ANNUAL REPORT 2007/8

Western Cape Provincial Government

DEPARTMENT OF HEALTH

INDEX

PART 1: GENERAL INFORMATION

1.1 Submission of the Annual Report to the executive authority

Verwysing
Reference 13/3/1
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Minister M Fransman
Minister of Health

In accordance with section 40(1)(d) of the Public Finance Management Act, 1999; the Public Service Act, 1994 (as amended) and the National Treasury Regulations (NTR), I hereby submit the Department of Health's Annual Report for the 2007/08 financial year.

Please note in terms of section 65(1)(a) of the Public Finance Management Act, 1999 the MEC is required to table the report in the Provincial Legislature by 30 September 2008.

PROF KC HOUSEHAM
HEAD: HEALTH

Date: 13.8.2008

1.2 Introduction

The 2007/08 financial year was once again both a challenging and successful period for the Department of Health. Minister Pierre Uys approved the Comprehensive Service Plan in May 2007. This Plan gives effect to the Healthcare 2010 strategy and guides the activities of the Department of Health. The Department aims to deliver an improved, quality health service, closer to communities and within the allocated budget.

Rural primary health care services were successfully transferred from local government not withstanding challenges regarding the transfer of immovable assets.

The provincialisation of tuberculosis hospitals previously managed by either the South African National Tuberculosis Association (SANTA) and/or local authorities are complete.

Various specific policy options outlined in this report contributed to the increase of service delivery to those communities dependent on government for health services. Overall the various indicators reflected in this Annual Report show that the Department delivered on the planned levels of service delivery during the past financial year.

1.3 Policy decisions and strategic issues

In addition to legislation, the imperatives that provide the overarching framework for the Provincial Department of Health are the Millennium Development Goals and the National Health System Priorities.

The Millennium Development Goals of particular relevance to Health are:

- Reduce the under-five mortality rate by two-thirds between 1990 and 2015.
- Improve maternal health by reducing the maternal mortality rate.
- By 2015 to have halted and begun to reverse the spread of HIV and AIDS, malaria and other diseases.

The National Health System Priorities for 2007/08 were:

- Develop service transformation plans.
- Strengthen human resources.
- Strengthen physical infrastructure.
- Improve quality of care.
- Strengthen strategic health programmes (accelerated HIV prevention; implement a TB crisis management plan and strengthen maternal, child and women's health and nutrition by implementing the Reach Every District (RED) Strategy and the recommendations of the Saving Mothers: Third Report on Confidential Enquiries into Maternal Deaths in South Africa 2002 – 2004).

The National Health Act, 2003 (Act 61 of 2003) ("the Act"), was partially proclaimed on 2 May 2005 with section 11, Chapter 6 (Health establishments and issues relating to the certificate of need), sections 50 and 51, Chapter 8 (control of the use of blood, blood products, tissue and gametes in humans), section 71, and parts of Chapters 10 and 12 that still need to be proclaimed. Some of the regulations that support the Act have been promulgated while others were drafted and circulated for comment but have not yet been finalised by the National Department of Health.

In terms of the Act new governance structures such as the Provincial Health Council, District Health Councils and a consultative forum must be established. The Provincial Health Council has been established and is operational. The Department has drafted the Western Cape District Health Councils Bill to regulate inter alia the functioning of the District Health Councils and the approval by the provincial Minister and the municipal council of the detailed budget and performance targets for health services in the health district to which both the provincial and municipal spheres of government must contribute. The District Health Councils will be established once this legislation has been promulgated.

1.4 Progress

A brief summary of the achievements of each of the budget programmes are provided below.

Programme 1 (Administration)

This program supports the objectives of the Comprehensive Service Plan accompanied by an approved Human Resources and Financial Plan of the Department.

The commencement of the implementation of the Comprehensive Service Plan (CSP) was driven and monitored by an Implementation Task Team chaired by the Head of Department and which met every two weeks during the year. Key tasks with timeframes and responsible managers were identified in key events schedules and combined in an overall master plan. Some of the issues addressed include:

- Extensive preparatory work to facilitate the implementation of the District Health System. The posts of district managers in the rural areas and substructure managers in the Metro were advertised and incumbents appointed early in the 2008/09 financial year.
- Funds were allocated to appoint permanent district and sub-district co-coordinators for the delivery of home-based care services.
- Detailed preparatory work to enable the separation of level 2 and level 3 services in order to strengthen level 2 services and alleviate the pressure on level 3 services.
- From 2007/08 GF Jooste, Karl Bremer and Helderberg Hospitals were transferred from sub-programme 4.1 to sub-programme 2.9 and the beds in these hospitals were designated as level 1 beds in line with the CSP.

The Provincial Department of Transport and Public Works hosted the first Kamoso Awards to highlight the achievements of various departments, municipalities and sectors currently implementing the Expanded Public Works Programme. The Department of Health received the award for the Best Performing Department within the Social Sector for the training of community home-based carers, which was showcased as the best project within the sector.

The Staff Performance Management System remains a challenge due to the lack of uniform norms and standards.

Communication with internal and external stakeholders was addressed and improved upon. Uniformity of messaging has improved through greater coordination between central, peripheral functions and Health promotions. The language unit comprising of language practitioners for Xhosa and Afrikaans is now fully staffed to ensure that the provincial language policy is implemented and adhered to. The Department in collaboration with the Department of Arts, Culture and Sports has embarked on a Language Status Survey to determine the extent for the need for interpreters throughout state health facilities in the Province.

Programme 2 (District Health Services)

District Health Services has demonstrated significant achievements for the financial year 2007/08. The strengthening of systems and programmes has secured very real improvements in the health of people in the Province. Challenges remain, but with continuing commitment to the process of improvement the Department hopes to continue to meet these challenges in the coming year.

<u>Implementation of the District Health System</u>

During the period 2005 to 2007 the Western Cape Provincial Department of Health managed the transfer of personal primary health care services, previously provided by municipalities in the five rural district areas, from the municipalities to the Province. The Department has successfully managed to transfer 545 local government staff members to the provincial staff establishment in the rural districts.

The Department has embarked on the review of existing legislation that relates to it as part of the Legislative Review Project of the Western Cape Provincial Government, with the view to amend or repeal redundant or outdated legislation. Bills repealing the redundant Hospital Ordinance 80 of 1946 and Ambulance Transfer and Pensions Ordinance 11 of 1955, are currently before the Provincial Parliament for consideration as a consequence of this project.

Key for the Department was the approval of the Comprehensive Service Plan (CSP) for implementation by the Provincial Minister of Health on 11 May 2007. This is the Western Cape's Service Transformation Plan.

Due to the overall financial pressure on the Department and the need to prioritise primary and secondary levels of care, the decision was made to reduce the equitable share allocation of funds to Programme 5 and to close 90 beds at Groote Schuur Hospital and 30 at Tygerberg Hospital. Due to effective management and additional funds received in the Adjusted Estimates, 28 of those beds were re-opened before the end of the financial year.

As a result of the provisions of the Health Act (of 2003), read together with the provisions of the Municipal Finance Management Act (56 of 2003) and the Municipal Structures Act (117 of 1998 as amended), the Department of Health assumed financial responsibility for the provision of personal primary health care (PPHC) in the rural areas from the municipalities, which had previously been responsible for the provision of these services, from 1 April 2005. The process of transferring staff and assets was completed during 2007/08. A final decision with respect to the assumption of responsibility for PPHC in the Metro is still to be made.

The Department received additional funding in 2007/08 for the implementation of the health professions remuneration review for nursing staff to improve the recruitment and retention of health professionals. The occupational specific dispensation (OSD) for nurses was implemented with effect from 1 July 2007, however, insufficient funds were allocated by National Treasury to address the full cost of implementation resulting in a shortfall of more than R150 million.

Provision was made to appoint an additional 100 interns to accommodate the change in the internship programme from one to two years. The Department appointed 276 community service nurses with effect from 1 January 2008.

The strengthening of Emergency Medical Services remained a priority during 2007/08. Funding was allocated for additional personnel to continue to develop the computer aided communications system and to purchase new ambulances. The introduction of the computer aided communication system facilitated the capture of detailed information that will assist management to identify bottlenecks or inefficiencies in the system in order to address the goal of reducing response times. The increased workload on the service is illustrated by the 33% increase in the number of incidents logged from January 2005 to September 2007.

The Department initiated a project to define the components of the burden of disease in the Province and to provide evidence-based recommendations as to how these could be reduced. The aim is to focus on inter-sectoral collaboration and the determinants of disease, particularly the upstream factors, in order to build and sustain a healthy society. A two-day workshop on the findings was held in June 2007 and a report of the first phase of the study was published.

The CSIR undertook a situational analysis regarding facility maintenance and made recommendations for improvements, which are being evaluated.

The Department is participating in the Infrastructure Development Improvement Programme (IDIP). The Provincial Minister and the Head of Department have approved an IDIP business case. Treasury has appointed a technical advisor to the Department to determine the capacity requirements of the Department to implement the IDIP.

The CSP provides a clear framework for the implementation of the District Health System in the Western Cape. This has paved the way for the formalisation of the six district management structures (Cape Metro, West Coast, Cape Winelands, Overberg, Eden and Central Karoo) during the 2008/09 financial year.

Primary health care services

During 2007/08 over 13 million people used primary health care services at 450 facilities throughout the Province, an increase of 8.1% from the previous year. Within this year also, the successful introduction of the Primary Health Care Information System (PHCIS) began. The system allows for each registered patient to have a unique identification number linked to hospitals throughout the Province. At the end of the financial year, more than 1 million patients were registered on the system. Reports have also shown that the waiting time has been significantly reduced in those facilities in which it has been implemented. In the next financial year, the Division: District Health Services and Programmes intends to roll out this initiative to more rural facilities.

The Department received a silver medal at the Premier's Annual Excellence Award ceremony for the implementation of the Primary Health Care Information System (PHCIS) at community health centres.

Community based services

Community based services have been expanded and improved through the implementation of a new integrated model for home-based, palliative, and step-down care. During 2007/08, there were 1,343 non-profit organisation home-based carers who provided a service to 16,823 clients.

Management of chronic diseases

In an effort to improve chronic disease management and to reduce waiting times, the Chronic Dispensing Unit (CDU) supplies pre-packaged medications to clients through alternative supply systems The number of patients receiving medication through this alternative supply system has increased markedly from 336,662 in 2006/07 to 1,420,500, in 2007/08.

Minister Pierre Uys handed over the millionth patient medicine parcel to a patient at the Lotus River Community Health Centre on 31 January 2008. At the end of the financial year the CDU served 41 community health centres and dispensed medication to over 83,000 stable chronic patients each month. This service will be extended to additional clinics including rural facilities.

District hospital services

Overall, there has been an increase in people using level 1 hospital services (separations, day cases and patient day equivalents). Those using outpatient services increased from 436,643 to 515,501 and those using casualty increased from 258,465 to 362,498 between 2006/07 and 2007/08. More than two-thirds (80.1%) of district hospitals have operational hospital boards, important for providing governance and for ensuring accountability.

The increase in patient volumes at district hospitals can partly be attributed to the shift of GF Jooste, Karl Bremer and Helderberg Hospitals from Programme 4 to Programme 2 at the beginning of the 2007/08 financial year.

Tuberculosis

The Department has continued to accelerate the Enhanced TB Response Strategy to improve TB control in 2007/08. In addition to the five high-burden TB sub-districts (Khayelitsha, Klipfontein, Eastern, Breede Valley and Drakenstein) identified in 2006/07 a further 22 health facilities have been targeted and have received additional funding to strengthen services. This has resulted in a dramatic improvement in the TB outcomes for patients in the Western Cape. The TB cure rate for new smear positive TB patients has shown a significant increase from 71.2% in the previous year to 77.4% in the last year, which is well over the 73% target. The treatment success rate of 81.9% is approaching the national and global target of 85% for 2011. The TB defaulter rate has also decreased over the last year from 11.1% to 9.6%.

The emergence of multi-drug resistant (MDR) and extreme drug resistant (XDR) TB is potentially the most serious aspect of the TB epidemic in the Province given the large burden of disease, the late presentation of cases, high interruption rates and the high proportion of previously treated patients. The Western Cape started testing XDR-TB in January 2007 and as at 31 March 2007 had identified 73 patients with XDR-TB.

The Western Cape Provincial M(X)DR TB Review Committee was established by the Head of the Department to advise on clinical management of challenging patients such as chronic defaulters and those with a very poor prognosis.

HIV and AIDS

Citizens of the Western Cape can access Voluntary Counseling and HIV Testing (VCT) services at all fixed PHC facilities in the province, as well as at 52 non-medical sites. The Department has implemented targeted interventions in 28 sites, 3 more sites than were planned for the year. In total 376,626 clients were tested for HIV in 2007/08.

Peer education, identified as one of the critical programmes for HIV prevention, has been successfully introduced, with the Department exceeding its target of 'badged' peer educators by 12% to 13,068.

The Prevention of Mother-to-Child Transmission (PMTCT) Programme is one of the flagship HIV prevention programmes of the Western Cape. The programme is implemented and accessible at all facilities, including hospitals and midwife obstetric units that provide antenatal care services.

The implementation of effective programmes to address sexually transmitted infections (STIs) also contributes to the HIV prevention strategy. There has been a 60% increase in the male condom distribution rate from public sector facilities in 2007/08 compared to 2006/07. This has contributed to the 24.6% reduction in sexually transmitted infections reported in 2007/08. The transmission rate for the PMTCT programme for those coming for HIV testing at 6 weeks is 5.2%, which is below the target of 5.5% for 2007/08.

The number of patients on anti-retroviral treatment (ART) increased to 37,435 patients at the end of March 2008. Sixty-two sites currently dispense ARTs.

Child Health

The province has exceeded its target of 90% for the percentage of children under one year of age who are fully immunised. This achievement may be attributed to raised community awareness and two national campaigns undertaken between May and July 2007.

For school-age children, Phase 1 one of the National School Health Policy has been implemented in all six districts in the Province. The total number of children screened in 2007/08 was 97,233.

For the first time, the Province worked closely with the City of Cape Town to jointly identify diarrhoeal disease hot spots, based on morbidity and mortality trends, as well as on the availability of basic services. Thirty-three hot spots were identified and were subsequently targeted by the City of Cape Town for improved delivery of basic services such as water and sanitation. Four health facilities (Kraaifontein, Delft, Site B and Klipfontein) were also identified to provide extended hour services in order to improve access for children with diarrhoea.

Women's Health

For many years, the Province has achieved over 80% in the provision of antenatal care (ANC) services. Again this year the target for the year was exceeded. However, despite good ANC coverage, only 39% of all pregnant women booked before 20 weeks of gestation for 2007/08. In order to meet this challenge, the Province has joined the national roll out of the Basic Antenatal Care (BANC) programme, a quality improvement initiative aimed at increasing early booking of pregnant women and the early identification and referral of high-risk pregnancies. The availability of the programme increased from 3% in 2006/07 to 52% in 2007/2008. It is hoped that this will increase the numbers of women booking early for antenatal care in the coming year.

Programme 3 (Emergency Medical Services)

The strengthening of Emergency Medical Services (EMS) remained a priority during 2007/08. Funding was allocated for additional personnel to continue to develop the computer aided communications system and to purchase new ambulances. New personnel appointed in EMS amounted to 245. Thirty-nine additional vehicles were added to the existing fleet. The introduction of the computer aided communication system facilitated the capture of detailed information that will assist management to identify bottlenecks or inefficiencies in the system in order to address the goal of reducing response times. The increased workload on the service is illustrated by the 33% increase in the number of incidents logged from January 2005 to September 2007.

Improving response times remains a challenge for EMS. During October 2007 EMS conducted an exercise called Fika Msinya or "Arrive Quickly" which was repeated again in January 2008. During this exercise EMS maximised the available ambulance resources over three days in the Cape Metro and analysed the response times which revealed that a percentage of performance is related to resources and that the remainder is related to command and control, information communication technology and dispatch efficiency. These findings support the need to continue to invest in communications technology and emphasise the urgency of refining the computer-aided dispatch and other processes.

New ambulance stations were completed in Beaufort West, Caledon, Riversdale, Hermanus, Lentegeur and Atlantis during 2007/08 and the construction of a new ambulance station in Worcester is in progress.

Emergency Medical Services has re-established basic, intermediate and advanced life support short course training.

The FIFA 2010 Health Unit is located within EMS and is responsible for co-ordinating all health planning and preparation for the tournament which includes: health command and control, health services, i.e. hospital preparedness, forensic pathology services and environmental health, EMS including aero-medical, disaster medicine and bio chemical response capability, and the establishment of a medical facility at the 2010 stadium which includes staffing and equipping this facility.

HealthNET

Planned Patient Transport (PPT) provides local outpatient support and inter-city/town outpatient transport, which is important as it provides an essential transport service for non-emergency patients who do not need to be transported by ambulance. Planned Patient Transport transfers approximately 70,000 outpatients annually. This service is supported by PPT hubs at Tygerberg Hospital and the Heideveld Community Health Centre.

Programme 4 (Provincial Hospital Services)

Sonstraal and Malmesbury ID Hospitals in the West Coast were transferred to the Province in July 2007, which means that all of the TB hospitals in the Province have now been provincialised.

Mowbray Maternity Hospital received the Premier's gold award for Service Excellence for having revitalised the service, which has received positive feedback from patients and resulted in a decrease in the attrition rate of staff.

An innovative strategy of assertive community teams (ACT) for the three adult psychiatric hospitals was introduced in January 2007. This is an intensive specialist support service for the patients identified as unstable, high frequency service users after discharge from psychiatric hospital but the ACT teams begin their contact with the patients and their support networks prior to discharge.

The MEC for Health announced on 21 August 2007 that, following a public participation process, the change in name of two hospitals:

- Hottentots Holland Hospital in the Helderberg area in Cape Town was renamed the Helderberg Hospital.
- Eben Donges Hospital in Worcester was renamed Worcester Hospital.

The MEC for Health launched the new Bonang Eye Care Clinic at Karl Bremer Hospital on 11 March 2008. This is an initiative of the Department of Health and the South African Optometric Association (SAOA) to ensure the delivery of affordable and accessible eye care to those in need. Approximately 2,000 elderly and school children have eye tests and are provided with spectacles every month. The bulk of the patients are tested at the clinic on the premises of the Karl Bremer Hospital.

During December 2007 the Department joined forces with the Medi-Clinic private hospital group in the joint Project Cataract Removal initiative in which 58 public sector patients underwent cataract removal procedures at four Medic-Clinic hospitals. The patients were identified from a group of 120 potential candidates who were pre-screened at Eerste River Hospital.

The Baby Friendly Hospital Initiative (BFHI) is a global campaign of the World Health Organisation (WHO) and UNICEF based on the ten steps to successful breastfeeding. It recognises that implementing best practices in health services is essential to the success of programmes to promote and protect breastfeeding. Maternity facilities are assessed using globally established criteria and those that meet all the criteria may be accredited as Baby Friendly. This initiative was launched in 1994 and currently the Western Cape has fourteen Baby Friendly hospitals. The following hospitals celebrated accreditation as Baby Friendly Hospitals during 2007/08:

- Somerset Hospital on 14 June 2007.
- Helderberg Hospital on 19 March 2008.

Detailed preparatory work was done to enable the separation of level 2 (general specialist) and level 3 (highly specialised) services in order to strengthen level 2 services and alleviate the pressure on level 3 services.

Programme 5 (Central Hospital Services)

R 51.2 million was allocated to the Modernisation of Tertiary Services (MTS) in 2007/08 and used inter alia to establish an integrated nuclear medicine system with connectivity across the three central hospitals. This connectivity allows medical staff to read and report on investigations at any of the hospitals and therefore assist with training and support as well as forming an integral component towards establishing a Western Cape Nuclear Medicine Service for the three central hospitals. The MTS funding assisted with designing a strategic plan for the digitization of health technology informed by experiences in both the USA and the rest of South Africa.

Groote Schuur Hospital acquired a neuro-navigation system, a fluoroscopy unit and several pieces of radiological equipment. The MEC for Health announced the opening of the BrainLAB, a state-of-the-art neuro-navigation system that will be used by otolaryngology (ENT) and neurosurgery for advanced base of skull, brain and sinus surgery at Groote Schuur Hospital on 10 March 2008. The R1.5 million neuro-navigation system was acquired as part of the modernisation of tertiary services initiative. The BrainLAB system is a three dimensional positioning system which enables surgeons to navigate safely around the brain and sinuses. The post of Chief Executive Officer, for Groote Schuur Hospital, was filled with effect from 1 November 2007.

Groote Schuur Hospital celebrated the 40th anniversary of the world's first successful heart transplant by Professor Chris Barnard on 3 December 2007 with various activities including the opening of the Heart of Cape Town Museum.

Groote Schuur Hospital also celebrated its 70th anniversary since opening on 31 January 1938.

Tygerberg Hospital acquired a CT scanner for both inpatient and emergency services, a fluoroscopy suite and several items of medical imaging equipment.

Red Cross War Memorial Children's Hospital acquired a MRI scanner at a cost of R11.8 million from MTS funding.

The central hospitals remain beset by a multitude of diverse challenges. Restructuring and consolidation of the tertiary platform remains a key challenge. The major constraints facing the Department are the ongoing failure to resolve the issue of the Joint Agreements with the Universities, limitations to the National Tertiary Services Grant and an increased burden of disease.

Key service pressures relate to the absolute shortage of intensive care beds and nurses. The services under both Programmes 4 and 5 are hampered by the shortage of key nursing and medical staff.

Programme 6 (Health Sciences and Training)

The recruitment and retention of both sufficient numbers of nurses and those with the appropriate level of expertise and experience remains a challenge as the attrition rate for professional nurse remains approximately 10%. This rate has however decreased from previous years. In an attempt to address this, the Department has implemented the following:

- Allocation of an increased number of bursaries.
- Following consultation with the Higher Education Institutions (HEI) some of them have introduced a foundation year for students to address the high failure rate.
- Fully implemented the Occupation Specific Dispensation for improved salaries for nurses.

Programme 7 (Health Care Support Services)

The CSIR undertook a situational analysis regarding facility maintenance and made recommendations for improvements, which have been accepted for implementation.

The Department is participating in the Infrastructure Development Improvement Programme (IDIP) and the Provincial Minister and the Head of Department have approved an IDIP business case. Treasury has appointed a technical advisor to the Department to determine the capacity requirements of the Department to implement the IDIP.

Programme 8 (Health Facilities Management)

There has been intensive planning of the new Khayelitsha and Mitchells Plain district hospitals and tenders will be invited late in 2008 and early in 2009 respectively. Planning is also in progress to build a replacement Somerset Hospital as part of a property development initiative.

During 2007/08 new community health centres (CHC's) were completed in Simondium, Montagu and Stanford and the construction of a new CHC for Wellington is in progress.

New ambulance stations were completed in Beaufort West, Caledon, Riversdale, Hermanus and Atlantis during 2007/08 and the construction of a new ambulance station in Worcester is in progress.

New forensic mortuaries are under construction in George, Paarl, Hermanus, Malmesbury and Worcester.

Construction work continues as part of the Hospital Revitalisation Programme at George, Worcester and Paarl Hospitals.

1.5 Health Ministry

Minister Pierre Uys gave strong participative leadership and interactive management support. He gave constructive feedback in his appraisal of key management decisions, and garnered political support. The Minister also interacted widely and actively with staff and community leaders.

1.6 Vision, Mission and Core Values

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

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

1.7 Legislative Mandate

A Provincial Legislation

1. Ambulance Personnel Transfer and Pensions Ordinance 11 of 1955. Assigned to the Province under Proclamation 115 of 1994
2. Communicable Diseases and Notification of Notifiable Medical Condition Regulations. Published in Proclamation R158 of 1987
3. Election, Powers and Functions of Medical Committees Regulations. Published under PN 307 of 1960
4. Exhumation Ordinance, 12 of 1980
5. Health Act, Act 63 of 1977. Assigned to the province by virtue of Proclamation R152 of 1994
6. Honorary Medical Staff of Provincial Hospitals Regulations. Published under Provincial Notice 553 of 1953
7. Hospitals Ordinance 18 of 1946. Assigned to the Province under Proclamation 115 of 1994
8. Regulations Governing Private Health Establishments. Published in PN 187 of 2001
9. Regulations governing the Uniform Patient Fee Schedule, 2008
10. Requirements from regional Stores, and Control and Condemning of Provincial Hospitals Stores and Equipment Regulations. Published under PN 761 of 1953
11. Training of Nurses and Midwives Ordinance 4 of 1984. Assigned to the Province under Proclamation 115 of 1994

12. Western Cape Health Facility Boards Act 7 of 2001
13. Western Cape Land Administration Act, 6 of 1998
14. Provincial Treasury Instructions

B National Legislation

1. Aged Persons Act, 81 of 1967
2. Allied Health Professions Act, 63 if 1982
3. Atmospheric Pollution Prevention Act, 45 of 1965
4. Births and Deaths Registration Act, 51 of 1992
5. Broad Based Black Economic Empowerment Act, 53 of 2003
6. Child Care Act, 74 of 1983
7. Children's Act, 30 of 2005
8. Chiropractors, Homeopaths and Allied Health Service Professions Act, 63 of 1982
9. Choice on Termination of Pregnancy Act, 92 of 1996
10. Compensation for Occupational Injuries and Diseases Act, 130 of 1993
11. Constitution of the Republic of South Africa, 1996, Act 108 of 1996
12. Control of Access to Public Premises and Vehicles Act, 53 of 1985
13. Correctional Services Act, 8 of 1959
14. Criminal Procedure Act, 51 of 1977
15. Dental Technicians Act, 19 of 1979
16. Division of Revenue Act (Annually)
17. Domestic Violence Act, 116 of 1998
18. Drugs and Drug Trafficking Act, 140 of 1992
19. Employment Equity Act, 55 of 1998
20. Environment Conservation Act, 73 of 1998
21. Foodstuffs, Cosmetics and Disinfectants Act, 54 of 1972
22. Government Immovable Asset Management Act, 19 of 2007
23. Hazardous Substances Act, 15 of 1973
24. Health Act, 63 of 1977
25. Health Care Waste Management Act 7 of 2007
26. Health Professions Act, 56 of 1974
27. Higher Education Act, 101 of 1997
28. Human Tissue Act, 65 of 1983
29. Inquests Act, 58 of 1959
30. Intergovernmental Relations Framework Act, 13 of 2005
31. Institution of legal proceedings against certain Organs of State Act, 40 of 2002
32. International Health Regulations Act, 28 of 1974
33. Justices of the Peace and Commissioners of Oaths Act, 16 of 1963
34. Labour Relations Act, 66 of 1995
35. Local Government: Municipal Demarcation Act, 27 of 1998
36. Local Government: Municipal Systems Act, 32 of 2000
37. Medical Schemes Act, 66 of 1995
38. Medicines and Related Substances Control Amendment Act, 90 of 1997
39. Mental Health Care Act, 17 of 2002
40. Municipal Finance Management Act, 56 of 2003
41. National Health Act, 61 of 2003
42. National Health Laboratories Service Act, 37 of 2000
43. Non Profit Organisations Act, 71 of 1977
44. Nuclear Energy Act, 46 of 1999
45. Nursing Act, 33 of 2005.
46. Occupational Health and Safety Act, 85 of 1993
47. Pharmacy Act, 53 of 1974
48. Preferential Procurement Policy Framework Act, 5 of 2000
49. Prevention and Combating of Corrupt Practices Act, 12 of 2004

50. Promotion of Access to Information Act, 2 of 2000
51. Promotion of Administrative Justice Act, 3 of 2000
52. Promotion of Equality and Prevention of Unfair Discrimination Act, 4 of 2000
53. Protected Disclosures Act, 26 of 2000
54. Prevention and Treatment of Drug Dependency Act, 20 of 1992
55. Public Finance Management Act, 1of 1999
56. Public Health Act 36 of 1919
57. Public Service Act, 1994
58. Sexual Offences Act, 23 of 1957
59. Skills Development Act, 97 of 1998
60. Skills Development Levies Act, 9 of 1999
61. South African Medical Research Council Act, 58 of 1991
62. South African Police Services Act, 68 of 1978
63. Sterilisation Act, 44 of 1998
64. Tobacco Products Control Act, 83 of 1993
65. Traditional Health Practitioners Act, 34 of 2004
66. University of Cape Town Act, 38 of 1959

Trading Accounts

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

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

PART 2: PROGRAMME PERFORMANCE

Voted funds

Appropriation	Main appropriation	Adjusted appropriation	Actual amount spent	Under/(over) expenditure
Vote 6	7,427,305	7,427,305	7,497,868	(70,563)
Responsible MEC	Provincial Minister of Health			
Administering Department	Department of Health			
Accounting Officer	Head of Department, Department of Health			

Aim of vote

The core function and responsibility of the Western Cape Department of Health is to deliver a comprehensive package of health services to the people of the Province. This includes preventive, promotive, emergency and curative, rehabilitation and chronic care services. Effective interventions should be implemented to reduce morbidity and mortality particularly in the high priority areas of HIV and AIDS, tuberculosis (TB), trauma and chronic diseases. Tertiary health care services are rendered to the people of neighbouring provinces and this service is largely funded from the National Tertiary Services Grant.

In addition, the Department also provides training facilities for health care workers and professionals in conjunction with the higher education institutions, is responsible for the licensing and regulation of private hospitals within the Province and provides a forensic pathology service.

2.1 Key Measurable Objectives, Programmes and Achievements

Key measurable objectives

The following key issues or focus areas were identified in the 2007/08 Budget Statement:

- The finalisation and implementation of the Comprehensive Service Plan (CSP), supported by the development of the related Personnel Plan, Infrastructure Plan and Financial Plan.
- The strengthening of Emergency Medical Services.
- Improvement of salaries for health professionals with a particular focus on nursing salaries during 2007/08.
- Appointment of additional staff including two-year interns, community service nurses and other health professionals.
- Purchase of key equipment including that required to strengthen highly specialised services.
- Establishment of a new Forensic Pathology Service.

For a complete list of the measurable objectives specified by each programme, see the “Programme Performance” section of this Report.

Programmes

The Department of Health consists of the following budget programmes:

- Programme 1 Administration
  Conducts the strategic management and overall administration of the Department of Health.

- Programme 2 District Health Services
  Renders primary health care and district hospital services.

- Programme 3 Emergency Medical Services
  Renders pre-hospital emergency medical services including inter-hospital transfers and planned patient transport.

- Programme 4 Provincial Hospital Services
  Renders hospital services, which are accessible, appropriate, effective and provide general specialist services, including a specialised rehabilitation service, as well as a platform for training health professionals and research.

- Programme 5 Central Hospital Services
  Provides tertiary health services and creates a platform for the training of health workers.

- Programme 6 Health Sciences and Training
  Provides training and development opportunities for actual and potential employees of the Department of Health.

- Programme 7 Health Care Support Services
  Renders support services required by the Department to realise its aims.

- Programme 8 Health Facilities Management
  Provides for new health facilities and the upgrading and maintenance of existing facilities, including the hospital revitalisation and provincial infrastructure grants.

More detail on the sub-programmes within the eight budget programmes is provided in the "Programme Performance" section of this Report.

Achievements

Comprehensive Service Plan (CSP)

A key issue for the Department was the approval of the Comprehensive Service Plan (CSP) for implementation by the Provincial Minister of Health on 11 May 2007 and the initial stages of implementation of the CSP. The implementation of the CSP was driven and monitored by the Implementation Task Team chaired by the Head of Department which met every two weeks. Key tasks with timeframes and responsible managers were identified in key events schedules and combined in an overall master plan. Extensive preliminary work has been done to facilitate the establishment of the management and support structures of the District Health System. Funds were allocated to appoint permanent district and sub-district co-ordinators for delivery of home-based care services as a first step to reduce dependency on donor funds. Detailed preparatory work has been done to enable the separation of level 2 and 3 services in order to strengthen level 2 services and alleviate the pressure on level 3 services.

An important related issue was the assumption of full responsibility for Personal Primary Health Care in the rural districts with the transfer of staff and assets by July 2007. A challenge remains that the physical infrastructure requires significant upgrading and additional funding is not available for the maintenance and upgrading of these facilities.

Emergency Medical Services

The strengthening of Emergency Medical Services remained a priority during 2007/08. Funding was allocated for additional personnel, to continue to develop the computer aided communications system and to purchase new ambulances. The introduction of the computer aided communication system facilitated the capture of detailed information that will assist management to identify bottlenecks or inefficiencies in the system in order to address the goal of reducing response times. The increased load on the service is illustrated by the 33 per cent increase in the number of incidents logged from January 2005 to September 2007.

Health professions remuneration review

The Department received some additional funding in 2007/08 for the implementation of the health professions remuneration review for nursing staff, to improve the recruitment and retention of health professionals. The occupational specific dispensation for nurses was implemented with effect from 1 July 2007. However, insufficient funds were allocated by Treasury to address the full cost of implementation resulting in a significant shortfall in the Department's budget.

Appointment of additional staff including two-year interns, community service nurses and other health professionals

Provision was made to appoint an additional 100 interns to accommodate the change in the internship programme from one to two years. The Department appointed 276 community service nurses with effect from 1 January 2008.

Purchase of key equipment including that required to strengthen highly specialised services

The amount of R 51.2 million allocated for the Modernisation of Tertiary Services (MTS) during 2007/08 for health technology was fully spent. The funding was used inter alia to establish an integrated nuclear medicine system with connectivity across the three central hospitals. This connectivity allows medical staff to read and report on investigations at any of the hospitals and therefore assists with training and support, as well as forming an integral component towards establishing a Western Cape Nuclear Medicine Service for the three central hospitals. The MTS funded fifty per cent of the MRI scanner for Red Cross Children's Hospital, to be acquired in 2008. The MTS funding assisted with designing a strategic plan for digitisation of health technology, informed by experiences in both the USA and the rest of South Africa. Groote Schuur Hospital acquired a neuron-navigation system, a fluoroscopy unit and several pieces of radiological equipment for the Hospital. Tygerberg Hospital acquired a CT scanner for both inpatient and emergency services, a fluoroscopy suite and several items of medical imaging equipment.

Equipment to the value of the R 27 million allocated for essential equipment for rural hospitals was ordered and acquired by the end of the financial year.

Establishment of a new Forensic Pathology Service

During 2007/08 the Forensic Pathology Service, which was created when the medico-legal mortuaries were transferred to the Department of Health from the South African Police Service on 1 April 2006, has been further developed and consolidated. There is a process of appointing staff in line with the Human Resource Plan for Forensic Pathology Services, upgrading of infrastructure and improving response times.

More detailed information on the performance of each programme is included in the "Programme Performance" section of this Report.

Overview of the service delivery environment for 2007/08

In terms of section 27 of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996): "Everyone has the right to have access to health care services, including reproductive health care; and no-one may be refused emergency treatment" and the state must take reasonable legislative and other measures within its available resources, to achieve the progressive realisation of these rights.

The Western Cape Department of Health is therefore responsible for providing health services to the uninsured population of the province, i.e. ± 73 per cent of the total population of 4.9 million, which amounts to ± 3.6 million. In addition to this there is an obligation to provide tertiary services to people beyond the provincial boundaries.

The range of services provided by the Department includes the following:

- Delivery of comprehensive, cost-effective primary health care services including the prevention and promotion of a safe and healthy environment:

  Primary health care (PHC) services are provided at 450 facilities that consist of mobiles, satellite clinics, clinics and community health centres (CHC's). In total there are 32 sub-districts in the Province, all of which provide a full package of PHC services.

  For the 2007/08 financial year, a total of 13,029,007 clients were seen for primary health care services in the Province. This figure translates into an utilisation rate of 2.7 for the total population of the Western Cape, and an utilisation rate of 4.9 for the population under five years.

- The delivery of district, provincial and central hospital services:

  There are 32 district hospitals in the Western Cape. This includes the Khayelitsha and Mitchell's Plain district hospital hubs, which are located currently at Tygerberg and Lentegeur Hospitals respectively pending the construction of these hospitals. The number of inpatients separated from district hospitals was 203,932 of which 22,816 was day patients. The number of clients (headcounts) seen at the outpatient and casualty/emergency/trauma departments were 515,501 and 362,498 respectively.

  There are 6 general (regional) hospitals from which 130,205 inpatients were separated, including 15,494 day cases. The number of clients (headcounts) seen at the outpatient and casualty/emergency/trauma departments were 362,960 and 201,009 respectively.

  In total 3,759 inpatients were separated from the 6 tuberculosis hospitals and 2,942 headcounts were recorded in the outpatient departments.

  A further 4,560 inpatients were separated from the 4 psychiatric hospitals and 21,403 headcounts were recorded in the outpatient departments.

  The Western Cape Rehabilitation Centre recorded 958 inpatient separations and 5,856 outpatient headcounts.

  In the 3 central hospitals 123,495 inpatients were seen of which 11,842 constituted day patients. The number of clients (headcounts) seen at the outpatient and casualty/emergency/trauma departments were 957,339 and 151,637 respectively.

- The delivery of health programmes to deal with specific health issues such as nutrition, HIV and AIDS, Tuberculosis, reproductive health, environmental and port health, etc:

  The services rendered in these health programmes are discussed in detail under the "Programme Performance" section of this Report.

- Delivery of emergency medical and patient transport services:

  There are 50 emergency medical service (EMS) stations across the Western Cape Province that received 384,132 emergency call-outs during 2007/08 and 136,000 routine patients were transported by HealthNET.

- Rendering of a training and research platform for the country, in consultation with stakeholders:

  Nurse training was provided to 612 basic and post-basic students and 706 EMS students completed their training programme during the year.

  Nursing bursaries were provided to 1,696 students and 609 bursaries were provided for health sciences (excluding nursing).

