
Less: Amounts received		(4)	-
Add : Amounts recognised		2 631	281
Less : Amounts written off / reversed as irrecoverable		-	-
Closing Balance		**2 908**	**281**

23. Irregular expenditure

23.1 Reconciliation of irregular expenditure

	R'000	R'000
Opening balance	30 451	34 364
Add: Irregular expenditure – relating to prior year	-	402
Add: Irregular expenditure – relating to current year	188	2 375
Less: Amounts condoned	(4 045)	-
Less: Amounts not recoverable (not condoned)	-	(3 948)
Less: Amounts not recoverable (not condoned)	-	(2 742)
Irregular expenditure awaiting condonation	**26 594**	**30 451**
Analysis of awaiting condonation per age classification		
Current year	188	2 274
Prior years	26 406	28 177
Total	**26 594**	**30 451**

An amount of R402 000 was added under irregular expenditure – prior year – as well as under the analysis of awaiting condonement – prior year. The reason for this was that this amount was deducted in prior years under amounts not condoned by the State Tender Board for the 2001/02 and 2004/05 financial years. These amounts were reconsidered for condonation by the Accounting Officer.

A further possible case of Irregular Expenditure relating to a contract awarded by the Implementing Agents (DBSA) for the construction of doctors' consulting rooms.

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Notes to the Annual Financial Statements
for the year ended 31 March 2014
23.2 Details of irregular expenditure – current year

Incident		2013/14
		R'000
Obtaining three quotations without confirming validity	Under investigation	188
Total		**188**

Disciplinary steps taken/criminal proceedings

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Disclosure Notes to the Annual Financial Statements
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23.3 Details of irregular expenditure condoned

Incident	Condoned by (condoning authority)	2013/14 R'000
Payment of services – Detuned Assay Tests	Director-General	353
Purchase of furniture	Director-General	113
T-shirts – Woodmead Stationers	Director-General	49
Venue hire	Director-General	431
National Traditional Medicine Day celebrations: 6 September: Limpopo Province	Director-General	300
Purchase of scanner – Waymark Infotech	Director-General	25
Workshop held at Protea Hotel Centurion	Director-General	9
Hiring of temporary IT staff	Director-General	485
Utilising of a helicopter	Director-General	74
Hiring of a venue	Director-General	279
Utilising of a helicopter	Director-General	97
Purchasing of blue lights	Director-General	5
Removal of furniture	Director-General	63
Décor and labour – Bonisiwe marketing and communication	Director-General	60
Hiring of temporary workers – Express personnel services	Director-General	94
Failure to obtain three written quotations	Director-General	5
Additional transport utilise during the National Nursing Summit: 4 to 7 April 2011: Mobile meetings	Director-General	128
Off site storage: Metro file (Pty) Ltd	Director-General	32
Workshop to consolidate interventions in 18 priority districts: Birchwood Hotel and Conference Centre: 14 to 15 July 2009	Director-General	47
Groupwise and ZenWork support and maintenance, client migration of Groupwise and ZenWorks and End User support: Xepa Consulting	Director-General	296
Catering during a workshop on National Health Insurance: 29 to 30 August 2011: Modifho-Fela caterers	Director-General	3
Business conducted with an employee within the National Department of Health – Management Sciences for Health Inc	Director-General	400
Assets purchased at Waltons without obtaining 3 quotations	Director-General	67
Printing of business cards – Mhluli Manqoba Trading cc	Director-General	6
Payment made above the contract value – KPMG	Director-General	106
Advertisement less than 21 days	Director-General	293
Competitive bidding process not followed for the procurement of printing of services – Bulelwa Trading	Director-General	33
Payment above the approve quotation	Director-General	80
Procurement process for services and maintenance agreement with Bytes Document Solution	Director-General	112
Total		**4 045**

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Disclosure Notes to the Annual Financial Statements
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23.4 Details of irregular expenditure under investigation

Incident	R'000
Laboratory services	1 501
Malaria Day Event	800
Appointment of KPMG	3 397
World AIDS Day – Deviation from procurement procedures	2 676
Procurement of non profit volunteers for the 2010 FIFA World Cup	1 963
SA Clinical Trial register – Wits Health Consortium	855
2010 World TB Day	1 990
Payments made to Magauta not according to timesheets	545
Procurement procedures not followed – Xabiso consulting	613
Nursing Summit – Competitive bidding process not followed	845
Purchasing of condoms – UNITRADE	10 296
Presidential launch of the HIC Counselling and Testing (HCT) campaign as well as the Provincial launch – Gauteng and KZN – 25 and 30 April 2010 – marquee	830
Lesbian, gay, bi-sexual, transgendered and inter-sexed consultative planning meeting: 4 to 5 May 2011 in Cape Town at Cape Town Lodge	96
Obtaining three quotations without confirming validity – Gopolang	187
Total	**26 594**

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Disclosure Notes to the Annual Financial Statements
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24. Fruitless and wasteful expenditure
24.1 Reconciliation of fruitless and wasteful expenditure

	Note	**2013/14 R'000**	**2012/13 R'000**
Opening balance		7 267	7 215
Fruitless and wasteful expenditure – relating to prior year		30	626
Fruitless and wasteful expenditure – relating to current year	24.2	13	28
Less: Amounts condoned		(1 155)	(602)
Less: Amounts transferred to receivables for recovery		(37)	-
Fruitless and wasteful expenditure awaiting resolution		**6 118**	**7 267**

24.2 Analysis of awaiting resolution per economic classification

	2013/14 R'000	**2012/13 R'000**
Current	6 118	7 267
Total	**6 118**	**7 267**

24.3 Analysis of Current year's fruitless and wasteful expenditure

Incident	**Disciplinary steps taken/ criminal proceedings**	**2013/14 R'000**
Monitoring of training attendance – Interns	Under investigation	13
Total		**13**

Vote 16
Disclosure Notes to the Annual Financial Statements
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25. Related party transactions

The following entities fall under the Minister of Health's portfolio:

- Medical Research Council
- National Health Laboratory Services
- Council for Medical Schemes
- Compensation Commissioner for Occupational Diseases, and
- South African National AIDS Council

The transfer payments made to the related parties are disclosed in Annexure 1A, as no other transactions were concluded between the Department and the relevant entities during the 2013/14 financial year. Transactions made on behalf of SANAC are included in the expenditure of the National Department of Health.

26. Key management personnel

	Note	**2013/14 R'000**	**2012/13 R'000**
Political office bearers (provide detail below)	2	3 882	3 699
Officials:			
Level 15 to 16	19	21 013	15 966
Level 14 (incl. CFO if at a lower level)	34	26 806	36 444
Family members of key management personnel	2	541	513
Total		**52 242**	**56 622**

The Minister's salary was R2 147 286 and that of the Deputy Minister was R1 734 834 for the financial year 2013/14. The Department is transacting with Columbus (Pty) Ltd and a member of the company is related to a member of the key management personnel.