- Rendering of specialised orthotic/prosthetic, forensic pathology and medico-legal services:

  During 2007/08 a total of 5,250 orthotic and prosthetic devices were manufactured.

Overview of the organisational environment for 2007/08

The annual in-migration of ± 48,000 people into the Province has a significant impact on the demand for services.

The implementation of Healthcare 2010 Comprehensive Service Plan is reshaping the health service by treating patients at the level of care that is most appropriate to their need and therefore improving quality of care and realising significant efficiency gains.

As a result of the provisions of the Health Act (of 2003), read together with the provisions of the Municipal Finance Management Act (56 of 2003) and the Municipal Structures Act (117 of 1998 as amended), the Department of Health assumed financial responsibility for the provision of personal primary health care (PPHC) in the rural areas from the municipalities, which had previously been responsible for the provision of these services, from 1 April 2005. The process of transferring staff and a majority of assets was completed during 2007/08.

The upgrading of facilities following the transfer of forensic pathology services from the South African Police Service to the Department of Health is ongoing.

New appointments during 2007/08 in the senior management service included:
- Chief Executive Officer for Groote Schuur Hospital: Dr Saadiq Kariem with effect from 1 November 2007.
- Director: HIV and AIDS and STI and TB: Ms Brenda Smuts with effect from 1 November 2007.

Strategic overview and key policy developments for the 2007/08 financial year

This information is provided in the section titled “Important policy decisions and strategic issues facing the Department “ contained in the Report by the Accounting Officer in Part 4 of this Report.

2.2 Departmental Revenue, Expenditure and other specific topics

Collection of departmental revenue

The table below provides a breakdown of the sources of revenue and the performance for 2007/08.

Table 2.2.1 Sources of revenue (R'000)

	2004/05 Actual	2005/06 Actual	2006/07 Actual	2007/08 Target	2007/08 Actual	% deviation from target
Tax revenue	N/A	N/A	N/A	N/A	N/A	N/A
Non-tax revenue						
Sales of goods & services	185,534	200,081	223,712	242,520	34, 056	43.51
Transfers	43,706	67,916	63 ,52	135,581	137,607	1.49
Interest	179	96	204	191	625	227.22
Sales of capital assets (Capital revenue)						
Other capital assets	125	24	10	13	10	(23.08)
Financial transactions (Recovery of loans and advances)	6,997	8,500	16,482	6,395	11,548	80.57
TOTAL DEPARTMENTAL RECEIPTS	236,541	276,618	304,060	384,700	497,846	29.41

The Department ended the 2007/08 year with a revenue surplus of R 113 million (29%). The better than anticipated performance is attributed primarily to the following:

- Sales of Goods and Services:

  The surplus of R 106 million (44%) is due to a R 96 million surplus in the collection of patient fees largely as a result of a joint initiative between the Department of Health and the Road Accident Fund in addressing the backlog of unpaid claims.

  The balance of the surplus is related to, among others items, increased requests for medical reports, accommodation fees, and the recovery of penalties for late deliveries by suppliers to the Cape Medical Depot.

- Transfers:

  The surplus (1%) is due to the favourable R/US$ exchange rate in terms of the Global Fund payment.

- Interest:

  The Department's surplus (227%) was instituted through the levying of interest in respect of certain unpaid patient fee accounts. The surplus is also as a result of improved performance in terms of interest collected on staff debt.

- Financial transactions:

  The surplus (81%) is attributed to improved collection on staff debt as well as certain unallocated payments at year end.

The 2008/09 budgets for the above items has been reviewed upwards in terms of the improved performance experienced in 2007/08.

Departmental expenditure

Table 2.2.2 Departmental expenditure

Programmes	Voted for 2007/08	Roll-overs and adjustments	Virement	Total voted	Actual expenditure	Variance
Programme 1	367,238	(145,370)	(14,149)	207,719	205,333	2,386
Programme 2	2,440,654	231,080	6,891	2,678,625	2,707,578	(28,953)
Programme 3	344,796	-	-	344,796	341,877	2,919
Programme 4	1,170,380	103,576	3,601	1,277,557	1,306,027	(28,470)
Programme 5	2,175,801	146,005	2,527	2,324,333	2,349,884	(25,551)
Programme 6	142,214	(7,188)	-	135,026	133,706	1,320
Programme 7	85,401	110	(2,870)	82,641	81,785	856
Programme 8	368,689	3,919	4,000	376,608	371,678	4,930
Total	7,095,173	332,132	-	7,427,305	7,497,868	(70,563)

Transfer payments

Refer to the section titled “Organisations to whom transfer payments have been made” contained in the Report by the Accounting Officer in Part 4 of this Report.

Conditional grants and earmarked funds

Annexure 1A (Statement of Conditional Grants received) in the Annual Financial Statements contains more information on the conditional grants received by the Western Cape Department of Health.

The Department received the following conditional grants during 2007/08:

National Tertiary Services Grant

The purpose of the grant is to compensate provinces for the supra-provincial nature of tertiary services provision and spill over effects and to provide strategic funding to enable provinces to plan, modernise, rationalise and transform the tertiary hospital service delivery platform in line with national policy objectives including improving access and equity.

R 1,335 million was allocated during 2007/08 and the full amount was spent by the Department.

Health Professions Training and Development Grant

The Health Professions Training and Development Grant (HPTDG) was established to support the funding of service costs associated with the training of health professionals in the services platform towards the national outcome of expanding the bulk of health professionals nationally.

R 339 million was allocated and spent by the Department during 2007/08.

Comprehensive HIV and AIDS Grant

The purpose of the Comprehensive HIV and AIDS Conditional Grant is to provide financial resources in order to accelerate the effective implementation of a programme that has been identified as a priority in the 10-point plan of the National Department of Health. The grant is utilised in line with the National Operational Plan for HIV and AIDS Care, Management and Treatment in South Africa and Healthcare 2010.

R 200 million was allocated during 2007/08 and the full amount was spent by the Department.

Forensic Pathology Services Grant

The grant was established to facilitate the transfer of mortuaries and forensic services from the South African Police Service (SAPS) into the Forensic Pathology Service in the Department of Health and the running of forensic pathology services from 1 April 2006.

R 120 million was allocated to the Department of which R 112 million (93.2%) was spent.

Hospital Revitilisation Grant

The Hospital Revitilisation Grant is utilised in line with Healthcare 2010 and the Comprehensive Service Plan. For the period under review projects under construction were: Vredenburg Hospital, Worcester Hospital, George Hospital and Paarl Hospital. Projects in planning for this period were Khayelitsha Hospital and Mitchell's Plain Hospital.

R 196 million was allocated of which R 192 million (98.2%) was spent.

Provincial Infrastructure Grant

The grant is utilised in line with Healthcare 2010 and the Comprehensive Service Plan to improve health care services in order to ensure equal access to quality healthcare.

R 80 million was allocate of which R 79 million (99%) was spent.

Capital investment, maintenance and asset management plan

Capital Investment

The following building projects are currently in progress:

Table 2.2.3 Provincial Infrastructure Grant

No	Facility	Type of Infrastructure	Current project stage	Project duration months	Start target date	Complete target date	Estimated total cost
1	Beaufort West	New ambulance station and DMC	Complete	15	Jul-06	Oct-07	11,250
2	Beaufort West Hospital	New store	Planning	7	Feb-09	Aug-09	2,000
3	Bredasdorp Hospital	Addition and alteration to hospital entrance and store	Planning	6	Jun-08	Dec-08	800

No	Facility	Type of Infrastructure	Current project stage	Project duration months	Start target date	Complete target date	Estimated total cost
4	Bredasdorp Hospital ambulance station	Ambulance station and road upgrade	Complete	18	May-07	Oct-07	1,150
5	Caledon Hospital - Phase 1	New wards and ambulance station	Construction	8	Feb-07	Oct-08	22,400
6	Caledon Hospital - Phase 2	Upgrade	Planning	6	Sep-10	Oct-11	8,000
7	Caledon Hospital	Upgrading of electrical supply	Planning	20	May-08	Oct-08	1,150
8	Cape Medical Depot	Upgrade	Complete	14	Jul-06	Sep-07	13,350
9	Ceres Hospital ambulance station	New ambulance station	Planning	11	Oct-08	Sep-09	6,000
10	Du Noon Community Health Centre	New CHC	Inception	11	Aug-09	Jul-10	18,000
11	Eerste River Hospital	New casualty	Planning	4	May-08	Aug-09	20,780
12	Grassy Park Clinic	New clinic	Planning	11	Nov-08	Oct-09	8,500
13	Groote Schuur Hospital	Interim improvements	Inception	12	Apr-10	Mar-11	1,019
14	Groote Schuur Hospital	E-Floor toilets, management suite & relocate dietetics	Planning	10	Aug-08	May-09	5,300
15	Groote Schuur Hospital	Upgrade security	Inception	12	Apr-09	Mar-10	5,000
16	Groote Schuur Hospital	Linear accelerator installation	Complete	6	Nov-06	Apr-07	5,704
17	Groote Schuur Hospital	NMB fire detection phase 1	Construction	18	Oct-06	Apr-08	12,300
18	Groote Schuur Hospital	NMB fire detection phase 2	Planning	24	Apr-09	Mar-11	11,000
19	Groote Schuur Hospital	Upgrade pharmacy store	Planning	7	Apr-09	Oct-09	2,000
20	Groote Schuur Hospital	Ugrade D23 department anaesthesia	Planning	8	Apr-08	Nov-08	1,000
21	Groote Schuur Hospital	Lift upgrading	Complete	10	Jan-07	Oct-07	2,726
22	Groote Schuur Hospital	Upgrade trauma security	Inception	8	Apr-09	Nov-09	2,000
23	Groote Schuur Hospital	Out patient department upgrading	Planning	7	Nov-08	Jun-09	2,000
24	Groote Schuur Hospital	Masterplan for place utilisation	Planning	12	Apr-08	Mar-09	1,000

No	Facility	Type of Infrastructure	Current project stage	Project duration months	Start target date	Complete target date	Estimated total cost
25	Hermanus ambulance station	Ambulance station	complete	9	Oct-06	Jul-07	5,780
26	Hermanus Community Health Centre	New CHC	Inception	20	Oct-10	Jun-12	18,000
27	Hermanus Hospital	New ward, OPD & Admin	Inception	27	Jun-09	Oct-11	40,000
28	Helderberg Hospital	New OPD & wards	Construction	9	Oct-07	Jul-08	16,470
29	Karl Bremer Hospital	Trauma upgrade	Inception	17	Feb-09	Jun-10	15,000
30	Khayelitsha Clinic	New clinic	Inception	22	Apr-10	Mar-12	18,000
31	Knysna Hospital	Upgrade casualty & new OPD	Inception	18	Jun-10	Jan-12	16,000
32	Knysna - Witlokasie Community Health Centre	New community health centre	Inception	16	Jul-10	Nov-11	18,000
33	Lamberts Bay Hospital ambulance station	Ambulance station upgrade	Planning	7	Apr-08	Nov-08	1,600
34	Maitland Community Health Centre	New CHC	Inception	14	Apr-10	Jun-11	18,000
35	Malmesbury - Wesbank Community Health Centre	New CHC	Planning	15	Mar-09	Jun-10	18,000
36	Mitchell's Plain Community Health Centre	Trauma and pharmacy upgrade	Planning	18	Aug-08	Feb-10	15,000
37	Mitchell's Plain Community Health Centre	New community health centre	Inception	14	Oct-09	Dec-10	18,000
38	Mowbray Maternity Hospital	Hospital upgrading	Complete	30	Sep-04	Mar-07	56,000
39	Oudtshoorn Hospital ambulance station	Ambulance station upgrade	Complete	8	Nov-06	Jun-07	1,114
40	Oudtshoorn Medical Depot	Relocation of the Medical Depot	Complete	9	Oct-06	Jul-07	3,404
41	Plettenberg Bay Kwanokuthula ambulance station	New ambulance station	Inception	10	Mar-11	Feb-12	6,000
42	Plettenberg Bay Kwanokuthula Community Health Centre	New CHC	Planning	11	Oct-08	Sep-09	18,000
43	Riversdale Hospital	Phase 1 upgrade	Complete	10	Jan-07	Oct-07	5,595

No	Facility	Type of Infrastructure	Current project stage	Project duration months	Start target date	Complete target date	Estimated total cost
44	Riversdale Hospital	Phase 2 upgrade	Planning	17	Apr-08	Sep-09	16,600
45	Robbie Nurock Clinic	Replacement clinic	Inception	17	Jun-10	Nov-11	18,000
46	Stanford Clinic	New clinic	Complete	11	Jul-06	Jun-07	5,748
47	Stellenbosch Hospital	Casualty upgrade	Inception	12	Apr-10	Mar-11	6,435
48	Tygerberg Hospital	Fire door upgrade phase 1	Complete	14	May-06	Jul-07	3,400
49	Tygerberg Hospital	Fire door upgrade phase 2	Planning	4	Jul-08	Nov-09	4,000
50	Tygerberg Hospital	Interim improvement: Psychiatric ward upgrade	Planning	24	Apr-09	Mar-11	5,200
51	Tygerberg Hospital	Kitchen upgrade	Planning	12	Mar-09	Apr-10	15,000
52	Tygerberg Hospital	Helipad	Planning	7	Apr-08	Nov-08	500
53	Tygerberg Hospital	Lift upgrading Block 22, Block 21, Block 53	Planning	12	May-08	Apr-09	6,400
54	Vredendal Hospital	X-ray and CSSD upgrade/ construction	Construction	12	May-06	Apr-08	6,733

Table 2.2.4 Hospital Revitilisation

No	Facility	Type of Infrastructure	Current project stage	Project duration months	Start target date	Complete target date	Estimated total cost
1	George - final phase	Hospital	Planning	24	Jan-09	Jul-10	94,780
2	Khayelitsha	Hospital	Planning	36	Oct-08	Sep-11	480,000
3	Mitchells Plain	Hospital	Planning	36	Mar-09	Feb-12	480,000
4	Paarl Hospital	Hospital	Construction	39	Apr-06	Jun-09	370,000
5	Paarl TC Newman CHC	CHC	Planning	10	Jan-09	Nov-09	11,000
6	Valkenberg	Hospital	Inception	78	Oct-08	Mar-15	550,000
7	Vredenburg - CHC	CHC	Planning	15	Jul-09	Sep-10	18,000
8	Vredenburg - phase 2	Hospital	Planning	16	Jan-09	Jun-10	92,000

No	Facility	Type of Infrastructure	Current project stage	Project duration months	Start target date	Complete target date	Estimated total cost
9	Worcester Hospital	Hospital	Construction	67	Jun-03	Dec-08	243,400
10	Worcester Hospital - new phase	Hospital	Planning	13	May-08	May-09	23,220
11	Worcester DMC	DMC	Construction	10	Nov-06	Aug-08	10,900
12	Brooklyn Chest	Hospital	Inception	48	Oct-10	Sep-14	460,000

Maintenance

Summary of future costs

Currently, maintenance of the Department's immovable assets is poor and inevitably leading to rapid deterioration of buildings and other assets. Maintenance funds have always been, and remain, limited.

Table 2.2.5 Budgeted expenditure on maintenance versus total infrastructure budget

Financial year	Total infrastructure budget (R'000)	Immovable asset maintenance budget (R'000)	Maintenance budget as % of total infrastructure budget
2007/08 (actual)	435,376	84,155	19.3
2008/09 (projection)	613,611	85,197	13,9
2009/10 (projection)	616,952	88,927	14,4
2010/11 (projection)	672,704	97,820	14,5
2011/12 (projection)	741,656	102,711	14,5
2012/13 (projection)	778,739	107,847	14,5
2013/14 (projection)	817,676	113,239	14,5
2014/15 (projection)	858,560	118,901	14,5

Note: Infrastructure budget based on HRP bid. Uncertainty about the HRP budget means that no meaningful projections can be made beyond 2010/11.

Planned measures to reduce the maintenance backlog

The Healthcare 2010 plan provides for additional maintenance funding to ensure sustainability of the health care service. The proposed expenditure is in line with national targets. However, in this instance, the norms relate back to a percentage of the total available health budget and not as a percentage of the replacement value of the assets. Increasing the maintenance expenditure to meet the norms will therefore not address the backlog.

The backlog will be eliminated through the following capital infrastructure initiatives:

- By constructing new hospitals to replace the most dilapidated infrastructure. This has already been achieved in the case of Conradie Hospital and the replacement of Helderberg and Victoria Hospitals is planned.

- By disposing of surplus property to fund the reconstruction of hospitals. This is proposed in the case of Stikland and Somerset Hospitals.

- By way of the Hospital Revitalisation Programme. This is already in progress at George, Worcester, Vredenburg and Paarl Hospitals. It is planned to commence construction on the Khayelitsha and Mitchell's Plain Hospitals during the 2008/09 financial year.

- By the rationalisation of PHC services and the construction of new CHCs. New CHCs and clinics for Montagu, Stanford and Simondium were completed in 2007/08. The new Wellington CHC and the new casualty unit at Khayelitsha will be completed in 2008/09. Construction of new CHCs for Plettenberg Bay, Grassy Park, Du Noon, Hermanus, Knysna, Malmesbury and Maitland is planned to commence during the MTEF period. A major upgrade of the Mitchell's Plain CHC will commence in 2008/09.

Lifecycle management

Based on a maintenance budget of 4% of health infrastructure replacement costs, expenditure on maintenance should have been R 539 million per annum, however, the maintenance spending has only increased from R 71 million in 2003/04 to a projected R 88 million in 2009/10.

An important aspect of the infrastructure planning for 2010 is the disposal of the worst infrastructure and thereby reducing the backlog. The sale of surplus property will release funding for the upgrading of other facilities.

The Directorate: Engineering and Technical Support Services is responsible for hospital equipment repairs and maintenance, clinical engineering, engineering services repairs and maintenance, operation of plant and machinery, in-house building repairs and maintenance, in-house minor building projects, and continuous refinement of systems and processes.

Responsibility for day-to-day maintenance of health facilities, including hospitals, primary healthcare facilities, ambulance stations and forensic mortuaries, lies with the individual institutions. Capital repair and rehabilitation requirements are identified by the facility and the Directorate: Engineering and Technical Support and is normally undertaken by the Department of Transport and Public Works.

There is an acceptance by Health management that there is an urgent need to prioritise maintenance. The prioritisation of maintenance work is acknowledged in Healthcare 2010, the long-term strategic plan of the Department. There is acknowledgement that the maintenance problems must be addressed as a matter of urgency.

In 2007 the Department of Health appointed the CSIR to carry out a situational analysis and make recommendations to substantially improve the maintenance of both buildings and equipment. The major findings can be summarised as follows:

- At present, and as it has been for many years, maintenance relies on the expertise and dedication of a relatively very small number of technical personnel.
- There is a lack of a clear and structured approach – including policies and procedures – to maintenance and immovable asset management.
- Processes are not clearly defined and responsibilities are not clearly allocated for maintenance related functions.
- There is no management information system to enable effective maintenance planning and decision making.
- No formal assessment of all immovable assets has been done since 1998 and thus current, quality information on existing assets is unavailable.
- Funding is insufficient. As a result of the absence of information systems and a formal condition assessment it is not possible to provide a substantiated motivation for additional funding.

- There is inadequate capacity. This is particularly evident by the shortage of technically qualified maintenance managers, technicians and artisans.
- Lack of compliance with legislation places the Department at risk.

In 2007 the Department of Health submitted a business case for the implementation of the Infrastructure Development Improvement Programme (IDIP). Implementation of the IDIP complements the work of the CSIR and will lead to the creation of an Infrastructure Management component in the Department. IDIP will also address relationships with the Department of Transport and Public Works that is a problem identified by the CSIR.

Another significant initiative during 2007 is the implementation of a comprehensive maintenance management system at the George Hospital as part of the Hospital Revitalisation Programme. This is a pilot project that will assess cost effectiveness.

Asset management

Emergency Medical Services

The transfer of the ambulance service from local government to the Department of Health was completed in November 2005. Therefore a large number of the ambulance stations are still on municipal properties - many of them are accommodated inappropriately in buildings originally designed for other purposes and severely neglected over the years.

New ambulance stations for Atlantis, Beaufort West, Hermanus, Caledon and Riversdale were constructed and the ambulance stations in Delft, George, Ladismith, Oudtshoorn, Paarl and Stellenbosch were upgraded.

New ambulance stations for Lentegeur and Worcester are currently under construction. Bonnievale, Caledon, Ceres, Heidleberg, Leeu Gamka, Swellendam, Tulbagh, Vredenburg and Vredendal also require new ambulance stations.

The majority of the remaining ambulance stations require upgrading or maintenance.

Primary Health Care

The implementation of an effective District Health System for the provision of health services is the cornerstone of Healthcare 2010. The Province assumed responsibility for the provision of PPHC services that were previously provided by local government in the rural areas from 1 March 2006. The Department of Transport and Public Works is arranging for the transfer of facilities to the provincial government.

There is a large and as yet undefined backlog of both capital and maintenance work in respect of PHC facilities. Work is currently in progress to assess both the condition and suitability of the PHC facilities presently being transferred from the municipalities. Sufficient evidence has been gathered to confirm that almost all the PHC facilities require maintenance work and most require essential upgrading to be suitable for purpose.

Table 2.2.6 indicates the provisional results of an audit undertaken in October 2007 on the condition of primary health care facilities in the four districts.

Table 2.2.6 Condition and suitability of rural PHC facilities

Categorisation: Condition and suitability for purpose	West Coast District	Overberg District	Southern Cape Karoo	Cape Winelands
Upgrade and extend existing building	10	8	16	20
Condemn. New building or other suitable accommodation	2	0	1	1
Not suitable. New building or other suitable accommodation	4	7	20	14
New building. No existing facility	1	1	0	2
Renovations and minor upgrading	5	4	6	5
Suitable buildings	3	0	2	1
New buildings completed	1	2	0	4
New buildings under construction	0	0	0	1
Approved plans for upgrading	0	0	2	0
Renovations currently being done	0	0	2	0
Total	26	22	49	48

Hospitals

The National Health Facilities Audit (NHFA) condition grading was completed in 1996 and there has not been a formal audit subsequently. The estimated 2008 grading for hospitals in the Western Cape is based on routine inspections by the engineering personnel and the requirements of Healthcare 2010.

In terms of the condition of the Western Cape Department of Health's various hospitals, Table 2.2.7 contains a summary of the estimated condition grading per type of hospital.

Table 2.2.7 Condition and suitability of Hospitals

Type of hospital	Condition of hospital (number of hospitals)				
	As new	Good condition	Poor condition	Replace	Condemn
District hospitals	0	13	12	3	0
General (regional) hospitals	2	1	2	3	1
Central hospitals	0	0	2	1	0
Tuberculosis hospitals	0	2	1	1	2
Psychiatric hospitals	0	1	2	2	0
Rehabilitation hospitals	1	0	0	0	0
Provincially aided hospitals	0	2	4	0	0
Total	3	19	23	10	3

Forensic Pathology Service

Together with the transfer of the service to the Western Cape Department of Health as described previously, the Department has assumed responsibility for the upgrading and maintenance of these facilities.

Some of the existing facilities will be closed, some retained and expanded and others moved to more suitable locations. The organisation of services is based on the available autopsy statistics on people presumed to have died from unnatural causes.

Based on these figures and the geographical location, a total of 18 Forensic Pathology Laboratories are planned for the Western Cape. This includes two M6 Forensic Pathology Laboratories (> 1,251 autopsies/year) at Salt River and Tygerberg Hospital and five M3 Forensic Pathology Laboratories (501 – 750 autopsies/year) at Paarl, George, Worcester (Referral Centres) Stellenbosch and Oudtshoorn.

2.3 Programme Performance

Overview of Expenditure Trends

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

Table 2.3.1: Expenditure by budget sub-programme

Programme	2005/06 Exp R'000	2006/07 Exp R'000	2007/08 Exp R'000	2007/08 Budget R'000	Variance % under/(over) expenditure
Programme 1: Administration	167,291	162,125	205,333	207,719	1.16%
Programme 2: District Health Services	1,629,951	1,922,792	2,707,578	2,678,625	(1.07%)
District management	88,606	94,151	103,010	114,509	11.16%
Community health clinics	316,372	372,910	430,608	423,093	(1.75%)
Community health centres	521,255	552,220	677,703	643,178	(5.09%)
Community based services	43,499	98,295	125,738	123,673	(1.64%)
Other community services	53,076	32,312	52,414	52,810	0.76%
HIV and AIDS	122,655	168,579	239,899	237,607	(0.96%)
Nutrition	13,700	15,136	16,810	16,866	0.33%
Coroner services	2,004	51,966	122,266	129,582	5.98%
District hospitals	419,084	456,673	854,454	829,627	(2.91%)
Global fund	49,700	80,550	84,676	107,680	27.17%
Programme 3: Emergency Medical Services	255,851	277,844	341,877	344,796	0.85%
Emergency medical services	250,130	268,597	321,120	322,585	0.46%
Planned patient transport	5,721	9,247	20,757	22,211	7.00%
Programme 4: Provincial Hospital Services	1,295,905	1,397,635	1,306,027	1,277,557	(2.18%)
General (regional) hospitals	795,425	909,634	718,190	707,821	(1.44%)
Tuberculosis hospitals	66,116	76,379	101,671	103,746	2.04%
Psychiatric/mental hospitals	279,060	300,496	344,390	324,853	(5.67%)
Chronic medical hospitals	96,569	55,202	79,888	79,222	(0.83%)
Dental training hospitals	58,735	55,924	61,888	61,915	0.04%
Programme 5: Central Hospital Services	1,980,705	2,123,000	2,349,884	2,324,333	(1.09%)
Central hospital services	1,980,705	2,123,000	2,349,884	2,324,333	(1.09%)
Programme 6: Health Sciences and Training	79,009	98,858	133,706	135,026	0.99%
Nurse training college	32,812	26,746	32,117	29,979	(6.66%)
EMS training college	3,104	3,705	6,152	6,757	9.83%
Bursaries	41,098	50,397	52,178	52,917	1.42%
Primary health care (PHC) training	0	0	0	1	
Training (other)	1,995	18,010	43,259	45,372	4.88%

Programme	2005/06 Exp R'000	2006/07 Exp R'000	2007/08 Exp R'000	2007/08 Budget R'000	Variance % under/(over) expenditure
Programme 7: Health Care Support Services	93,075	92,906	81,785	82,641	1.05%
Laundry services	38,230	46,547	34,696	34,968	0.78%
Engineering services	31,620	33,615	35,732	36,241	1.42%
Forensic services	7,288	0	0	1	
Orthotic and prosthetic services	8,621	8,700	9,946	10,020	0.74%
Medicines trading account	7,316	4,044	1,411	1,411	0.00%
Programme 8: Health Facilities Management	217,025	344,355	371,678	376,608	1.33%
Community health facilities	13,126	31,249	28,400	31,728	11.72%
Emergency medical rescue	213	9,093	18,706	20,638	10.33%
District hospital services	27,639	58,649	55,281	56,515	2.23%
Provincial hospital services	134,037	191,900	201,568	196,899	(2.32%)
Central hospital services	36,131	41,092	52,320	55,762	6.58%
Other facilities	5,879	12,372	15,403	15,066	(2.19%)
Total: Programmes	5,718,812	6,419,515	7,497,868	7,427,305	(0.94%)

Table 2.3.2: Evolution of expenditure by budget per capita sub-programme (constant 2007/08 prices)

	2005/06	2006/07	2007/08
Population	4,811,692	4,886,465	4,850,336[1]
% insured	27	27	27
Uninsured population	3,512,535	3,567,119	3,540,745
Conversion to constant 2007/08 prices	1.16	1.05	1.00
Programme	Exp per capita Uninsured[2] R'000	Exp per capita Uninsured[2] R'000	Exp per capita Uninsured[2] R'000
Programme 1: Administration	55	48	58
Programme 2: District Health Services	538	566	765
Programme 3: Emergency Medical Services	84	82	97
Programme 4: Provincial Hospital Services	428	411	369
Programme 5: Central Hospital Services	654	625	664
Programme 6: Health Sciences and Training	26	29	38
Programme 7: Health Care Support Services	31	27	23
Programme 8: Health Facilities Management	72	101	105
Total: Programmes	1,889	1,890	2,118

1 Population figures for 2005/06 and 2006/07 based on Census 2001 and growth factors provided by StatsSA. Population figures for 2007/08 provided by National Department of Health.

2 Calculate by (expenditure) x (conversion factor) / (uninsured population).

PROGRAMME 1: Administration

AIM

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

ANALYSIS PER SUB-PROGRAMME

Sub-programme 1.1: Office of the MEC

Rendering of advisory, secretarial and office support services.

Sub-programme 1.2: Management

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

Sub- programme 1.2.1: Central Management.

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

Sub- programme 1.2.2: Decentralised Management.

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

ANALYTICAL REVIEW OF PROGRAMME PERFORMANCE

The Comprehensive Service Plan (CSP) has been formally accepted by the Minister and the Department is in the process of implementation. In order to move towards full implementation of the CSP the Department has made progress in the development of a Human Resources Plan. This plan will be finalised during the 2008/09 financial year.

1. Allocation of policy options during 2007/08

Funding was allocated for the following priorities:

- R 946,000 for the appointment of staff to establish a enterprise risk management unit.
- R 1 million for the appointment of critical human resources management staff.
- An earmarked allocation of R 97, 094 million for the improvement of health professional remuneration.
- An earmarked allocation of R 21,105 million for the appointment of additional health staff, in particular interns and community service staff.

2. Quality Improvement Strategies

The recruitment of specific skills remains a problem however the Occupation Specific Dispensation (OSD) for nurses has been implemented and it is trusted that this has addressed the issue of salary packages for nurses and will lead to better recruitment and retention of this very important group. The other health professional categories will be addressed during the MTEF period.

The Department appointed the Director: Nursing and has seen issues of nursing being highlighted, addressed and coordinated with vigour during the year.

Significant progress has been made in setting up quality assurance committees across the Department to ensure effective coordination of quality of care initiatives. Quality assurance committees exist at approximately 60% of all the facilities.

Metro District Health Services (MDHS) again conducted a waiting time survey. The Department appointed the University of the Western Cape (UWC) as service provider to conduct waiting and service time surveys and as part of the contract departmental quality assurance managers are being trained in the methodology which will ensure skills transfer and ownership of future processes. Preparation for a similar survey at the three central hospitals is in progress.

Although the Department increased the number of pharmacist posts filled to 83% to ensure good pharmacy practice, it continues to experience difficulty in attracting applicants at the entry level due to current salary levels.

The Department successfully closed its books and compiled the annual financial statements by the due date for the 2006/07 financial year. The statements were submitted to the Auditor General (AG) who expressed an unqualified opinion on the audited statements.

The Risk Management Unit prepared and tabled the following documents: Draft Enterprise Risk Matrix, Strategic Risk Assessment and Draft Enterprise Risk Management Policy. The Unit also conducted risk awareness workshops to expose staff to the management of risk. A draft fraud prevention policy and response plan has been compiled and the Unit is in the process of compiling the Fraud Prevention Plan.

During the past year the Department, in order to compensate for the erratic supplier performance at the Cape Medical Depot (CMD) increased stock holding significantly, resulting in a reduced stock turnover. The dues out at CMD increased over the second and third quarters to over a 100 in the last quarter as a result of suppliers on a new contract appointed by the National Department of Health being unable to deliver on time, increased demand and certain administrative problems experienced in the Depot. However, a task team has been appointed by the Head of Department and the deficiencies are being addressed.

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

Table 2.3.3: Performance against targets from 2007/08 Annual Performance Plan for the Administration Programme

Sub-programme	Objectives (Outputs)	Indicators	2005/06 Actual	2006/07 Actual	2007/08 Actual	2007/08 APP
Management		Timeous submission of strategic planning documents as prescribed by Treasury.	Compliance	Compliance	Compliance	Compliance
		Timeous submission of quarterly and annual reports as prescribed by Treasury.	Compliance	Compliance	Compliance	Compliance

Sub-programme	Objectives (Outputs)	Indicators	2005/06 Actual	2006/07 Actual	2007/08 Actual	2007/08 APP
		% of hospitals where the HIS has been implemented.	25%	34%	47%	50%
		Financial statements submitted in accordance with National Treasury prescripts.	Financial statements produced	Financial statements produced	Financial statements produced	Financial statements produced by 31 May 2007
		Hospitals with up to date asset register.	33%	95%	100%	100%
		Number of items on dues out at the CMD.	<60	53	61 on average	<50
		% of facilities that have conducted an external client satisfaction survey, published the results and developed action plans for improvement.				
		Tertiary facilities	67%	67%	100%	100%
		Secondary facilities	63%	42%	100%	100%
		District Hospitals	72%	17%	85%	90%
		Community Health Centres	14%	30%	0%[3]	50%
		% of facilities that submit quarterly returns on number of client complaints & compliments received.	91%	83%	67%[4]	100%
		Consult the draft Macro HR Restructuring plan with organised labour in the Provincial Health and Welfare Bargaining Council. Finalise the HR Restructuring Plan and communicate it with line managers.	Not required to report	Not required to report	Macro Restruc-turing Plan approved and Micro HR Restruc-turing Plan developed	Draft document finalised. Plan consulted with Organised Labour

3 Surveys were not conducted at the CHC since the focus was on doing waiting time surveys.
4 No returns received from the West Coast/Winelands Region as the post of QA manager was vacant.

Sub-programme	Objectives (Outputs)	Indicators	2005/06 Actual	2006/07 Actual	2007/08 Actual	2007/08 APP
		Determine the final human resources gap in terms of a shortage/over supply of staff per occupational group in accordance with the HC 2010 organisation and post structures.			Draft depart-mental HR Planning Framework has been developed. This will form the basis for the develop-ment of the depart-mental HR Plan in accordance with the HC 2010 Strategic Plan	Groundwork for the drafting of a HR Plan to be finalised by the Chief Directorate

PROGRAMME 2: District Health Services

AIM

To render a full package of community-based services and facility-based (clinic, community health centre and district hospital) services within the District Health System (DHS).

ANALYSIS PER SUB-PROGRAMME

Programme 2 is divided into ten sub-programmes. These are presented below:

Sub-programme 2.1: District management

The District Management sub-programme is responsible for the planning and management of the district health services. The management function is currently executed from four regional offices (Metro DHS, West Coast/Winelands, Boland/ Overberg and South Cape/ Karoo).

Sub-programme 2.2: Community health clinics

The Community Health Clinics sub-programme ensures that a nurse-driven primary health care service is delivered at clinic level, which includes satellite and mobile clinics. This includes the delivery of services as per the National Package of Care for clinics.

Sub-programme 2.3: Community health centres

The Community Health Centres sub-programme ensures that a comprehensive primary health service with both nurses and full-time medical officers is delivered. This includes the delivery of services as per the National Package of Care for community health centres.

Sub-programme 2.4: Community based services

The Community-Based Services sub-programme is responsible for rendering community-based services in respect of sub-acute care, respite care, chronic care, and an integrated community home-based care service. It also provides assistance to mental health clients living in the community.

Sub-programme 2.5: Other community services

The Other Community Services sub-programme oversees the rendering of environmental and port health.

Sub-programme 2.6: HIV and AIDS

The HIV and AIDS sub-programme renders a comprehensive health care service to combat the HIV and AIDS epidemic. This includes prevention, treatment and care & support interventions, in line with the National Strategic Plan (NSP) for HIV and AIDS.

Sub-programme 2.7: Nutrition

The Nutrition sub-programme is responsible for providing a nutrition service that targets specific targets groups and which combines both direct and indirect nutrition interventions to address malnutrition at all levels in the health system.

Sub-programme 2.8: Coroner services

The Coroner Services programme renders forensic and medico-legal services in order to establish the circumstances and causes surrounding unnatural deaths.

Sub-programme 2.9: District hospitals

The District Hospital sub-programme is responsible for the delivery of Level 1 hospital services in line with the National District Hospital Package.

Sub-programme 2.10: Global Fund

The internationally funded Global Fund sub-programme aims to strengthen and expand the HIV and AIDS care, prevention, and treatment programmes.

ANALYTICAL REVIEW OF PROGRAMME PERFORMANCE

The Division: District Health Services and Health Programmes, is responsible for the management of the 10 sub-programmes as listed above. This function is achieved through the development and implementation of health care activities in response to the burden of disease in the Western Cape. A strong emphasis has been placed on the monitoring and evaluation of the 8 Divisional Priorities.

The 8 Divisional Priorities are based on the various national and local policies that seek to improve the health status of populations both nationally and globally. Some of these guiding policies and strategic frameworks are:

- The National Health Act (No 61 of 2003)
- The Strategic Priorities for the National System 2005-2009
- iKapa Elihlumayo
- HealthCare 2010
- The Comprehensive Service Plan

Four priorities relate to health systems. These priorities serve to strengthen the district health service delivery system. The remaining four priorities focus on the priority health programmes. These priorities relate directly to the overall burden of disease in the Province, and therefore serve as key entry points into the improvement of the health status of the population.

Below is an outline of the broad areas that form the basis of the 8 Divisional Priorities:

Health system priorities:

- Strengthening of the District Health System.
- The delivery of community-based services.
- Improving chronic disease management.
- The efficient use of district hospitals.

Health programme priorities:

- Improve TB control.
- Improve the diagnosis and treatment of HIV and AIDS.
- Improve child health.
- Improve women's health.

Monitoring of the divisional priorities has been against the national and local policies outlined above. The Quarterly Performance Report provides both the Provincial and National Treasuries with information on the progress of Programme 2, based on a sub-set of indicators.

The plans for achieving the divisional goals and for improving the overall performance of Programme 2 are published annually in the Annual Performance Plan. In that publication, more detail is dedicated to the policies, strategic frameworks, components and future objectives of each sub-programme. The Annual Report reviews the Division's progress to achieving it's broad and specific objectives.

1. Implementation of the District Health System

The District Health System (DHS) is the vehicle through which Primary Health Care (PHC) services are to be delivered in South Africa, in line with the Alma Ata Declaration and the National Health Act (2003). From 2005 to 2008 the Western Cape Provincial Department of Health managed the transfer of personal primary health care services, previously provided by municipalities in the five rural district council areas, from the municipalities to the Province. This transfer was based on the Province assuming its legislative responsibilities in terms of the National Health Act, and in line with the resolutions of the National Health Council in 2005. The transfer required significant background technical work to be carried out, especially in the areas of staffing and asset management. Over the past three years, the Department has successfully transferred 545 local government staff members to the provincial staff establishment in the rural districts. The transfer of fixed assets was still in progress at the end of the 2007/08 financial year.

The formal approval of the Comprehensive Service Plan (CSP) by the Provincial Cabinet and the Provincial Minister of Health, provides a clear framework for the implementation of the District Health System in the Western Cape. Furthermore, the approval of the Municipalities Demarcation Act has finalised the establishment of the boundaries of the six districts in the Province.

These advances provide for the conversion of the four existing regional management structures into six district management structures (Cape Metro, West Coast, Cape Winelands, Overberg, Eden, Central Karoo), to be formalised in the 2008/09 financial year. For the purposes of this report, the four regional management structures will still be referred to. Interviews were conducted for the appointment of two additional district managers (Cape Winelands and Central Karoo), as well as three additional sub-structure managers for the Cape Metro during March 2008. The managers were appointed early in the 2008/09 financial year, to formalise the district management structures, in line with the CSP.

The Division has prioritised the computerisation of PHC facilities to improve administrative functions in the PHC facility and reduce waiting times for clients. These PHC facilities are to have access to the government intranet, communication systems (e.g. Groupwise for e-mail connectivity), supply chain management systems (e.g. LOGIS), and financial management systems (BAS). This initiative has proven to be exceptionally successful, with the target of having 33 PHC facilities computerised and with access to PHCIS being met. Most of these facilities have been in the Cape Metropole Region, with two being computerised in the Overberg Region and one in the Eden Region. Features of this system are that it allows for each registered patient to have a unique identification number which links to the Clinicom system that is implemented in most hospitals throughout the Province. At the end of the financial year, more than one million patients had been registered on the system. Reports have also shown that waiting times have been significantly reduced in those facilities in which it has been successfully implemented.

The number of fixed PHC facilities with functioning community participation structures is 66.9%, well-above the intended target of 60% for the year.

Primary Health Care

Management of PHC facilities

Primary health care services are provided at 450 facilities (clinics, CHC's, and mobiles), of which the bulk of the services are provided at clinics, including satellite clinics. In total there are 32 sub-districts, all of which provide a full package of PHC services. Achieving 100% provision of the full package of PHC services exceeds the intended target of 90%. To further increase the accessibility of health care services in the Cape Metropole, extended hours PHC services were introduced at the nine CHC's that also provide 24-hour trauma and emergency services. The tenth service point at Grabouw CHC could not be commissioned because of staffing constraints. These services provide a limited nurse-based clinic package of services between the hours of 16h00 and 21h00 on weekdays, and 08h00 to 13h00 on Saturdays.

The Province recorded a PHC supervision rate of 43.8% (target 60%). This was due to a lack of standardisation of the supervisory visits across the Province. It must be indicated that despite this issue, facilities were visited by supervisors more frequently than reported according to the formal process. The use of the Red Flag checklist for the structured monthly supervisory visit has been standardised as from 1 April 2008 across the Province. The Clinic Supervisors manual was also under revision during the 2007/08 financial year. The revised manual is in the process of being finalised and every effort will be made to ensure that the tools are used in a standardised fashion during 2008/09.

To facilitate decision-making and management, data needs to be submitted timeously. The facility data timeliness rate for all PHC facilities is satisfactory compared to the target for the year (73.3% versus 70%). The facility data timeliness rate improved significantly across all the regions in the fourth quarter. The Division and the Directorate: Information Management has embarked on a joint initiative to improve data management through out the Province.

Access and utilisation

The monitoring of the PHC headcount assesses the burden placed on the services, the workload of staff, and for the allocation of both human and financial resources. For the 2007/08 financial year, a total PHC headcount of 13,029,007 was recorded (against a target of 13,143,141). This represents an increase of 6.5% from the 2006/07 financial year (total PHC headcount of 12,180,933). The largest percentage of headcounts was recorded in the Cape Metropole District. This figure is encouraging given that steps have been put in place to deliver the right care at the right level within the health care system through encouraging the communities to access PHC services as the point of entry into the health care system. This figure translates into an utilisation rate of 2.7% for the total population of the Western Cape, and an utilisation of 4.9% for the population under five in the Western Cape.

PHC expenditure

The appropriate allocation of sufficient funds for the management and subsequent delivery of high quality health care is critical. In terms of PHC expenditure, rands spent per uninsured person and per headcount are used to give an indication of efficiency. The provincial expenditure per uninsured person was R 313, which is a R 40 increase per uninsured person from 2006/07 (R 273 per uninsured person), but is still below the target of R 373 per uninsured person for 2007/08. The provincial expenditure per headcount at PHC facilities was R 104, which is a R 21 increase per headcount compared to the 2006/07 figure (R 83) and is above the target of R 71. The increase in the expenditure can mainly be attributed to the introduction of the Occupational Specific Dispensation for Nurses, as from 1 July 2007.

Human resources

At the end of the financial year there were 1,605 professional nurses working within fixed PHC facilities (this represents an increase of 108 nurses from September 2007 to March 2008).[5] This translates to 45.3 nurses per 100,000 uninsured population, which is an increase of 5 nurses per 100,000 uninsured population from 2006/07 (40.3 nurses per 100,000 uninsured population). PHC in the Western Cape is primarily nurse driven, with most facilities only being visited by a doctor for the purpose of managing difficult cases. The proportion of facilities supported by a doctor at least once a week is 73.4%. The Metropole has the highest number of doctor-supported visits (92.7%) with rural areas such as Central Karoo with the lowest number.

The clinical workload indicators provide insight into the burden placed on the nurses and doctors working within the services. Workload is influenced by numerous factors such as the disease profile of the population served by the clinic, the skills set of the staff, the accessibility of the facility, and the number of days worked by the health professional. The nurse clinical workload is 32 patients per day. This is less than the intended target of 35. The doctor clinical workload is 29, which is much less than the target of 50.

Community based services

Community based services (CBS) form part of the Comprehensive Service Plan (CSP) and aim to relieve the pressure on acute hospitals and PHC facilities. There are five types of facilities for de-hospitalised care: sub-acute care, palliative care, chronic care, community mental health care and integrated home based care.

Over the past few years, and in line with the Comprehensive Service Plan, CBS have been expanded and improved through the implementation of a new integrated model for home-based, palliative, and step-down care. The management of non-profit organisations (NPO's) has also been improved.

Over the past five years, the European Union (EU) has provided 'seed funding' for the CBS programme. In 2007, the Department embarked on an exit strategy whereby the posts previously funded by the EU would be transferred onto the provincial establishment. This process has been successful with all of the 37 posts being transferred except the EU provincial management unit that is still funded by EU.

The Department has contracted 145 non-profit organisations (NPO's) to be the platform through which CBS would be delivered. Ninety of these NPO's render an integrated home based care service.

Integrated home-based care provides three streams of service provision namely:

(1) Providing care to clients who have functional impairment and who need personal clinical care in their homes.
(2) Individual or adherence counselling.
(3) Prevention and promotion.

During 2007/08, there were 1,343 NPO appointed home-based carers who provided home-based care to 16,823 clients, of whom 7,877 were referred from hospitals. Each carer is expected to do a minimum of five client visits a day during the 4.5 hours that they work. By the end of 2007/08 these carers had undertaken 1,182,128 client visits, which translates to four visits per carer per day.

Palliative care services provide care to terminally and chronically ill patients for an average length of stay of two weeks. The bed occupancy rate (BOR) for the year was 79.3% (target 85%). There are 269 useable beds for inpatient care for medical clients. In the past year 77,882 in-patient days were reported. The reasons for not achieving the set target are that most patients have complicated terminal conditions and need to be admitted for longer periods of time, and that there are often challenges presented by social networks in the home and in the community which prevent early discharge of clients.

5 Fixed PHC facilities refer to clinics (including satellite clinics) and CHCs.

Three funded NPO's (Booth Memorial Hospital, Sarah Fox and St Joseph's Home, although the latter is a combination of sub-acute and chronic beds) manage 258 inpatient sub-acute beds to medical clients in need of care. Only 84 of these beds are adult beds and 174 are paediatric beds and the plan is to increase the adult beds in future.

Chronic life care is provided at one consolidated facility (Lifecare), on part of the site of what was previously Conradie Hospital. The average length of stay for chronic care clients is six months and above. It is proposed to move this facility from Conradie Hospital's premises to Lentegeur Hospital.

In keeping with the CSP, community based services will be expanded within the next year. A challenge will be to monitor the extent of the implementation of the programme and to reflect the numbers of patients who are no longer treated at the facilities but who form part of the CBS programme instead. To this end, the monitoring and evaluation system will be strengthened in the next financial year with the intention of integrating the CBS dataset with the District Health Information System. For the latter to be successful, a significant amount of time and resources will have to be invested into the training of NPO's and home-based carers.

2. Management of chronic diseases

The Burden of Disease Study, conducted in 2001, identified chronic diseases such as cardiovascular conditions and diabetes mellitus as two of the major causes of death in the Province. These conditions also afflict the poorest communities who are most likely to access public sector facilities. Chronic disease management entails the dispensing of medication at facilities on a monthly basis. This practice places an enormous burden on the health system by increasing the number of patients who access care. It also impacts on service delivery by increasing waiting times.

A strategy for the management of chronic diseases has been developed following on a rapid assessment of management of chronic diseases in PHC. Health worker practice, client support systems, organisational systems, and health promotion were investigated. The Division has subsequently prioritised the management of the following chronic diseases: chronic lung disease, especially asthma, diabetes mellitus, hypertension, cardiovascular diseases, epilepsy, and mental health.

One strategy for the improvement of chronic disease management has been the establishment of the Chronic Dispensing Unit (CDU) which supplies pre-packaged medications to clients through alternative supply systems with the intention of decreasing waiting times in the facilities. Furthermore, alternative delivery systems are being implemented to improve waiting times for chronic medicines at the old age homes, registered NPO's running support groups in the community and to the clothing industry in the Metro. For health facilities, this means having pre-packed medication issued by a pharmacy assistant, relatives, NPO nursing sister or home-based carer. The latter collect the medication on predetermined appointment dates directly from the pharmacy thereby bypassing the facility queues. The number of patients receiving medication through this alternative supply system has increased markedly from 336,662 to 1,420,500, which is well above the intended target of 720,000.

Another strategy has been to improve clinical governance at PHC facilities through the employment of family physicians who will be responsible for ensuring high quality care for chronic disease clients. One of their key tasks will be to provide leadership and capacity building of staff in the facilities. Seven family physicians have been appointed at CHC's in the DHS. In addition twenty new family medicine registrars have been appointed at facilities throughout the Province.

3. Disease prevention and control

Health promotion

To address adherence to and the promotion of healthy lifestyles in the community, support groups for people with chronic diseases of lifestyle have been established. Six NPO's were funded in the Metro and between these NPO's they have 130 support groups with 4,600 registered clients. Each support group also addresses nutrition and physical exercise issues. The Sports Science Institute was commissioned to train health educators and some group leaders about physical exercise. These support groups will be expanded next year and once fully established, the plan is to integrate HIV and mental health into this programme. The physical exercise support groups were also extended to the general population and there are 'clubs' who were supplied with the "Vuka for Health" T-shirts. The membership to these clubs has increased with communities now in the townships coming on board.

Environmental Health

As an initiative to improve the coordination of Environmental Health Services, indicators were finalised with the National Department of Health and integrated into the District Health Information System. The Burden of Disease Study identified certain ("midstream") environmental factors as critical determinants of health. Access to clean potable water and quality sanitation services are major contributing factors to healthy communities. Of the water samples taken, 92.3% complied with the necessary requirements; and 69.3% of sewage samples taken met the requirements. This is an area that needs improvement and discussions have been held with the municipalities over the past year. It is pleasing to note that 97% of households have an effective refuse removal service.

Oral Health

One of the priorities of the oral health service is to introduce a fissure sealant programme to Grade 1 pupils. The first molars usually appear at an age when children are in Grade 1. A School Teeth Brushing Programme also accompanies this programme, which is to be expanded in the next financial year. The extraction to restoration rate has decreased from 1:18 in 2006/07 to 1:16. The national target is 1:13 and from this it is clear that the Province does more extractions despite the decreased extraction rate.

Social capital

Some of the Provincial Health Department's Social Capital priorities for health in 2006/07 were:

- Community Integrated Management of Childhood Illnesses (CIMCI). The intention was to expand this programme and then integrate it as part of the home-based care programme. In total, the programme via door-to-door visits reached 71,488 CIMCI clients.
- Chronic disease support groups as mentioned in the Health Promotion section.
- Health promoting schools: Caregivers were employed to assist the school health team in doing health education that is linked to the problems identified at the various schools and providing follow-up for those children who need it.
- Eye care workers have been doing community screening and referring cases picked up to the nearest CHC.
- Community participation structures: The Department has been concentrating on setting up health committees and assisting the health forums with drafting their constitutions.

4. District hospital services

District hospitals comprise an important part of the District Health System. They play a supportive role in that they provide both clinical and non-clinical outreach services to the lower level PHC facilities. There are 32 district hospitals in the Western Cape. This includes the Khayaelitsha and Mitchell's Plain district hospital hubs, which are located at Tygerberg and Lentegeur Hospitals respectively. The number of district hospitals range from 4 to 7 per district with at least one hospital in most sub-districts.

Management and clinical governance

More than two-thirds (80.1%) of the district hospitals have operational hospital boards, the latter being important for providing governance and for ensuring accountability. Similarly, just over two-thirds (82.9%) of hospitals also have a full-time chief executive officer (CEO).

Monthly clinical audit (mortality and morbidity) meetings have increased from 21.4% to 71.4%% (exceeding the target of 60%). A case fatality rate for surgery separations of 1.05% was recorded for 2007/08, which is an increase from 2006/07 (0.79%) and above the target of 0.7% for 2007/08. The addition of three large Metro hospitals (GF Jooste, Karl Bremer and Helderberg), which performs a significant quantum of more complex level 2 work, in the 2007/08 figure (and was not part of the 2006/07 data) explains this trend.

In order to aid management and decision-making at district hospitals, data need to be submitted timeously. The data timeliness rate for district hospitals has improved substantially over the past year, from 67.9% to 76.2%. The superior performance in comparison to lower-level facilities could be explained by the nature of the use of electronic systems to manage data at district hospitals, compared to a primarily paper-based systems at other PHC facilities.

Utilisation and service volumes

The efficiency of district hospitals, as reflected by the average length of stay increased from 2.8 in 2006/07 to 3.3 days in 2007/08. The addition of three large Metro hospitals (GF Jooste, Karl Bremer and Helderberg) in the 2007/08 figure (and was not part of the 2006/07 data) explains this trend. The bed utilisation rate (based on 2,292 useable beds) was 79.3%. The addition of three large Metro hospitals (GF Jooste, Karl Bremer and Helderberg), which operates at a much higher bed utilisation rate, in the 2007/08 figure (and was not part of the 2006/07 data) explains this trend. Overall, there has been an increased in service volumes (separations, day cases and patient day equivalents). Outpatient headcounts increased from 436,643 to 515,501 and casualty headcounts increased from 258,465 to 362,498.

District hospital expenditure

The expenditure by district hospitals per uninsured person increased from R 133 in 2006/07 to R 241 in 2007/08, which is an increase of 81.2% over the past financial year. The expenditure per patient day equivalent (PDE) increased from R 693 in 2006/07 to R 893 in 2007/08, which is an increase of 28.9%. The observed increase in the overall expenditure can be explained by the implementation of the Occupational Specific Dispensation (OSD) for nurses, the transfer of three metropolitan hospitals to the Division, the high cost of agency staff and the nature of services provided at rural hospitals.

5. HIV and AIDS, STI's

HIV prevention

HIV prevention remains a priority for the Department and the reduction of new infections remains a key challenge.

Community mobilisation

The 32 multi-sectoral action teams (MSAT) continue to bring relevant role-players (government departments, civil society organisations, local government and non-governmental organisations) together at sub-district level to initiate local responses to the HIV epidemic. Five hundred and fifty eight MSAT projects are funded via the Global Fund, against a target of 343. Targeted interventions in high transmission areas (HTA) are critical in addressing HIV prevention. The Department has implemented interventions in 28 sites, 3 more sites than were planned for the year.

Life skills and peer education

Peer education has been identified as one of the critical programmes for HIV prevention to ensure "an HIV free generation". The Department has exceeded its target of badged peer educators (13,068) in the Province by 13.6% (target 11,501).

Post Exposure Prophylaxis (PEP) for sexual abuse

Post Exposure Prophylaxis (PEP) services for sexual assault[6] are available at 87% of hospitals in the Province. The target was 100%. These services have been consolidated to fewer sites, but access to PEP remains good, as shown in Table 5, where 40.1% of survivors of sexual assault reporting to health facilities received the full course of PEP thus meeting this year's target.

Voluntary Counselling and Testing

Citizens of the Western Cape can access Voluntary Counselling and HIV Testing (VCT) services at public PHC facilities in the Province, as well as at 52 non-medical sites. The number of fixed PHC facilities offering VCT is 89.1%, which is below the provincial target of 100%. Overall, the target for the HIV pre-test counselling rate in fixed PHC facilities (2.5%) was achieved. The total number of clients tested for HIV was 347,434, of which 92,428 were antenatal patients.

Prevention of Mother-to-Child Transmission (PMTCT)

The PMTCT programme is a flagship HIV prevention programme of the Western Cape. The programme is available at 84.4% of fixed PHC facilities in the Province. It is important to note that the denominator for this indicator refers to the total number of fixed facilities, which explains the apparent lack of coverage of all PHC facilities. In reality, the PMTCT programme is implemented at all (100%) facilities, including hospitals and midwife obstetric units (MOU's) that provide antenatal care service. No nevirapine stock-outs were reported throughout the Province. The nevirapine uptake rate among babies born to women with HIV remained high at 101.6%.[7] The transmission rate for the programme for those coming for HIV testing at 6 weeks is 5.2%.

6 Sexual assault is reported as sexual 'abuse' in the Annual Report (Table 9; Indicator 5).

7 Nevirapine coverage rate is 74%. Nevirapine coverage rate among babies born to women with HIV calculates the number of babies who received nevirapine compared to those who would be expected to receive it according to estimates derived from HIV antenatal survey results.

Sexually Transmitted Infections (STI's)

The implementation of effective programmes to address sexually transmitted infections (STI's) comprises an important component of any HIV prevention strategy. There has been a 60% increase in the male condom distribution rate from public sector facilities in 2007/08 compared to 2006/07. Access to female condoms has also increased across the Province, with training offered to service providers and information educational communication materials being made widely available. These initiatives have more than doubled the number of female condoms distributed in the last financial year (254,426 in 2006/07; 499,713 in 2007/08). Furthermore, the target of 200,000 has also been exceeded by 150%. With regards to the impact of the interventions on the reporting of symptomatic STI's, the number of incident cases has decreased from 98,758 to 74,427 over the past year (24.6% reduction). The partner treatment rate is reported to be 18.9%, which is below the target of 21.0%.

HIV treatment

As of the 30 March 2008, there were 62 accredited sites in the Province that provided ARV therapy. This is 98.4% of what was planned for the financial year. One of the planned sites was not accredited because of infrastructure limitations. At these 62 sites, there were 37,435 patients on ARV treatment and this is 4.4% more than the target of 35,863. Furthermore,11,324 patients were started on ARV's in the year 2007/08, which translates to 50.4% of patients who were classified as WHO stage 4 requiring treatment as based on the Actuarial Society of South Africa (ASSA) model. With regards to drug availability, no ARV stock outs were reported. For the Province to continue to halt the impact of the HIV epidemic on health services through the reduction of the incidence of debilitating and opportunistic infections, at least 80% of patients who are WHO stage 4 must be put on treatment (*National Strategic Plan 2007-20011* target). To this end, targets have been exceeded for the number of hospitals and fixed PHC facilities drawing blood for CD4 testing. Of the latter facilities, 100% refer patients to ARV treatment points for assessment. Specific challenges lie in recruiting and retaining the appropriate staff, and in providing the infrastructure for the provision of services. Furthermore, maintaining adequate financial resources is also an ongoing challenge.

Since the appointment of a Facility Planning Manager at provincial level (employed through the Global Fund), the planned infrastructure projects have been considerably fast-tracked. Of the seven such projects, four will have contractors on site in the first quarter of 2008/09, and a further three are at an advanced stage of planning. To address human resource challenges, the Department is implementing a "nurse-led, doctor supported" treatment model which will see appropriate patients directed towards more appropriate services.

6. Tuberculosis

Tuberculosis (TB) persists as a public health problem of serious magnitude in the Western Cape Province and is placing an extraordinary burden on those afflicted by the disease, their families, and on government budgets. With the growing emergence of multi-drug resistant TB (MDR-TB) and Extensive Drug Resistant (also known as Extreme Drug Resistant) TB (XDR-TB) the Department has continued to accelerate their Enhanced TB Response strategy to improve TB control in 2007/08.

In addition to the five high-burden TB sub-districts (Khayelitsha, Klipfontein, Eastern, Breede Valley and Drakenstein) identified in 2006/07 for an enhanced response, 22 health facilities were also targeted for an enhanced response and have received additional funding to strengthen TB services. This has resulted in a dramatic improvement in the TB outcomes for patients in the Western Cape. The TB cure rate for new smear positive TB patients has shown a significant increase from 71,2% in the previous year to 77.4 % in the last year, which is well over the 73% target. The treatment success rate of 81,9% is approaching the national and global target of >85% for 2011. Treatment support for tuberculosis has improved, with the number of TB cases with a DOT supporter increasing from 81% to 89.3% (6% below the annual target) in the last year. The TB defaulter rate has also decreased over the last year from 11.1% to 9.6%. This is an excellent achievement, but much more effort will be required to achieve the joint national and global target of below 5% for 2011.

The percentage of TB specimens with a turnaround time >48 hours was 35.1%. The TB programme had several challenges in meeting this target which included:

(1) The definition of the indicator was not standardised across the Province. A standard operating procedure is being drafted for implementation during the next financial year.
(2) The geographical location of some of the rural facilities caused delays in transportation of specimens. This is discussed continuously at NHLS collaborative meetings.
(3) Functioning fax machines at all facilities and commitment from staff to receive the result immediately. Inadequate stationery supplies and shortages of staff also caused unnecessary delays.

The Province diagnosed the first XDR-TB patients in January 2007. A total of 73 XDR-TB cases were identified for the rest of 2007, of whom 26 died and 3 were discharged. Given the potential negative social, epidemiological and economic impacts of inadequate treatment of MDR-TB, systems are currently being put in place to strengthen the programme so as to reduce the risk of further XDR-TB cases. During 2007, a paper-based information system for the collection of this data was implemented.

The National Minister of Health launched the national Tuberculosis Strategic Plan 2007-2011 in November 2007. The strategic objectives of this Plan to achieve good TB control in South Africa will be the focus of the provincial TB Directorate in 2008/09 and it is envisaged that further improvements will be made in TB control.

7. Maternal and Women's Health

Antenatal care

It is well documented that good quality and accessible antenatal care (ANC) significantly contributes to the reduction of maternal mortality. The target for the year 2007/08 was 88%, and the Province achieved more than 100%. Despite good ANC coverage, only 39.1% of all pregnant women booked before 20 weeks of gestation (i.e. 11% below the target of 50%) for 2007/08. The challenge with regards to improving the under 20 weeks ANC booking coverage is that pregnant women generally book later in their pregnancy due to a variety of factors, including low levels of awareness of the advantages of early booking for both the mother and infant. As part of addressing low booking rates the Province has joined in the national roll-out of the Basic Antenatal Care (BANC) programme. BANC is a quality improvement programme aimed at increasing early (under 20 weeks) booking of pregnant women. It also aims at the early identification and referral of high-risk pregnancies. The BANC roll-out has increased from 3% in 2006/07 to 52% in 2007/08, against the target of 10%. BANC has been rolled out in almost 100% of the facilities in both Cape Winelands and Overberg Districts. Further roll-out to other districts is planned for 2008/09.

Maternal health

The total number of deliveries has increased from 95,292 in 2006/07 to 97,404 in 2007/08 (excluding private facilities). The Maternal Mortality Ratio (MMR) increased from 57.4/100,000 live births in 2006 to and 72.2/100,000 live births in 2007 (calculated on calendar year). It is best practice to analyse maternal deaths on a triennial basis and comparing the trienniums 2002-2004 with 2004-2007, the MMR has decreased from 72.9/100,000 live births to 66/100,000 live births. Annual variations are due to the fact that the actual number of maternal deaths remains small. During the year under review the Province developed a plan to decrease the MMR, which is in response to the recommendations from the National Saving Mothers Report III and some of the recommendations are already in the process of being implemented.

Reproductive health

Cervical cancer screening services

The cervical cancer screening programme aims to reduce morbidity and mortality due to cervical cancer among women aged 30 years and over.[8] In order to achieve this, women aged 30 years and over are encouraged to have a pap smear three times in their lifetime at a 10-year interval starting preferably at 30 years.

The provincial target for 2007/08 was 7.5%, but only 5.1% was achieved (i.e. lower than the 6.3% achieved in 2006/07). Most of the rural districts are doing very well. In order to address the low coverage, the Province has developed various strategies for 2008/09, which will increase the level of accountability at facility level to achieve these targets. The strategies include, amongst others, nomination of cervical screening champions per facility. Partnerships with current private providers will be strengthened and new partnerships will be explored.

Termination of Pregnancy (TOP)

The number of hospitals providing termination of pregnancy (TOP) services reduced from 34 (87.2%) to 29 (78.4%) in the 2007/08 year. Thus 78.4%, as opposed to 87.2%, now provide this service. In order to improve access to termination of pregnancy services, the Province is planning to increase the number of facilities and TOP providers.

8. Child Health

Immunisation

The Province has exceeded its target of 90% for the percentage of children under one year of age who are fully immunised. This indicator, which assesses the percentage of children who have completed the primary course of immunisation before the age of one year, was reported to exceed 100%.[9] Of note however, is that four sub-districts, namely Swellendam, Prince Albert, Cape Agulhas and West Coast DMA, did not achieve coverage of greater than 80% for fully immunised children less than one year old. With regards to measles coverage for children under one year, there has been an increase from 93.7% to just over 100%.[9] These achievements can be attributed to raised community awareness and two national campaigns undertaken between May and July 2007. In order to further increase the under one year immunisation coverage in each sub-district, the Province will embark on a plan to implement the Reach Every District (RED) strategy in the coming year. DTP-Hib[10,11] vaccine availability is used as a proxy for vaccine availability at facilities in the Province. Figures show that DTP-Hib vaccine stock outs were reported as being below 1%.

Vitamin A coverage

The Vitamin A supplementation programme has been implemented to strengthen the immunity of infants, prevent blindness, and to reduce the risk of children dying from childhood diseases. Vitamin A coverage under 1 year has increased from the reported 66.2% in 2006/07 to 91.6% in the 2007/08. The increase in coverage can be attributed to increased awareness of the importance of providing Vitamin A supplementation, training of staff in districts, and to the ongoing monitoring and evaluation of the programme.

8 During the 2007/08 financial year this data element, which forms the numerator for the cervical cancer screening coverage rate, referred to women between the ages of 30 and 59 years.

9 The reason for exceeding the target of 100% has been attributed to the population under 1-year estimates being lower than the population figures.

10 DTP-Hib stands for Diptheria/Tetanus/Pertussis-Haemophilus influenza B vaccine.

11 The EPI campaign format has changed as from the 1 February 2008. Children are no longer immunised at 5 years of age, but instead receive full strength tetanus and diluted diphtheria (Td) and the polio vaccine at the ages of 6 years and Td at 12 years.

Integrated Nutrition Programme

The Integrated Nutrition Programme forms part of a number of health interventions at facility and community level. Nutrition services are available at PHC facilities and hospitals. Dieticians provide clinical dietetic services in clinics, community health centres and provincial hospitals. Furthermore, community based services are delivered at schools, crèches and old age homes on request.

Children are routinely growth monitored at health facilities, and interventions are in place to manage malnutrition. The percentage of children showing no weight gain was 2.2% (target 0.8%). Similarly, the incidence of severe malnutrition increased from 0.3% in 2006/07 to 0.4% in 2007/08. It is suggested that this increase could be due to in-migration from other provinces. The exact underlying causes for this observed increase however needs to be fully investigated. To improve the nutritional and immune status of identified vulnerable clients (adults and children), specialised nutritional products are made available through the Nutrition Supplementation Programme.
The Baby Friendly Hospital Initiative (BFHI) is one of the strategies to improve child health. External assessors have been assigned to assess facilities on an annual basis and stringent criteria are used to evaluate whether a facility qualifies as being baby-friendly. A facility must score 100% on the application of the accreditation tool. Thus far, two facilities were certified as being baby friendly and one facility received a certificate of commitment in 2007/08. The accredited facilities are to be reassessed in the third year following accreditation. Of the 74 public and private birthing facilities, 16 facilities in the public sector (22%) have been accredited as being baby friendly. Of the total number of PHC facilities, 13.5% were accredited.[12]

The implementation of the Provincial Food Service Policy has been prioritised in order to improve the quality of food services in hospitals. Monitoring was done using a standard monitoring tool with specific evaluation criteria for food services. Sixty percent of the facilities monitored scored above 75% on application of this tool.

Integrated Management of Childhood Illness (IMCI)

The Integrated Management of Childhood Illnesses (IMCI) programme has been implemented in the Province since 2000. During 2007 the number of health facilities implementing IMCI improved from 82% to 88%. This result is encouraging, as a major limiting factor has been skills loss or staff transfer. The resultant rapid turnover of staff has, in turn, required ongoing training efforts throughout the Province. The increase in IMCI coverage can therefore be attributed to providing extra training in areas that previously reported low coverage. To ensure the success of this programme, district personnel will conduct audits during the coming financial year. Another significant achievement has been the inclusion of IMCI in the basic nursing curriculum. This will undoubtedly result in higher levels of competency amongst entry-level nursing staff, and will furthermore ensure continuity of care at all levels in the health system.

School Health

Phase 1 one of the National School Health Policy has been implemented in all six districts in the Province. As part of this programme, Grades R and 1 are screened for hearing, sight, anthropometrics, gross motor skills and oral health. In total, 91.4% of schools in the Province received these services in 2007/08. This is a great improvement on the previous year (23%) and exceeds the target for the 2007/08 financial year by 41.1%. It has been suggested that the engagement of all districts facilitating in outreach services to schools has largely contributed to this increase. In terms of absolute numbers the total number of children screened in 2007/08 was 97,233 and number of children referred for further management was 35,333.

12 In the Annual Report, the denominator used to calculate this indicator comprises of the total number of community health centres, non-specialised hospitals and midwife obstetric units (MOU's).

Diarrhoeal diseases

There has been an increase in the incidence of diarrhoea over the past year compared to the previous financial year (2.7% to 3.1%). A multi-disciplinary task group (the Diarrhoeal Diseases Task Team) was formed in 2007 to develop and implement strategies to prevent and manage diarrhoeal diseases during peak seasons. One such strategy was a media campaign to increase public awareness that was run during the diarrhoeal season. Others, such as the use of posters with key messages on prevention and management of diarrhoea were developed and distributed across the Province. In high incidence areas, health promoters, community IMCI workers and health facility personnel distributed 1-litre bottles to be used for mixing oral rehydration solution. For the first time, the Province worked closely with the City of Cape Town to jointly identify diarrhoeal hot spots, based on morbidity and mortality trends, as well as on the availability of basic services. Thirty-three hot spots were identified and were subsequently targeted by the City of Cape Town for improved delivery of basic services such as water and sanitation. Four health facilities (Kraaifontein, Delft, Site B and Klipfontein) were also identified to provide extended hour services (until 21h00) in order to improve access for children with diarrhoea. The burden of diarrhoeal diseases is driven by many determinants including physical (e.g. HIV, nutritional status) and socio-economic factors such as lack of basic water and sanitation services. Over and above the aforementioned measures, the Province has streamlined referral pathways between the PHC platform and hospital services to further ensure seamless service provision.

9. Forensic Pathology Services

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

The responsibility for the provision of this service transferred from the South African Police Service to the Department of Health with effect 1 April 2006.

A total of 10,446 incidents were logged, resulting in 10,007 forensic pathology cases. The average response time achieved across the Province from the time that the incident was logged until the body was received on the scene was 54 minutes. A total of 39 response vehicles travelled 848,394 km during body transportation.

In total 10,164 case files were opened whilst 6,563 case files were closed. A total of 1,985 case files were open for a period exceeding 90 days at the end of the financial year. This is largely due to the backlogs being experienced by the National and SAPS Forensic Laboratories and the time taken to process and report on toxicology and DNA results. The average number of days from admission to release of the body is 5,05 days.

During 2007/08 10 complaints and 86 compliments were received. Of concern is the number of occupational injuries reported (53) and a considered effort will need to be made to manage and impact on this.

The service was implemented as per the agreed business plan by:

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

The performance against the set objectives were as follows:

Implementation of the human resource plan

The Department continued with the implementation of the macro as well as the micro organisational structure during 2007/08. As reported in the last financial year at the end of March 2007; 166 posts were filled out of a target of 170.

For 2007/08 the Department set a target of 231 filled posts by the financial year-end. A total of 213 posts were filled which include 31 medical personnel (sessional, forensic medical practitioners as well as forensic pathologists), 120 forensic officers (all categories) and 62 administrative personnel.

Training and orientation of personnel as per human resource development plan

All personnel have been orientated to the Forensic Pathology Services. Standard training will be provided to all personnel to ensure appropriate standard of practice. Change management plays a major role in the Forensic Pathology Service (FPS) as a new FPS culture and ethos need to be instilled in all personnel.

As this is a new service in the Department specific focus is placed on training and 119 personnel was exposed to 235 training interventions which included financial training (BAS and LOGIS), human resource aspects (which included, but was not limited to, performance management, PILIR, Workmen's Compensation Act, diversity management, industrial relations), Occupational Health and Safety, stress management and 4x4 vehicle training were provided to all categories of personnel.

Delays have been experienced with the introduction of an accredited training programme due to the fact that the Health Professions Council of South Africa (HPCSA) has not yet agreed to act as Education and Training Qualification Authority (ETQA) for the training programme. The unit standards for this training programme (NQF level 5) was completed and accepted by SAQA during the 2006/07 financial year.

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

Equipment needs were identified and furniture and equipment procured according to the priorities also focussing on the commissioning of four new facilities that was due towards the end March 2008.

Equipment that was procured included electric platform scales, computer equipment, self loader stretchers, microscopes and dissecting equipment.

Vehicle Fleet

The vehicle fleet consists of 58 vehicles which includes body transportation, incidence response as well as administrative vehicles. The fleet is being maintained by Government Motor Transport.

An additional two incidence response vehicles (total three) were converted with a special built canopy to allow for the transport of 23 bodies each, marked with reflective and other decal, and fitted with red emergency lights. These vehicles will provide the ability to respond to mini and mass disasters.

Implement the infrastructure plan as per priorities

Five construction projects are currently underway and the facilities will be commissioned during 2008. These include the following projects: new referral centre in George (M3), a new referral centre in Paarl (M3), a new referral centre in Worcester (M3), a new M2 forensic pathology laboratory in Hermanus (M2) and a new M1 forensic Pathology Laboratory in Malmesbury.

Budget availability impacts on the planning activities as additional funding must be secured to be able to implement the infrastructure schedule. The current MTEF allocation will not allow for implementation of the infrastructure plan which impacts severely on the planned relocation of Salt River (M6), the required expansion of Tygerberg (M6) as well as planning and construction of all other projects as identified.

Develop, pilot and implement a forensic pathology information management system

The Department continued with the implementation of the forensic pathology information system in 17 of it's 18 facilities. Delays in infrastructure implementation resulted in inability to implement in all 18 facilities.

The system was developed and implemented in the Western Cape and the Province assisted with the implementation of a pilot site in Gauteng during 2007.

Challenges and Constraints

The recruitment of appropriately skilled personnel remained a challenge. The Forensic Pathology Service working environment is a challenging one and requires sound human resource management practice to ensure that the appropriate person is selected. Although staff-turnover has not been high, a number of people did not take up their appointments when the nature of the work became clear to them. The unavailability of forensic pathologists countrywide resulted in some advertised posts still being vacant. The Department is addressing this by the increase in forensic pathology registrar posts. This is however a long-term process and interim measures are put in place through the appointment and training of medical officers.

The target that infrastructure upgrades would be implemented according to plan was not met. Delays were experienced with construction projects resulting in delays in commissioning 4 of the 5 projects. Reliance on the National Department of Public Works (NDPW) for project management of the Repair and Maintenance Programme (RAMP) projects resulted in most of the projects being put on hold. This impacted on the other projects that had to be concluded and the Department re-prioritised projects to be in a position to spend the allocated funding. The Department received claims from the NDPW for RAMP work that was concluded during 2005/06 and 2006/07 during the 2007/08 financial year. A request for rollover of funds had been submitted to fund project commitments in the 2008/09 financial year. Building cost escalation had a major negative impact on the infrastructure plan as actual project costs far exceed the initial budget allocation.