27. Public Private Partnership

The Health Sector Public Private Partnership (PPP) Programme has identified and registered seven PPP projects with the National Treasury. All projects are at the project preparation period of the PPP project cycle as reflected in the Treasury Regulation 16. The projects are investigating the feasibility of redeveloping and building new hospitals through a PPP procurement as follows:

- The redevelopment of Chris Hani Baragwanath Academic Hospital (Gauteng)
- A proposed New Limpopo Hospital (Limpopo)
- The redevelopment of Dr George Mukhari Hospital (Gauteng)
- The redevelopment of King Edward VIII Hospital (KwaZulu/Natal)
- The redevelopment of Nelson Mandela Hospital (Eastern Cape)
- The redevelopment of Tygerberg Hospital (Western Cape)
- A proposed New Mpumalanga Tertiary Hospital (Mpumalanga)

Chris Hani Baragwanath Academic, Dr G Mukhari hospital, New Limpopo hospital, King Edward VIII and Nelson Mandela hospitals are at varying stages of feasibility phase with Chris Hani Baragwanath and the New Limpopo hospitals at the most advanced stages of the feasibility studies. Mpumalanga hospital and Tygerberg hospital in the Western Cape are still at the inception phase of project preparation.

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Disclosure Notes to the Annual Financial Statements
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Status of projects as of 31 March 2013

Name of PPP	Status per AFS 2012-13	Status per AFS 2013-14	Comments
Chris Hani Baragwanath hospital for reconstruction revitalisation and upgrading Gauteng	Feasibility	Feasibility	Finalising feasibility Draft Request For Pre-Qualification(RFQ) completed – awaiting approval
Dr George Mukhari Academic Hospital Gauteng	Feasibility	Feasibility	Impacted by regulation no. 34521 on categories of public hospitals which categories the hospital as central hospital,
New Limpopo Academic Hospital- Limpopo	Feasibility	Feasibility	Impacted by regulation no. 34521 on categories of public hospitals
Replacement/ Refurbishment of King Edward VIII Hospital – KwaZulu-Natal	Feasibility	Feasibility	First draft of needs analysis completed
Nelson Mandela Academic Hospital Eastern Cape	Feasibility	Feasibility	Data collection for needs analysis
Tygerberg Hospital Redevelopment – Western Cape	Inception	Inception	Awaiting the appointment of transactional Advisors
Tertiary Hospital – Mpumalanga	Inception	Inception	Awaiting the appointment of transactional Advisors

The Ministers of Health and Finance have not yet provided guidance of the PPP Programme. The PPP team is investigating more affordable model for the programme.

Biovac PPP
The PPP agreement with Biovac Institute is still in effect until 2016. The agreement mandates the institute to source and supply EPI vaccines of good quality at competitive prices to the provincial health departments. The Department of Health is a 35% shareholder in the company.

The Net equity, defined as Share Capital and Retained income of the group at 31 December 2013 amounting R125 480 255 is extracted from the Statement of Financial Position for the year ending 31 December 2013
.
Applying the shareholding percentage to the Net equity results in a calculated value of R43 918 089.

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28. Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014

	Opening balance	Curr Year Adjustments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	**167 482**	**7 728**	**59 799**	**18 939**	**216 070**
Transport assets	2 784	-	-	-	2 784
Computer equipment	63 105	3 421	37 123	8 592	95 057
Furniture and office equipment	6 107	(745)	4 080	523	8 919
Other machinery and equipment	95 486	5 052	18 596	9 824	109 310
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	**167 482**	**7 728**	**59 799**	**18 939**	**216 070**

28.1 Additions

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014

	Cash	Non-cash	(Capital Work in Progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	**59 785**			**14**	**59 799**
Computer equipment	37 121	-	-	2	37 123
Furniture and office equipment	4 068	-	-	12	4 080
Other machinery and equipment	18 596	-	-	-	18 596
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	**59 785**	**-**	**-**	**14**	**59 799**

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28.2 Disposals

DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014

	Sold for cash	Transfer out or destroyed or scrapped	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	**-**	**18 939**	**18 939**	**29**
Computer equipment	-	8 592	8 592	10
Furniture and Office Equipment	-	523	523	3
Other machinery and equipment	-	9 824	9 824	16
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	**-**	**18 939**	**18 939**	**29**

28.3 Movement for 2012/13

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013

	Opening balance	Current year adjustments to prior year balances	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	**157 922**	**(10 692)**	**20 490**	**238**	**167 482**
Transport assets	3 274	(490)	-	-	2 784
Computer equipment	55 221	482	7 640	238	63 105
Furniture and office equipment	12 543	(8 389)	1 953	-	6 107
Other machinery and equipment	86 884	(2 295)	10 897	-	95 486
TOTAL MOVABLE TANGIBLE ASSETS	**157 922**	**(10 692)**	**20 490**	**238**	**167 482**

28.4 Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014

	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Opening balance	-	37 172	37 172
Current Year Adjustments to Prior Year Balances	-	(489)	(489)
Additions	-	2 697	2 697
Disposals	-	(7 891)	(7 891)
TOTAL	**-**	**31 489**	**31 489**

	Intangible assets	Machinery and equipment	Total
Number of R1 minor assets	-	247	247
Number of minor assets at cost	-	23 706	23 706
TOTAL NUMBER OF MINOR ASSETS	**-**	**23 953**	**23 953**

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MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013

	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Opening balance	119	40 062	40 181
Current Year Adjustments to	(119)	(2 574)	(2 693)
Additions	-	3 624	3 624
Disposals	-	(3 940)	3 940
TOTAL	**-**	**37 172**	**37 172**

	Intangible assets	Machinery and equipment	Total
Number of R1 minor assets	-	801	801
Number of minor assets at cost	-	38 110	38 110
TOTAL NUMBER OF MINOR ASSETS	**-**	**38 911**	**38 911**

28.5 Moveable assets written off

MOVEABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2013

	Machinery and equipment	Total
	R'000	R'000
Assets written off	-	-
TOTAL MOVEABLE ASSETS WRITTEN OFF	**-**	**-**

MOVEABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2012

	Machinery and equipment	Total
	R'000	R'000
Assets written off	-	-
TOTAL MOVEABLE ASSETS WRITTEN OFF	**-**	**-**

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Notes to the Annual Financial Statements
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29. Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014

	Opening balance	Current Year Adjustments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	41 827	-	-	-	41 827
TOTAL INTANGIBLE CAPITAL ASSETS	**41 827**	**-**	**-**	**-**	**41 827**