TABULAR REPORTING ON PERFORMANCE AGAINST PROVINCIAL 2007/08 ANNUAL PERFORMANCE PLAN

Table 2.3.4: Performance against targets from the 2007/08 Annual Performance Plan for the District Health Services Programme

Sub-programme	Objectives (Outputs)	Indicators	Performance			
			2005/06 Actual	2006/07 Actual	2007/08 Actual	2007/08 APP
	Establishment of district management structures.	Number of district management structures created	Structure not im-plemented	3	3	5
		Number of sub-district management structures created in the Metro	Not required to report	Not required to report	0	4
	Computerisation of PHC facilities.	Number of PHC facilities computerised and with access to PHCIS	27 with access to provincial intranet	31 with access to provincial intranet	33	33

Sub-programme	Objectives (Outputs)	Indicators	Performance			
			2005/06 Actual	2006/07 Actual	2007/08 Actual	2007/08 APP
	Extended hours service.	Number of CHC's with functional extended hours service	Not required to report	Not required to report	9	10
	Assumption of responsibility of all Personal Primary Health Care services (PPHC) in the non-metro districts.	Number of municipal PPHC staff remaining with rural municipalities	336 local govern-ment posts filled by Province	549 local govern-ment posts filled by Province	0	0
	Improve clinical governance and competence in the DHS.	Number of family physicians registrars employed at CHC's	Not required to report	Not required to report	7	6
		Number of district hospitals/ CHC's with a functioning MOCOMP programme	Not required to report	Not required to report	18	20
	Provide sub-acute step-down and chronic beds to patients discharged from hospital beds but still in need of care other than in a hospital bed.	Number of beds managed by non-government organisations	Not required to report	Not required to report	758	575
		Provincial beds: Nelspoort Hospital	Reported under 4.4	Reported under 4.4	79	90
	Ensure efficient and cost effective service delivery at Nelspoort Hospital.	Inpatient days per annum	Reported under 4.4	Reported under 4.4	48,277	28,632
		Bed occupancy rate	Reported under 4.4	Reported under 4.4	98.9%	87%
	Ensure the availability and optimal utilisation of district hospital services in the DHS.	Number of district hospital 1 beds (mainly L1)	1,546	1,750	2,292	2,113
		Number of inpatient days per annum	397,751	402,509	652,107	578,434
		Number of outpatients treated per annum	447,414	436,643	877,999	780,450
		Number patient day equivalents per annum	643,244	661,655	956,181	838,584
		Number of separations per annum	257,219	144,373	203,932	199,460
		Average length of stay	2.8 days	2.8 days	3.3 days	2.9 days
		Bed utilisation rate	71%	71.7%	79.3%	75.0%
	Provision of outreach and support to PHC platform.	Percentage of district hospitals providing administrative support and clinical outreach and support to PHC platform	Not required to report	Not required to report	88.6%	51%

Table 2.3.5: Performance against targets from the 2007/08 Annual Performance Plan for other strategic health programmes within the District Health Services Programme

Sub-programme	Objectives (Outputs)	Indicators	Performance			
			2005/06 Actual	2006/07 Actual	2007/08 Actual	2007/08 APP
Maternal, child and women's' health	Improve immunisation status.	Number of sub-districts with <1year immunisation coverage of > 80%	Not required to report	17 > 90% coverage	28	32
	To provide access to Post Exposure Prophylaxis for survivors of sexual assault.	Percentage of survivors of sexual assault reporting to health facilities who received full course of PEP	Not required to report	Not required to report	40.1%	40%
	Improve antenatal coverage.	Antenatal booking rate below 20 weeks	Not applicable	37.0%	39.1%	50%
		Percentage of fixed PHC facilities providing basic antenatal care (BANC) programme to improve the quality of antenatal care	Not required to report	3%	51.9%	10%
	Improve the management of childhood illnesses.	The proportion of district hospitals with the paediatric problem identification programme (PPIP)	Not required to report	Not required to report	68.6%	50%
Disease prevention and control	Implement exit strategy for EU partnership funding.	Number of PGWC funded posts in districts and sub-districts previously funded by EU	Not required to report	Not required to report	37	4 regional & 29 sub-district TA's& 4 clerks
		Number of NPO's funded by PGWC	Not required to report	Not required to report	145	90
	Increase the number of clients receiving home-based care service.	Total number of NPO appointed home carers	933	1,288	1,343	1,300
		Total number of clients seen	Not required to report	Not required to report	16,823	13,000
		Number of hospital referrals	Not required to report	Not required to report	7,877	7,200
	Provide inpatient palliative step-down care to all medical clients in need of care.	Number of usable beds	Not applicable	136	269	269
		Number of inpatient days	38,153	39,491	77,882	16,226
		Bed occupancy rate	Not required to report	Not required to report	79.3%	85%

Sub-programme	Objectives (Outputs)	Indicators	Performance			
			2005/06 Actual	2006/07 Actual	2007/08 Actual	2007/08 APP
	Provide inpatient sub-acute/ step-down care to all medical clients in need of care.	Number of usable beds	Not required to report	Not required to report	258	258
	Improve chronic disease management.	Number of patients with prescriptions issued for chronic medication through an alternative supply system	Not applicable	336,662	1,420,500	720,000
	Implementation of fissure sealant programmes for Grade 1s.	% Grade 1 pupils with fissure sealants done	Not required to report	Not required to report	Not reported[13]	20%
	Monitor municipal environmental health services.	% water samples conforming to standards	Not required to report	Not required to report	92.3%	90%
		% sewage effluent samples complying to requirements	Not required to report	Not required to report	69.3%	65%
		% food samples conforming to Act 54/72	Not required to report	Not required to report	76.2%	80%
		% households with effective refuse removal service (minimum of one refuse removal per week)	Not required to report	Not required to report	97%	90%

REPORTING ON STANDARD NATIONAL INDICATORS

Table 2.3.6: District Health Services

Indicator	Type	2005/06 Actual	2006/07 Actual	2007/08 Actual	2007/08 APP
Input					
1. Uninsured population served per PHC facility	No	10,042	10,311	10,002	9,526
2. Provincial PHC expenditure per uninsured person	R	242	273	313	373
3. Local government PHC expenditure per uninsured person	R	33	41	60	Not available
4. PHC expenditure (provincial plus local government) per uninsured person	R	276	315	373	Not available

13 The Programme was unable to obtain the population estimates for school children.

Indicator	Type	2005/06 Actual	2006/07 Actual	2007/08 Actual	2007/08 APP
5. Professional nurses in fixed PHC facilities per 100,000 uninsured person	No	50.4	40.3	45.3	48
6. Sub-districts offering full package of PHC services	%	80	100	100	90
7. EHS expenditure (provincial plus local govt) per uninsured person	R	Not available	Not available	Not available	Not available
Process					
8. Health districts with appointed manager	%	66.7	66.7	66.7	66.6
9. Health districts with plan as per DHP guidelines	%	100	100	33.3[14]	100
10. Fixed PHC facilities with functioning community participation structure	%	40	44	66.9	60
11. Facility data timeliness rate for all PHC facilities	%	Not available	Not available	73.3	70
Output					
12. PHC total headcount	No	13,068,303	12,180,933	13,029,007	13,143,141
13. Utilisation rate – PHC	No	2.8	2.8	2.7	3.4
14. Utilisation rate – PHC under 5 years	No	5.2	4.8	4.9	5.5
Quality					
15. Supervision rate	%	Not available	51.2	43.8	60
16. Fixed PHC facilities supported by a doctor at least once a week	%	Not available	Not available	73.4	60
Efficiency					
17. Provincial PHC expenditure per headcount at provincial PHC facilities	R	64	72	122	71
18. Expenditure (provincial plus LG) per headcount at public PHC facilities	R	72	83	104	Not available
Outcome					
19. Health districts with a single provider of PHC services	%	83.3	83.3	83.3	83
Service volumes					
20. Clinic headcounts	No	7,440,280	7,230,489	7,437,589	Not in APP
21. CHC headcounts	No	5,157,829	4,505,361	4,992,219	Not in APP
22. Mobile headcounts	No	470,194	445,083	470,016	Not in APP

14 Metro has implemented the DHP guidelines but this was not according to the national guidelines. There were no district health councils in place.

Table 2.3.7: District Hospitals

Indicator	Type	2005/06 Actual	2006/07 Actual	2007/08 Actual	2007/08 APP
Input					
1. Expenditure on hospital staff as % of district hospital expenditure	%	65.4	64.3	65.9	65
2. Expenditure on drugs for hospital use as % of district hospital expenditure	%	3.4	3.2	3.7	4
3. Expenditure by district hospitals per uninsured person	R	87.01	133	241	214.39
Process					
4. District hospitals with operational hospital board	%	96	100	80.1	100
5. District hospitals with appointed (not acting) CEO in post	%	100	82.1	82.9	100
6. Facility data timeliness rate for district hospitals	%	Not available	67.9	76.2	70
Output					
7. Caesarean section rate for district hospitals	%	14.3	8.4	20.6	15.0
Quality					
8. District hospitals with patient satisfaction survey using DoH template	%	46	32.1	25.7	70
9. District hospitals with clinical audit (M and M) meetings every month	%	45	21.4	71.4	60
Efficiency					
10. Average length of stay in district hospitals	Days	2.8	2.8	3.3	2.9
11. Bed utilisation rate (based on usable beds) in district hospitals	%	71	71.7	79.3	75
12. Expenditure per patient day equivalent in district hospitals	R	650.87	692.86	893	862
Outcome					
13. Case fatality rate in district hospitals for surgery separations	%	0.7	0.79	1.05	0.70
Service volumes					
14. Separations	No	257,219	144,373	203,932	199,460
15. OPD headcounts	No	447,414	436,643	515,501	Not in APP
16. Day cases (=1 separation = 1/2 IPD)	No	17,508	18,119	22,816	Not in APP
17. Inpatient days	No	397,751	402,509	652,107	578,434
18. Casualty headcount	No	264,752	258,465	362,498	Not in APP
19. PDEs	No	643,244	661,655	956,181	838,584

Table 2.3.8: Performance against targets from 2007/08 Annual Performance Plan for HIV and AIDS/ STI's and TB Control

Indicator	Type	2005/06 Actual	2006/07 Actual	2007/08 Actual	2007/08 APP
Input					
1. Number of active hospice beds	No	287	304	269	304
1.1 Number of hospice beds via equitable share	No	133	136	179	214
1.2 Number of hospice beds via the Global Fund	No	154	168	90	90
2. Number of badged peer educators via Global Fund	No	Not applicable	8,388	13,068	11,501
3. Number of MSAT projects funded via Global Fund	No	160	274	558	343
Process					
4. Female condom distribution from primary distribution sites	No	120,617	254,426	499,713	200,000
Output					
5. Cumulative number of clients on ART	No	16,343	26,111	37,435	35,863
5.1 Cumulative number of clients on ART via the Conditional Grant	No	10,448	18,437	29,425	28,962
5.2 Cumulative number of clients on ART via the Global Fund	No	5,895	7,674	8,010	6,901
6. Total number of persons tested for HIV	No	Not reported	333,897	347,434	484,000
6.1 Number of persons tested for HIV, excluding antenatal	No	Not reported	245,271	266,682	380,000
6.2 Number of persons tested for HIV during antenatal care	No	Not reported	88,626	92,428	104,500
Outcome					
7. PMTCT transmission rate	%	6.1	5.5	5.2	5.00
8. Smear conversion rate at 2 months for new smear positive PTB cases	%	69.3	72.2	71.2	66

Table 2.3.9: HIV and AIDS, STIs and TB

Indicator	Type	2005/06 Actual	2006/07 Actual	2007/08 Actual	2007/08 APP
Input					
1. ARV treatment service points compared to plan	%	Not reported	100	98.4	100
2. Fixed PHC facilities offering PMTCT	%	100	90.3	84.4	74
3. Fixed PHC facilities offering VCT	%	100	100	89.1	100
4. Hospitals offering PEP for occupational HIV exposure	%	100	92.3	100	100
5. Hospitals offering PEP for sexual abuse	%	41	92.3	87	100

Indicator	Type	2005/06 Actual	2006/07 Actual	2007/08 Actual	2007/08 APP
6. HTA Intervention sites compared to plan	No	Not reported	106	28	25
Process					
7. TB cases with a DOT supporter	%	93	81.0	89.3	95
8. Male condom distribution rate from public sector health facilities	No per 15 yr male	20.1	25.7	41.1	25
9. Male condom distribution from primary distribution sites	No	19.9 per male >15 years	22.6 per male >15 years	65,965,800 (38 per male >15 years)	42,000,000
10. Fixed facilities with any ARV drug stock out	%	Not reported	0	0	0
11. Hospitals drawing blood for CD4 testing	%	Not reported	100	100	0
12. Fixed PHC facilities drawing blood for CD4 testing	%	Not reported	85.2	88.6	82.6
13. Fixed facilities referring patients to ARV treatment points assessment	%	Not reported	100	100	100
14. Nevirapine stock out	%	Not reported	0	0	Not in APP
Output					
15. STI partner treatment rate	%	18.3	17.5	18.9	21
16. Nevirapine dose to baby coverage rate	%	88	98.3	101.6	98
17. Clients HIV pre-test counselled rate in fixed PHC facilities	%	1.5	2.5	2.5	2.5
18. Patients registered for ART compared to target	%	Not reported	116	104.3	100
19. TB treatment interruption rate	%	11.9	11.1	9.6	9.00
Quality					
20. CD4 test at ARV treatment service points with turnaround time >6 days	%	Not reported	Data not available	Not collected	0
21. TB sputa specimens with turnaround time > 48 hours	%	28	33	35.1	15
Efficiency					
22. Dedicated HIV/AIDS budget spent	%	101	95.1	100	100
Outcome					
23. New smear positive PTB cases cured at first attempt	%	69.3	71.2	77.4	73
24. New MDR TB cases reported - annual % change	%	Not reported	Data not available	3.2	No target set
25. STI treated new episode among ART patients - annual % change	%	Not reported	Data not available	63	No target set
26. ART monitoring visits measured at WHO performance scale 1 or 2	%	Not reported	Data not available	Data not available	No target set

Indicator	Type	2005/06 Actual	2006/07 Actual	2007/08 Actual	2007/08 APP
Service volumes					
27. STI case - new episode	No	97,302	98,758	74,427	Not in APP
28. Patients registered for ART	No	16,343	26,111	37,435	Not in APP

Table 2.3.10: Maternal, Child and Women's Health including nutrition

Indicator	Type	2005/06 Actual	2006/07 Actual	2007/08 Actual	2007/08 APP
Incidence					
1. Incidence of severe malnutrition under 5 years	%	Not reported	0.3	0.4	0.2
2. Incidence of pneumonia under 5 years	%	Not reported	7.7	9.9	0.3
3. Incidence of diarrhoea with dehydration under 5 years	%	Not reported	2.7	3.1	1.0
Input					
4. Hospitals offering TOP services	%	92	87.2	78.4[15]	95
5. CHCs offering TOP services	%	80	5.7 (80)[16]	5.7	7.5
Process					
6. Fixed PHC facilities with DTP-Hib vaccine stock out	%	Not measured	1.2	0.7	<2
7. AFP detection rate	%	1.9	1.8	2.0	1.9
8. AFP stool adequacy rate	%	84	79.2	74.1	84
Output					
9. Schools at which phase 1 health services are being rendered	%	Not available	23	91.4	50
10. (Full) Immunisation coverage under 1 year	%	91.3	92.9	100.5	90
11. Antenatal coverage	%	83.9	87.1	114.5	88
12. Vitamin A coverage under 1 year	%	26.5	66.2	91.6	65
13. Measles coverage under 1 year	%	90.7	93.7	102.8	91.2
14. Cervical cancer screening coverage	%	5.5	6.3	5.1	7.5
Quality					
15. Facilities certified as baby friendly	%	5	11.5	13.5	23
16. Fixed PHC facilities certified as youth friendly	%	Not available	18.6	20.1	No target set
17. Fixed PHC facilities implementing IMCI	%	81	82.0	88	90
Outcome					
18. Institutional delivery rate for women under 18 years	%	10.1	10.1	7.5	9
19. Not gaining weight under 5 years	%	0.8	1.6	2.2	0.8

15 Staff responsible for TOP's in hospitals resigned. Continued reluctance of staff to perform TOP's due to conscientious objection. As a result the Southern Cape/Kaoro Region has outsourced part of the service.

16 5.7% of all CHC's offer TOP services, however 80% of facilities designated to provide the service offer the service. In the last 2 financial years the number of designated facilities was used as the denominator.

Table 2.3.11: Disease prevention and control programme

Indicator	Type	2005/06 Actual	2006/07 Actual	2007/08 Actual	2007/08 APP
Input					
1. Trauma centres for victims of violence	No	41	41	42	At least 1/ district
Process					
2. CHCs with fast queues for elder persons	%	Not planned	Not planned	Not planned	50
Output					
3. Health districts with health care waste management plan implemented	No	6	6	5	6
4. Hospitals providing occupational health programmes	%	35	77	84.4	100
5. Schools implementing Health Promoting Schools Programme (HPSP)	%	Not planned	11.8	20.4	30
6. Integrated epidemic preparedness and response plans implemented	Y/N	Y	Y	Y	Y
7. Integrated communicable disease control plans implemented	Y/N	Y	Y	Y	Y
Quality					
8. Schools complying with quality index requirements for HPSP	%	No standard tool from National	No standard tool from National	No standard tool from National	No target set
9. Outbreak response time	Days	1	No outbreak	1	1
10. Waiting time for a wheelchair	Weeks	4	4	4	Not in APP
11. Waiting time for a hearing aid	Weeks	4 - 6	4 - 6	4	Not in APP
Efficiency					
12. Waiting time for cataract surgery	Months	18	18	12	Not in APP
Outcome					
13. Dental extraction to restoration rate	No	17	18	16	16
14. Malaria fatality rate	No	Not available	No malaria	0	Not applicable
15. Cholera fatality rate	No	Not available	No cholera	0	0
16. Cataract surgery rate	No	1,276	1,399	1,033	1,600

Table 2.3.12: Performance against targets from 2007/08 Annual Performance Plan for Forensic Pathology Services

Sub-programme	Objectives (Outputs)	Indicators	Performance			
			2005/06 Actual	2006/07 Actual	2007/08 Actual	2007/08 APP
Forensic pathology services	Provision of an effective and efficient forensic pathology service in accordance with the statutory requirements.	Number of post mortem examinations performed and documented	5,290	9,349	10,007	10,000
		Number of post mortem examinations performed by specialist forensic pathologists	Not reported	6,692	6,693	7,500
		Turnaround time from receipt to dispatch of the corpses	Not reported	3.25 days	5.05 days	7 days
		Waiting period for forensic pathology services documentation	Not reported	75 days	23 days	20 working days
		Average cost per examination	R 1,404	R 3,237	R 5,572	R 4,500

PROGRAMME 3: Emergency Medical Services

AIM

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

EMS in the Western Cape also coordinates emergency medicine with respect to specialist and undergraduate emergency medicine education and training and the clinical governance and co-ordination of emergency medicine within emergency departments across the Province.

ANALYSIS PER SUB-PROGRAMME

Sub-programme 3.1: Emergency medical services

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

Sub-programme 3.2: Planned patient transport

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

ANALYTICAL REVIEW OF PROGRAMME PERFORMANCE

The Emergency Medical Services (EMS) Annual Performance Plan for 2007/08 set priorities in training, communications and personnel.

EMS set out to recommence short course training in order to address training need towards 2010. The EMS College has been revived and short course training recommenced. Basic ambulance assistant, ambulance emergency assistant and paramedic training was completed and graduates in each programme produced.

The emergency care technician programme was not commenced because foundation documents (curriculum, scope of practice, learning programme) were not available.

The second priority was to continue the development of the information communication technology tools available to EMS. The information coming out of the Computer Aided Dispatch system is improving steadily and providing essential management information. The mobile data terminal project could not be commenced because the pilot to prove concept was not completed.

The EMS information process includes the gathering of manual statistics from 50 stations throughout the Western Cape and information derived from the Computer Aided Dispatch (CAD) System. Reconciling information from two data streams has been a challenge but there was reasonable correlation between the data. Data in the new data warehouse includes all data entered into the CAD since inception. Service providers and the service are working hard to ensure the integrity of data input going forward by redefining input screens and retraining call taking staff.

The quality and reliability of EMS information is steadily improving. The capacity within EMS with respect to data and information management remains limited. The general capacity for information management needs to be addressed.

The bid to run the National 112 centres is in process and developments are awaited. It is expected that the 112 centres should be operational in 2009. It should be noted that the draft regulations make it compulsory for cellular service providers to provide the exact latitude and longitude (co-ordinates) of every emergency call to the 112 centres. This means that every cellular phone will have to be a GIS receiver and that EMS will in future be able to respond to an exact GIS location.

EMS recently piloted the next phase of the Computer Aided Dispatch system which includes mobile data terminals on ambulances which navigate the ambulance towards the incident and provide a facility to communicate data via messaging back to the centre. EMS has established that there is not enough capacity on radio channels to communicate information by voice. Digital messaging of vehicle status must take place in future. The trunk radio system has the capacity to transmit data and the evolution of Digital VHF Radio may present opportunities.

The Mooreesburg Communication Centre is complete and occupation is anticipated by June 2008. The Worcester Communications Centre construction has been put out to tender for a second time. The George Communications Centre will soon begin construction.

The GEMC3 software package (GEMC4.6) has been upgraded and implemented. At the same time a data warehouse for CAD data has been created and standard hourly, daily, weekly, monthly reports will be available from the first quarter of 2008/09. This information will be available on the internet to managers.

In addressing the personnel requirements 200 student emergency care practitioner posts were created and 162 students recruited in order to train to the requisite driver and ambulance qualification levels. These are young Matric graduates and the programme is showing promise.

Medical equipment was procured both for training and operations and the Western Cape EMS medical equipment capacity is good.

Additional ambulances were procured to provide a fleet size appropriate to the metropolitan operational requirement and the target of 222 ambulances has been met.

EMS performance has shown steady improvement over the bands of response time targets i.e. <15 min, <30 min and <60 min. The metropolitan area of Cape Town is yet to benefit the operational impact of the recruited student emergency care practitioners (ECP's) and currently the response time performance in Cape Town is negatively impacting on the provincial performance figures.

A project exercise 'Fika Msinya' or 'Arrive Quickly' was executed in the metropolitan area where a hundred vehicles were operational on a shift over three days. The response time did not show the expected improvement only improving to 35% responses within 15 minutes. Analysis reveals that there are multiple factors in addition to resources that impact on response times both within EMS and the hospital system and that all these factors must be systematically addressed.

The numbers of incidents logged in the communications centre in Cape Town has continued to increase steadily from January 2008 to March 2008 (22% linear projection). This increase reflects an increase in service demand, improved call taking in the new centre and improved data collection.

The priority 1 response times in the Cape Town Metropolitan area improved from 12% within 15 minutes to 34% within 15 minutes between quarter one and four. The target of 50% in the metropolitan area was not achieved because of the delayed impact of the deployment of ECP students mentioned above, however, the provincial target of 50% urban responses within 15 minutes has been met. At the same time for priority 1 calls responses of less than 30 minutes improved to 70% and priority 1 calls > 60 minutes decreased to 7%.

Rural response times show general improvement between the four quarters during the year with calls <40 minutes being achieved 69% of the time (1% less than target).

The numbers of patients transported by HealthNET (136,000) has increased dramatically because EMS has taken over private transport contracts in the metropolitan area, instituted intra-district transport in the rural districts and improved same day discharges from metropolitan hospitals. This expansion of HealthNET was planned in order to relieve load on the emergency ambulance services.

Several emergency medicine projects to improve the quality of care to emergency patients were initiated or continued during the year including the Acute Emergency Case Load Management Policy, the Cape Triage System roll out, the undergraduate medical training in emergency medicine, the support for emergency medicine specialist training, the roll out of the Major Incident Medical Management System and two pilots to examine the coordination of emergency medicine and emergency departments within the District Health System.

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

Table 2.3.13: Performance against targets from 2007/08 Annual Performance Plan for the Emergency Medical Services Programme

Sub-programme	Objectives (Outputs)	Indicators	Performance			
			2005/06 Actual	2006/07 Actual	2007/08 Actual	2007/08 APP
EMS programme	Achieve ambulance fleet of 222 ambulances	Number of ambulances	Not reported	188	222	222
	Appoint emergency care practitioner students	Number of students appointed	Not reported	Not applicable	162	200
	Re-establish short course training	Training established	Yes	No	Short courses re-esta-blished	Short courses re-established
Planned patient transport	Recruit additional drivers	Drivers recruited	Not reported	28	40	40
	Procure additional patient transporters	Vehicles procured	Not reported	6	8	8

REPORTING ON STANDARD NATIONAL INDICATORS

Table 2.3.14: Emergency medical services and planned patient transport

Indicator	Type	2005/06 Actual	2006/07 Actual	2007/08 Actual	2007/08 APP
Input					
1. Ambulances per 1000 population	No	0.037	0.03	0.041	0.042
2. Hospitals with patient transporters	%	5	0	0	0
Process					
3. Kilometres travelled per ambulance (per annum)	Kms	58,231	108,718	58,651	60,000
4. Proportion of non-supervisory, uniformed staff with BLS qualification	%	48	46	47	50
5. Proportion of non-supervisory, uniformed staff with ILS qualification	%	44	45	42	40
6. Proportion of non-supervisory, uniformed staff with ALS qualification	%	8	9	11	10
Quality					
7. Proportion of Priority 1 Urban Calls within 15 minutes	%	30	37.6	50	50
8. Proportion of Priority 1 Rural Calls within 40 minutes	%	70	64.4	69	70
9. Proportion of Priority 1, 2 and 3 calls with response time greater than 60 minutes	%	Not reported	22.25	43	Not in APP
10. Call outs by a single person crew	%	0	0	0	0
Efficiency					
11. Ambulance journeys used for hospital transfers	%	20	15	21	20
12. Green code patients transported by ambulance	%	29	34.75	26	30
13. Cost per emergency patient transported by ambulance	R	557	741	866	800
14. Ambulances with less than 500 000 kms on the clock	%	100	100	100	100
Output					
15. Patients transported per 1,000 separations	No	Not available	Not available	Not available	Not in APP
16. Number of patients transported by PPT per 1,000 uninsured population.	No	Not reported	45.25	35	120
17. Number of emergency patients transported by ambulance per 10,000 uninsured	No	Not reported	190	Not available	Not in APP
Volume indicator					
18. Number of emergency call-outs	No	374,485	392,395	384,132	Not in APP
19. Patients transported (routine patient transport)	No	50,974	61,625	136,000	Not in APP

PROGRAMME 4: Provincial Hospital Services

AIM

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

ANALYSIS PER SUB-PROGRAMME

Sub-programme 4.1: General (Regional) hospitals

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

Sub-programme 4.2: Tuberculosis hospitals

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

Sub-programme 4.3: Psychiatric/mental hospitals

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

Sub-programme 4.4: Rehabilitation services

Rendering of high intensity specialized rehabilitation services for persons with physical disability including the provision of orthotic and prosthetic services.

Sub-programme 4.5: Dental training hospitals

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

ANALYTICAL REVIEW OF PROGRAMME PERFORMANCE

1. General/Regional hospitals

<u>General overview:</u>

- Sub-programme 4.1 consists of six hospitals: three in the metropolitan area (New Somerset, Victoria and Mowbray Maternity Hospitals) and three in the rural areas (Paarl, Worcester and George Hospitals).
- GF Jooste, Karl Bremer and Helderberg Hospitals were shifted to Programme 2 at the beginning of the 2007/08 financial year.
- The re-configuration of services is currently in process and the provision of level 1 and level 2 services within these hospitals are being defined.
- Realistic target setting and analytical monitoring and evaluation systems are being developed to address the expected outcomes of hospitals, improve the quality of patient care and reduce the overspending of allocated budgets.

- The impact of social factors and broader behavioural patterns (unhealthy lifestyles) on health resources cannot be underestimated. This reflects in trauma and emergency statistics that include motor vehicle accident injuries; victims of crime like rape, gangster violence, drug and alcohol abuse and medical emergencies owing to diseases of lifestyle.
- At the same time, it needs to be emphasised that once substances are being used, the patient develops a medical disorder, accompanied by brain changes, and requires medical treatment. Similarly, once psychological trauma has occurred, patients with Post Traumatic Stress Disorder (PTSD) require medical treatment.
- The changing disease burden adds to the existing demand on acute, chronic and trauma services by increasing the number of patients requiring treatment as well as the increased acuity of care required.
- Migration to the Western Cape escalates the pressure on acute health services.
- Staff productivity has improved over the last few years as the increase in service load has far outstripped the increase in staff numbers.

Achieving priorities towards the Comprehensive Service Plan (CSP)

- The 80 beds at Brewelskloof Hospital have not been moved back to Worcester Hospital due to the delay in completing the building project on time and it is now planned for 2009.
- A temporary 20-bed short stay ward and the OPD unit have been constructed at Helderberg Hospital to relieve the pressure from the overflow of patients coming from the Grabouw area. This Hospital has now been shifted to the Programme 2 budget structure.
- The draft package of care for level 2 services is being finalised.
- The management structures for monitoring the implementation of the CSP objectives have been created within the programme, the division, inter-division and service platforms.
- Significant progress has been made in separating level 2 and level 3 beds in central hospitals.
- Level 2 beds have been designated in the central hospitals, Victoria and Somerset Hospitals and the rural regional hospitals.
- Clinicians working at level 2 and 3 were engaged around the implementation of the CSP. Current service pressures emerged as an important underlying concern to be addressed.
- The coordinating clinicians continue to play a vital role between management and the clinicians in addressing service pressures as well as the implementation of the CSP.
- A process has commenced to shift the management responsibility of the MOU's from Mowbray Maternity Hospital to Metro District Health Services in 2008.

Acute services

- The acute services provided by the regional hospitals in this programme continue to operate under pressure as evidenced by the hospital performance statistics as well as the pressure on budgets.
- Hospital admissions have increased. Rigorous analysis of patient data as well as engagement with clinicians has been undertaken to better understand the service pressures.
- High bed occupancies have necessitated an expansion of the bed platform. Somerset Hospital bed numbers have increased by twenty, with fourteen beds to handle the impact of the diarrhoea season on children and six beds for trauma cases.
- An acute case load management policy has been developed and is being incrementally implemented to help alleviate the pressure on hospitals.
- A triage policy has been implemented to ensure the most acute patients are treated first.
- A plan for infrastructure changes at regional and district hospitals has been developed to better manage the acute psychotic patient. Beds and safe observation rooms for confused patients have been commissioned at the regional hospitals to address the 72-hour observation period as well as the pressure of psychotic patients. A safe observation area to accommodate three patients has been created in Somerset Hospital. A low secure area of six beds was commissioned at Victoria Hospital. Four and six beds have been commissioned at Paarl and Worcester Hospitals respectively for mentally ill patients.

- Specialist psychiatric outreach and support to general hospitals have been secured in the Metro to assist them to better manage these patients. All Metro hospitals have face to face as well as telephonic specialist outreach in place. Clinical protocols have been developed. Ongoing staff training focuses on the management of acute psychotic patients.
- Policy priority funding was allocated to George Hospital to strengthen the staffing levels for the twenty seven beds already opened.

Trauma and Emergency

- Trauma and emergency services continue to be under severe strain. An average annual increase of 6% has been reported. This has caused the waiting time for elective surgery to increase.
- There has been an increased need for intensive care unit (ICU) services and ventilation of patients.
- Various options are being investigated to relieve the pressure within the trauma and emergency areas. This includes ensuring the effective implementation of a triage system and the elements of the acute caseload management policy in a phased manner. Appointment of emergency medicine specialists in selected regional hospitals are envisaged in 2008/09.

HIV and AIDS and TB

- In line with the national key strategies, the rollout of HIV and AIDS management and treatment protocols has been implemented at hospitals.
- The HIV and AIDS pandemic contribute significantly to the load on the services. The impact is felt at all acute hospitals, TB and chronic medical hospitals. The impact of AIDS patients on treatment surviving longer, on the specialised (including psychiatric) services is becoming more apparent.
- Tuberculosis rates remain high and co-infection of TB and HIV has resulted in uncommon forms of presentation and late diagnosis of the disease. The increase in the severity of TB will be addressed in sub-programme 4.2 TB hospitals.

Obstetric, Gynaecology and Neonatal services

- There has been a significant increase in deliveries at some hospitals over the last five years. The decrease in the utilisation of family planning and sterilisations and increase in migration as contributory factors require additional research.
- The number of deliveries is used as a proxy to measure the service pressures, but should holistically be looked at in collaboration with other indicators like caesarean section rate, etc.
- Shortage of staff with respect to trained midwives and medical officers.
- Pressure on gynaecology services is exacerbated by the lack of theatre services within level 1 and 2, appropriate skills, available theatre time and referral pathways within the system. A work group consisting of clinicians and managers has been tasked to develop strategies to address this issue.
- Policy priority funding has been provided for additional obstetric and neonatal services within the Metro area. Earmarked funding was added to the budgets of Somerset and Mowbray Maternity Hospitals and staff (permanent and nursing agency staff) has been appointed to cope with the existing service load. Termination of pregnancy remains a further pressure area within the regional hospitals.
- The service pressures in neonatology and seasonal pressures in paediatrics are currently addressed by a core team consisting of managers and clinicians through strategies to create additional level 1 beds, neonatal beds in regional hospitals and strengthen anaesthetic services for regional paediatric services. The process to open additional level 1 and 2 beds has started and post-natal beds are planned for the Lentegeur Hospital site and twenty additional level 1 beds are being planned for opening at Mowbray Maternity Hospital.

Outreach and Support

- Outreach and support is strongly entrenched in all hospitals.
- A policy for outreach and support by clinical staff to other institutions and the rural areas has been developed which will enhance service delivery.
- Specialists appointed in the rural regional hospitals are providing outreach and support in the rural regions and play a vital role in ensuring appropriate referrals to secondary and tertiary hospitals.
- Outreach and support, training and retraining staff at level 1 and 2 is vital to the success of the Comprehensive Service Plan in ensuring that patients are treated appropriately at the correct level of care.

ENT waiting lists

- Dedicated policy priority funding (R1,2 million) was allocated as part of the coordinated provincial initiative to address the waiting lists of basic ENT services.
- Various hospitals across the service levels have received portions of this earmarked funding and spending of the full budget allocation can be reported in line with the additional planned services delivered. Institutions that have received additional funding to increase ENT procedures include Somerset, Karl Bremer, Groote Schuur, Tygerberg, and Red Cross Hospitals.
- Level 2 services have been strengthened within and outside Somerset Hospital. The operations have increased from 125 in 2006 to 140 in 2007.
- There has been great success in the joint endeavour with the level 1 adenotonsillectomy service at Khayelitsha District Hospital based at Tygerberg Hospital and this service has developed well. In total 128 operations have been performed.
- There is still a lack of sufficient staff to train as part of the outreach and support system.
- The level 1 adenotonsillectomy services at Red Cross Children's Hospital were continued and at the same time the organising of a parallel service at Khayelitsha District Hospital to be phased in, has commenced.

Improving day surgery

- Six beds have been made available already at Somerset Hospital.
- The rate limiting step is the availability of experienced theatre nurses.
- Operations with duration of between 30 and 60 minutes have increased.

Human resource management

- In the 2007/08 financial year the number of filled posts in this sub-programme has remained static. The newly filled posts have essentially balanced the number of staff lost through attrition. The total staff complement continues to be supplemented by the recruitment of staff via agency services. All efforts are made to convert the agency staff into permanent posts in order to reduce the cost and dependency on agencies. However, in view of the overall limited availability of nurses and especially nurses with specific skills in areas like theatre, ICU and midwifery, the dependency on nursing agencies will continue for the foreseeable future.
- The recruitment of scarce nursing skills in the areas of theatre and midwifery is vital to sustain service delivery. It is envisaged that the Nursing OSD, although costing more, will attract more permanent staff to the hospitals within Programme 4 as well as help to retain specific skills.
- The lack of key staff is a limiting factor to the optimal provision of health services. The range of strategies adopted both nationally and provincially will to some extent improve the ability to recruit and retain staff, especially professional nurses and medical officers.
- Increasing the number of professional health workers will remain a priority.
- Information management staff has been appointed at salary level 7 in hospitals where there were vacancies and this has proved to be successful in ensuring that the quality of data collected be as accurate as possible.
- There was a net gain of twenty staff in this sub-programme in the 2007/08 financial year.

Health training and addressing the shortage of professional nurses

- Training and development of staff has been a specific focus. All hospitals have increased their expenditure on training.
- Nurse training absorbs the largest share of training budgets with a concerted effort to increase the number of qualified nursing staff.
- Nurse training schools have been opened at George (60 nurse trainees), Worcester and Mowbray Maternity Hospitals. The Mowbray Maternity Nursing School will focus specifically on training in midwifery. Twenty five appointees entered an induction programme during 2005/06 and twenty one of them are still in the service. At Worcester the enrolled nurses to professional nurse's programme increased from five to fourteen and enrolled nursing assistants to enrolled nurses training increased from nineteen to fifty eight.
- Lower categories of nurses and ward clerks are used to undertake the "non professional duties" of nurses. Ward clerks (permanent staff as well as agency staff) have been appointed at Somerset Hospital to alleviate the nurses from their non-core duties.
- An Employee Assistance Programme (EAP) has been established province wide to support nurses and other staff working in stressful conditions.
- The salaries of nurses have been addressed through OSD.