30.1 Additions

ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013

	Cash	Non-Cash	(Development work in progress – current costs)	Received current year, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	-	-	-	-	-
TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS	**-**	**-**	**-**	**-**	**-**

30.2 Disposals

DISPOSALS OF INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013

	Sold for cash	Transfer out or destroyed or scrapped	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	-	-	-	-
TOTAL DISPOSALS OF INTANGIBLE CAPITAL ASSETS	**-**	**-**	**-**	**-**

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30.3 Movement for 2012/13

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013

	Opening balance	Curr year adjustments to prior year balances	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	63 645	(21 818)	-	-	41 827
TOTAL INTANGIBLE CAPITAL ASSETS	**63 645**	**(21 818)**	**-**	**-**	**41 827**

31. Immovable Tangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014

	Opening balance	Curr year adjustments to prior year balances	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	-	-	-	-	-
OTHER FIXED STRUCTURES	-	-	-	-	-
TOTAL IMMOVABLE INTANGIBLE CAPITAL ASSETS	-	-	-	-	-

31.1 Additions

ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014

	Cash	Non-Cash	(Capital work in progress – current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year	Total
	(Paid current year, received prior year)	Total	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	113 726	-	(113 726)	-	-
OTHER FIXED STRUCTURES	113 726	-	(113 726)	-	-
TOTAL IMMOVABLE INTANGIBLE CAPITAL ASSETS	113 726	-	113 726	-	-

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32. Agent-principle arrangements
32.1 Department acting as the principal

Incident	2013/14 R'000
Development Bank of South Africa	329 349
COEGA Development Corporation	8 310
CPI	2 342
Net effect on the note	**340 001**

Development Bank of South Africa – Management of Infrastructure and Refurbishment projects.
COEGA Development Corporation – Management of Infrastructure projects.
CPI – Payroll Administration of NHI contracted General Practitioners.

33. Prior period errors
33 .1 Correction of prior period error for secondary information

	Note	2012/13 R'000
The comparative amounts in Note 23 were restated as follows:		
Line item 1 affected by the change – Add: The R277 000 relating to accrued interest from DBSA for the 2012/13 not disclosed previously.		277
Net effect on the note		**277**

The comparative amounts in Note 24 were restated as follows:

Line item 1 affected by the change – Add: Irregular Expenditure – prior year	402
Net effect on the note	**402**

The R277 000 relating to accrued interest from DBSA for the 2012/13 not disclosed previously. An amount of R402 000 was added under irregular expenditure – prior year – as well as under the analysis of awaiting condonement – prior year. The reason for this was that this amount was deducted in prior years under not condoned by the State Tender Board for the 2001/02 and 2004/05 financial years. These amounts were for condonation by the Accounting Officer

34. STATEMENT OF CONDITIONAL GRANTS PAID TO THE PROVINCES

NAME OF PROVINCE / GRANT	GRANT ALLOCATION				TRANSFER			SPENT			2011/12
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by department	Amount spent by department	% of available funds spent by department	Division of Revenue Act
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000
National Tertiary Services											
Eastern Cape	743 621	-	-	743 621	743 621	-	-	743 621	774 091	104%	682 445
Free State	849 661	-	-	849 661	849 661	-	-	849 661	849 636	100%	786 724
Gauteng	3 305 931	-	-	3 305 931	3 305 931	-	-	3 305 931	3 305 810	100%	3 044 567
KwaZulu/Natal	1 415 731	-	-	1 415 731	1 415 731	-	-	1 415 731	1 415 743	100%	1 323 114
Limpopo	305 732	-	-	305 732	305 732	-	-	305 732	303 916	99%	288 427
Mpumalanga	91 879	-	-	91 879	91 879	-	-	91 879	80 736	88%	91 879
Northern Cape	282 618	-	-	282 618	282 618	-	-	282 618	282 616	100%	266 621
North West	224 470	-	-	224 470	224 470	-	-	224 470	243 385	108%	211 765
Western Cape	2 400 714	-	-	2 400 714	2 400 714	-	-	2 400 714	2 400 714	100%	2 182 468
Comprehensive HIV and AIDS											
Eastern Cape	1 273 296	-	-	1 273 296	1 273 296	-	-	1 273 296	1299 292	102%	1 060 852
Free State	742 984	-	-	742 984	742 984	-	-	742 984	699 554	94%	615 160
Gauteng	2 258 483	-	-	2 258 483	2 258 483	-	-	2 258 483	2 258 483	100%	1 901 293
KwaZulu/Natal	2 652 072	-	-	2 652 072	2 652 072	-	-	2 652 072	2 651 997	100%	2 225 423
Limpopo	861 143	-	-	861 143	861 143	-	-	861 143	860 671	100%	713 432
Mpumalanga	690 591	-	-	690 591	690 591	-	-	690 591	690 591	100%	575 032
Northern Cape	302 468	-	-	302 468	302 468	-	-	302 468	302 259	100%	248 372
North West	825 302	-	-	825 302	825 302	-	-	825 302	825 302	100%	685 204
Western Cape	927 547	-	-	927 547	927 547	-	-	927 547	927 547	100%	738 080

NAME OF PROVINCE / GRANT	GRANT ALLOCATION				TRANSFER			SPENT			2011/12
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by department	Amount spent by department	% of available funds spent by department	Division of Revenue Act
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000
Hospital Revitalisation											
Eastern Cape	336 719	-	-	336 719	336 719	-	-	336 719	347 738	103%	402 679
Free State	469 470	-	-	469 470	469 470	-	-	469 470	374 517	80%	638 384
Gauteng	677 371	-	-	677 371	677 371	-	-	677 371	412 083	61%	795 439
KwaZulu/Natal	560 104	-	-	560 104	560 104	-	-	560 104	560 115	100%	586 605
Limpopo	230 211	-	-	230 211	230 211	-	-	230 211	104 081	45%	301 193
Mpumalanga	225 000	-	-	225 000	225 000	-	-	225 000	254 784	113%	300 000
Northern Cape	331 274	-	-	331 274	331 274	-	-	331 274	378 839	114%	346 083
North West	428 258	-	-	428 258	428 258	-	-	428 258	361 664	84%	423 127
Western Cape	493 526	-	-	493 526	493 526	-	-	493 526	517 814	105%	496 085
Proffesional Training and Development											
Eastern Cape	188 560	-	-	188 560	188 560	-	-	188 560	186 435	99%	177 802
Free State	138 131	-	-	138 131	138 131	-	-	138 131	138 029	100%	130 930
Gauteng	765 202	-	-	765 202	765 202	-	-	765 202	765 202	100%	725 310
KwaZulu/Natal	276 262	-	-	276 262	276 262	-	-	276 262	276 262	100%	261 860
Limpopo	109 628	-	-	109 628	109 628	-	-	109 628	110 584	101%	103 913
Mpumalanga	89 894	-	-	89 894	89 894	-	-	89 894	89 885	100%	85 208
Northern Cape	72 356	-	-	72 356	72 356	-	-	72 356	77 395	107%	68 583
North West	98 666	-	-	98 666	98 666	-	-	98 666	98 666	100%	93 522
Western Cape	451 667	-	-	451 667	451 667	-	-	451 667	451 667	100%	428 120