Hospital Revitalisation Project (HRP)

- The revitalisation of George, Worcester and Paarl Hospitals continues.
- At George Hospital, the focus area has been the completion of infrastructure. Health technology implementation, quality assurance, organisational development and monitoring and evaluation are areas being addressed in parallel. Funding the full commissioning of new services remains a challenge. This will happen in a phased manner.
- The correction of the staff establishments in line with the expansion of services and the Comprehensive Service Plan will be addressed.
- At Worcester Hospital, the infrastructure is at various stages of completion including a new kitchen, sterilisation unit, training centre and various new wards. Monitoring and evaluation processes have been established to ensure progress towards the revitalisation goals. Public Works is supporting the Hospital in addressing the delays in construction work.
- Paarl Hospital has commissioned the new kitchen, the OPD specialist clinic has been completed and planning of twenty two district beds have commenced.

Financial performance

- The increased patient load at the hospitals within this sub-programme resulted in a significant escalation in the cost of goods and services: consumables, blood products, medication and related medical items and laboratory tests. However, the bulk of overspending within the programme and sub-programme is reflected within the cost of employees and attributed to the implementation cost of OSD for nurses.
- The increasing burden of disease impacts on the cost of treatment.
- Failure to recruit and retain staff resulted in a significant dependency on agency staff, which drives up the cost of providing services. A detailed analysis of agency costs has been undertaken to enable improved control of agency utilisation and ensure that the Department's own staff are optimally utilised prior to agency staff being sourced. A departmental approach to the holistic management of agency services has been developed. The sub-programme has managed to reduce the expenditure on agency services from 2006/07 to 2007/08 by R5 million. The strategies to do this include the appointment of permanent staff or persons on contract; encourage nurses to work overtime rather than through agencies to earn additional monies.
- The R 2,232 million allocated to address the increase in government motor transport tariffs, has been distributed amongst the hospitals to address the tariff increase.
- Expenditure within regional hospitals projects a continuous growth. Cost containment measures have been developed and are applied in all hospitals to increase efficiency.

Quality of care

- Quality of care has improved with the case fatality rate remaining stable, despite the HIV burden.
- Patient satisfaction surveys have been performed and addressing specific areas like the improvement of the food quality and portions are being done through food service audits.
- There has been an improvement on the food service audits from 2006 to 2007. Worcester, George and Paarl Hospitals have scored above 80% for their kitchens with Worcester the highest at 98.10%, a 2.81% improvement.
- Hospitals are reporting on morbidity and mortality reviews.
- Developments of clinical protocols continue.
- Staff satisfaction surveys are ongoing and specific findings are being addressed by management as well as the Employee Assistance Programme.
- Clinical audits are being conducted and the clinical coordinators have been playing a vital role in this process.

2. Tuberculosis Hospitals

General

- Sub-programme 4.2 consists of six hospitals: Brooklyn Chest and DP Marais in Cape Town, Sonstraal TB in Paarl, and Malmesbury Infectious Diseases Hospital in the West Coast, Brewelskloof in Worcester and Harry Comay in George.

Provincialisation of TB hospitals

- All the TB hospitals have been provincialised.
- Outstanding issues with SANTA related to Harry Comay Hospital are in the process of finalisation.
- Sonstraal and Malmesbury ID Hospitals in the West Coast area were transferred to the Province in July 2007.
- The management of the TB hospitals in the rural areas is currently the responsibility of the regional hospital managers within the relevant rural areas. An Organization Development (OD) exercise will be making recommendations on a management structure and a staffing establishment for TB hospitals.
- A range of interventions are being implemented to ensure that the newly provincialised TB hospitals conform to the standards of the Department of Health. These include service standards and protocols, staff establishments, infrastructure and integrating these hospitals into the various systems of the Department. In the 2007/08 financial year, an additional R6,5 million equitable share funding was allocated in this regard.
- In the Adjustments Estimates process, additional funds allocated to TB improved the services and staff have been appointed, replacement of basic equipment, infection control (extractor fans, UV lights, masks), recreational facilities, improvement of security especially increased guards/perimeter fencing/fencing around the MDR wards/XDR wards at Brooklyn Chesty Hospital.

Clinical services

- Despite efforts to strengthen TB control in the Western Cape, the incidence of TB continues to rise.
- A significant growth in the number of MDR patients has occurred. Currently approximately 861 MDR patients are treated per year.
- Seventy three patients with extreme drug resistant tuberculosis (XDR-TB) were identified in the Western Cape in 2007.
- Pulmonary TB in the Western Cape dramatically increased over the past seven years. The incidence of TB in the Western Cape has increased from 689/100,000 in 1997 to 1,158/100,000 in 2006.
- Approximately, thirty percent of TB patients in the Western Cape are co-infected with HIV resulting in high morbidity and mortality rates in this group and an increase in the average length of stay (ALOS) of patients from 75 to 95 days.

- The increase in ALOS is mainly due to the increase in MDR and XDR patients.
- MDR bed capacity has been created at all the TB hospitals while XDR bed capacity has been centralised to Brooklyn Chest Hospital. Twenty two additional beds were commissioned for XDR TB at Brooklyn Chest Hospital. A ward of forty five beds was also converted from MDR to XDR providing for a total of sixty seven beds for XDR TB patients in 2007/08. Fifty four beds for TB sensitive patients were converted to house MDR TB patients at DP Marais Hospital.
- Improving patient turnover remains a major challenge within TB hospitals.
- The revised MDR DOTS Plus strategy, which requires admission for six months, as well as the increase in the number and acuity of absolute cases, has increased the pressure on hospital beds. The national policy has also changed from five days of treatment to seven days of treatment.
- The Department is currently revising the TB hospital section of the Comprehensive Service Plan to cater for the latest changes within the national policy framework and the recently released TB national strategic framework.
- Patients who can be managed through the home-based care system are being discharged to make way for more acutely ill patients.
- Currently provision has been made for an increase of approximately 300 beds over time in the CSP.
- The severity of patients being managed in TB hospitals has increased. The clinical capacity and management of the TB hospitals needs to be strengthened to address the increasing service pressures. This has required more intensive medical and nursing care, an increase in the drug budget and an increase in staffing levels.

Multi-drug resistant (MDR) TB

- The emergence of multi-drug resistance (MDR) is potentially the most serious aspect of the TB epidemic and refers to TB, which is resistant to the first line TB drugs.
- Multi-drug resistant TB is difficult and expensive to treat, with cure rates of 50% at best.
- Since 1990, MDR TB in the Metro has largely been managed at Brooklyn Chest Hospital, but during 2007 fifty four MDR beds were opened at DP Marais Hospital and thirty three MDR beds at Sonstraal Hospital to alleviate the pressure on Brooklyn Chest Hospital.
- The DOTS Plus survey conducted by the Medical Research Council, confirmed that the Western Cape has the lowest MDR rates in the country. The reported rates were 1% for new cases, and 4% for re-treatment cases. These rates were the same as those reported in a survey conducted in 1995. However, the absolute number of MDR cases has significantly increased and places huge pressure on the hospital bed platform as these patients have to be admitted for a period of six months.
- However, the most recent threat of drug resistance to second line drugs (XDR TB) is still being investigated to better understand the nature of the problem, size and scope of the challenge and the most appropriate interventions. As of March 2008, approximately 73 cases had been diagnosed of whom 26 died.

Outreach and support

- Outreach and support are done by Brooklyn Chest Hospital to fourteen clinics and one prison in the West Coast.
- Outreach and support are done by Brewelskloof Hospital to eight clinics and two prisons in the Winelands area.

Infrastructure

- The infrastructure within TB hospitals is old and requires major renovation, maintenance and upgrading.
- At Brooklyn Chest Hospital, a ward has been upgraded and additional beds opened to accommodate the increasing burden of MDR and XDR TB within the Western Cape.
- A phased approach to upgrade and address the maintenance backlogs at TB hospitals is being implemented.
- Information systems must be upgraded.

Improved quality of care

- Patient satisfaction surveys have been conducted, but the data is still being analysed.
- Staff satisfaction surveys were performed at four hospitals and the reports are being finalised.
- Since July 2007 all TB hospitals submit quarterly compliments and complaints reports.
- Adverse incident reporting is targeted for improvement.
- The food service audits performed at Brewelskloof and Brooklyn Chest Hospitals indicate an improvement of 0.65% and 3.99% respectively. A dietician has been appointed at Brooklyn Chest Hospital which will improve food quality .
- The audit recommendations at Sonstraal Hospital must be implemented in 2008.
- A policy on the management of absconders has been developed.
- Health Facility Boards have been appointed at Brooklyn Chest and DP Marais Hospitals.

Reports per hospital

DP Marais Hospital

- DP Marais Hospital has 260 available beds and bed occupancy rates have remained stable over the past few years at approximately 85%.
- DP Marais Hospital caters for adult ambulatory TB patients, requiring daily-observed therapy that is unable to receive treatment in an out-patient/community setting. Fifty four (54) beds have been converted to MDR male and female beds.
- As experienced with Harry Comay Hospital, the provincialisation process includes challenges relating to labour issues, the standardisation of services in line with the norms and standards of the Department of Health and the implementation of new systems and technical support.
- Seven additional posts have been filled.

Brooklyn Chest Hospital

- Brooklyn Chest Hospital caters for complicated TB cases requiring admission and specialised care and is a designated multi-drug resistant (MDR) specialist centre.
- Due to the high TB and HIV co-infection rates of patients admitted to Brooklyn Chest Hospital, the severity of the disease in patients is significantly higher than in the past. This has resulted in increased length of stay and increased fatalities.
- Two wards (90 beds) at Brooklyn Chest Hospital have been converted to isolation facilities for MDR patients. Beds for TB sensitive patients have been decreased to accommodate the beds earmarked for MDR patients. This crowding out effect has increased the pressure on beds for TB sensitive patients.
- These isolation wards are equipped with germicidal ultraviolet lights and extractor fans. A further challenge is the management of patients with XDR TB. Twenty two additional beds for XDR TB patients have been opened. One forty five bed MDR ward has been converted to an XDR ward. The conversion of this ward required infrastructure changes and equipment items at a cost of R 907,000.
- A specialist OPD clinic for the management and initiation of treatment of newly diagnosed MDR and XDR TB patients opened on 8 October 2007, which will ensure appropriate treatment and counseling. An additional R 1,493 million was allocated to this project, which included infrastructure changes, appointment of additional staff and support services and the procurement of additional equipment. The project was part of the Provincial TB Crisis Management Plan, and was not part of the initial Annual Performance Plan of 2007/08. Funding was addressed in the Adjustments Estimates process.
- The Hospital increasingly has to manage patients with chronic or terminal MDR TB and the option of building a step-down/palliative care facility for these patients is being considered. It is planned to rebuild a large 721 bed hospital for TB in the Metro that will incorporate both the DP Marais and Brooklyn Chest Hospitals. The business case submitted to the National Department of Health in terms of the Hospital Revitalisation Programme has been approved but the funding has not been allocated for the project to date.

- An increasing number of dually infected patients also qualify for ARV treatment. The Department is currently addressing the need to accredit the hospital as an ARV site.
- Fourteen additional posts have been filled at Brooklyn Chest Hospital.

Brewelskloof Hospital

- Brewelskloof Hospital has 206 beds in use for TB patients with 34 beds utilised by the BCG Research Unit of the School for Child and Adolescent Health, UCT.
- The Hospital is also a designated multi-drug resistant (MDR) specialist centre and is responsible for the management of all MDR patients in the current Boland/Overberg Region.
- Brewelskloof provides TB outreach services to eight clinics in the Region. Medical officers carry out monthly visits and the Hospital also provides TB drugs to all other hospitals and clinics within the Region.
- The current pharmacy is very small and inadequate and plans are in progress to move the pharmacy to larger premises.
- The average co-infection of tuberculosis and HIV at this Hospital is 16%.
- Germicidal ultraviolet lights have been installed. The average bed occupancy rate is 82% and has been affected by shortage of both medical and nursing staff.
- The hospital was accredited as an ARV site in 2007.
- Brewelskloof Hospital accommodates a school with an average of ten pupils. The school has moved from the Hospital to an old staff house on the premises where it is functioning well.
- Fourteen additional posts have been filled.

Harry Comay Hospital

- Harry Comay Hospital in George has reduced the number of beds from 125 to 100.
- Priority is given to the admission of patients from deep rural areas requiring streptomycin injections.
- The hospital was provincialised as from 1 June 2005.
- The current hospital infrastructure is generally of poor quality and inadequate for the type of services that needs to be delivered. A phased approach to upgrading the Hospital is being implemented.
- A twenty bed ward has been converted to a MDR/XDR ward and will become operational once the necessary staff have been recruited.
- Five additional posts have been filled.

Sonstraal Hospital

- Sonstraal Hospital in Paarl has been provincialised.
- It currently has 90 beds. Patients are referred to the Hospital from primary health care clinics and hospitals in the area.
- Thirty three beds have been converted to dedicated MDR beds.
- Forty five patients were decanted from Sonstraal Hospital as part of the strategy to increase bed capacity for more stable MDR patients from Brooklyn Chest Hospital. Converting the beds to MDR beds required improved clinical capacity, infection control and capital upgrades to a total value of R 1,664 million.
- Acutely ill patients are first stabilised at Paarl Hospital.
- Multi-drug resistant patients with more serious illness are referred to Brooklyn Chest Hospital in Cape Town.
- Filled posts have increased from 46 to 55.

Infectious Diseases (ID) Hospital in Malmesbury

- The Hospital has reported 47 beds in 2007 after provincialisation.
- Two posts have been filled bringing the staffing level to 25.
- The Hospital's infrastructure is in a poor state and the Hospital is inadequately staffed at present.
- More optimal utilisation and management of this Hospital is being planned.

3. Psychiatric Hospitals

General

- This sub- programme consists of four hospitals: Alexandra, Lentegeur, Stikland and Valkenberg Hospitals.

Legislative framework

- The Mental Health Care Act was promulgated in 2004 and together with the CSP provided the framework to re-organise mental heath services within the Western Cape.
- The Mental Health Review Board has been functional since April 2005 and has set the benchmark on many counts for the country.

Acute adult services

- The acute, adult, inpatient services in the specialist hospitals are configured at the bed numbers and service mix envisaged in the CSP. They remain oversubscribed and less ill patients continue to make way for more acutely ill patients limiting the time for adequate recovery.
- During December 2007 an additional twenty male acute beds were commissioned at Valkenberg Hospital to relieve some immediate pressure. This required the transfer of twenty chronic patients to Alexandra Hospital using a unutilised ward.
- The only additional inpatient services still to be commissioned are those in the district and regional hospitals. On review of progress made, these hospitals are managing high caseloads despite the lack of physical infrastructure. Progress has been made in creating bed capacity for managing the 72-hour observation of mentally ill patients within the general acute hospitals.
- The lack of appropriate residential care facilities for discharged, vulnerable patients impacts on the ability to manage the acute services effectively. The net result is that these people remain in acute beds as evidenced in the increasing average length of stay and readmission rates in the acute services. The rapid development of step down/residential facilities is a key factor in relieving the pressure on acute psychiatric hospitals and allowing the acutely ill access to this specialist service.
- There is concern that in managing the large caseload of acutely psychotic patients, people with serious illnesses such as depression and anxiety disorders are not being referred to the neuro clinic services for treatment earlier in their illness. These services need to be better promoted and marketed at a community level, and adequately resourced.
- An innovative strategy of assertive community teams (ACT) for the three adult psychiatric hospitals was introduced in January 2007. This is an intensive specialist support service for the patients identified to be unstable, high frequency service users. The ACT teams begin their contact with the patients and their support networks prior to discharge and then follow the patients up weekly with home visits, outpatient visits or telephone calls. They identify early signs of relapse and help to establish stronger support networks around the patient. Their key finding early in this initiative is the value of the home visits in predicting successful discharge and recovery. The primary supporting family member plays a crucial role in patient adherence to treatment and recovery. This initiative is linked to a prospective research study to evaluate its impact. Preliminary results show a dramatic reduction in the admission of these patients to hospital when compared to the period before the ACT teams were introduced.

Substance abuse services

- These services in the Associated Psychiatric Hospitals are at planned CSP levels with a specialist alcohol rehabilitation unit and an opiate detoxification unit at Stikland Hospital, which are provincial specialist services. Outpatient services will be further developed. Outreach and support to other levels of care within the Department as well as to services within the Social Development and NPO sectors will be strengthened.

- The general acute services have picked up an increased workload due to the increase in TIK (methamphetamine) psychosis. The combination of mental illness and substance abuse is growing. This is difficult to manage as patients begin to abuse substances on discharge leading to rapid relapse.
- The changing face of drug abuse and addiction is marked by the increased availability of illicit drugs to South African youth.
- TIK is different from the substances of abuse that the Department has historically been used to treating. Many of the current facilities are ill prepared for this epidemic and the challenge is to gear up the service to adequately respond.

Child and adolescent services

- The CSP inpatient services are in place in terms of the two adolescent units at Lentegeur Hospital. One is for psychotic adolescents requiring further rehabilitation referred from the Tygerberg Hospital unit and the other for the inpatient neuro clinic.
- The strengthening of these services requires improved access to training in child and adolescent services for professionals in the multidisciplinary team, especially nurses.
- The development of general specialist services for children and adolescents at regional hospital level remains a priority.

Forensic psychiatric services

- The waiting list for places in the male observation services remains at 60 – 70 or a waiting time of four to five months. Further improvement will only be possible when the new expanded capacity is available as envisaged in the Hospital Revitalisation Project. Efficiency has been maximised in the available fifteen male observation beds.
- A twenty bed step down forensic hostel was opened at Lentegeur Hospital in late 2006 for those people who are potential candidates for conditional discharge but do not have a community placement. The unit functions well and will be handed over to a suitable NGO to run with support and outreach services from the Lentegeur Hospital forensic team.

Intellectual disability services

- The greatest amount of work remaining in terms of meeting the CSP targets is within the intellectual disability service arena.
- Currently, there are 860 operational beds for inpatient services. The CSP target is 500. Approximately 50% of these patients are suitable for old age homes, nursing homes or group homes. Once they have been appropriately relocated, it will be possible to restructure the services to provide care to people with mental illness and intellectual disability as well as people with moderate to profound intellectual disability and severe challenging behaviour.

Newer psychiatric medication

- This medication is now available and is being prescribed according to agreed protocols for patients with first episode psychosis.

Health training and addressing the shortage of nursing staff

- The change in acuity of services to be rendered and the challenge of integrating mental health care into all levels of care requires well trained and skilled specialists as well as generalists in the multidisciplinary team context.
- In terms of nurse training, the establishment of the APH College based at Stikland Hospital in 2006 provides a firm platform for providing specialist training to a range of professionals in psychiatry with specific emphasis on the formal training of professional nurses.

- In collaboration with the University of Stellenbosch (US), professional nurse students have enrolled with Stellenbosch University for a one year certificate course in psychiatry. The college tutors have been accredited to lecture on behalf of the US and take responsibility for providing formal lectures on the Tygerberg Faculty of Health Sciences campus. The tutors supervise the students in their clinical placements. The curriculum for training registered professional nurses who do not have psychiatric training was submitted to the South African Nursing Council (SANC) for accreditation. The curriculum has been accepted Stellenbosch University will remain the moderating and assessing body for the academic programme. The College will become a campus of the Western Cape College of Nursing.
- As the College may only be accredited by one accreditation body and SANC does not accredit short courses, the courses offered by the College will be transferred to the APH nurse in-service training components but College staff will still support these units in providing the courses. They include short one to five day courses to a range of health care personnel from APH, PGWC and NPO services on mental health topics such as basic psychiatry and interpersonal skills etc. These courses will be formalised and application made to Umlasi, the accreditation body for short courses.
- Twice a year the college presents a mental health update for professionals, which is accredited for continuing professional development.

Perinatal mental health

- The planned transfer of MOU management to the District Health Services will absorb the perinatal mental health services.

Improved quality of care

- Client and staff satisfaction surveys were conducted. ICAS reports indicate a dedicated staff core that exists within the psychiatric hospitals.
- Staff is supported through the Employee Assistance Programme, especially the nurses who have to work in stressful environments.
- All hospitals have active, multidisciplinary mortality and morbidity reviews.
- The Mental Health Drug and Therapeutic Forum continue to develop treatment guidelines and protocols for the whole service platform.

4. Chronic Medical Hospitals (Rehabilitation Services)

General

- Only the Western Cape Rehabilitation Centre remains in this sub-programme and for this reason the sub-programme is now designated Rehabilitation Services.
- The Western Cape Rehabilitation Centre (WCRC) provides essential specialised in- and outpatient rehabilitation services to persons from the Western Cape and neighbouring provinces, and plays a key role in reducing the impact of disabling conditions and the burden of disease.
- Community re-integration and improved quality of life are key outcomes. As the provision of orthotic and prosthetic devices plays a key role in enablement of persons with disabilities, these services will in future resort under the WCRC.

Western Cape Rehabilitation Centre (WCRC)

- The Western Cape Rehabilitation Centre is a 156-bed provincial specialised facility providing high intensity rehabilitation services for persons with a wide variety of physical disabilities such as spinal cord afflictions, head injury, amputation, stroke or cerebral palsy, amongst others.
- The in- and outpatient services of the Western Cape Rehabilitation Centre continue to grow. Average bed occupancy has increased from 57% (2004/05) to in excess of 80% in 2007/08 and outpatient visits from 3,004 (2004/05) to in excess of 5,000 in 2007/08.

- The specialised wheelchair seating outreach clinics have increased from 12 in 2005/06 to 86 clinics in 2007/08, with the number of children being attended to increasing from 140 to 960 over the same period.
- Service efficiencies have been increased through the introduction of specific referral and client flow management structures and systems, and outsourcing of the outreach clinics to an NGO.

Nurse training

- Twenty five post-matriculants were enrolled in June 2007 for training as enrolled nursing assistants.
- To date the nursing school has produced: 68 qualified staff nurses; 38 registered nurses; 66 have successfully completed upgrading and can now enrol.

Public Private Partnership (PPP)

- On 1 March 2007 the first PPP contract was implemented for hard and soft facilities management at the WCRC as well as on the Lentegeur Hospital site.
- The effective management of this 12-year contract is vital to ensure output specifications are met by the private party within the allocated budget.
- A contract manager and four contract supervisors (two for each site) have been appointed. This team adds strength to the existing management teams.
- The benefits of the PPP to ensure the ongoing and long-term maintenance of the WCRC are already evident.

5. Dental Hospital Services

General

- The University of the Western Cape Oral Health Teaching Platform (OHTP) comprises the Tygerberg Oral Health Centre (OHC), Mitchells Plain OHC, Red Cross Children's Hospital Dental Clinic, Groote Schuur Hospital Maxillofacial Unit and satellite centres at Mitchells Plain CHC, Guguletu Dental Clinic, Bottelary Clinic and its mobile dental services (including services provided on the Phelophepa Health Care Train). The operational service plan for oral health has been approved and will be implemented in a phased manner.
- The new medical aids innovation of allocating oral health financing to the saving account will increase the public sector workload as non-primary dental procedures are generally high expense items and therefore not out of pocket items.
- An increase in referrals from both the private and public sector PHC facilities to the OHTP, because of the expertise available at these sites.

Service facilities and utilisation

- As a service facility the OHTP has become the de facto referral centre for more complex patients. The OHTP package of care consists of primary, secondary, tertiary and quaternary services. The OHTP is not funded to deliver primary health care services.
- The Tygerberg OHC and Mitchells Plain OHC and the satellite clinics of the OHTP at the Mitchell's Plain CHC and the Red Cross Children's Hospital are the only specialised children's clinics in the Western Cape offering comprehensive oral health services for children and children with special needs. It is also the screening site for children that require treatment under general anaesthetic and conscious sedation.
- The OHTP provides specialised dental treatment for medically compromised and maxillofacial services at the Red Cross Children's Hospital, Tygerberg and Groote Schuur OHC's.
- The outreach programme of the OHTP at Guguletu is serviced by staff and students from the OHTP on a rotational basis and takes comprehensive oral health care to PHC. This outreach programme sees in excess of 18,000 patients per year.

- Patients from all over the Province, as well as neighbouring provinces and countries, seek treatment at the OHTP. The majority of them are referred from the public sector oral health service clinics for tertiary and quaternary services.
- The demand for adult dentures creates long waiting lists and places a significant burden on the operational budget and dental laboratory services of the OHTP.
- The high referral rates for extraction of wisdom teeth under general anaesthetics results in long waiting times and constrains service delivery for other maxillofacial services.
- The referrals of orthodontics from both public and private sector for children aged 6 - 17 years results in a heavy service load on the specialist orthodontic service delivery.
- There is a need to identify priorities within this service due to the demand being beyond the resources available. The level of service utilisation is high and is being reflected in the number of visits to the OHTP.
- A strengthened PHC service would also reduce the service delivery burden, especially of primary oral health care services, on the OHTP.

Cost efficiency

- Cost of personnel is high due to the fact that supervision of students is labour intensive.
- All dental specialist posts are consolidated at the OHTP for the provision of specialised services and the training of registrars.
- It is of note that a significant part of the services are rendered by postgraduate students especially registrars in the four clinical specialities, e.g. the average patient load of 100 patients for an orthodontics registrar is equivalent to R1,3 million worth of specialised services per registrar per year.
- In general the cost of preventive measures, infection control and sterilisation, has increased due to the HIV and AIDS epidemic. The specific treatment cost has also significantly increased due to laboratory costs and drug therapy for opportunistic infection.

Oral health training

At undergraduate level, dentists and oral hygienists are being trained at the UWC OHTP.

At post-graduate level specialists in the following disciplines are being trained:

- Maxillo-facial and Oral Surgery
- Orthodontics
- Prosthodontics
- Community Dentistry
- Oral Medicine and Periodontics
- Oral Pathology

TABULAR REPORTING ON PERFORMANCE AGAINST PROVINCIAL 2007/08 ANNUAL PERFORMANCE PLAN

Table 2.3.15: Performance against targets from 2007/08 Annual Performance Plan for the General (Regional) Hospital Services Sub-programme

Objectives (Outputs)	Indicators	Performance			
		2005/06 Actual	2006/07 Actual	2007/08 Actual	2007/08 APP
Input					
Provide regional hospitals infrastructure in line with Healthcare 2010.	Useable beds	1,856	1,943	1,379	1,361
	Useable beds per 1,000 uninsured population	0.54	0.54	0.38	0.38
	Hospital expenditure per uninsured person	R 230	R 260	R 197	R 173
Output					
Provide services that adequately address the needs of inpatients, outpatients and trauma cases.	Outpatients per inpatient day ratio	1.17	1.17	1.28	1.18
	Total number of inpatient days	663,460	688,264	441,798	488,320
	Total number of outpatient headcounts (incl trauma)	774,026	807,344	563,969	577,220
Ensure accessible regional hospital services to the population of the Western Cape.	Separations per annum	188,166	196,904	130,205	128,505
	Separations per 1,000 uninsured population	54.3	54	35.79	36.18
	Patient day equivalents per annum	924,692	942,460	636,992	680,727
Efficiency					
Ensure efficient and cost effective utilisation of resources.	Average length of stay	3.6 days	3.4 days	3.4 days	3.80 days
	Bed utilisation rate based on useable beds	98%	99%	91%	98.3%
	Expenditure per patient day equivalent (constant 2006/7 prices)	R 860	R 999	R 1,128	R 901

Note: Three hospitals shifted out of this sub-programme from 2007/08.

REPORTING ON STANDARD NATIONAL INDICATORS

Table 2.3.16: Regional hospitals

Indicator	Type	2005/06 Actual	2006/07 Actual	2007/08 Actual	2007/08 APP
Input					
1. Expenditure on hospital staff as % of regional hospital expenditure[17]	%	61.4	58 (63)	62.3 (69.1)	65
2. Expenditure on drugs for hospital use as % of regional hospital expenditure	%	4.6	6	3.6	6
3. Expenditure by regional hospitals per uninsured person	R	230	260	197	172.73
Process					
4. Regional hospitals with operational hospital board	%	100	94	100	100
5. Regional hospitals with appointed (not acting) CEO in post	%	100	100	100	100
6. Facility data timeliness rate for regional hospitals	%	84	39	75	100
Output					
7. Caesarean section rate for regional hospitals	%	32	33	33.1	25
Quality					
8. Regional hospitals with patient satisfaction survey using DoH template	%	80	100	100	100
9. Regional hospitals with clinical audit (M&M) meetings every month	%	80	100	100	100
Efficiency					
10. Average length of stay in regional hospitals	Days	3.6	3.4	3.4	3.8
11. Bed utilisation rate (based on usable beds) in regional hospitals	%	98	99	91	98.3
12. Expenditure per patient day equivalent in regional hospitals	R	860	999	1,128	901.34
Outcome					
13. Case fatality rate in regional hospitals for surgery separations	%	1.74	1.7	1.7	1.4
Service volumes					
14. Separations	No	188,166	196,904	130,205	128,505
15. OPD headcounts	No	439,865	487,959	362,960	Not in APP
16. Day cases (=1 separation = 1/2 IPD)	No	19,336	18,675	15,494	Not in APP
17. Inpatient days	No	663,460	688,264	441,798	488,320
18. Casualty headcount	No	314,825	319,385	201,009	Not in APP
19. PDEs	No	924,692	942,460	636,992	680,727

17 Figure in brackets include agency staff.

TABULAR REPORTING ON PERFORMANCE AGAINST PROVINCIAL 2007/08 ANNUAL PERFORMANCE PLAN

Table 2.3.17: Performance against targets from 2007/08 Annual Performance Plan for the Tuberculosis Hospital Services Sub-programme

Objectives (Outputs)	Indicators	Performance			
		2005/06 Actual	2006/07 Actual	2007/08 Actual	2007/08 APP
Input					
Provide TB hospitals infrastructure in line with Healthcare 2010.	Number of useable beds	1,008	1,008	1,008	1,008
	Useable beds per 1,000 uninsured population	0.29	0.28	0.27	0.28
Provide sufficient funding to ensure a efficient TB hospital service for the population.	Hospital expenditure per capita (uninsured population)	R 19.98	R 22.3	R 28	R 20.43
Output					
Ensure accessible TB hospital services to the population of the Western Cape.	Number of separations per annum	3,340	4,006	3,759	4,140
	Separations per 1,000 uninsured population	0.95	1.1	1.03	1.17
	Inpatient days per annum	291,784	304,975	299,342	310,427
	Outpatients per annum	3,784	3,839	2,942	3,848
	Patient day equivalents per annum	293,059	306,287	300,307	311,710
Efficiency					
Ensure efficient and cost effective utilisation of resources.	Average length of stay	75.5 days	76 days	80 days	95 days
	Bed utilisation rate	79%	83%	83%	80%
	Expenditure per patient day equivalent (constant 2006/7 prices)	R 236	R 264	R 345	R 249.43

Table 2.3.18: Tuberculosis hospitals

Indicator	Type	2005/06 Actual	2006/07 Actual	2007/08 Actual	2007/08 APP
Input					
1. Expenditure on hospital staff as % of TB hospital expenditure[18]	%	59.79	64 (69)	61.5 (69.9)	63
2. Expenditure on drugs for hospital use as % of TB hospital expenditure	%	2.88	6	6.6	4
3. Expenditure by TB hospitals per uninsured person	R	19.98	22.3	28	20.43
Process					
4. TB hospitals with operational hospital board	%	80	17	50	100
5. TB hospitals with appointed (not acting) CEO in post	%	100	84	84	100
6. Facility data timeliness rate for TB hospitals	%	93	33	83	100
Output					
7. Caesarean section rate	%	Not applicable	Not applicable	Not applicable	Not applicable
Quality					
8. TB hospitals with patient satisfaction survey using DoH template	%	0	31	33	100
9. TB hospitals with clinical audit (M and M) meetings every month	%	0	44	50	100
Efficiency					
10. Average length of stay in TB hospitals	Days	75.5	76	80	95
11. Bed utilisation rate (based on usable beds) in TB hospitals	%	79	83	83	80
12. Expenditure per patient day equivalent in TB hospitals	R	236	264	345	249.43
Outcome					
13. Case fatality rate for surgery separations	%	Not applicable	Not applicable	Not applicable	Not applicable
Service volumes					
14. Separations	No	3,340	4,006	3,759	4,140
15. OPD headcounts	No	3,784	3,839	2,942	3,848
16. Day cases (=1 separation = 1/2 IPD)	No	28	65	0	Not in APP
17. Inpatient days	No	291,784	304,975	299,342	310,427
18. Casualty headcount	No	Not applicable	Not applicable	Not applicable	Not applicable
19. PDEs	No	293,059	306,287	300,307	311,710

18 Figure in brackets include agency staff.

TABULAR REPORTING ON PERFORMANCE AGAINST PROVINCIAL 2007/08 ANNUAL PERFORMANCE PLAN

Table 2.3.19: Performance against targets from 2007/08 Annual Performance Plan for the Psychiatric Hospital Services Sub-programme

Objectives (Outputs)	Indicators	Performance			
		2005/06 Actual	2006/07 Actual	2007/08 Actual	2007/08 APP
Input					
Provide psychiatric hospitals infrastructure in line with Healthcare 2010.	Number of useable beds	2,096	2,015	1,924	2,059
	Useable beds per 1,000 uninsured population	0.61	0.58	0.59	0.59
Output					
Provide services that adequately address the needs of inpatients and outpatients.	Outpatients per inpatient day ratio	0.03	0.03	0.03	0.02
	Total number of inpatient days	643,405	639,948	634,917	646,320
	Total number of outpatient headcounts	19,238	20,573	21,403	14,865
	Patient day equivalents per annum	649,818	647,315	641,220	651,275
Ensure accessible psychiatric hospital services to the population of the Western Cape.	Separations per annum	5,145	4,907	4,560	5,635
	Separations per 1,000 uninsured population	1.5	1.42	1.32	1.60
Efficiency					
Ensure efficient and cost effective utilisation of resources.	Average length of stay	125.1 days	129.7 days	139 days	115 days
	Bed utilisation rate	82.8%	85.5%	90.4%	86%
	Expenditure per patient day equivalent (constant 2006/7 prices)	R 318	R 460	R 507	R 467.89

REPORTING ON STANDARD NATIONAL INDICATORS

Table 2.3.20: Psychiatric hospitals

Indicator	Type	2005/06 Actual	2006/07 Actual	2007/08 Actual	2007/08 APP
Input					
1. Expenditure on hospital staff as % of psychiatric hospital expenditure	%	76	75.12	80	78
2. Expenditure on drugs for hospital use as % of psychiatric hospital expenditure	%	3	2.97	2.9	4
3. Expenditure by psychiatric hospitals per uninsured person	R	78	82.5	94	86
Process					
4. Psychiatric hospitals with operational hospital board	%	100	100	75	100
5. Psychiatric hospitals with appointed (not acting) CEO in post	%	100	100	100	100
6. Facility data timeliness rate for psychiatric hospitals	%	100	100	75	100
Output					
7. Caesarean section rate	%	Not applicable	Not applicable	Not applicable	Not applicable
Quality					
8. Psychiatric hospitals with patient satisfaction survey using DoH template	%	100	100	100	100
9. Psychiatric hospitals with clinical audit (M&M) meetings every month	%	100	100	100	100
Efficiency					
10. Average length of stay in psychiatric hospitals	Days	125.1	129.74	139	114.7
11. Bed utilisation rate (based on usable beds) in psychiatric hospitals	%	82.8	85.5	90.4	86.0%
12. Expenditure per patient day equivalent in psychiatric hospitals	R	318	460	507	467.89
Outcome					
13. Case fatality rate for surgery separations	%	Not applicable	Not applicable	Not applicable	Not applicable
Service volumes					
14. Separations	No	5,145	4,907	4,560	5,635
15. OPD headcounts	No	19,238	20,573	21,403	14,865
16. Day cases (=1 separation = 1/2 IPD)	No	Not applicable	Not applicable	Not applicable	Not applicable
17. Inpatient days	No	643,405	639,948	634,917	646,320
18. Casualty headcount	No	Not applicable	Not applicable	Not applicable	Not applicable
19. PDEs	No	649,818	647,315	641,220	651,275

TABULAR REPORTING ON PERFORMANCE AGAINST PROVINCIAL 2007/08 ANNUAL PERFORMANCE PLAN

Table 2.3.21: Performance against targets from 2007/08 Annual Performance Plan for the Chronic Medical Hospital Services Sub-programme

Objectives (Outputs)	Indicators	Performance			
		2005/06 Actual	2006/07 Actual	2007/08 Actual	2007/08 APP
Input					
Provide chronic hospitals infrastructure in line with Healthcare 2010.	Number of useable beds	911	156	156	156
	Useable beds per 1,000 uninsured population	0.26	0.04	0.04	0.21
Output					
Provide services that adequately address the needs of inpatients and outpatients services.	Outpatients per inpatient day ratio	0	0.1	0.12	0.10
	Total number of inpatient days	276,144	45,395	48,743	51,246
	Total number of outpatient headcounts	4,740	5,206	5,856	5,119
	Patient day equivalents per annum	277,907	47,130	50,654	52,952
Ensure accessible chronic hospital services to the population of the Western Cape.	Number of separations per annum	5,059	1,049	958	1,090
	Separations per 1,000 uninsured population	1.45	0.3	0.27	1.45
Efficiency					
Ensure efficient and cost effective utilisation of resources.	Average length of stay	54.6 days	43.3 days	51.6 days	47 days
	Bed utilisation rate based on useable beds	73%	80%	87%	90.0%
	Expenditure per patient day equivalent (constant 2006/7 prices)	R 375	R 1,030	R 1,163	R 1,074

Note: The only hospital in this sub-programme is Western Cape Rehabilitation Centre.