NAME OF PROVINCE / GRANT	GRANT ALLOCATION				TRANSFER			SPENT			2011/13
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by department	Amount spent by department	% of available funds spent by department	Division of Revenue Act
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000
Health Infrastructure Component											
Eastern Cape	216 816	-	-	216 816	216 816	-	-	216 816	209 303	97%	258 862
Free State	67 250	-	-	67 250	67 250	-	-	67 250	78 763	117%	139 073
Gauteng	86 816	-	-	86 816	86 816	-	-	86 816	55 413	64%	110 361
KwaZulu/Natal	373 969	-	110 062	484 031	484 031	-	-	484 031	484 451	100%	573 367
Limpopo	211 961	-	-	211 961	211 961	-	-	211 961	122 134	58%	267 888
Mpumalanga	58 509	-	212	58 721	58 721	-	-	58 721	49 531	84%	108 971
Northern Cape	90 154	-	57 000	147 154	147 154	-	-	147 154	71 660	49%	98 258
North West	67 863	-	-	67 863	67 863	-	-	67 863	152 003	224%	112 790
Western Cape	122 296	-	-	122 296	122 296	-	-	122 296	92 131	75%	131 411
National Health Insurance											
Eastern Cape	4 850	-	-	4 850	4 850	-	-	4 850	5 941	122%	11 500
Free State	4 850	-	-	4 850	4 850	-	-	4 850	4 871	100%	16 500
Gauteng	4 850	-	-	4 850	4 850	-	-	4 850	13 559	280%	31 500
KwaZulu/Natal	9 700	-	-	9 700	9 700	-	-	9 700	15 520	160%	33 000
Limpopo	4 850	-	-	4 850	4 850	-	-	4 850	9 217	190%	11 500
Mpumalanga	4 850	-	-	4 850	4 850	-	-	4 850	3 739	77%	11 500
Northern Cape	4 850	-	-	4 850	4 850	-	-	4 850	6 528	135%	11 500
North West	4 850	-	-	4 850	4 850	-	-	4 850	6 874	142%	11 500
Western Cape	4 850	-	2 453	7 303	7 303	-	-	7 303	5 365	73%	11 500

NAME OF PROVINCE / GRANT	GRANT ALLOCATION				TRANSFER			SPENT			2011/13
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by department	Amount spent by department	% of available funds spent by department	Division of Revenue Act
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000
Nursing College and School											
Eastern Cape	9 257	-	-	9 257	9 257	-	-	9 257	11 704	126%	14 660
Free State	2 242	-	-	2 242	2 242	-	-	2 242	1 143	51%	9 160
Gauteng	6 846	-	-	6 846	6 846	-	-	6 846	6 303	92%	12 480
KwaZulu/Natal	28 396	-	-	28 396	28 396	-	-	28 396	27 963	98%	16 480
Limpopo	15 270	-	-	15 270	15 270	-	-	15 270	6 925	45%	12 400
Mpumalanga	-	-	-	-	-	-	-	-	-		9 740
Northern Cape	-	-	-	-	-	-	-	-	2 453		6 080
North West	-	-	-	-	-	-	-	-	-		8 680
Western Cape	13 964	-	-	13 964	13 964	-	-	13 964	3 942	28%	10 320
African Cup of Nations											
Eastern Cape	-	-	-	-	-	-	-	-	-	-	3 000
Free State	-	-	-	-	-	-	-	-	-	-	-
Gauteng	-	-	-	-	-	-	-	-	-	-	3 000
KwaZulu/Natal	-	-	-	-	-	-	-	-	-	-	3 000
Limpopo	-	-	-	-	-	-	-	-	-	-	-
Mpumalanga	-	-	-	-	-	-	-	-	-	-	3 000
Northern Cape	-	-	-	-	-	-	-	-	-	-	-
North West	-	-	-	-	-	-	-	-	-	-	3 000
Western Cape	-	-	-	-	-	-	-	-	-	-	-
	27 516 651	**-**	**169 727**	**27 686 378**	**27 686 378**	**-**	**-**	**27 686 378**	**27 125 539**		**26 071 682**

National Health certifies that all transfers were deposited into the primary bank account of the province or where applicable into the CPD account of the province.

Vote 16
Annexures to the Annual Financial Statements
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ANNEXURE 1A

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

	TRANSFER ALLOCATION				TRANSFER		2012/13
DEPARTMENT/ AGENCY/ ACCOUNT	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Compensation Fund	3 062	-	-	3 062	3 062	100%	2 916
Medical Research Council	419 460	-	-	419 460	419 460	100%	283 863
Medical Schemes Council	4 525	-	-	4 525	4 525	100%	4 310
National Health Laboratory Services	105 536	-	-	105 536	105 536	100%	84 640
National Health Laboratory Services (Cancer Register)	-	-	-	-	-		462
Service Sector Education and Training Authority	1 326	-	-	1 326	1 309	99%	479
Human Science Research Council	-	-	-	-	-		7 000
Council for Science and Industrial Research	-	-	-	-	-		4 041
SA Medical Research Council	-	-	-	-	-		5 000
South African National AIDS Council	-	10 951	15 000	25 951	25 951	100%	-
	533 909	**10 951**	**15 000**	**559 860**	**559 843**		**392 711**

ANNEXURE 1B: STATEMENT OF TRANSFERS TO UNIVERSITIES AND TECHNIKONS

	TRANSFER ALLOCATION				TRANSFER			2011/12
UNIVERSITY/TECHNIKON	Adjusted Appropriation R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	Amount not transferred R'000	% of Available funds Transferred %	Appropriation Act R'000
University of Limpopo (MEDUNSA)	2 000	-	-	2 000	-	2 000		4 000
University of Cape Town	1 000	-	-	1 000	-	1 000		4 000
University of Witwatersrand	-	-	-	-	-	-		9 000
Walter Sisulu University	-	4 000	-	4 000	4 000	-		-
University of Stellenbosch	-	-	-	-	-	-		4 000
	3 000	**4 000**	**-**	**7 000**	**4 000**	**3 000**		**21 000**

ANNEXURE 1C : STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPORATION/ PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2012/13
	Adjusted appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds transferred R'000	Capital R'000	Current R'000	Appropriation Act R'000
Private Enterprises									
Transfers									
Topco media – Top Womens Award	-	-	-	-	-		-	-	40
TOTAL	**-**	**-**	**-**	**-**	**-**		**-**	**-**	**40**

ANNEXURE 1D: STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2012/13
	Adjusted Appropriation Act	Roll overs	Adjustments	Total Availa-ble	Actual Transfer	% of Available funds transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
Health Systems Trust	10 252	-	-	10 252	10 252	100%	8 252
Life Line	18 308	-	-	18 308	18 308	100%	17 627
Love Life	70 430	-	-	70 430	70 430	100%	66 124
SA Council for the Blind	684	-	-	684	684	100%	651
Soul City	22 820	-	-	22 820	22 820	100%	13 876
South African Aids Vaccine Institute	-	-	-	-	-		12 977
South African Community Epidemiology Network on Drug Abuse	428	-	-	428	428	100%	351
South African Federation for Mental Health	305	-	-	305	305	100%	290
Health Promotion: NGO: National Council against Smoking	5 000	-	-	5 000	5 000	100%	293
Maternal, Child and Woman's Health: NGO	1 343	-	-	1 343	-		-
Mental Health and Substance Abuse: NGO	173	-	-	173	169	98%	-
HIER: NGO: Health Information System Programme	5 000	-	-	5 000	4 979	100%	4 600
Non-Communicable Diseases NGO	100	-	-	100	100	100%	1 100
Health Facilities and Infrastructure Management	-	-	-	-	-		1 326
District Services and Environmental Health	100	-	-	100	100	100%	844
HIV and AIDS: NGO's	76 115	-	-	76 115	-		-
National Institute Community Development and Management	-	-	-	-	4 344		1 500

ANNEXURE 1D: STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2012/13
	Adjusted Appropriation Act	Roll overs	Adjustments	Total Availa-ble	Actual Transfer	% of Available funds transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Community Responsiveness Program	-	-	-	-	902		1 500
Ukhamba Projects	-	-	-	-	2 200		3 193
Community Media Trust	-	-	-	-	2 100		2 000
Friends for Life	-	-	-	-	1 805		1 506
South African Catholic Bishop's Conference	-	-	-	-	1 400		1 530
Zakheni Training and Development	-	-	-	-	3 550		3 000
Leseding Care Givers	-	-	-	-	3 312		3 700
Leandra Community Centre	-	-	-	-	3 521		1 942
Ikusasa Le Sizwe Community	-	-	-	-	2 324		1 920
Get Down Productions	-	-	-	-	4 562		1 382
Highveld East Aids Project Support	-	-	-	-	6 367		4 906
ESSA Christian Aids Programme	-	-	-	-	2 800		2 260
COTLANDS	-	-	-	-	2 857		2 200
Seboka Training & Support Network	-	-	-	-	2 287		2 000
The AIDS Response Trust	-	-	-	-	-		1 588
CATCHA Winterveldt Office	-	-	-	-	-		2 000
Muslim Aids Programme	-	-	-	-	-		1 450
Johannesburg Society for the Blind	-	-	-	-	-		700
Tshwaraganang	-	-	-	-	-		2 340
Network AIDS Community of South Africa	-	-	-	-	2 146		1 500
National Lesbian, Gay, Bisexual, Transsexual and Inter-sexual Health	-	-	-	-	3 385		1 118
Centre for Positive Care	-	-	-	-	2 400		2 000
South African Men's Action Group	-	-	-	-	1 000		600

ANNEXURE 1D: STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2012/13
	Adjusted Appropriation Act	Roll overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	Appropria-tion Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Educational Support Service Trust	-	-	-	-	3 650		3 072
Moretele Sunrise Hospice	-	-	-	-	1 700		3 000
The Tshepang Trust	-	-	-	-	-		2 404
Alliance Against HIV/AIDS	-	-	-	-	1 585		1 200
The AIDS Consortium	-	-	-	-	-		800
Disabled People South Africa	-	-	-	-	-		1 000
The Training Institute for Primary Health Care	-	-	-	-	1 750		1 500
BOKAMOSO	-	-	-	-	875		1 500
HIV/AIDS Prevention Work Group	-	-	-	-	-		1 062
Humana People to People	-	-	-	-	800		1 300
South African Organisation for Prevention of HIV/AIDS	-	-	-	-	-		3 230
Community Development Foundation of South Africa	-	-	-	-	1 180		-
The Greater Nelspruit Rape Intervention Programme	-	-	-	-	1 094		-
St Joseph Care Centre – Sizanani	-	-	-	-	750		-
Boithuti Lesedi Project	-	-	-	-	1 500		-
Get Ready	-	-	-	-	1 300		-
Mpilonhle	-	-	-	-	1 350		-
Poverty Alleviation Support for People living with AIDS	-	-	-	-	500		-
Agri AIDS SA NPC	-	-	-	-	1 283		
Hospice Palliative Care Association	-	-	-	-	1 700		-
Wellness Foundation	-	-	-	-	1 800		-
TOTAL	**211 058**	**-**	**-**	**211 058**	**209 654**		**196 214**

ANNEXURE 1E: STATEMENT OF TRANSFERS TO HOUSEHOLDS

	TRANSFER ALLOCATION				EXPENDITURE		2012/13
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act
HOUSEHOLDS	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
Leave Gratuity	-	-	-	-	1 442		1 113
Refund and Remission – Act of Grace	-	-	-	-	19		7
Donation to Albinism Society of South Africa	-	-	-	-	50		-
TOTAL	**-**	**-**	**-**	**-**	**1 511**		**1 120**

ANNEXURE 1F : STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2013/14 R'000	2012/13 R'000
Received in kind			
AU-IBAR-PAN-SPSO	Travel and subsistence related	16	-
Bill and Melinda Gates Foundation	Travel and subsistence related	40	63
Bloomberg Philanthropies	Travel and subsistence related	86	-
Centre for Disease Control, Atlanta	Registration fees, Travel and Subsistence, Printing and training	-	25 398
United Nations Children Emergency Fund (UNICEF)	Travel and subsistence related	1 962	2 224
Atlantic Philantropies	Workshops	-	59
Cooperative Biological Engagement Program	Travel and subsistence related	-	35
Global Fund	Travel and subsistence related	-	1 289
Management Sciences for Health	Data capturers for Health and printing	-	160
Multilateral Initiative on Malaria and partners	Travel and subsistence related	-	78
NEPAD Agency	Travel and subsistence related	-	23
UNAIDS	Travel and subsistence related	82	14
African Development Bank	Travel and subsistence related	-	285
African Union Inter African Bureau for Animal Resources	Travel and subsistence related	-	21
African Union, Commission and Partners	Travel and subsistence related / Conference	10 900	-
African World Bank	Travel and subsistence related	82	-
Bank Health Result Trust	Travel and subsistence related	-	13
Board of Healthcare Funders	Travel and subsistence related	-	26
CABRI	Travel and subsistence related	-	19
CARA	Procurement	31 872	-
Clinton Health Access Initiative	Travel and subsistence related	-	22
CoAG	Training / Workshop	66	-
Commonwealth Secretariat and Partners	Travel and subsistence related	23	-
Cuba Government	Travel and subsistence related	75	-