Table 2.3.22: Chronic medical hospitals

Indicator	Type	2005/06 Actual	2006/07 Actual	2007/08 Actual	2007/08 APP
Input					
1. Expenditure on hospital staff as % of chronic hospital expenditure[19]	%	72.18	62 (66)	81.6 (83)	75
2. Expenditure on drugs for hospital use as % of chronic hospital expenditure	%	3	1	1.3	3
3. Expenditure by chronic hospitals per uninsured person	R	21.66	13.4	13	16
Process					
4. Chronic hospitals with operational hospital board	%	75	0	100	100
5. Chronic hospitals with appointed (not acting) CEO in post	%	90	100	100	100
6. Facility data timeliness rate for chronic hospitals	%	93	100	100	100
Output					
7. Caesarean section rate	%	Not applicable	Not applicable	Not applicable	Not applicable
Quality					
8. Chronic hospitals with patient satisfaction survey using DoH template	%	12	100	100	100
9. Chronic hospitals with clinical audit (M&M) meetings every month	%	0	100	100	100
Efficiency					
10. Average length of stay in chronic hospitals	Days	54.6	43.3	51.6	47
11. Bed utilisation rate (based on usable beds) in chronic hospitals	%	73	80	87	90
12. Expenditure per patient day equivalent in chronic hospitals	R	375	1,030	1,163	1,074
Outcome					
13. Case fatality rate for surgery separations	%	Not applicable	Not applicable	Not applicable	Not applicable
Service volumes					
14. Separations	No	5,059	1,049	958	1,090
15. OPD headcounts	No	4,740	5,206	5,856	5,119
16. Day cases (=1 separation = 1/2 IPD)	No	Not applicable	Not applicable	Not applicable	Not applicable
17. Inpatient days	No	276,144	45,395	48,743	51,246
18. Casualty headcount	No	Not applicable	Not applicable	Not applicable	Not applicable

19 Figure in brackets include agency staff.

Indicator	Type	2005/06 Actual	2006/07 Actual	2007/08 Actual	2007/08 APP
19. PDEs	No	277,907	47,130	50,654	52,952

TABULAR REPORTING ON PERFORMANCE AGAINST PROVINCIAL 2007/08 ANNUAL PERFORMANCE PLAN

Table 2.3.23: Performance against targets from 2007/08 Annual Performance Plan for the Dental Training Hospital Services Sub-programme

Sub-programme	Objectives (Outputs)	Indicators	Performance			
			2005/06 Actual	2006/07 Actual	2007/08 Actual	2007/08 APP
Dental training hospitals	Optimise student training as agreed to by Committee of Dental Deans.	Graduating students	174	107	198	100
	Evaluate service rendering.	The number of patient visits	181,141	195,203	176,991	182,000
	Reduce waiting lists for dentures.	Number of patients that have received dentures	Not required to report	Not required to report	1,205	1,385
	Improved efficiency.	Theatre cases	1,363	1,563	1,016	1,700

PROGRAMME 5: Central Hospital Services

AIM

To provide tertiary and quaternary health services to the Western Cape and beyond, as well as secondary level services, and to provide a platform for the training of health science students and workers.

ANALYSIS PER SUB-PROGRAMME

Sub-programme 5.1: Central hospital services

Rendering of highly specialized tertiary and quaternary health services on a national basis and a platform for the training of health science students and workers, as well as research.

ANALYTICAL REVIEW OF PROGRAMME PERFORMANCE

General overview

This Programme funded the three central hospitals: Red Cross War Memorial Children's Hospital (RCWMCH), Tygerberg Hospital (TBH) and Groote Schuur Hospital (GSH) as well as the Maitland Cottage Hospital, a provincially aided hospital which provides highly specialised paediatric orthopaedic surgery services as an extension of Red Cross War Memorial Children's Hospital. The co-ordinating clinician system in which general specialist clinicians focus on co-ordination of the discipline across the Province and all levels of care, improving quality of care through clinical governance, ensuring seamlessness in service delivery, and enhancing systems capacity for that particular discipline, is also funded from Programme 5.

Central hospitals provide highly specialised services appropriate to the disease burden of the Province and the country, as well as regional (general specialist) services to the immediate drainage area.

Performance related to policy implementation

Aligning activities and implementing the Comprehensive Service Plan (CSP) formed the bulk of policy focus and transformational activities:

- Separation of the general specialist (level 2) and highly specialised (level 3) services. This required the following:
  - Agreement on the general specialist package of care, with particular focus on the package of diagnostic procedures appropriate for this level and criteria for referral.
  - Designation of level 2 wards.
  - Establishment of functional level 2 services in these wards which implied a package of care, staffing levels and clinical practice according to the envisaged package of level 2 services, and its performance measures.
  - Definition of the outpatient services to differentiate between levels 2 and 3 and re-organise the outpatient services accordingly.
  - Establishment of monitoring mechanisms, with particular reference to information and administrative systems, and clinical governance.

- Establishment of a unitary tertiary service for the Western Cape. This required the following:
  - Establishing a shared vision for tertiary services. A one day work session was hosted and the key elements of such a vision mapped out.
  - Establishing a CSP working group for tertiary services between the Province, the University of Stellenbosch and the University of Cape Town.
  - Hosting five information sharing and consultation sessions with clinicians across the various disciplines, and established working teams to refine the tertiary services plans for each specialty and sub-specialty. The co-ordinating clinicians were instrumental in facilitating these teams' progress.
  - Concluding the defining parameters and the definitions of tertiary services.
  - Establishing a single service for paediatric cardiac care and nuclear medicine.
  - Establishing principles of governance (clinical and academic) in a unitary tertiary service: the basic framework has been drafted.
  - Monitoring and support progress of the various working teams.

- Transfer of any level 1 services in the specialised areas to more appropriate levels of care. This required the following:
  - The co-ordinating clinicians were instrumental in facilitating a process whereby the definitions for the various levels of care in each particular discipline were agreed to. The first steps have been taken in the exchange between Karl Bremer and Tygerberg Hospitals.
  - Accommodation of specialised services from hospitals which in future will not render specialised services. This activity was co-ordinated with the level 2 transformation team.

- Establishing of outreach and support from the more specialised level to the less specialised levels of care. This required the following:
  - The discipline co-ordinating committees chaired by the co-ordinating clinicians were instrumental in paving the way to formalise outreach and support to enhance systems capacity and reduce the need for referral to more specialised levels of care.

The following beds were designated as level 2 and 3 in the various hospitals. All hospitals achieved the targets set.

Table 2.3.24: Designated level 2 and level 3 beds

	GSH	TBH	RCWMCH	TOTAL
Level 2 beds	172	647	61	880
Level 3 beds	695	615	227	1,537
TOTAL	867	1262	288	2,417

A further re-designation of beds will take place during the 2008/09 financial year towards 1,460 level 3 beds. It is important to recognise that the patients with general specialist needs were managed in a highly specialised environment and this stratification will ensure care and related performance measures that are appropriate for the particular level of care. The key focus is to treat the right patient at the right level, right, and at the right cost.

Performance related to priorities

Financial priorities

Programme 5 received 30,7% of the departmental expenditure budget and generated 55% (R 163 million) of the departmental revenue.

The Programme received an additional R 62 million in the adjustment budget. Ninety acute beds were closed during the year to address the financial constraints, but by year end 28 beds were opened in other service areas to address pressures.

Key unit cost measures are captured in the table below. Comparisons across hospitals are difficult due to differing packages of care.

Table 2.3.25: Key unit cost measures

	Cost / bed	Cost / PDE	Cost / admission
GSH	1,112,775	2,364	23,297
TBH	813,867	2,002	17,404
RCWMCH	1,086,781	2,119	14,787
Average	1,004,474	2,1611	18,496

The highest expenditure on non-personnel items was for pharmaceuticals of which antibiotics comprise a significant component. Antibiotic utilisation policies have been established to ensure appropriate and responsible use of antibiotics.

Further controls were implemented over agency staff costs and authority in this regard was centralised to supply chain management and the CEO of each hospital. “Gate-keepers” were appointed to curtail laboratory as well as blood costs.

A costing study was completed and a model was developed to determine the tertiary service costs as well as the cost of health sciences students’ training on the service platform. Students in the health professions spent 1,8 million (50% of total) hours in the central hospitals. The study further demonstrated a funding shortfall of R 1 billion for tertiary services and a R 140 million shortfall across the Province to accommodate health sciences students on the service platform. This information assisted the Western Cape to motivate for increased funding and provided a model to cost related expenditure for the country.

Equipment priorities (Modernisation of Tertiary Services Fund)

The earmarked Modernisation of Tertiary Services’ (MTS) allocation of R51 million addressed nationally agreed themes in radio-oncology and medical imaging. The programme purchased all the equipment as planned, which included:

Groote Schuur Hospital

- Radio-oncology equipment
  - Cone beam attachment for simulator
- Diagnostic equipment
  - Digital chest unit plus bucky table
  - Duplex ultrasound
  - Fluoroscopy unit
  - C-arm intensifier

Red Cross War Memorial Children's Hospital

- Diagnostic equipment
  - MRI scanner
  - Doppler ultrasound

Tygerberg Hospital

- Diagnostic equipment
  - 2 CT scanners
  - 2 digital imaging machines
  - Fluoroscopy table with digital C-arm

The Strategic Plan for Digital Medical Imaging was completed and planning commenced for a pilot implementation in Tygerberg Hospital during 2008/09. This would bring about medical image picture archiving and interconnectivity across hospitals in the Province, laying the basis for telemedicine on a large scale.

Service priorities

The patient activities have been recorded in Table 30. Specific procedure targets were determined for the first time during this financial year. A table in the section for each hospital indicates performance against targets set and in general the hospitals achieved their targets.

A theatre efficiency task team was established, led by the co-ordinating clinician for anaesthetic services as 50% of beds in central hospitals are linked to operating theatres.

Obstetric, neonatal and psychiatry services demonstrated the highest case load experienced by the central hospitals. The obstetric and neonatal case load continued the rapid growth experienced since 2003. The HIV and AIDS pandemic contributed to a large extent to the number of small for gestational age babies born as well as those who were born preterm. The impact of HIV and AIDS on mental illness, which is complex, has now been documented. This need was accommodated when 4 beds were opened in Groote Schuur Hospital towards the end of the financial year aimed at reducing the pressure in the psychiatric hospital services resulting from the TIK (metamfetamine) epidemic.

Quality of care and clinical governance

A workshop on clinical governance laid the foundation for a provincial policy document on Clinical Governance.

The system of co-ordinating clinicians was funded from Programme 5 and a high level summary of the main achievements of co-ordinating clinicians is reflected below.

Anaesthetics: A survey of rural district hospitals and metro hospitals was completed. During hospital visits technical support, equipment safety advice and training was given. A centralised "clearing house" for anaesthetic equipment was established and the tenders for anaesthetic equipment and consumables standardised toward improved patient safety and cost reduction. The essential drug list (EDL) was nationally adjusted to ensure availability of pain relief medication for children while operational policy guidelines were completed for spinal anaesthesia and drugs in theatre. An anaesthetic adverse events and problem identification programme was developed and piloted in the Southern Cape, and a theatre procedure survey was concluded.

Obstetrics and Gynaecology: The co-ordinating clinician for obstetric and gynaecology services worked closely with the maternal health programme staff towards improving antenatal services at primary health care level, enhancing clinical skills and developing clinical guidelines for conditions related to the Saving Mothers, Saving Babies report. He was instrumental in rolling out the basic antenatal care (BANC) training and developed five accredited clinical guidelines, including those for the management of ante-partum and post-partum haemorrhage. He established a co-ordinating committee for obstetrics and gynaecology, as well as for neonatology.

Orthopaedics: The position was filled in February 2008. The levels of care for orthopaedics have been defined in collaboration with fellow clinicians, a project initiated with supply chain management to cost effectiveness in orthopaedic surgery through the provincial tender system.

Mental Health: The co-ordinating clinician for mental health developed infrastructure guidelines for the safe observation of acute psychotic patients in district hospitals, advised on priorities for mental health nurse appointments, facilitated CSP planning at all levels of care, developed sedation guidelines as provincial policy and advised the Department on private hospital licence applications.

Child Health: The co-ordinating clinician co-ordinated the response to the diarrhoeal season, defined levels of care in collaboration with fellow clinicians and established CHIP (child problem identification programme) in several pilot sites allowing improved information about the care the system provides. He established a co-ordinating committee, supported the child health programme, co-ordinated neonatal services and skills development in the management of childhood illnesses.

Medicine: A co-ordinating committee was established, criteria for usage of CT scanning adopted as provincial policy, an outreach and support policy drafted, a process initiated whereby the medicine distribution system is being re-aligned to ensure that medication follows the patient, and especially when specialist physicians reach out to remote areas. The co-ordinating clinician also participated in a project to develop case definitions for stable patients with chronic illnesses to allow their discharge from the central hospitals.

General Surgery: This position was filled in November 2007. Focus was largely on visiting sites and supporting and guiding service design according to the CSP. Surgery in children and skills development were highlighted as key priorities.

Challenges experienced

Financial challenges

The major challenge for Groote Schuur and Tygerberg Hospitals was the need to close 90 beds. Whilst the Programme managed to reduce expenditure significantly and closed 90 beds, the addition of R62 million in the adjustment budget left the Programme with the challenge of effecting savings of a further R12 million for the financial year.

Cost savings measures included amongst others:

- Laboratory expenditure:
  After hours testing was restricted, screening tests reduced, approval policies for expensive studies were announced, laboratory request forms adjusted towards more effective requests and laboratory costs were published for the attention of medical practitioners. A gatekeeper function was established at National Health Laboratory Service (NHLS) offices in the central hospitals to screen requests following an initial pilot at Tygerberg Hospital.
- Blood products:
  Usage was closely monitored with consent required for expensive units and blood users committees established.
- Medicine:
  An antibiotic policy was established and strictly monitored, intravenous drug usage was reduced and the number of items per script limited. The highest cost and volume drugs were monitored more tightly.
- Personnel costs:
  Overtime and use of agency staff was closely monitored. A model was developed to plan and approve the use of agency staff within the allocated budget.
- Medical and surgical requirements:
  High cost procedures were capped and consent required for certain procedures while cost effective procedures, e.g. staples vs. life-long stomatherapy, were promoted.

Human resource challenges

Several categories of staff provide particular recruitment and retention challenges in central hospitals. Apart from nursing, the hospitals struggle to fill and retain pharmacist, clinical technologist and anaesthetist posts.

Nursing remains the backbone of service provision and a reduction was experienced largely in experienced and well-qualified staff, especially in specialised areas. Agency costs were tightly managed. It is hoped that the Occupational Specific Dispensation (OSD) for nurses will halt the exodus of senior nursing staff:

Table 2.3.26: Nursing establishment

Category	April 2007	March 2008	Change
CPN and PN	1,759	1,470	(289)
Other categories of nurses	1,683	2,075	392
Agency full time equivalent (FTE)	569	337	(232)
TOTAL	4,010	3,882	(128)

Particular service challenges

The public sector strikes during June 2007 significantly affected both Tygerberg and Groote Schuur Hospitals, as can be seen in the drop of inpatient days. Red Cross Children's Hospital was largely unaffected.

The central hospitals closed the 90 beds as planned but due to serious service pressures psychiatry and neonatal service beds were opened (28 in total) at level 2 towards the end of the financial year and thus effectively 52 beds were closed during the year. The hospitals performed well to increase efficiency to maintain service outputs as far as possible.

An Acute Emergency Case Load management policy was developed aimed at establishing a policy framework for dealing with the pressures on emergency services. Hospitals implemented a triaging system, bed management and discharge management system. Discharge lounges have been established. The improvement in the patient transport system through HealthNET supported hospitals, ensuring that patients could go home on the day of discharge.

The setting of priorities for clinical services in a resource constrained environment is a global challenge. A guideline was developed during the year to promote priority setting in a fair and legitimate manner.

PERFORMANCE REVIEW BY HOSPITAL

Tygerberg Hospital

General

- Service delivery improvements:
  State-of-the-art imaging equipment funded by the Modernisation of Tertiary Services earmarked fund were installed in this financial year. Prominent amongst these were two new CT scanners, one of which was installed and commissioned in the trauma unit, the other an advanced 64-slice CT scanner installed in the radiology department. In addition, two fully digital and one digitally mastered conventional film room and a digital fluoroscopy room were acquired. Other important acquisitions included additional doppler ultrasound equipment for radiology and a C-arm for the gammamed afterloader and new linear accelerator in the radiation oncology department. A sophisticated workstation for the XIO planning computer system for radiation oncology was also procured.

Medical and surgical wards were refurbished and upgraded. In addition, a major redevelopment of the adult burns unit was completed. In the medical emergency ward new ventilation and extraction infrastructure was installed to address infection prevention and control risks relating to TB patients, and especially MDR/XDR-TB patients.

- Operating theatre complex:
  Operating theatre lights were extensively refurbished and significant progress made with the renovation of the E side of theatres and scrub areas, and the procurement of a number of new operating tables. In addition a new "Theatre Staff Lounge" was opened.

- Infection prevention and control:
  An Infection Prevention and Control Committee was established and became fully functional. The unit produced detailed policies in respect of prevention and management of multiple drug resistant organisms, as well as many other areas where infection prevention and control measures are required.

Governance

The Hospital has a health facilities board and the CEO and management have structured engagements with Institutes of Higher Education, largely the University of Stellenbosch.

Financial performance

Cost effectiveness and expenditure management:

The closure of thirty level 3 beds was implemented. The system of "gatekeepers" was expanded and focussed mainly on containing laboratory costs, and in particular on modifying clinical behaviour in respect of investigation requests. Concessions were negotiated with the Western Province Blood Transfusion Service (WPBTS) in respect of after-hours blood costs. A Tygerberg Hospital Antibiotic Users Committee was re-established which produced and disseminated guidelines and restrictions with regard to the use of high cost antibiotics. Significant reduction in the expenditure on agency staff was achieved after the 30 bed closure.

An over-recovery on revenue of R 40,9 million was achieved largely due to increased recovery of outstanding accounts from the Road Accident Fund.

Human resource management

Training opportunities were provided to 1,325 staff members in the form of in-service training, learnerships, bursaries, ABET and FET training courses.

Although 515 new appointments were made in this period, due to staff turnover the nett gain in staff was only 7.

Service performance

- Trauma unit:
  The service load remained high, as evidenced by the upward trend in the rate of trauma admissions.

- Obstetrics and neonatology:
  The significantly upward trend in the number of deliveries combined with a notable upward trend in the number of premature obstetric admissions e.g. for eclampsia, pre-eclampsia, ante-partum haemorrhage as well as complex admissions in labour with abruptio placentae as well as placenta praevia.

  High quality obstetric high care was delivered with 266 patients managed, 50 of whom required ventilation. Mortality remained low. In the light of sustained pressure on the existing two obstetric high care beds, detailed planning was completed for the commissioning of two additional high care beds in the next financial year.

Neonatology services similarly carried a very high service load, aggravated by the high number of preterm neonates. Twenty one additional level 2 neonatal beds were commissioned in response to the increasing workload. These, together with a focused effort on Kangaroo Mother Care enabled neonatology to cope with the service load. The neonatal service continued to assertively promote breast feeding, also by way of use of pasteurised breast milk.

- Other clinical service achievements:
  - 25 renal transplants done in comparison to 10 the previous year. This resulted in improved access to the Tygerberg Hospital renal dialysis programme.
  - 960 cataract operations were performed.
  - Implementation of the provincial Acute Emergency Case Load policy, Cape Triage System and centralised bed status reporting by Tygerberg Hospital emergency and trauma units.
  - Implementation of an anaesthetist-led paediatric sedation service for CT scans and MRIs on children. A dedicated specialist anaesthetist post was created and filled for this purpose and a suite equipped to provide sedation / anaesthesia in the radiology department.

The table below reports on performance against targets set for Tygerberg Hospital in the Annual Performance Plan.

Table 2.3.27: Performance indicators for Tygerberg Hospital

Indicator	Performance	Target
Coronary stents	358	350
Operations (a)	26,190	28,000
Arthroplasties	137	250
Cochlear implants (a)	5	8
Open heart surgery (b)	400	650

(a) This is an unique service to Tygerberg Hospital and this was the second year that the Hospital focused resources on this expensive, but rewarding programme.
(b) Financial limitations affected the achievement of this target, although the coronary stents, which is a cardiac procedure, did achieve the target.

Service transformation (Implementation of the Comprehensive Service Plan)

Significant progress was made on the critical CSP implementation imperatives. By the March 2008, 571 beds had been officially designated as level 2 beds. In addition, all outpatient clinics were designated as level 2 (general specialty clinics) or level 3 (sub-specialty clinics). All emergency "portal" areas were designated as level 2. A detailed spatial plan identifying the geographical layout of level 2 and level 3 clinics was also completed.

With regard to the functionality of the level 2 clinical areas, the following was done:
- An interim Level 2 Head of Service was designated for each of the level 2 disciplines.
- A level 2 "package of care" was developed for each general specialist discipline.
- Level 2 wards were visibly identified as such by signage.
- Generic policies were developed in respect of admissions to, and referrals between level 2 and level 3 wards.

Groote Schuur Hospital

General

Over the past year there was a focus on efficiency and effectiveness, and monitoring and evaluation of services aimed at continuous improvement. During the year, Groote Schuur Hospital celebrated the 40th anniversary of the world's first human heart transplant which took place at the Hospital on 3 December 1967. On 31 January Groote Schuur Hospital hosted its 70th birthday celebrations. The history of the hospital is soon to be published in a book written by two internationally renowned historians.

The past year has however not been without its challenges including managing the closure of 60 beds due to budgetary pressures, and a difficult period of strike action in June 2007.

Governance

The organisational structure consists of five operational units and several fora were established at which managers, clinicians and universities (largely the University of Cape Town) interact. Operational policy matters and strategic decisions arising from cost centre level are ratified and approved at the appropriate level. An establishment control committee governs all staff appointments and approves staff structures. Groote Schuur Hospital has an active health facility board which meets on a monthly basis with representatives from the Hospital and the health sciences faculty of UCT. Research at the Hospital has to be approved by the ethics committee representing UCT and Groote Schuur Hospital.

Financial performance

Groote Schuur Hospital received 43% of the Programme 5 budget, with 78% from the National Tertiary Services Grant (NTSG), 12% from provincial equitable share and 10% from the Health Professional Training and Development Grant (HPTDG).

Expenditure control measures:

The bed closures as well as additional cost savings measures reduced the projected over expenditure to R 6 million. Cost saving measures included a multi-pronged approach which focused on personnel costs (particularly reducing the agency and overtime costs) as well as on reducing blood, laboratory and the more expensive consumables. A "blood auditor" and a laboratory request controller were appointed to ensure the strict control of the request, authorisation and utilisation of these products. A laboratory protocol was developed restricting the requests for certain investigations to specific areas and according to the level of medical seniority. Similar strategies were employed for the control over blood products usage.

The Hospital exceeded its revenue target by R 36,223 million largely due to increased collection of Road Accident Fund accounts.

Equipment

New equipment was installed during the course of the year. This included a varian linac with 120-leaf multi leaf collimator, portal imaging and stereotactic capacity. In addition an afterloader was also purchased. This will ensure ongoing timeous care to patients with cervical cancer.

A general x-ray room was installed in the outpatients department and a fluoroscopy unit in the radiology department. Three mobile x-ray machines were purchased and a mammography machine delivered. Seventeen new network points for the Hermes workstations were completed and the network switch was installed (nuclear medicine). A reporting room was created which enables electronic communication of image between the three central hospitals. A new osteodensitometer was purchased for nuclear medicine.

A brain laboratory neuro-navigation system was purchased and commissioned during 2007/08 from the Modernisation of Tertiary Services funds (MTS). This highly specialised equipment item includes minimally invasive surgery for intracranial pathology and can be used by ENT, neurosurgery and orthopaedic surgery.

Human resource management

Groote Schuur Hospital had 3,682 staff members during the 2007/08 financial year. With the inclusion of the full time equivalents (FTEs) allocated to joint staff (30) and agency staff (235), the total FTEs for the Hospital was 3,877.

Nursing forms the backbone of the hospital service and accounts for 39% of the total staff. Agency nursing costs accounted for 7% of the nursing budget. The total nurse to bed ratio was 1.58 in 2007/08 compared to 1.51 in 2006/07. The primary reason for this was the introduction of community service nursing, introduced on 1 January providing 41 community service nurses to Groote Schuur Hospital.

Nursing remains dependant on agency staff. This is an unsatisfactory situation as agencies are often unable to supply staff, or supply unsuitable staff. Agency staff place an additional burden on full-time staff who have to orientate agency staff continuously and oversee their work due to lack of familiarity with the environment, hospital policy and specific processes. Agency staff are primarily used in the intensive care unit, maternity and theatres. The institution also embarked upon an active campaign to attract nursing staff to Groote Schuur Hospital through road shows to all the nursing colleges. This met with partial success. Recruitment efforts are ongoing.

The Hospital experienced difficulty in recruiting staff in other occupational categories such as clinical technologists, pharmacists and radiographers. The shortage of skilled staff in these categories hampers efficient service delivery.

The public sector strike action in June 2007 caused some service disruption and reports of staff intimidation were received. In spite of entrances to the Hospital being blocked, many staff reported at their point of duty and there was minimal police action.

Service performance

During the year there was a 5% decrease in admissions and a 3% decrease in outpatient services (compared to the previous year). This is in keeping with the CSP strategy to progressively refer patients to the appropriate level of care. There was a sharp decline in the number of repeat scripts from around 17,550 in 2005 to 16,100 in 2006 and 15,800 in 2007. This was a result of a concerted effort to address the number of patients coming to Groote Schuur Hospital purely for repeat scripts and where the system allows for these patients to be managed elsewhere.

The obstetric services remained under pressure with the number of deliveries per month increasing from an average of 383 per month in 2004/05 to 401 per month in 2007/08. The increased number of deliveries has been accompanied with the number of caesarean sections performed per month increasing from 174 per month in 2005/06 to 189 per month in 2007/08. The caesarean section rate at Groote Schuur Hospital of 47% per monthly average is higher than the Annual Performance Plan (APP) target of 30%. The main reasons for this deviation are an increase in the number of babies in foetal distress (29%), previous caesarean sections (22%), gestational hypertension (14%) as well as failure to progress (11%). Consistent with the increased obstetric service workload is an increase in the average bed occupancies in neonatology from 90% in 2006/07 to 119% in 2007/08.

Service pressures were also experienced in the trauma and neonatal units as well as the acute psychiatric services. Groote Schuur Hospital performed 21,684 surgical operations during the year. Despite this, the wait for certain elective procedures remains prolonged.

The renal services remained under pressure and only 40% of the patients requiring dialysis could be accommodated.

Highly specialised services:

Groote Schuur Hospital is the only public sector hospital in South Africa able to offer a fully comprehensive cardiac service that includes electrophysiological and advanced cardiac arrhythmia device implantation and management. The Hospital also serves as the national reference centre for neurogenetics, for patients with complex myasthaenia gravis, and for patients requiring epilepsy surgery for intractable epilepsy. The stroke unit offers comprehensive care and is serviced by a multi-disciplinary unit. The unit offers an annual stroke training course for nurses from various parts of the country.

Highly specialised radiology includes imaging support to all sub-specialists, neuro and musculoskeletal MRI investigations, CT-guided biopsies, cardiac MRI, high resolution chest imaging, and interventive radiology including hepatobiliary and vascular interventions.

Transplant services:

The transplant programme remained active with 49 kidney transplants, 5 heart transplants and 3 liver transplants.

The table below reflects the performance against targets set for Groote Schuur Hospital in the Annual Performance Plan.

Table 2.3.28: Performance indicators for Groote Schuur Hospital

Indicator	Performance	Target
Kidney transplants	49	50
Operations (a)	21,684	24,000
Cataract removal (b)	1,038	1,000
Gun shot wounds admitted	722	800
Joint replacements (c)	183	150
Heart valve replacements (d)	133	250

(a) The theatre data system did not sufficiently capture the data over three months.
(b) Some of these patients could be operated upon at level 1. Groote Schuur Hospital has been instrumental in establishing the Eerste River cataract extraction service.
(c) A focused project was undertaken using non-recurrent funds that were made available from exceeding revenue targets in the previous year.
(d) Inaccurate target setting and financial limitations were challenges to achieve the target set. The Department aims to improve case selection of patients that would benefit the most from this procedure.

Outreach and Support

Outreach from the renal clinic to George Hospital has been restarted as has the genetic clinic outreach to Southern Cape. The radiation oncology division assumed responsibility for the George oncology service with service delivery provided at George every two weeks. A plan was drawn up to care for these patients and a protocol developed to clinically govern the management of these patients. Patients have been cared for in co-operation with local medical officers and specialist in George doing sessions from the private sector.

Service transformation (Implementation of the Comprehensive Service Plan)

The introduction and marketing of the CSP required a transformation strategy within the institution. The CSP required Groote Schuur Hospital to clearly and separately delineate level 2 and level 3. One hundred and seventy two beds were designated as level 2 beds. Plans were developed for the geographical separation of inpatient as well as outpatient services. One senior specialist was appointed for each of the level 2 services for medicine and surgery.

Groote Schuur Hospital commenced on the development of specific protocols to delineate level 2 and 3 care for laboratory and radiological investigations and for blood and pharmaceutical products. Mechanisms to monitor the functionality, in terms of the actual level of care of patients in the level 2 services, will be applied in the next financial year. Each level of care is required to render the prescribed package of care within available resources.

The Hospital will eventually be allocated 286 level 2 beds and 685 level 3 beds. During 2007 much work was done in preparation for the planned shift of paediatrics from Groote Schuur to Red Cross War Memorial Children's Hospital. The availability of theatre time at Groote Schuur Hospital remains a key rate limiting factor in the ability of the Hospital to manage the consolidation of level 2 orthopaedic services. This has heightened the need to maximise theatre time utilisation.

Quality of care

The analysis of the patient satisfaction survey undertaken during this financial year has been completed. Interventions are being planned for those responses which showed poor satisfaction in specific areas. The staff satisfaction survey is currently being analysed and similar intervention strategies are being planned for the results of the staff survey.

Mortality and morbidity (M&M) meetings were expanded to unit/divisional level whilst ongoing departmental M&M meetings were held regularly.

Specific interventions at ward level were implemented by Infection Control and Quality Management in order to ensure preventative action is taken with regard to infection control.

Red Cross War Memorial Children's Hospital

General

Red Cross War Memorial Children's Hospital provides tertiary and quaternary paediatric services as well as regional hospital paediatric services to its immediate drainage area. The Hospital is an important provincial, national and international clinical and academic resource in child health care. It is a national referral centre for paediatric liver and kidney transplants, and a national referral centre for the separation of conjoined twins. It is the provincial centre for paediatric cardiac surgery and houses the only dedicated specialised burns unit for children in the Province.

The 2007/08 financial year was characterised by seasonal burden of disease pressures such as burns during the winter months (June to September 2007) resulting in an increase of burns admissions of 7% over the previous financial year; and diarrhoeal disease during the summer months (January to March 2008) resulting in bed occupancy rates in the rehydration ward of well over 100%.

Although staff shortages in nursing remained a challenge, the Hospital was able to recruit and retain professional nurses through active recruitment and training initiatives, which in turn greatly assisted in stabilising nurse staffing in the paediatric intensive care unit. This resulted in sufficient skilled nursing capacity to sustain and maintain 18 beds in the paediatric intensive care unit.

Governance

The Hospital has a well functioning facilities board and is managed by a management team headed by a Chief Executive Officer, who has financial and human resource delegations to operate the facility. Established forums such as the Institutional Management Labour Caucus provided a platform for continued engagement with organised labour and the Management - Clinician Council Forum provided for meaningful collaboration with medical professionals on strategic issues.

Service and clinical governance was effected through monthly mortality and morbidity (M&M) meetings at facility level as well as through the role of the co-ordinating clinician for child health in the development of protocols and treatment guidelines and co-ordination of services between levels of care.

Financial performance

Total expenditure for the financial year 2007/08 amounted to R 312.82 million of which personnel expenditure accounted for 63%. Expenditure on Goods and Services accounted for 32% of total expenditure and the top five expenditure items were pharmaceuticals, medical and surgical supplies, laboratory, blood and blood products and agency staff.

Capital equipment expenditure amounted to R 15 million of which R 11.8 million accounted for the acquisition of a Magnetic Resonance Imaging (MRI) machine through Modernisation of Tertiary Services (MTS) funding. The Children's Hospital Trust assisted with funding the installation costs, as an addition to their financing the erection of the new theatre complex. Further infrastructure and maintenance projects included the commencement of work on the central processing department as well as the installation of a new electricity generator at a cost of R 4.5 million.

Revenue collection exceeded the budget target by 23%.

Human resource management

The Hospital has a staff complement of 1,076 which includes medical professionals, other health professionals, nurses and non-professional staff. An Employees Assistance Programme (EAP) provides support to all staff.

Nursing staff comprises of 48% of the total staff complement and the nurse to bed ratio is 1.8 nurses per bed. A nurse mentorship and training programme has been established to retain and upskill the nursing cadre.

Service performance

Using patient day equivalents (PDE) as a proxy for workload, a 4% increase in workload occurred compared to the previous financial year. Admissions for children under one year of age accounted for 32.5% of total admissions. Acute medical emergencies and trauma accounted for 22% of total outpatient headcounts.

An increase of burns admissions of 7% over the previous financial year resulted in an increase of in burns operations of 30% over the previous financial year. The seasonal trend for an increase in burns admissions over the period June to September remains unchanged for the last five years.

Diarrhoeal disease remains a seasonal factor over the period January to May each year and the seasonal pressures due to diarrhoeal disease resulted in bed occupancy rates well over 100% in this financial year following the trend over the previous three years. Diarrhoeal disease remained prevalent in the under 1 year old age group as is reflected in the higher admissions in this age group.

A 6% decrease in operations occurred in comparison to the previous financial year and is attributed to lack of availability of anaesthetic staff, impact of load shedding on theatre time and the higher number of public holidays during the fourth quarter. An increase of 1% in operations longer than 2 hours occurred in comparison to the previous financial year and is indicative of an increase in the performance of more complex surgery.

The table below reflects the performance against targets set for Red Cross War Memorial Children's Hospital in the Annual Performance Plan.

Table 2.3.29: Performance indicators for Red Cross War Memorial Children's Hospital

Indicator	Performance	Target
Cardiac operations (a)	242	300
Renal transplants	9	15
Liver transplants	4	0
Operations (b)	700	750
ICU beds	18	18

(a) This was largely influenced by the lack of availability of ICU beds (which in turn is largely nursing related).
(b) ENT procedures (part of the ENT project) was moved to Karl Bremer Hospital, which is more appropriate for the level of care.

Quality of care

Quality assurance programmes focused on improvement in infection control and monitoring and evaluation of morbidity and mortality. An overall mortality rate of 1.5% and surgical mortality rate of 0.3% occurred. The surgical mortality rate reflects a decrease of 0.1% on the previous financial year.

Outcomes of both client satisfaction and staff satisfaction surveys were significantly positive reflecting good satisfaction ratings, and compliments outnumbered complaints significantly.

Maitland Cottage Home, which operates as an extension of Red Cross War Memorial Children's Hospital, renders specialist orthopaedic surgery, post-operative care and rehabilitation for children with orthopaedic conditions. Maitland Cottage Home has 85 beds and had 967 admissions and performed 449 operations during the financial year 2007/08.

Service transformation (Implementation of the Comprehensive Service Plan)

Significant progress has been made with respect to the implementation of the Comprehensive Service Plan and the achievements of note are as follows:

- Geographic separation of identified level 2 and level 3 inpatient wards.
- Registration of inpatient wards, outpatient clinics and cost-centres into level 2 and level 3 areas. This will facilitate clinical outputs and financial reporting in line with the separation of level 2 and level 3 into Programme 4.1 and Programme 5 respectively for the financial year 2008/09.
- The paediatric bed plan for level 3 (tertiary services) was completed in consultation with clinicians and will be finalised in 2008/09.
- Ten orthopaedic beds together with the associated inpatient and outpatient activities were shifted from Groote Schuur Hospital to Maitland Cottage Home, which operates as an extension of Red Cross War Memorial Children's Hospital.
- Project plans for the shifting of tertiary paediatric services from Groote Schuur Hospital to Red Cross War Memorial Children's Hospital were completed.
- Potential outpatient shifts for asthma and epilepsy patients to less specialised levels of care was identified.