ANNEXURE 1F : STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2013/14 R'000	2012/13 R'000
Department of International Development (DFID)	Registration fees and Road shows / training / workshops	913	563
DIA	Travel and subsistence related	-	20
EU	Printing and training	-	3 673
European and Development Countries Clinical Trials Partnership	Conference	80	-
Dream Foundation	Travel and subsistence related	-	15
Drug Enforcement Administration	Travel and subsistence related	77	-
DRS/DPC/AFRO	Travel and subsistence related	29	-
FDA	Travel and subsistence related	-	127
Food Agriculture Organisation	Meeting	41	-
Foundation for Professional FDP	Training	48	-
Futuresgroup (London)	Travel and subsistence related	-	97
GAIN	Travel and subsistence related	-	13
GAVI	Travel and subsistence related	-	129
Gates Foundation	Meeting	74	-
Harvard University	Travel and subsistence related	-	106
Harvard Global Fund	Conference	56	-
Health System Trust	Travel and subsistence related	63	-
Informa Life Science	Travel and subsistence related	45	-
International Atomic Energy Agency	Travel and subsistence related	145	107
International Association for Child/Adolescent Psychiatry and Allied Profession	21st World Congress	100	-
International Association for Dental Research	Training / Workshop	22	-
International Baby Food Action Network	Workshops	18	-
International Centre for AIDS and Treatment Programme	Meeting	18	-
International Office of Migration	Travel and subsistence related	-	123

ANNEXURE 1F : STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2013/14 R'000	2012/13 R'000
International Training and Education Centre for Health SA (ITEC)	Travel and subsistence related	1 400	181
IABP Africa / WHO AFRO	Workshops	38	-
ITECH	Training / Workshops	156	-
John Snow Incorporation	Workshops	36	-
John Hopkins Health and Education in SA – JHHESA	Training / Workshops	368	-
Lily South Africa	Training / Workshop	173	-
MACAO SAR Government	Travel and subsistence related	-	42
NIAID	Workshops	82	-
NORVATIS	Travel and subsistence related	-	22
Various Pharmaceutical Organisations	Travel and subsistence related	-	517
PANGAEA	Training / Workshop	35	-
PATH	Meeting	52	-
PRIME	Travel and subsistence related	-	33
RMCH	Travel and subsistence related	-	400
PHSDSBC	Conference	86	-
Public Service Coordinating Bargaining Council	Meeting	90	-

ANNEXURE 1F : STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2013/14 R'000	2012/13 R'000
Rockefeller Foundation	Travel and subsistence related	188	17
Roll Back Malaria Secretariat	Travel and subsistence related	-	9
Rwanda Biomedical Centre	Travel and subsistence related	44	-
SABIN Vaccine Institute	Meeting	68	-
SANC/International Training and Education Centre	Training / Workshop	46	-
South African Development Countries	Travel and subsistence related	8	27
South African Development Cooperation	Meeting	88	-
South Africa Regional Network	Travel and subsistence related	13	-
Sanofi Pasteur	Travel and subsistence related	-	82
Secretariat of the Stockholm Convention	Travel and subsistence related	-	23
Sector Education Training Agency	Registration	19	-
Sexual HIV Prevention Programme	Meeting	247	-
SHIPP	Travel and subsistence related	395	-
SIDA	Travel and subsistence related	31	36
Siron, Colgate – Palmolive and Istrodent (Pty)	Travel and subsistence related	128	-
Tapei Liaison Officer	Travel and subsistence related	-	36
The Centre for Tobacco Control in Africa	Workshops	33	-
Track 20	Travel and subsistence related	37	-

ANNEXURE 1F : STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2013/14 R'000	2012/13 R'000
United Nations Standing Committee on Nutrition	Registration	85	-
University Research Corporation	Travel and subsistence related	80	-
UNFPA	Travel and subsistence related	77	-
UNFPA / WHO	Workshops	64	-
US President Malaria Initiative	Travel and subsistence related	-	36
US Agency for International Development	Travel and subsistence related	14	160
US Department of Health and Human Sciences	Travel and subsistence related	-	28
VODACOM	Improving the visibility of medicine	3 600	-
World Health Organisation	Travel and subsistence related	3 966	2 675
World Bank	Travel and subsistence related	-	18
Yale University	Travel and subsistence related	-	40
TOTAL		**58 680**	**39 084**

ANNEXURE 1G: STATEMENT OF AID ASSISTANCE RECEIVED

NAME OF DONOR	PURPOSE	OPENING BALANCE R'000	REVENUE R'000	EXPENDITURE R'000	CLOSING BALANCE R'000
AU-IBAR PAN-SPSO	Travel and subsistence related	-	16	16	-
Bill and Melinda Gates Foundation	Travel and subsistence related	-	40	40	-
Bloomberg Philanthropies	Travel and subsistence related	-	86	86	-
United Nations Children Emergency Fund (UNICEF)	Travel and subsistence related	-	1 962	1 962	-
UNAIDS	Travel and subsistence related	-	82	82	-
African Union, Commission and Partners	Travel and subsistence related / Conference	-	10 900	10 900	-
African World Bank	Travel and subsistence related	-	82	82	-
CARA	Procurement	-	31 872	31 872	-
CoAG	Training / Workshop	-	66	66	-
Commonwealth Secretariat and Partners	Travel and subsistence related	-	23	23	-
Cuba Government	Travel and subsistence related	-	75	75	-
Department of International Development	Registration fees and road shows/ training/workshop	-	913	913	-
European and Development Countries Clinical Trials Partnership	Conference	-	80	80	-
Drug Enforcement Administration	Travel and subsistence related	-	77	77	-
DRS/DPC/AFRO	Travel and subsistence related	-	29	29	-
Food Agriculture Organisation	Meeting	-	41	41	-
Foundation for Professional FDP	Training	-	48	48	-
Gates Foundation	Meeting	-	74	74	-
Harvard Global Fund	Conference	-	56	56	-
Health System Trust	Travel and subsistence related	-	63	63	-

ANNEXURE 1G: STATEMENT OF AID ASSISTANCE RECEIVED

NAME OF DONOR	PURPOSE	OPENING BALANCE R'000	REVENUE R'000	EXPENDITURE R'000	CLOSING BALANCE R'000
Informa Life Science	Travel and subsistence related	-	45	45	-
International Atomic Energy Agency	Travel and subsistence related	-	145	145	-
International Association for Child/Adolescent Psychiatry and Allied Profession	21st World Congress	-	100	100	-
International Association for Dental	Training / Workshops	-	22	22	-
International Baby Food Action Network	Workshops	-	18	18	-
International Centre for AIDS and Treatment Programme	Meeting	-	18	18	-
International Training and Education Centre for Health SA (ITEC)	Travel and subsistence related	-	1 400	1 400	-
IABP Africa / WHO AFRO	Workshops	-	38	38	-
ITECH	Training / Workshops	-	156	156	-
John Snow Incorporation	Workshops	-	36	36	-
John Hopkins Health and Education in SA – JHHESA	Training / Workshops	-	368	368	-
Lily South Africa	Training / Workshops	-	173	173	-
NIAID	Workshops	-	82	82	-
PANGAEA	Training / Workshops	-	35	35	-
PATH	Meeting	-	52	52	-
PHSDSBC	Conference	-	86	86	-
Public Service Coordinating Bargaining Council	Meeting	-	90	90	-
Rockefeller Foundation	Travel and subsistence related	-	188	188	-
Rwanda Biomedical Centre	Travel and subsistence related	-	44	44	-
SABIN Vaccine Institute	Meeting	-	68	68	-
SANC / International Training and Education	Training / Workshop	-	46	46	-
South African Development Countries	Travel and subsistence related	-	8	8	-
South African Development Cooperation	Meeting	-	88	88	-

ANNEXURE 1G: STATEMENT OF AID ASSISTANCE RECEIVED

NAME OF DONOR	PURPOSE	OPENING BALANCE R'000	REVENUE R'000	EXPENDITURE R'000	CLOSING BALANCE R'000
Southern Africa Regional Network	Travel and subsistence related	-	13	13	-
Sector Education Training Agency	Registration	-	19	19	-
Sexual HIV Prevention Programme	Meeting	-	247	247	-
SHIPP	Travel and subsistence related	-	395	395	-
SIDA	Travel and subsistence related	-	31	31	-
Siron, Colgate – Palmolive and Istrodent (Pty)	Travel and subsistence related	-	128	128	-
The Centre for Tobacco Control in Africa	Workshops	-	33	33	-
Track 20	Travel and subsistence related	-	37	37	-
United Nations Standing Committee on Nutrition	Registration	-	85	85	-
University Research Corporation	Travel and subsistence related	-	80	80	-
UNFPA	Travel and subsistence related	-	77	77	-
UNFPA / WHO	Workshops	-	64	64	-
US Agency for International Development	Travel and subsistence related	-	14	14	-
VODACOM	Improving the visibility of medicine	-	3 600	3 600	-
World Health Organisation	Travel and subsistence related	-	3 966	3 966	-
TOTAL		**-**	**58 680**	**58 680**	**-**

ANNEXURE 1H STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE AND REMMISSIONS, REFUNDS AND PAYMENTS MADE AS AN ACT OF GRACE

NATURE OF GIFT, DONATION OR SPONSORSHIP (Group major categories but list material items including name of organisation	2013/14 R'000	2012/13 R'000
Remissions, refunds, and payments made as an act of grace		
Act of grace – funeral costs for an employee	-	7
Act of grace – transportation of an employee's remains	19	-
Subtotal	**19**	**7**
TOTAL	**19**	**7**

ANNEXURE 2A: STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2014 – LOCAL

Guarantor institution	Guarantee in respect of	Original guaran-teed capital amount	Opening balance 1 April 2013	Guarantees draw downs during the year	Guarantees repayments/ cancelled/ reduced/ released during the year	Re-valua-tions	Closing balance 31 March 2014	Guaranteed interest for year ended 31 March 2014	Realised losses not recovera-ble i.e. claims paid out
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
	Motor vehicles								
Stannic		-	101	-	101	-	-	-	-
	Subtotal	-	101	-	-	-	-	-	-
	Housing								
ABSA		56	83	-	83	-	-	-	-
First Rand Bank		250	256	-	35	-	221	-	-
Nedbank		154	166	-	54	-	112	-	-
BOE Bank Ltd (includes NBS)		87	72	-	-	-	72	-	-
Old Mutual (Nedbank/Permanent Bank)		31	59	-	59	-	-	-	-
Peoples Bank		17	-	-	-	-	-	-	-
Standard Bank		151	65	-	15	-	50	-	-
	Subtotal	**746**	**701**	**-**	**246**	**-**	**455**	**-**	**-**
								-	**-**
	TOTAL	**746**	**802**	**-**	**347**	**-**	**455**	**-**	**-**

ANNEXURE 2B: STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2014

Nature of Liability	Opening Balance 01/04/2011 R'000	Liabilities incurred during the year R'000	Liabilities paid / cancelled / reduced during the year R'000	Liabilities recoverable (Provide details hereunder) R'000	Closing Balance 31/03/2014 R'000
Claims against the department					
Mashiane P D vs Masilela R S and the Minister of Health	62	3	65	-	-
Ms G Khulong vs the Minister of Health and others	1 231	265	1 496	-	-
Mr A M Senne vs the Minister of Health	1 898	949	-	-	2 847
Mr D Gerber vs the Minister of Health	313	-	-	-	313
TECMED Pty Ltd and TECMED Africa vs the Minister, Director- General and Mr K Smith	16 000	-	-	-	16 000
Total	**19 504**	**1 217**	**1 561**	**-**	**19 160**

ANNEXURE 3: CLAIMS RECOVERABLE

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year 2013/2014	
	31/03/2014	31/03/2013	31/03/2014	31/03/2013	31/03/2014	31/03/2013	Receipt date up to six (6) working days after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
Departments								
Provincial Health: Eastern Cape	90	4 984	-	-	90	4 984		
Provincial Health: Gauteng	39	142	-	-	39	142		
Provincial Health: KwaZulu/Natal	49	2 215	-	-	49	2 215		
Provincial Health: Mpumalanga	-	2 071	-	-	-	2 071		
Provincial Health: Limpopo	-	2 279	-	-	-	2 279		
National Department of Foreign Affairs (DIRCO)	47	1 223	-	-	47	1 223		
Auditor-General	-	2	-	-	-	2		
Provincial Health and Social Services: Gauteng	52	329	-	-	52	329		
Provincial Health and Social Services: Mpumalanga	-	9	-	-	-	9		
Provincial Health: North West	78	690	-	-	78	690		
Provincial Health: Free State	-	187	-	-	-	187		
Provincial Health: Northern Cape	-	294	-	-	-	294		
National Department of Environmental Affairs	108	17	-	-	108	17		
South African Police Services	-	64	-	-	-	64		
Department of Cooperative Governance and Traditional Affairs	2	36	-	-	2	36		
Department of Rural Development and Land Reform	-	14	-	-	-	14		
Department of Rural Development	19	-	-	-	19	-		
GCIS	-	575	-	-	-	575		
South African Social Security Agency	37	-	-	-	37	-		
SANAC	98	95			98	95		
Office of the Premier of Mpmulanga	17	-			17	-		
Office of the Premier of Limpopo	235	-			235	-		
Subtotal	**871**	**15 226**	**-**	**-**	**871**	**15 226**		