TABULAR REPORTING ON PERFORMANCE AGAINST PROVINCIAL 2007/08 ANNUAL PERFORMANCE PLAN

Table 2.3.30: Performance against targets from 2007/08 Annual Performance Plan for the Central Hospital Services Programme

Objectives (Outputs)	Indicators	Performance			
		2005/06 Actual	2006/07 Actual	2007/08 Actual	2007/08 APP
Input					
Provide central hospitals infrastructure in line with Healthcare 2010.	Useable beds	2,472	2,479	2,417	2,380
	Useable beds per 1,000 uninsured population	0.73	0.55	0.54	0.72[20]
Output					
Provide services that adequately address the needs of inpatients, outpatients and trauma cases.	Number of inpatient days	772,825	733,981	715,384[21]	720,152
	Number of outpatients treated (including trauma)	1,171,408	1,118,845	1,108,976	1,202,654
	Number of patient day equivalents	1,092,450	1,117,316	1,090,957	1,121,037
Ensure accessible central hospital services to the population of the Western Cape and other provinces.	Number of separations per annum	122,649	127,671	123,495[22]	124,164
	Separations per 1,000 uninsured population	36.7	28.1	27.34	53[23]
Efficiency					
Ensure efficient and cost effective utilisation of resources.	Average length of stay	5.6 days	5.4 days	5.8 days	5.8 days
	Bed utilisation rate based on useable beds	81.8%	83%	80.9%[24]	82.9%
	Expenditure per patient day equivalent	R 1,795	R 1,901	R 2,150[25]	R 1,842
Outcome					
Ensure desired clinical outcomes.	Case fatality rate for surgery separations	3.1%	2.97%	3.8%[26]	3.0%

20 This target was set using an incorrect denominator.
21 The de-escalation period was extended longer.
22 The ALOS was longer than planned and reduced the ability to admit more patients.
23 This target was set incorrectly.
24 The de-escalation period was extended longer than initially planned so as to reduce expenses.
25 The financial impact of the Occupation Specific Dispensation could not be predicted, influencing the accuracy of setting a target.
26 This figure represents all deaths and the major contributing factor is in medically related deaths, largely due to infections of TB and HIV and AIDS, and chronic medical conditions.

PERFORMANCE ON NATIONAL TERTIARY SERVICES CONDITIONAL GRANT (NTSG)

The full amount of the NTSG was allocated to the central hospitals according to the distribution of tertiary beds, as demonstrated in the table below.

Table 2.3.31: NTSG allocation

Hospital	2006/07 R'000	2007/08 R'000
Groote Schuur Hospital	738,131	774,616
Tygerberg Hospital	356,339	373,952
Red Cross War Memorial Children's Hospital	178,170	186,976
Total	1,272,640	1,335,544

The Programme timeously provided monthly and quarterly reports on the expenditure as well as the outputs. As the Division of Revenue Act (DORA) does not allow overspending it was not possible for the Province to demonstrate the shortfall in its reports. A grant evaluation was also completed according to Treasury Guidelines.

REPORTING ON STANDARD NATIONAL INDICATORS

The table below captures the standardised indicators for, according to the Treasury guidelines, inter-provincial comparison. Such comparison should be cautioned as the package of care provided by the various hospitals varies greatly in the range and level. The number of students on the platform also differs from province to province. The costing study in the Western Cape to determine the cost to the services associated with having students on the platform is R 140 million more than is provided in the Health Professions Training and Development Grant.

Table 2.3.32: Central hospital services

Indicator	Type	2005/06 Actual	2006/07 Actual	2007/08 Actual	2007/08 APP
Input					
1. Expenditure on hospital staff as % of hospital expenditure	%	58	65	66.7[27]	64
2. Expenditure on drugs for hospital use as % of hospital expenditure	%	5.6	5.9	5.2	6
Process					
3. Operational hospital board	Y/N	Y[28]	Y[28]	Y	Y
4. Appointed (not acting) CEO in place	Y/N	N[28,29]	Y[28]	Y	Y
5. Individual hospital data timeliness rate	Months	12[28]	12[28]	12	Y
Output					
6. Caesarean section rate	%	36	35	36.6	30[30]

27 The influence of the OSD could not be predicted and target was set too low.

28 Reported as a % in 2005/06 and 2006/07 Annual Report.

29 The CEO post at Red Cross Children's Hospital was vacant. Position filled in December 2005.

30 This target was incorrectly set. Central hospitals deal with complex obstetric services and the HIV/AIDS pandemic pushes the caesarean section rate upwards.

Indicator	Type	2005/06 Actual	2006/07 Actual	2007/08 Actual	2007/08 APP
Quality					
7. Patient satisfaction survey using DoH template	%	100	100	100	100
8. Clinical audit (M&M) meetings at least once a month	%	100	100	100	100
Efficiency					
9. Average length of stay	Days	5.6	5.4	5.8	5.8
10. Bed utilisation rate (based on usable beds)	%	81.8	83	80.9	82.9
11. Expenditure per patient day equivalent	R	1,795	1,901	2,150[31]	1,842
Outcome					
12. Case fatality rate for surgery separations	%	3.1	2.97	3.8[32]	3
Service volumes					
13. Separations	No	122,649	127,671	123,495	124,164
14. OPD headcounts	No	886,778	964,193	957,339[33]	Not in APP
15. Day cases (=1 separation = 1/2 IPD)	No	11,982	12,679	11,842	Not in APP
16. Inpatient days	No	772,825	733,981	715,384[34]	720,152
17. Casualty headcount	No	142,315	154,652	151,637	Not in APP
18. PDEs	No	1,092,450	1,117,316	1,090,957	1,121,037

31 This reflects the impact of the Occupation Specific Dispensation.
32 Analysis showed the increase due to trauma and neurosurgery cases.
33 The Central Hospitals aim to reduce outpatient visits towards 2010.
34 The impact of the strikes on especially TBH, and the need to de-escalate services due to financial pressures contributed to this.

PROGRAMME 6: Health Sciences and Training

AIM

Rendering of education, training and development opportunities for serving and potential employees of the Department of Health.

ANALYSIS PER SUB-PROGRAMME

Sub-programme 6.1: Nurse training college

Training of nurses at undergraduate, post registration and post basic level. Target group includes actual and potential employees.

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

Education, training and development of rescue and ambulance personnel. Target group includes actual and potential employees.

Sub-programme 6.3: Bursaries

Provision of funding for health science and support training programmes at undergraduate and postgraduate levels. Target group includes actual and potential employees.

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

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

Sub-programme 6.5: Training (other)

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

ANALYTICAL REVIEW OF PROGRAMME PERFORMANCE

To ensure the provision of a constant supply of effectively trained health science professionals and support staff who have the required skills and knowledge to deliver on the departmental mandate as well as promote continuous learning and development, the portability of skills and broaden opportunities for career paths and employability to meet the changing needs of the Department, appropriate education, training and development interventions were expanded to increase:

- The critical mass of nurses by increasing the intake of student nurses at the Western Cape College of Nursing (WCCN) and providing additional bursaries for new students admitted to nurse training (basic and post-basic nursing);
- The critical mass of Emergency Medical Services staff through the re-implementation of HPCSA accredited programmes such as the paramedic (advanced life support), AEA (intermediate life support) and BAA (basic life support) courses;
- The critical mass of health science professionals and support staff in scarce skills with the provision of additional bursaries for new students;
- The number of training interventions provided to personnel;

- Productive employment opportunities for a significant number of the unemployed persons through the development of skills as community home-based carers as part of the Expanded Public Works Programme (EPWP); and
- The placement of community service professionals, with the implementation of community service for nurses.

Training needs assessment and gap analysis (in-service and pre-service)

A skills competency profiling audit will be conducted to address the human resource development (HRD) needs arising from the Comprehensive Service Plan (CSP). The tender specification for the competency profiling has been drafted and will be advertised. A scoping and planning exercise to assist in the development of the skills competency profiling audit was conducted during this period.

Internal and external partnerships

Formal relationships and networks were established or broadened with key partners to inform the delivery of a responsive HRD agenda, these include internal and external clients and partners such as the Cape Higher Education Consortium (CHEC), which consists of the Universities of Cape Town, Stellenbosch and the Western Cape and also the Cape Peninsula University of Technology, to promote a regional platform for undergraduate training of nurses.

At the departmental level, a HRD Management Forum was established to deliberate on internal HRD interventions that impact on the delivery of health services.

Provincial Growth and Development Strategy

Departmental HRD strategies/policies were aligned to the Provincial Growth and Development Strategy with the intention of creating the provision of training opportunities for the unemployed and more particularly for youth to have an opportunity to gain skills in the health service sector. This is achieved through the implementation of 18.2 Learnerships (for unemployed persons) for the training of enrolled nurses, diagnostic radiography and pharmacist assistants (basic) at training sites in the Department. This strategy addressed identified gaps and was utilised as a “ladder-approach” recruitment mechanism for nurses, diagnostic radiographers and pharmacists.

In addition, bursaries were offered to school leavers to pursue a formal qualification in the health sciences through full time studies at an accredited Higher Education Institution (HEI), where after they are employed within the Department. In the 2007/08 financial year the Department granted 760 new bursaries, in addition to the 936 bursaries maintained, for nurse training. In addition 120 new full-time bursaries were granted and 189 bursaries maintained for other health science professionals.

Social capital: Expanded Public Works Programme

The Expanded Public Works Programme (EPWP) is a national programme designed to provide productive employment opportunities for a significant number of the unemployed, not only to earn an income but also to develop skills and improve their potential to gain permanent employment. The Department participated effectively in this programme by entering into partnerships with NGO's and training providers to successfully train home-based cares.

TABULAR REPORTING ON PERFORMANCE AGAINST PROVINCIAL 2007/08 ANNUAL PERFORMANCE PLAN

Table 2.3.33: Performance against targets from the 2007/08 Annual Performance Plan for the Health Sciences and Training Programme

Sub-programme	Objectives (Outputs)	Indicators	2005/06 Actual	2006/07 Actual	2007/08 Actual	2007/08 APP
Nurse training college	6.1.1 Basic nurse training: 1. R425 Nursing Diploma Programme and B Cur Nursing Science Programme 2. Post Registration Programme R254 – 1 year Midwifery R880 – 1 year Psychiatry R276 – 1 year CNS	Input: 4-year R425 Diploma / Degree Programme: Number of student nurses on the staff establishment (i.e. employee students) of the Western Cape College of Nursing (WCCN) trained per year				
		1st year	195	191	275	270
		2nd year	175	149	190	195
		3rd year	48	39	94	165
		4th year	153	134	34	58
		Sub-total: Basic nurse training	571	513	593[35]	688
		Output: Progression of successfully trained nurses based on year 1 to year 4 Target: 85% graduates per programme				
		R425 Nursing Diploma Programme and B Cur Nursing Science Programme	113 (79%)	374 (73%)	506 (85%)	542
		Post registration – Midwifery	Not reported	Not reported	19[36]	30
		Post registration - Psychiatry	Not reported	Not reported	0[36]	25
		Post registration – CNS	Not reported	Not reported	[36]	No target set

35 The Department planned in collaboration with WCCN and UWC to enroll and train 688 students. However due to failures and students deciding during the first academic quarter to drop out of the programme the final number of students completing was 593.

36 Applicable to all the post-registration courses. After consultation with SANC these programmes may not be offered until they have been re-curriculated and re-accredited by SANC.

Sub-programme	Objectives (Outputs)	Indicators	2005/06 Actual	2006/07 Actual	2007/08 Actual	2007/08 APP
	6.1.2 Post basic nurse training	Input: Number of professional nurses admitted to the post-basic & post-registration nurse-training programme (employees)				
		1. Critical care: General	19	15	27	18
		2. Critical care: Trauma	2	2	14	4
		3. Operating theatre	10	13	24	18
		Sub-total: Post basic nurse training	31	30	65	40
		Output: Progression of successfully trained professional nurses Target: 99% graduates per programme	29	16	0[37]	40
	GRAND TOTAL:	Nurse training	602	566	612	728
EMS training colleges	6.2 EMS Training Monitor and evaluate the EMS training programmes	Number of intake of students for training per year.				
		1. National Diploma EMC (3-year course)	123	154	155	161
		2. Paramedic (1-year course)	14	Course dis-continued by HEI	14[38]	24
		3. AEA (5-months course) (Being phased out)	83	0	48[38]	0
		4. BAA (5-week course)	36	0	72[38]	24
		5. BMR (5-week course)	12	25	24	24
		6. Flight Medical (2-weeks course)	0	15	0[39]	14
		7. CPD training (1 to 2 days course)	359	1,543	504	400

37 Output available in1st Quarter of 2008/09.
38 Course re-introduced to meet Departmental needs for 2010.
39 Reduced due to the re-prioritisation of the AEA, BAA and paramedic courses.

Sub-programme	Objectives (Outputs)	Indicators	2005/06 Actual	2006/07 Actual	2007/08 Actual	2007/08 APP
		8. IMR (Being phased out)	0	Phased out	Phased out	0
		9. Level 3 (Being phased out)	0	Phased out	Phased out	0
		10. National Cerificate: EMC (1-year course)	Not reported	35	0	0
		GRAND TOTAL: Number of new intake	627	1,618	817	647
		Number of graduates per programme				
		1. National Diploma EMC (3-year course)	13	13	23	15
		2. Paramedic (1-year course)	11	Course dis-continued by HEI	0[40]	20
		3. AEA (5- months course) (Being phased out)	32	0	0[40]	0
		4. BAA (5-week course)	29	0	65	20
		5. BMR (5-week course)	11	23	11	22
		6. Flight Medical (2-weeks course)	0	15	0[41]	12
		7. CPD training (1 to 2 days course)	359	1,501	585	380
		8. IMR (Being phased out)	0	Phased out	Phased out	0
		9. Level 3 (Being phased out)	0	Phased out	Phased out	0
		10. National Cerificate: EMC (1-year course)	Not reported	8	0	0
		GRAND TOTAL: Number of learners to complete programmes per year.	455	1,560	706	469

40 Output available in1st Quarter of 2008/09.
41 Reduced due to the re-prioritisation of the AEA, BAA and paramedic courses.

Sub-programme	Objectives (Outputs)	Indicators	2005/06 Actual	2006/07 Actual	2007/08 Actual	2007/08 APP
Bursaries	6.3.1 Nursing bursaries	Input: 1. Number of new bursary students admitted to nurse training (basic and post-basic nursing)				
		1.1. Bridging nurse training – Mid level (ENA To EN and EN To RN)				
		ENA to EN	1	48	11	40
		EN to RN	88	45	79	20
		Sub-total: Bridging nurse training	89	93	90	60
		1.2. Basic nurse training				
		R425 Nursing Diploma	174	184	240	270
		B Cur Nursing Science	181	218	223	230
		Sub-total: Basic nurse training	355	402	463	500
		1.3. Post basic nurse training				
		(Clinical specialty/ non clinical for RN)	131	111	207	180
		TOTAL: Number of new students admitted to nurse training	575	606	760	740
		Throughput 2. Maintenance of existing nursing bursaries				
		2.1 Bridging nurse training Mid level (ENA To EN and EN To RN)				
		2.1.1 EN to RN	35	81	30	34
		2.2 Basic nurse training				
		R425 Nursing Diploma	117	310	349	349
		B Cur Nursing Science	504	543	534	534

Sub-programme	Objectives (Outputs)	Indicators	2005/06 Actual	2006/07 Actual	2007/08 Actual	2007/08 APP
		Sub-total: Basic nurse training	621	853	883	883
		2.3. Post basic nurse training	23	28	23	21
		TOTAL: Maintenance of existing nursing bursaries	679	962	936	938
	GRAND TOTAL: Nursing bursaries		1,254	1,568	1,696	1,678
	Bursaries for Health Science, excluding nursing Identify training needs based on service delivery priorities for all categories of health science students.	1. New bursaries for:				
		1.1 Full-time studies				
		1.1.1 Health science	80	101	120	130
		1.1.2 Support services	0	Phased out	Phased out	0
		Sub-total:	80	101	120	130
		1.2 Part-time studies	69	242	212	125
		TOTAL: Number of new students admitted to health science training	149	343	332	255
		2. Maintenance of existing bursaries				
		2.1 Full-time studies				
		2.1.1 Health science	182	158	189	189
		2.1.2 Support services	0	Phased out	Phased out	0
		Sub-total:	182	158	189	189
		2.2 Part-time studies	48	263	88	88
		TOTAL: Maintenance of existing health science bursaries	230	421	277	277
	GRAND TOTAL: Bursaries for health science, excluding nursing		379	764	609	532
	TOTAL NUMBER OF BURSARIES		1,633	2,332	2,305	2,210

Sub-programme	Objectives (Outputs)	Indicators	2005/06 Actual	2006/07 Actual	2007/08 Actual	2007/08 APP
Primary Health Care training	6.4.1 Primary Health Care training Provision of PHC related training interventions for personnel, provided by the regions.	Number of training interventions provided to PHC personnel	2,206	3,329	2,845	4,000
Training (Other)	6.5.1 Levy payment to HWSETA (Administrative levy payable to HWSETA in terms of skills development legislation.)		R 1,942	R 2,045	R 2,169	R 2,170
	6.5.2 Workplace Skills Plan Coordinate the implementation of the Departmental Workplace Skills Plan through the provision of training and development of personnel within the Department.	Number of training interventions provided to personnel	12,184	11,771	15,543	16,600
	6.5.3 Management and Leadership Development Skills Ensure appropriate development of human resources to support health service delivery through the development of management and leadership development skills.	Number of management and leadership development training opportunities	1,217	1,559	1,100	1,500
	6.5.4 ABET Ensure appropriate development of human resources to support health delivery through the provision of ABET training	Number of ABET learners registered for courses	1,916	275	265	350
		Number of ABET interventions	Not reported	Not reported	52	1,200

Sub-programme	Objectives (Outputs)	Indicators	2005/06 Actual	2006/07 Actual	2007/08 Actual	2007/08 APP
	6.5.5 Learnerships Ensure appropriate development of human resources to support health delivery through the provision of learnerships for personnel.	Number of learnerships: employees				
		1.1 Nursing				
		1.1.1 EN to RN	7	7	50	40
		1.1.2 ENA to EN	50	50	50	35
		1.1.3 Post Basic: Critical Care	8	7	9	15
		1.1.4 Post Basic: Operating Theatre	0	1	2	15
		1.1.5 ENA	15	15	0	25
		Sub-total: Nursing	80	80	111	130
		1.2 Pharmacist assistant:				
		1.2.1 Basic	18	19	2	25
		1.2.2 Post basic	16	16	11	25
		Sub-total: Pharmacist assistant	34	35	13	50
		TOTAL: Learnerships: Employees: 18.1	114	115	124	180
	Contribute to the goals of iKapa Elihlumayo through provision of learnerships for unemployed people.	Number of learnerships: unemployed				
		2.1 Nursing				
		2.1.1 EN to RN	0	0	2	15
		2.1.2 ENA to EN	15	15	23	40
		2.1.3 ENA	50	50	0	20
		Sub-total: Nursing	65	65	25	75
		2.2 Pharmacist assistant				
		2.2.1 Basic	16	11	15	20
		2.2.2 Post basic	10	10	17	20
		Sub-total: Pharmacist assistant	26	21	32	40
		2.3 Diagnostic radiography	15	15	35	35
		TOTAL: Learnerships: Unemployed: 18.2	106	101	92	150
	GRAND TOTAL: LEARNERSHIPS		220	216	216	330

Sub-programme	Objectives (Outputs)	Indicators	2005/06 Actual	2006/07 Actual	2007/08 Actual	2007/08 APP
	6.5.6 Internships Partner Higher Education Institutions to contribute to the growth and development of the province through the provision of internships.	Number of interns placed	127	188	90	130
	6.5.7 Expanded Public Works Programme Provide training opportunities for a significant number of the unemployed persons to facilitate access to employment.	Number of community based health workers trained:				
		1.1 General Education and Training Certificate : Ancillary Health Care NQF Level 1: 13 unit standards	Not reported	Not reported	Not reported	Not specified in APP
		1.2 General Education and Training Certificate : Ancillary Health Care NQF Level 1: 17 unit standards	Not reported	Not reported	866	1,050[42]
		1.3 General Education and Training Certificate : Ancillary Health Care: NQF Level 1	Not reported	Not reported	451	640[42]
		1.4 National Certificate : Fundamental Ancillary Health Care : NQF Level 2	Not reported	Not reported	409	915[42]
		1.5 National Certificate : Community Health Work: NQF Level 3	Not reported	Not reported	Not reported	Not specified in APP
		1.6 Further Education and Training Certificate: Community Health: NQF Level 4	Not reported	Not reported	Not reported	Not specified in APP

42 2007/08 targets incorrect, to be amended.

Sub-programme	Objectives (Outputs)	Indicators	2005/06 Actual	2006/07 Actual	2007/08 Actual	2007/08 APP
		1.7 VCT / HRV Counsellors: General Education and Training Certificate: Ancillary Health Care NQF Level 1: 13 unit standards	Not reported	Not reported	Not reported	Not specified in APP
		GRAND TOTAL: COMMUNITY BASED HEALTH WORKERS	Not reported	Not reported	1,726	2,605[42]

REPORTING ON PERFORMANCE ON HEALTH PROFESSIONS TRAINING AND DEVELOPMENT CONDITIONAL GRANT

Table 2.3.34: Health Professionals Training and Development Grant

Indicator	Type	2005/06 Actual	2006/07 Actual	2007/08 Actual	2007/08 APP
Input					
1. Intake of medical students	No	1,611	1,704	1,678	200 UCT
2. Intake of nurse students	No	763	871	992	No target set
3. Students with bursaries from the Province	No	1,633	2,332	2,305	No target set
Process					
4. Attrition rates in first year of medical school	%	4	2.7	2.7	No target set
5. Attrition rates in first year of nursing school	%	3	3.7	3.7	15
Output					
6. Basic medical students graduating	No	407	440	Not available[43]	No target set
7. Basic nurse students graduating	No	114	133	506[44]	445
8. Medical registrars graduating	No	39	47	Not available[43]	No target set
9. Advanced nurse students graduating	No	202	198	0[44]	150
Efficiency					
10. Average training cost per nursing graduate	R	Not available	Not available	11,500	26,000
11. Development component of HPT & D grant spent	%	Not available	Not available	0[45]	No target set

43 The Department on an annual basis request the information from the Universities . The information is however not forthcoming notwithstanding the fact that the Department has and will continue to follow up .

44 Western Cape College of Nursing only.

45 The Western Cape does not receive a Development component of the HPTDG

REPORTING ON STANDARD NATIONAL INDICATORS

Table 2.3.35: Human resources management

Indicator	Type	2005/06 Actual	2006/07 Actual	2007/08 Actual	2007/08 APP
Input					
1. Medical officers per 100,000 people	No	37	37	35.6	37
2. Medical officers per 100,000 people in rural districts	No	13	13	15.2	13
3. Professional nurses per 100,000 people	No	95	100	98	100
4. Professional nurses per 100,000 people in rural districts	No	60	70	85.7	80
5. Pharmacists per 100,000 people	No	8	10	6.8	15
6. Pharmacists per 100,000 people in rural districts	No	6	8	5.9	12
Process					
7. Vacancy rate for professional nurses	%	15	15	28.0	15
8. Attrition rate for doctors	%	30	25	21.0	25
9. Attrition rate for professional nurses	%	12	12	7.1	12
10. Absenteeism for professional nurses	%	3	3	2.9	3
Output					
11. Doctors recruited against target	%	Refer Note 7 below	Refer Note 7 below	Refer Note 7 below	Refer Note 7 below
12. Pharmacists recruited against target	%	Refer Note 7 below	Refer Note 7 below	Refer Note 7 below	Refer Note 7 below
13. Professional nurses recruited against target	%	Refer Note 7 below	Refer Note 7 below	Refer Note 7 below	Refer Note 7 below
14. Community service doctors retained in the province	%	Not available	50	68.7	50
Quality					
15. Hospitals with employee satisfaction survey	%	45	60	Not available	65
Efficiency					
16. Nurse clinical workload (PHC)	No	35	35	32	35
17. Doctor clinical workload (PHC)	No	50	50	29	50
Outcome					
18. Supernumerary staff as a percentage of establishment	%	0	0	0	0

Notes:

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

6. Doctors as defined in Note 4 are used throughout the table when reference is made to medical professionals, i.e. for indicators 1, 2, 8 and 11.
7. The unfunded posts within the Department of Health were abolished or frozen since July 2004 and the information for indicators 11, 12 and 13 would not be a true reflection of the real service need in terms of various occupational classes. Furthermore the information is not obtainable from PERSAL.
8. Although the current indicator for medical officers exceeds the national target, in the Western Cape's view there is not an over provision of personnel.
9. The indicators regarding pharmacists confirm the shortage of this category of personnel in the Province.
10. The vacancy rate for professional nurses is inflated as a result of the implementation of the OSD for nurses which had the effect that new OSD posts had to be created. Once all nurses have been placed in the new OSD posts, all posts vacated by such nurses will be abolished which will reduce the vacancy rate.

PROGRAMME 7: Health Care Support Services

AIM

To render or provide the best Health Care Support Services to hospitals, clinics and mortuaries.

ANALYSIS PER SUB-PROGRAMME

Sub-programme 7.1: Laundry services

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

Sub-programme 7.2: Engineering services

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

Sub-programme 7.3: Forensic services

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

Sub-programme 7.4: Orthotic and prosthetic services

Rendering specialised orthotic and prosthetic services.

Sub-programme 7.5: Medicine trading account

Managing the supply of pharmaceuticals and medical sundries to hospitals, Community Health Centres and local authorities.

ANALYTICAL REVIEW OF PROGRAMME PERFORMANCE

During the past year, Programme 7 managed to achieve the following targets:

- The expenditure was spent in line with the allocated budget (R 85,511 million). There was an under expenditure of R 3,746,294 due to delayed tender processes for the purchasing of laundry and medical equipment.
- Completed 15,300 maintenance projects which was 1,500 more in comparison with 2007/08.
- Completed few capital projects in-house (e.g. Tygerberg C11 East, Tygerberg Burns Unit, Tygerberg C11 West, etc) successfully and within budget.
- Provided all hospitals with regular supplies of clean, disinfected and useable linen.
- Laundries throughout the Western Cape have operated cost-effectively.
- Improved the quality of emergency back-up power at Karl Bremer Hospital, Victoria Hospital and Associated Psychiatric Hospitals.
- Provided separation rooms for psychiatric observation at Victoria, Oudtshoorn, Knysna and Vredendal Hospitals.
- Installed extraction systems for TB treatment rooms at Delft, Gustrouw, Michael Mapongwana, Kleinvlei, Hout Bay and Vanguard CHC's.
- Installed a fence around XDR wards including the rear section at Brooklyn Chest Hospital.

- Orthotic and prosthetic services manufactured 5,250 devices during 2007/08 in comparison with 4,467 devices during 2006/07.
- Orthotic and prosthetic services reduced the number of patients on waiting list from 758 to 441.
- Appointed CSIR to identify the best engineering practices in order to improve service delivery.

A few deviations were encountered during 2007/08 cycle and they were:

Sub-programme 7.1: Laundry Services

- The users determine the variance in the linen usage/volumes processed as reflected in the stats above. Factors such as stock holding and usage of linen at the respective institutions have a bearing on the net volumes.

Sub-programme 7.2: Engineering Services

The following is relevant with regard to the lower statistics for medical equipment maintenance:

- The Department has spent significant amounts on procurement of new equipment, therefore the equipment is still new and required less maintenance.

- There is a shortage of technical staff and thus there is a backlog of repairs that cannot be attended to.

- The major reason, however, is during the last two years satellite workshops have opened in George and Worcester. Most of the repairs for the regions are now done at these workshops and are not reported in Programme 7.

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

Table 2.3.36: Performance against targets from 2007/08 Annual Performance Plan for the Health Care Support Services Programme

Sub-programme	Objectives (Outputs)	Indicators	2005/06 Actual	2006/07 Actual	2007/08 Actual	2007/08 APP
Laundry Services	Provide a laundry service to all provincial hospitals.	Total number of pieces laundered:	20.7 m	20 m	20.1 m	21 m
		Number of pieces laundered: in-house laundries	14.7 m	14 m	14.8 m	14 m
		Number of pieces laundered: outsourced services	3.5 m	6 m	5.3 m	7 m
	Provide cost effective in-house laundry service.	Average cost per item	R 1.75	R 1.74	R 1.94	R 1.74
	Provide cost effective out-sourced laundry service.	Average cost per item	R 1.35	R 1.47	R 1.45	R 1.73
Engineering Services	Effective maintenance of buildings and engineering installations	Maintenance backlog as % of replacement value	8%	7%	7%	7%
	Efficient engineering installations	Cost of utilities per bed	R 6,500	R 6,112	R 6,912	R 5,500
	Safe working environment (Buildings, machinery and equipment)	Number of reportable incidents	Not reported	143	183	220
	Cost effective maintenance of medical equipment	Number of jobs completed – in-house/outsourced	9,463	13,011	11,234	15,300
Forensic Services	Funding transferred to sub-programme 2.8					
Orthotic and Prosthetic Services	Render an Orthotic and Prosthetic service for the Province	Number of devices manufactured	4,616	4,467	5,250	6,000

Sub-programme	Objectives (Outputs)	Indicators	2005/06 Actual	2006/07 Actual	2007/08 Actual	2007/08 APP
	Provide quality Orthotic and Prosthetic devices	% of devices requiring remanufacture	2%	2%	2%	2%
	Provide a responsive Orthotic and Prosthetic service	Number of patients on waiting list waiting over 6 months	527	758	441	400
Medicine Trading Account	Adequate working capital to support adequate stockholding.	Working capital	R 40,745 m	R 42,335 m	R 46,278 m	R 50 m

PROGRAMME 8: Health Facilities Management

AIM

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

ANALYSIS PER SUB-PROGRAMME

Sub-programme 8.1: Community health facilities

Sub-programme 8.2: Emergency medical rescue

Sub-programme 8.3: District hospital services

Sub-programme 8.4: Provincial hospital services

Sub-programme 8.5: Central hospital services

Sub-programme 8.6: Other facilities

ANALYTICAL REVIEW OF PROGRAMME PERFORMANCE

The overall Programme performance was good. An expenditure of R 371,677,818 was recorded against the budget of R 372,608,000. Whilst there were deviations from projected expenditure on individual projects overall expenditure was in line with the budget. Most important is the fact that the expenditure was in line with the priorities set out in the Annual Performance Plan.

The new CHC's for Browns Farm, Swellendam, Montagu and the clinics for Simondium and Stanford, are complete. Construction work on the new CHC for Wellington, is proceeding well.

The new ambulance stations for Atlantis, Beaufort West, Hermanus, Caledon and Riversdale are complete. New ambulance stations for Lentegeur and Worcester are being constructed.

The upgrading of Caledon and Riversdale Hospitals is in progress. The design of the new casualty for Eerste River Hospital is complete and has been signed off by the Department. The first phase of Vredenburg Hospital (HRP project) is complete. Design work is in progress on phase two of this scheme. Design work is in progress on the new Khayelitsha and Mitchell's Plain Hospitals.

Renovation and upgrading of Mowbray Maternity Hospital is complete. Construction of a new ward and OPD at the Helderberg Hospital is in progress. The final phase of the George Hospital revitalisation (HRP project) is being planned. Worcester Hospital (HRP project) is proceeding satisfactorily after initial delays. Construction on the revitalisation of Paarl Hospital is progressing very well.

The new operating theatre block at the Red Cross Children's Hospital is in construction are funded by donors. The CSSD that forms part of this project is being funded by the Department.

New forensic mortuaries are under construction in Worcester, George, Paarl, Malmesbury and Hermanus.

The major challenge facing this Programme remains the absence of a programme management capability within Health. This is currently being addressed as part of the IDIP process.

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

Table 2.3.37: Performance against targets from the 2007/08 Annual Performance Plan for the Health Facilities Management Programme

Sub-programme	Objectives (Outputs)	Indicators	2005/06 Actual	2006/07 Actual	2007/08 Actual	2007/08 APP
Health Facilities Management Programme	Improve ambulance stations.	% of ambulance stations built for purpose	42%	47%	60%	60%
	Provide district hospital infrastructure that is fit for purpose.	Total infrastructure expenditure as a % of backlog	2.3%	5.9%	2.8%	3.5%
	Provide provincial hospitals with the physical infrastructure that is fit for purpose.	Total infrastructure expenditure as a % of backlog	5.2%	6.7%	10.9%	7.2%
	Provide central hospitals with the physical infrastructure that is fit for purpose.	Total infrastructure expenditure as a % of backlog	2.6%	2.4%	3.7%	3.6%

Notes:

1. The lower than anticipated expenditure on District Hospitals can be attributed to:
   - Difficulty in obtaining bids for the Helderberg Hospital extensions.
   - Slower than expected design work on the Vredenburg, Khayelitsha and Mitchell's Plain HRP projects.

2. The higher than anticipated expenditure on Provincial Hospitals can be attributed to:
   - Additional funding needed to complete the upgrade of the Mowbray Maternity Hospital.
   - Progress in the construction of the Worcester and Paarl HRP projects. Progress on both of these projects exceeded expectations.

3. The shift in expenditure between sub-programmes as a result of variations in the performance of contractors and consultants is normal and is managed to ensure the expenditure of budget allocations. 98% of HRP budget, 97% of the equitable share capital, and 98,7% of the IGP budget was spent.

PERFORMANCE ON HOSPITAL REVITALISATION GRANT

The table below provides detail in terms of the original budget, the adjustment budget, the actual expenditure and the percentage spent for 2007/08:

Table 2.3.38: Hospital Revitilisation Grant 2007/08

Name of project	Type of project	Original budget	Adjustment budget	Expenditure	% spent
George Hospital	Hospital Phase 2c	14,500	6,707	3,288	49
George Hospital	Hospital Phase 3	1,000	500	0	0
Khayelitsha Hospital	New hospital	5,000	5,000	2,984	60
Mitchell's Plain Hospital	New hospital	2,462	2,462	712	29
Paarl Hospital	Upgrading and extension	80,675	96,638	97,914	101
Valkenberg Hospital	Upgrading and extension	1,000	400	250	63
Valkenberg Hospital	Secure fence	2,000	2,159	3,988	185
Vredenburg Hospital	Hospital Phase 1	6,000	5,000	3,000	60
Vredenburg Hospital	Hospital Phase 2	6,500	1,000	344	34
Worcester Hospital	Hospital	39,800	50,053	56,694	113
Worcester DMC	New DMC and ambulance station	9,600	3,537	3,283	93
HMQIG	-	23,259	22,259	19,701	89
Roll-over	-		3,919		
Total		191,796	195,715	192,686	98

REPORTING ON STANDARD NATIONAL INDICATORS

Table 2.3.39: Performance indicators for Health Facilities Management

Indicator	Type	2005/06	2006/07	2007/08	2008/09	2009/10	National Target 2007/08
Input							
1. Equitable share capital programme as % of total health expenditure	%	0.31	0.50	0.21	0.24	0.22	2.5
2. Hospitals funded on revitalisation programme	%	8	12	12	14	18	25
3. Expenditure on facility maintenance as % of total health expenditure	%	0.85	1.12	1.12	1.17	1.14	4
4. Expenditure on equipment maintenance as % of total health expenditure	%	1.03	1.00	0.97	0.93	0.91	4
Process							
5. Hospitals with up to date asset register.	%	33	100	100	100	100	100

Indicator	Type	2005/06	2006/07	2007/08	2008/09	2009/10	National Target 2007/08
6. Health districts with up to date PHC asset register (excluding hospitals)	N	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	All
Outcome							
7. Fixed PHC facilities with access to piped water	%	100	100	100	100	100	100
8. Fixed PHC facilities with access to mains electricity	%	100	100	100	100	100	100
9. Fixed PHC facilities with access to fixed line telephone	%	100	100	100	100	100	100
10. Average backlog of service platform in fixed PHC facilities	R	270 m	265 m	300 m	255 m	240 m	15
11. Average backlog of service platform in district hospitals	R	1,285 m	1,285 m	2,000 m	2,000 m	2,000 m	15
12. Average backlog of service platform in regional hospitals	R	660 m	600 m	390 m	250 m	150 m	15
13. Average backlog of service platform in specialised hospitals (including TB & psychiatric hospitals)	R	2,042 m	2,039 m	2,030 m	2,030 m	2,030 m	15
14. Average backlog of service platform in tertiary and central hospitals	R	1,400 m	1,400 m	1,400 m	1,400 m	1,400 m	15
15. Average backlog of service platform in provincially aided hospitals	R	13 m	13 m	13 m	13 m	13 m	15
Efficiency							
16. District hospital beds per 1000 uninsured population	No	0.50	0.53	0.53	0.55	0.59	90
17. Regional Hospital beds per 1000 uninsured population	No	0.58	0.61	0.61	0.61	0.63	60
18. Population within 5km of fixed PHC facility	%	94	94	95	95	95	95

Notes:

1. Indicator 5: The asset registers for hospitals are reflected in Programme 1.
2. Indicator 6: The PPHCs are chief users of district hospitals and information regarding asset registers are incorporated in the statistics for hospitals.
3. Average backlog of service platform is for building work only and specifically excludes equipment and furniture. Figures updated to reflect current building costs and backlog in terms of HRP criteria where applicable.

PART 3: REPORT OF THE WESTERN CAPE PROVINCIAL GOVERNMENT AUDIT COMMITTEE ON THE DEPARTMENT OF HEALTH (VOTE 6) FOR THE FINANCIAL YEAR ENDED 31 MARCH 2008

1. Introduction

We are pleased to present our report for the year ended 31 March 2008.

2. Audit Committee Members and Attendance

2.1 The Audit Committee consists of the members listed hereunder and is required to meet a minimum of four (4) times per annum as per its approved Terms of Reference. During the current year 14 meetings were held.

2.2

Members for the year	Number of meetings attended
Dr T Sutcliffe (Chairperson)	14
Mr T Pasiwe	14
Mr J Levendal	14
Mr K Ravens	14

3. Audit Committee Responsibility

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

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

4. Effectiveness of Internal Control

Whilst the Department has effective systems of internal controls in place, some aspects of internal control in those institutions audited for the year in review were not effective as compliance with prescribed policies and procedures was lacking. The Sihluma Sonke Consortium, to which the Internal Audit Unit function was outsourced, reported several inadequacies in internal controls during the same period. However, the Audit Committee is satisfied with the steps taken by the Department to address these matters. In the light of the complexity and diversity of the Department, and its enormous scale and wide geographic distribution, it is the overall view of the Audit Committee that the Department of Health is well managed and controlled.