Other Government Entities						
Centre for Disease Control	4 734	-	-	-	4 734	-
Global Fund	25 267	2 672	-	-	25 267	2 672
Canadian NGO	409	409	-	-	409	409
SANAC	1 280	-	-	-	1 280	-
Subtotal	**3 081**	**5 677**	**-**	**-**	**3 081**	**5 677**
TOTAL	**18 307**	**28 999**	**-**	**-**	**18 307**	**28 999**

ANNEXURE 4
INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL		Cash in transit at year 2013/2014	
							Receipt date up to six (6) working days after year end	Amount
	31/03/2014	31/03/2013	31/03/2014	31/03/2012	31/03/2014	31/03/2013		
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
DEPARTMENTS								
Current								
Provincial Health: Eastern Cape	3 003	3 846	86	-	3 089	3 846		
Provincial Health: Free State	10	-	-	-	10	-		
Provincial Health: KwaZulu/ Natal	1 640	-	-	-	1 640	-		
Provincial Health: Mpumalanga	8 771	-	-	-	8 771	-		
Provincial Health: Northern Cape	14 672	4 778	-	-	14 672	4 778		
Provincial Health: North West	8 095	-	-	-	8 095	-		
National Treasury	1 640	162 096	-	-	1 640	162 096		
Provincial Health: Gauteng	202	420	-	-	202	420		
Provincial Health: Limpopo	14 501	-	-	-	14 501	-		
Department of Public Works	-	-	-	1 362	-	1 362		
Department of Justice and Constitutional Development		-	-	4 477	-	4 477		
Department of Government Communication and Information System		-	-	23 153	-	23 153		
The Presidency		-	-	22	-	22		
Department of Trade and Industry	-	-	33	-	33	-		
Subtotal	**52 534**	**171 140**	**119**	**29 014**	**52 653**	**200 154**		
Total	**52 534**	**171 140**	**119**	**29 014**	**52 653**	**200 154**		

ANNEXURE 5

INVENTORY

Inventory	Note	2013/14		2012/13	
		Quantity	R'000	Quantity	R'000
Opening balance		2 716 382	9 000	2 400 355	14 103
Add/(Less): Adjustments to prior year balances		2 195	56	831 136	2 050
Add/(Less): Additions/Purchases – Cash		34 615 036	425 081	2 811 846	221 168
Add: Additions – Non-cash		121 381	(27)	1 878	2
(Less): Disposals		(20)	-	(2 937)	(318)
(Less): Issues		(35 419 785)	(456 727)	(2 799 866)	(224 216)
Add/(Less): Adjustments		(1 290 061)	32 981	(526 030)	(3 789)
Closing balance		**745 128**	**10 364**	**2 716 382**	**9 000**

Restate the opening balance of 2012/13 from 14 013 to 14 103 in order to balance with the closing balance of 9 000.

ANNEXURE 6A

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2013

	Opening Balance R'000	Current Year Capital WIP R'000	Completed Assets R'000	Closing Balance R'000
BUILDING AND OTHER FIXED STRUCTURE	-	**113 726**	-	**113 726**
Other fixed Structure	-	113 726	-	113 726
Total	-	**113 726**	-	**113 726**

ANNEXURE 7A
INTER-ENTITY ADVANCES PAID (note 10)

	Confirmed balance		Unconfirmed balance		Total	
	31/03/2014	31/03/2013	31/03/2014	31/03/2013	31/03/2014	31/03/2013
	R'000	R'000	R'000	R'000	R'000	R'000
NATIONAL DEPARTMENTS						
Government Communication Information System	13 395	22 578	-	-	13 395	22 578
DIRCO	3 370	3 577	-	-	3 370	3 577
Provincial Government of Western Cape	4 250	-	-	-	4 250	-
Sub-Total	**21 015**	**26 155**	**-**	**-**	**21 015**	**26 155**
OTHER INSTITUTIONS						
CPI	**1 000**	**-**	**-**	**-**	**1 000**	**-**
Subtotal	**1 000**	**-**	**-**	**-**	**1 000**	**-**
TOTAL	**22 015**	**26 155**	**-**	**-**	**22 015**	**26 155**

Vote 16
Annexures to the Annual Financial Statements
for the year ended 31 March 2014

ANNEXURE 7B

INTER-ENTITY ADVANCES RECEIVED (note 14)

	Confirmed balance		Unconfirmed balance		Total	
	31/03/2014	31/03/2013	31/03/2014	31/03/2013	31/03/2014	31/03/2013
	R'000	R'000	R'000	R'000	R'000	R'000
NATIONAL DEPARTMENTS						
Current						
National Treasury	1 640	147 281	-	-	1 640	147 281
Subtotal	**1 640**	**147 281**	**-**	**-**	**1 640**	**147 281**
PROVINCIAL DEPARTMENTS						
Current						
Provincial Health: Eastern Cape	7 016	3 846	-	-	7 016	3 846
Provincial Health: Free State	10	-	-	-	10	-
Provincial Health: Gauteng Province	202	420	-	-	202	420
Provincial Health: North West	8 095	14 815	-	-	8 095	14 815
Provincial Health: Northern Cape	14 672	4 778	-	-	14 672	4 778
Provincial Health: Mpumalanga	8 771	-	-	-	8 771	-
Provincial Health: KwaZulu/Natal	1 640	-	-	-	1 640	-
Provincial Health: Limpopo	14 501	-	-	-	14 051	-
Subtotal	**54 907**	**23 859**	**-**	**-**	**54 907**	**23 859**
OTHER INSTITUTIONS						
Current						
Ukhamba Projects (NGO)	-	1 598	-	-	-	1 598
Hearth and Stroke Foundation	5 000	-	-	-	5 000	
Mustek Electronics	29 774	-	-	-	29 774	
PriceWaterHouse Coopers	3 268	-	-	-	3 268	
SA National Council	684	-	-	-	684	
Subtotal	**38 726**	**1 598**	**-**	**-**	**38 726**	**1 598**
TOTAL	**95 273**	**172 738**	**-**	**-**	**95 273**	**172 738**