5. The quality of In-Year Management and Monthly / Quarterly reports submitted in terms of the PFMA and the Division of Revenue Act

The In-Year Monthly Management and Quarterly Reports were submitted to the Audit Committee in terms of the PFMA and the Division of Revenue Act. The Audit Committee considered these reports useful as early warning instruments to alert management to possible over-or under-expenditure. However, the Committee again reiterates that the template required by National Treasury for these reports restricts their value as management tools and that consideration should be given to addressing this deficiency. The Committee recommends that these reports should contain an explanatory narrative compiled by the Department on income and expenditure trends as well as status of the application of financial controls. The Committee is also of the opinion that the future introduction of the accrual accounting system will address some deficiencies in the reports relating to the completeness of the information presented.

6. Evaluation of Financial Statements and the Report of the Auditor-General to The Western Cape Provincial Parliament on The Financial Statements and Performance Information of Vote 6: Department Of Health and for the Central Medical Supply Depot (CMD) for the year ended 31 March 2008

The Audit Committee is of the opinion that the Annual financial statements of the Department of Health and the CMD as well as the Report of the Auditor-General on Vote 6 and the CMD, fairly reflect in all material aspects the position of the Department of Health as at 31 March 2008 in the manner required by the PFMA.

7. Presentations to and interviews held with the Audit Committee

7.1 Interviews with Institutions

A full report was provided to the Accounting Officer on the findings of the Audit Committee after interviews with the six institutions interviewed where a breakdown in controls and a significant non-compliance with financial and other procedures was reported in the previous financial year.

The findings of the Auditor-General's Management Letter for the 2006/07 financial year, and the corresponding Internal Audit Reports, were concerning but the interviews with senior institutional management revealed a rather less concerning picture. However, greater co-operation between senior institutional managers and their administrative and clinical staff would, in the view of the Audit Committee, improve controls and reduce negative audit findings in the future, but the Audit Committee's single most important concern is the lack of suitably skilled staff in key administrative positions.

7.2 Human Resources Management Discussion

Employment Equity

There is a comprehensive and inclusive process in place involving all stakeholders that has led to a detailed Departmental Employment Equity (EE) Plan.

Recruitment and Retention Strategies

A Recruitment Policy has been developed, taking the CSP and the EE Plan into consideration. An Exit Policy has also been developed that provides for exit interviews.

Delays in filling posts

In order to speed up the process, most functions relating to recruitment and appointment of staff have been devolved. Notwithstanding this, the time taken from placing advertisements to appointing staff is still between 3 to 6 months.

It is clear that several administrative steps required in HR Management, both by national and provincial dictate, need to be streamlined as the number of unfilled posts and the delay in filling posts remains a matter of singular concern.

7.3 The Comprehensive Service Plan (CSP)

The CSP provides the framework for the implementation of Healthcare 2010 which is essential for the provision of a sustainable and quality health services in the Western Cape. It is the view of the Audit Committee that the CSP provides an adequate framework for the implementation of Healthcare 2010 which, again in the view of the Audit Committee, is essential for the provision of a sustainable, equitable and affordable health services in the Western Cape.

The Audit Committee fully endorses the plan and is satisfied that adequate thought, care and planning have gone into ensuring that the overall objectives of the CSP are met. In extension of this, the Audit Committee recommends that adequate funding be provided to the Department of Health to ensure its proper implementation.

7.4 Cape Medical Depot

Subsequent to the Audit Committee visit to, and review of, the Cape Medical depot in the previous financial year, an insightful presentation was given to the Committee who took note that the physical facilities have been upgraded and that, during the year, previous issues of concern regarding security and access have been improved.

7.5 Emergency Medical Services (EMS)

EMS performance is acknowledged to be below the set National Targets. However EMS has invested in infrastructure and must make up a staff and communications deficit before it will be in a position to reach these targets. EMS is experiencing a consistent 30% increase in demand, which is not being met by a corresponding increase in resources. Overall, the Audit Committee supports the strategic approach of EMS to improve communications (including computer aided dispatch and automatic location vehicle tracking), staff levels and training and to fully implement the planned patient transport system as a separate entity to EMS.

8. Appreciation

The Audit Committee wishes to express its appreciation to all relevant officials in the Department of Health, Ms Henriette Robinson and Ms Siyanda Madliki of Provincial Treasury, the Auditor General and his staff and members of the Sihluma Sonke Consortium for their assistance and co-operation during the year in question and in the compilation of this report.

(DR TJ SUTCLIFFE)
CHAIRPERSON, AUDIT COMMITTEE FOR HEALTH, WESTERN CAPE PROVINCIAL GOVERNMENT.
7 AUGUST 2008

PART 4: ANNUAL FINANCIAL STATEMENTS

CONTENTS PAGE

REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2008

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

1. General review of the state of financial affairs

- Important policy decisions and strategic issues facing the Department:

  In addition to legislation the imperatives that provide the overarching framework for the Provincial Department are the Millennium Development Goals and the National Health System Priorities.

  The Millennium Development Goals of particular relevance to Health are:
  - Reduce the under-five mortality rate by two-thirds between 1990 and 2015.
  - Improve maternal health by reducing the maternal mortality rate.
  - By 2015 to have halted and begun to reverse the spread of HIV and AIDS, malaria and other diseases.

  The National Health System Priorities for 2007/08 are:
  - Development of service transformation plans.
  - Strengthening of human resources.
  - Strengthening physical infrastructure.
  - Improving quality of care.
  - Strengthening strategic health programmes (accelerated HIV prevention, implementation of the TB crisis management plan, strengthening maternal, child and women's health and nutrition by implementing the Reach Every District (RED) Strategy and the recommendations of the Saving Mothers: Third Report on Confidential Enquiries into Maternal Deaths in South Africa 2002 – 2004).

  The National Health Act, 2003 (Act 61 of 2003) ("the Act"), which was promulgated partially on 2 May 2005, is still not in full effect with section 11, Chapter 6 (Health establishments and issues relating to the certificate of need), sections 50 and 51, Chapter 8 (control of the use of blood, blood products, tissue and gametes in humans), section 71, and parts of Chapters 10 and 12 that still need to be proclaimed. Some of the regulations that support the Act have been promulgated while others were drafted and circulated for comment but have not yet been finalised by the National Department of Health. In terms of the Act new governance structures such as the Provincial Health Council, District Health Councils and a consultative forum must be established. The Provincial Health Council has been established and is operational. The Department has drafted the Western Cape District Health Councils Bill to regulate inter alia the functioning of the District Health Councils and the approval by the Provincial Minister and the municipal council of the detailed budget and performance targets for health services in the health district to which both the provincial and municipal spheres of government must contribute. The District Health Councils will be established when this legislation has been promulgated.

  The Department has embarked on the review of existing legislation that relates to it as part of the Legislative Review Project of the Western Cape Provincial Government, with the view to amend or repeal redundant or archaic legislation. Bills repealing the redundant Hospital Ordinance 80 of 1946 and Ambulance Transfer and Pensions Ordinance 11 of 1955, are currently before the Provincial Parliament for consideration as a consequence of the Legislative Review Project.

  A key issue for the Department was the approval of the Comprehensive Service Plan (CSP) for implementation by the Provincial Minister of Health on 11 May 2007. This is the Western Cape's Health Service Transformation Plan.

Due to the overall financial pressure on the Department and the need to prioritise primary and secondary levels of care, the decision was made to reduce the equitable share allocation of funds to Programme 5 and to close 90 beds at Groote Schuur Hospital and 30 at Tygerberg Hospital. In effect due to effective management and additional funds received in the Adjusted Estimates 28 of those beds were re-opened before the end of the financial year.

As a result of the provisions of the Health Act (of 2003), read together with the provisions of the Municipal Finance Management Act (56 of 2003) and the Municipal Structures Act (117 of 1998 as amended), the Department of Health assumed financial responsibility for the provision of personal primary health care (PPHC) in the rural areas from the municipalities, which had previously been responsible for the provision of these services, from 1 April 2005. The process of transferring staff and a majority of assets was completed during 2007/08. A final decision with respect to the assumption of responsibility for PPHC in the Metro is still to be made.

The Department received additional funding in 2007/08 for the implementation of the health professions remuneration review for nursing staff to improve the recruitment and retention of health professionals. The occupational specific dispensation for nurses was implemented with effect from 1 July 2007, however, insufficient funds were allocated by Treasury to address the full cost of implementation resulting in a shortfall of more than R150 million.

Provision was made to appoint an additional 100 interns to accommodate the change in the internship programme from one to two years. The Department appointed 276 community service nurses with effect from 1 January 2008.

The strengthening of Emergency Medical Services remained a priority during 2007/08. Funding was allocated for additional personnel to continue to develop the computer aided communications system and to purchase new ambulances. The introduction of the computer aided communication system facilitated the capture of detailed information that will assist management to identify bottlenecks or inefficiencies in the system in order to address the goal of reducing response times. The increased workload on the service is illustrated by the 33% increase in the number of incidents logged from January 2005 to September 2007.

The Department initiated a project to define the components of the burden of disease in the Province and to provide evidence-based recommendations as to how these could be reduced. The aim is to focus on intersectoral collaboration and the determinants of disease, particularly the upstream factors, in order to build and sustain a healthy society. The report of the first phase of the study was published and a two-day workshop on the findings was held in June 2007.

The CSIR undertook a situational analysis regarding facility maintenance and made recommendations for improvements, which are being evaluated.

The Department is participating in the Infrastructure Development Improvement Programme (IDIP) and an IDIP business case has been approved by the Provincial Minister and the Head of Department. Treasury has appointed a technical advisor to the Department who is determining the capacity requirements of the Department to implement the IDIP.

- Significant events that have taken place during the year

New appointments in the Senior Management Service include:
- Chief Executive Officer for Groote Schuur Hospital: Dr Saadiq Kariem with effect from 1 November 2007.
- Director: HIV and AIDS and STI and TB: Ms Brenda Smuts with effect from 1 November 2007.

The provincial Department of Transport and Public Works hosted the first Kamoso Awards to highlight the achievements of various departments, municipalities and sectors currently implementing the Expanded Public Works Programme. The Department of Health received the award for the Best Performing Department within the Social Sector for the training of Home Community-based Carers, which was showcased as the best project within the sector.

Groote Schuur Hospital celebrated the 40th anniversary of the world's first successful heart transplant by Professor Christiaan Barnard on 3 December 2007 with various activities including the opening of the Heart of Cape Town Museum.

Groote Schuur Hospital celebrated its 70th anniversary since opening on 31 January 1938.

The Department hosted a community open day to mark the provincial Healthy Lifestyles Day in Delft on 25 February 2008 in Delft where the MEC for Health led the community in a twenty-minute walk from the Delft Community Health Centre.

The following hospitals celebrated accreditation as Baby Friendly Hospitals during 2007/08:
- Somerset Hospital on 14 June 2007.
- Helderberg Hospital on 19 March 2008.

The Baby Friendly Hospital Initiative (BFHI) is a global campaign of the World Health Organisation and UNICEF based on the ten steps to successful breastfeeding. It recognises that implementing best practices in health services is essential to the success of programmes to promote and protect breastfeeding. Maternity facilities are assessed using globally established criteria and those that meet all the criteria may be accredited as Baby Friendly. This initiative was launched in 1994 and currently the Western Cape has fourteen Baby Friendly hospitals.

A joint parliamentary delegation from the United Kingdom and Canada and the pharmaceutical company, Eli Lilly, visited Brooklyn Chest Hospital on 8-9 November 2007. The visit was part of the Advocacy to Control TB Internationally (ACTION) project, which aims to generate greater financial support and political commitment to control TB worldwide. The visit also coincided with the international TB conference that was held at the Cape Town International Convention Centre.

During December 2007 the Department joined forces with the Medi-Clinic private hospital group in the joint Project Cataract Removal initiative in which 58 public sector patients underwent cataract removal procedures at four Medic-Clinic hospitals. The patients were identified from a group of 120 potential candidates who were pre-screened at Eerste River Hospital.

The Department of Health won both the gold and silver awards at the Premier's Annual Service Excellence Awards in March 2008. These are annual awards to acknowledge projects for their service excellence within communities and which adhere to the principles of Batho Pele.

- Mowbray Maternity Hospital received the gold award for having revitalised the service which has received positive feedback from patients and resulted in a decrease in the attrition rate of staff.
- District Health Services received a silver medal for the implementation of the Primary Health Care Information System (PHCIS) at Community Health Centres.

Primary Health Care Information System (PHCIS): In order to improve the communication between various levels of the health system, including Community Health Centres, the Western Cape Department of Health in collaboration with the Centre for e-Innovation in the Department of the Premier, developed and implemented the Primary Health Care Information System. The system allocates each patient with a unique number, which can be used to retrieve patient information at all government health facilities. This initiative commenced in 2006 and has progressed to having the system installed at 24 CHCs. The patient information infrastructure allows for improved efficiency in the processes of admissions, transfers and discharges, appointment scheduling and maintaining patient records. Benefits include co-ordinated and streamlined patient administration, minimal duplication of patient information, provision of automated and more reliable headcount statistics, improved service to patients, reduced waiting times and improved patient flow. On 19 July 2007 it was announced that the millionth patient was recently registered on the system.

Opening of the BrainLAB: The MEC for Health announced the opening of the BrainLAB, a state-of-the-art neuro-navigation system which will be used by otorhinolaryngology (ENT) and neurosurgery for advanced base of skull, brain and sinus surgery at Groote Schuur Hospital on 10 March 2008. The R1.5 million neuro-navigation system was acquired as part of the modernisation of tertiary services initiative. The BrainLAB system is a three dimensional global positioning system (GPS) which enables surgeons to navigate safely around the brain and sinuses. Biopsies of brain tumours and lesions of the skull and sinuses as well as resections can be performed more safely as injury to nerves and arteries can more easily be avoided. The system facilitates key-hole surgery that avoids large incisions on the head and face and which is therefore cost effective as it reduces the burden on intensive care units, requires a shorter hospital stay and facilitates quicker patient recovery.

The MEC for Health launched the new Bonang Eye Care Clinic at Karl Bremer Hospital on 11 March 2008. This is an initiative of the Department of Health and the South African Optometric Association (SAOA) to ensure the delivery of affordable and accessible eye care to those in need. Approximately 2,000 elderly and school children have eye tests and are provided with spectacles every month. The bulk of the patients are tested at the clinic on the premises of the Karl Bremer Hospital.

In a ground breaking initiative two new Lodox Statscan machines were commissioned for the Forensic Pathology Services on 6 December 2007 at a cost of R5.4 million. The Lodox Statscan machines are low dosage digital radiography machines able to scan both bone and soft tissue and to complete full-body x-rays within 13 seconds. They are particularly useful in detecting bullets, shrapnel, fractures and foreign objects that might otherwise remain undetected. The images obtained are digital which facilitate transfer of information across the information network. Prior to installation in Forensic Pathology the machine was tested in the trauma unit at Groote Schuur Hospital for two years where it was found that the rapid total body scan proved to be clinically invaluable and the medical staff were exposed to significantly lower doses of radiation in comparison to conventional x-rays.

On 21 August 2007 the MEC for Health announced that following a public participation process the names of two hospitals would be changed:

- Hottentots Holland Hospital in the Helderberg region was renamed the Helderberg Hospital.
- Eben Donges Hospital in Worcester was renamed the Worcester Hospital.

- Major projects undertaken or completed during the year

A key issue was the commencement of the implementation of the Comprehensive Service Plan (CSP) which was driven and monitored by an Implementation Task Team chaired by the Head of Department and which met every two weeks. Key tasks with timeframes and responsible managers were identified in key events schedules and combined in an overall master plan. Some of the issues addressed include:

- Extensive preparatory work was done to facilitate the implementation of the District Health System. The posts of district managers in the rural areas and substructure managers in the Metro were advertised and incumbents recruited at the end of the 2007/08 financial year.
- Funds were allocated to appoint permanent district and sub-district co-ordinators for the delivery of home-based care services as a first step to reduce dependency on donor funds.
- Detailed preparatory work to enable the separation of level 2 and level 3 services in order to strengthen level 2 services and alleviate the pressure on level 3 services.
- From 2007/08 GF Jooste, Karl Bremer and Helderberg Hospitals were reclassified from regional to district hospitals and the beds in these hospitals were designated as level 1 beds in line with the CSP.

The Chronic Dispensing Unit (CDU) established in December 2005 aims to reduce waiting periods experienced by stable patients requiring medication for chronic diseases such as asthma, diabetes, hypertension, cardiac conditions, arthritis, etc. by dispensing and packing the prescribed medications in Patient Medicine Parcels which are sent to the respective health facilities where they are collected by the patients. Minister Uys handed over the millionth Patient Medicine Parcel to a patient at the Lotus River Community Health Centre on 31 January 2008. At present the CDU serves 41 Community Health Centres and dispenses to over 83 000 stable chronic patients each month. This service will be further rolled out to additional clinics including rural facilities.

Tuberculosis:

- For the past two years additional funding has been allocated at primary health care level for TB control. Five high TB and HIV burden sub-districts with sub-optimal TB control programmes were declared TB crisis sub-districts and received additional funding to strengthen TB control. These were Khayelitsha, Cape Town Eastern, Klipfontein, Breede Valley and Drakenstein. During 2007/08 the focus was on 22 high burden TB/HIV health facilities to ensure that these facilities had the resources required to improve TB control. All the crisis sub-districts have improved their performance.
- The emergence of multi-drug resistant (MDR) and extreme drug resistance (XDR) is potentially the most serious aspect of the TB epidemic in the Province, given the large burden of disease, the late presentation of cases, high interruption rates and the high proportion of previously treated patients.
- The Western Cape started testing for XDR-TB in January 2007 and as at 31 March 2007 the Department had identified 73 patients with XDR-TB.
- The Western Cape Provincial MDR/XDR Review Committee was established by the Head of Department to advise on the clinical management of challenging patients such as chronic defaulters and those with a very poor prognosis.

HIV and AIDS:

- The Department made significant progress in the ongoing battle against HIV and AIDS.
- Peer education programmes were established in 131 secondary schools in high burden areas.
- Voluntary Counselling and Testing is offered at 473 facilities, including PHC facilities and hospitals. During 2007/08 376,626 clients were tested.
- The number of patients on anti-retroviral treatment (ART) increased to 37,435 patients at the end of March 2008. Sixty-two sites currently dispense ART.
- The 2-drug regimen for the prevention of mother-to-child transmission (PMTCT) continues to be implemented throughout the Province. The transmission rate decreased from 22.3% at the end of 2003 to 5.1% in 2007/08.

Emergency Medical Services (EMS):

- Improving response times remains a challenge for EMS. During October 2007 EMS conducted an exercise called Fika Msinya or "Arrive Quickly' which was repeated again in January 2008. During this exercise EMS maximized the available ambulance resources over three days in the Cape Metro and analysed the response times which revealed that a percentage of performance is related to resourcing and that the remainder is related to command and control, information communication technology and dispatch efficiency. These finding support the need to continue to invest in communications technology and emphasises the urgency of refining the computer-aided dispatch and other processes.
- Emergency Medical Services has re-established basic, intermediate and advanced life support short course training.
- The FIFA 2010 Health Unit is located within EMS and is responsible for co-ordinating all health planning and preparation for the tournament which includes: health command and control, health services, i.e. hospital preparedness, forensic pathology services and environmental health, EMS including aero-medical, disaster medicine and bio chemical response capability, and the establishment of a medical facility at the 2010 stadium which includes staffing and equipping this facility.

HealthNET (Planned Patient Transport (PPT):

Planned Patient Transport (PPT) provides local out-patient support and inter-city/town out-patient transport which is important as it provides an essential transport service for non-emergency patients who do not need to be transported by ambulance. Planned Patient Transport transfers approximately 70,000 outpatients annually. Eight new ambulances were delivered in 2007 to service the Metro and six more will be delivered during 2008. A PPT hub was created at Tygerberg Hospital from 9 January 2006 to focus and structure the movement of PPT vehicles within and outside the Metropolitan Area. A second hub, to address purely the Metropolitan PPT was established at Heideveld Day Hospital from 1 August 2006.

Sonstraal and Malmesbury ID Hospitals in the West Coast were transferred to the Province in July 2007, which means that all of the TB hospitals in the Province have now been provincialised.

An innovative strategy of assertive community teams (ACT) for the three adult psychiatric hospitals was introduced in January 2007. This is an intensive specialist support service for the patients identified as unstable, high frequency service users after discharge from hospital but the ACT teams begin their contact with the patients and their support networks prior to discharge.

The R 51.2 million allocated to the Modernisation of Tertiary Services (MTS) in 2007/08 was used inter alia to establish an integrated nuclear medicine system with connectivity across the three central hospitals. This connectivity allows medical staff to read and report on investigations at any of the hospitals and therefore assists with training and support as well as forming an integral component towards establishing a Western Cape Nuclear Medicine Service for the three central hospitals. The MTS funding assisted with designing a strategic plan for the digitisation of health technology informed by experiences in both the USA and the rest of South Africa. Groote Schuur Hospital acquired a neuro-navigation system, a fluoroscopy unit and several pieces of radiological equipment. Tygerberg Hospital acquired a CT scanner for both inpatient and emergency services, a fluoroscopy suite and several items of medical imaging equipment.

Capital Works:
During 2007/08 new Community Health Centres (CHC) were completed in Simondium, Montagu and Stanford and the construction of a new CHC for Wellington is in progress.

New ambulance stations were completed in Beaufort West, Caledon, Riversdale, Hermanus, Lentegeur and Atlantis during 2007/08 and the construction of a new ambulance station in Worcester is in progress.

There has been intensive planning of the new Khayelitsha and Mitchells Plain District Hospitals and construction will commence late in 2008 and early in 2009 respectively. Planning is also in progress to build a replacement Somerset Hospital as part of a property development initiative.

Construction work continues as part of the Hospital Revitalisation Programme at George, Worcester, Paarl and Vredenburg Hospitals.

New forensic mortuaries are under construction in George, Paarl, Hermanus, Malmesbury and Worcester.

- Spending Trends

The Department has spent an amount of R 7,497,868 million on a budget of R 7,427,305 million which constitutes over-expenditure of R 70,563 million.

The over-expenditure can be attributed to the following:
- Implementation of the Occupational Specific Dispensation (OSD) for Nurses.
- Higher than expected inflation on Goods and Services.

Due to the OSD for nurses not being fully funded the over-expenditure would have been substantially higher if measures to curtail expenditure on Compensation of Employees to fund the deficit to a certain extent, was not introduced. Refer to Notes to the Appropriation Statement.

The Buildings and other Fixed Structures allocation was not spent in full on the ARV Treatment Programme and Forensic Mortuaries as a result of inclement weather and delays in the hand over of sites.

After application of final virements the Department recorded an over-expenditure of R 114,228 million in Programmes 2, 4 and 5 in the year under review.

REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2008

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

Programme 1: Administration
The Ministry, Head Office and Regional Offices

Programme 2: District Health Services
Primary Health Care Services, Forensic Pathology Services and District Hospital Services

Programme 3: Emergency Medical Services
Pre-hospital Emergency Medical Services and inter-hospital transfers

Programme 4: Provincial Hospital Services
General Specialist, Psychiatric, TB, Chronic and Dental hospitals

Programme 5: Central Hospital Services
The three central hospitals

Programme 6: Health Sciences and Training
Training, mainly that of nurses

Programme 7: Healthcare Support Services
Orthotic and prosthetic services, minor building maintenance, engineering installations and the Cape Medical Depot

Programme 8: Health Facility Management
Construction, upgrading and maintenance of facilities including the hospital revitalisation and provincial infrastructure conditional grants

Actual Expenditure per programme

		R'000	%
1	Administration	205,333	3%
2	District Health Services	2 707,578	30%
3	Emergency Medical Services	341,877	4%
4	Provincial Hospital Services	1 306,027	22%
5	Central Hospital Services	2 349,884	33%
6	Health Sciences and Training	133,706	2%
7	Health Care Support Services	81,785	1%
8	Health Facility Management	371,678	5%
	Total for Department	7 497,868	100%

Expenditure per Economic Classification

		R'000	%
-	Compensation of Employees	4 138,765	55%
-	Goods & Services (mainly Municipal Services, Medical and Surgical Requisites, Blood, Pharmaceuticals and Agency Staff (nurses)	2 470,797	33%
-	Transfers to Municipalities (primarily for primary health care)	150,924	2%
-	Thefts & Losses	3,093	0%
-	Departmental Agency (CMD & SITA)	3,580	0%
-	Universities & Technikons	1,400	0%
-	Transfers to Non-profit Institutions	191,404	3%
-	Transfers to Households (bursaries)	63,681	0%
-	Machinery & Equipment	176,754	3%
-	Buildings; Construction & Maintenance	297,470	4%
	Total for Department	7 497,868	100%

Revenue

Revenue was over recovered by R113,146 million on a budget of R384,700 million. Due to the fact that the Global Funding for 2006/07 financial year was not received timeously and the revenue appropriation was corrected accordingly, the additional revenue received in 2007/08 financial year has been reduced to R91,542 million as indicated in the notes to the Financial Statements.

Actions planned to avoid a re-occurrence

The requirement for the Occupational Specific Dispensation for Nurses has been funded in the 2008/09 financial year.

Expenditure on Buildings and Other Fixed structures is dependant on the availability of sites, the weather and contractors. Every effort will be made to ensure expenditure to budget within a financial year.

Any other material matter

No other material matters are of note.

2. Service rendered by the Department

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

Tariff Policy

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

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

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

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

Free Services

Certain free services are rendered at institutions that fall under the control of this Department. In certain instances, patients treated by private practitioner, externally funded patients and those who exceed the means test (H3) are excluded from the benefit of the free services. The criteria that applies is in line with policies as determined by the National Department of Health in this regard, and include the following:

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

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

2.1 Inventories stated in R'000

Institutions	Inventory Groups								
	Sta-tionery	Pro-visions	Med & Surgical	Pharm	Clean/ Chem	Engin	Maint	Other	TOTAL
Head Office	180	0	0	0	0	0	0	0	180
Tygerberg Hospital	189	458	2,233	4,645	24	294	547	2,170	10,560
Tygerberg Dental	48	116	833	0	12	0	0	0	1,009
Groote Schuur	1,043	300	5,778	7,036	240	319	56	369	15,141
Red Cross	153	134	652	4,987	212	0	52	0	6,189
Forensic Path. Services	0	0	0	0	0	0	0	0	0
Engineering	45	6	8	0	110	1,683	2,602	888	5,342
Metro Region	1,921	1,396	9,606	11,950	1,114	430	325	648	27,390
MDHS	1,159	492	6,573	2,323	596	0	51	101	11,296
EMS	538	0	2,278	0	537	87	0	1,417	4,857
WC Winelands	178	57	845	1,281	168	0	13	7	2,548
Boland Overberg	264	91	2,067	3,242	180	0	1	7	5,852
SC Karoo	463	114	1,689	2,486	259	0	27	209	5,247
WCCN	24	6	0	0	0	0	0	0	30
CDU	0	0	0	4,465	0	0	0	0	4,465
ARV Depot	0	0	0	12,930	0	0	0	0	12,930
Totals	6,204	3,172	32,561	55,345	3,451	2,813	3,674	5,816	113,036

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

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

3. Capacity constraints

The recruitment and retention of both sufficient numbers of nurses and those with the appropriate level of expertise and experience remains a challenge as the attrition rate for professional nurse remains approximately 10%. In an attempt to address this, the Department has implemented the following:

- An increased number of bursaries have been allocated.
- The high failure rate amongst bursary holders is of concern. Following consultation with the Higher Education Institutions (HEI) some of them have introduced a foundation year for students.
- The Department has fully implemented the Occupation Specific Dispensation for improved salaries for nurses.

4. Utilisation of donor funds

The following donor funding was made available to the Department during the 2007/08 financial year:

	R'000
TB/HIV Global Fund	1,447
European Union Funds	18,878
Belgium Fund	1,105
World Population Fund	92
TOTAL	21,523

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

An amount of R107,680 million was donated by the Global Fund towards HIV and AIDS prevention. Global Funding has not been accounted for separately as the case with the donations mentioned above. The donation in this regard has been incorporated into the main accounting structure of the Department as a separate sub-programme as approved by the Provincial Treasury. An amount of R21,604 million was not paid over to the Department during the 2006/07 financial year resulting in a deficit on the Appropriation Account. This amount was received during the 2007/08 financial year.

The TB/HIV Global Fund donation of R1,447 million is for a specific project not linked to the Global Fund contribution towards HIV and AIDS prevention as depicted in sub-programme 2.10.

5. Trading entities

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

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

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

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

The Financial Statements of the Department and the CMD have not been consolidated. The Statements of the Department have been prepared on a modified cash basis of accounting whilst the CMD Statements have been prepared in accordance with SA GAAP.

6. Organisations to whom transfer payments have been made

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

During the 2007/08 financial year only the City of Cape Town received transfer payments for the rendering of personal primary health care services.

Transfer Payments were also made to various municipalities and non-governmental organisations from Global fund contributions and the HIV and AIDS Conditional Grant.

Global Funding was used towards the Community Based Response Programme and AIDS funding was provided to fund lay councillors for Home Based Care.

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

Amounts were paid towards bursaries during the financial year as well as the settlement of medico legal claims.

For more detailed information in this regard please refer to Note 7 of the Notes to the Statement of Financial Performance.

7. Public private partnerships (PPP)

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

Western Cape Rehabilitation Centre (WCRC) PPP Project

The 2007/08 year was the first year of the 12 year concession period of the Agreement concluded between the Department and the Mplisweni Consortium. The services provided by the Consortium are hard and soft facilities management, the refreshment, maintenance and replacement of medical equipment on the site of the Western Cape Rehabilitation Centre and the soft facilities management on the Lentegeur Hospital site for an annual unitary fee.

Assets to the value of R 1,4 million were transferred to the Mpilisweni Consortium from the Department, in accordance with the PPP Agreement, for the concession period. At the end of the concession period, assets to the same value (escalated by CPIX) will be returned to the Department.

An amount of R 35,4 million was paid as unitary fees for the 2007/08 financial year. (Note 28 refers.)

Hermanus Hospital PPP Project

The bidder submitted a bid that did not provide adequate transfer of risk and value for money to the Department, nor did it meet the stated affordability threshold.

This project was thus de-registered with the National Treasury PPP Unit in July 2007.

8. Corporate governance arrangements

Enterprise Risk Management:

The following documents were prepared and tabled in the year under review:

- Draft Enterprise Risk Matrix
- Strategic Risk Assessment
- Draft Enterprise Risk Management Policy

Furthermore, Risk Awareness workshops were conducted to expose staff to the Management of risk.

- A draft fraud prevention policy and response plan has been compiled and the unit is in the process of compiling a Fraud Prevention Plan

Internal Audit:

The co-sourced arrangement between the Sihluma Sonke Consortium and Provincial Treasury to provide Internal Audit to the Department has been extended until December 2008 by the Provincial Treasury. Provincial Treasury has approved the decentralisation of the Internal Audit function to the Departments of Health and Education. The transfer of the Internal Audit function to the Department of Health took place on 1 April 2008.

The following priority areas were covered in the Internal Audit Reports during the 2007/08 financial year:

- Asset Management
- Contract Management
- Facility Management
- Leave
- Patient Records and Billing
- Payroll Administration
- Procurement and Tendering
- Pharmacy Stock Control
- Expenditure Management
- Debtor and Cash Management
- Medical and Surgical Stock Control
- Letting of State Property and
- Financial Reporting and Disclosure

Nine Internal Audit reports were issued by 31 March 2008 in respect of the following institutions:

- Worcester Hospital
- Somerset Hospital
- GF Jooste Hospital
- George Hospital
- Knysna Hospital
- Helderberg Hospital
- Lentegeur Hospital
- Government Garage and Transport
- Linen and Laundry (Tygerberg & Karl Bremer)

Audit Committee:

The Department has a functioning Audit Committee that meets on a quarterly basis and when necessary. The Audit Committee chaired by Dr. T. Sutcliffe has been in place for the last four years. The Report of the Audit Committee is contained in the Annual Report of the Department.

The committee comprises of four members of which the contracts of two of the members will expire by the end of July 2008. The Department is in the process of advertising for nominations for the replacement of these members.

Government/Corporate Governance Progress:

The Provincial Treasury has developed a Government/Corporate Governance Framework which is awaiting Cabinet Approval and issued a Governance Implementation Guide to the Departments for implementation. A Governance Champion has been appointed by the Head of Department to manage and facilitate governance matters within the Department.

The following matters are being addressed at present:

- Audit of Key Departmental Committees:
  The Department has performed an audit of all the key Departmental Committees that have advisory and decision making responsibilities to determine whether Terms of Reference, delegated authority, attendance registers and the maintenance of minutes are in place.

- Conflict of interest Policy:
  To effectively manage conflict of interest the Department has developed a draft Conflict of Interest Policy which is inclusive of all the Departmental disclosure policies.

- Implementation of code of conduct:
  A draft Code of Conduct policy which is Departmental specific and has been extracted from the DPSA's code of conduct for public service personnel is in the process of being prepared. The Departmental Labour Relations unit has conducted workshops on the code of conduct policy in the Department.

9. Discontinued activities / activities to be discontinued

The Department has not discontinued activities during the 2007/08 financial year.

10. New/proposed activities

The key issues for the Department in 2008/09 will be the further implementation of the Comprehensive Service Plan to improve the quality of health care delivery and includes:

- Implementation of health districts and the creation of district management structures in both the Cape Town Metro and rural health districts.
- Strengthening of district health service delivery through outreach and support to district hospitals, community health centres and clinics.
- Restructuring the service platform with the designation and management of hospital beds according to a defined level and package of care in central, regional and district hospitals.
- Achieving the Comprehensive Service Plan targets for level 3 beds in central hospitals.
- Strengthening the general specialist capacity and clinical management within the reconfigured level 2 (general specialist) services.
- Restructuring emergency medical services to improve response times and begin to achieve response times closer to the national norms.
- Expansion of community-based care services through Extended Public Works programmes in Health to enable people to be managed in communities where they live.
- Construction, upgrading and improved maintenance of health facilities with a special focus in the 2008/09 financial year on the planned construction of the Khayelitsha and Mitchells Plain Hospitals in the Cape Town Metro.

Other key deliverables are:

- Strengthened TB programmes with a special focus on improved cure rates and the management of multi and extreme resistant TB.
- Care and management of people living with HIV and AIDS with a greater focus on targeted prevention interventions and district health based treatment.
- Address service pressures in mental health, obstetric and neonatal services, surgery and emergency care.
- Strengthened mechanisms to assess the burden of disease and strategies developed with other departments to begin to reduce the burden of disease.
- Strengthened human resource and financial management to improve performance.

11. Events after reporting date

No material matter.

12. Performance Information

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

The above requirements are consolidated and defined in a provincial minimum dataset. Data generated at service delivery level are captured either manually or on computer systems. The data flows via predetermined routes as stated in the department's Data Flow Policy. This policy also calls for the verification of data at each level before submission to the next. Feedback is provided at various levels to a variety of forums for management information purposes but also to check the validity of data against operational experience.

To improve the quality of data, the Department has:

- Continued the roll out of computer systems such as the HIS and PHCIS to improve the flow of data, reduce the opportunities for transcription and translation errors and reduce reporting time.
- Entered into a contract with Health Systems Trust to review particular sets of performance data.
- Commenced projects to develop electronic transfer of data between systems.
- Extended the use of unique patient identification across systems.
- Conducted continuous training of information management staff across the Province.
- Established a committee to review and update data collection tools for manual data collection.
- Reviewed, updated and extended information management policies.
- Refined the Comprehensive Service Plan for district, sub-district and hospital information management capacity.

Besides the audits conducted by the Auditor General's office and the reviews of data by the NDoH and the HST consultant, the Department has not engaged in any independent audit of performance data.

Future plans include:

- Filling the CSP information management posts
- Consolidating performance data from various feeder systems into a Business Intelligence system
- Using computer systems to improve management access to performance data
- Further develop information management policy and standards

13. SCOPA resolutions

Matters from the Fourth Report of the Standing Committee on Public Accounts dated 4 December 2007 are as follows:

Subject	Progress reported to SCOPA
Emergency Medical Services (EMS) – Response times The aim of EMS is to render pre-hospital emergency medical services including inter-hospital transfers, medical rescue and planned patient transport. In terms of their mandate the response time is the length of time between receiving a call in the Communication Centre and the arrival of the ambulance staff at the emergency scene. The national response time norm for urban areas is a 90 per cent target within 15 minutes and a target of 90 per cent within 40 minutes for rural areas. The actual average percentage of response times within 15 minutes for the 2006/07 financial year in urban areas was 36.7 per cent, while the actual average percentage of response times within 40 minutes for the year in rural areas was 64.2 per cent. Furthermore, it was established that the actual average percentage of response times of more than 60 minutes in urban areas was 21.8 per cent. The average response time of 74.8 minutes in January 2005 had increased with 25 per cent to an average of 93.7 minutes in March 2007. The volume of calls logged by the Communication Centre increased with 30.6 per cent during the above period. The time to dispatch an ambulance to the scene of an emergency was the major contributing factor in the delay in responding to medical emergencies. The dispatch time for the Metropole was approximately 50 minutes. Although an organisational study indicated that 1,689 operational staff members are required, the Western Cape EMS only had 910 operational staff members at 31 March 2007. This represents a vacancy rate of 46.1 per cent.	EMS has recruited 147 Student Emergency Care Practitioners in the Metropolitan Area on contract for a year in order to train and introduce them into the service. Additional ambulances were purchased as well. The application of these staff and vehicles will impact on response times. The Fika Msinya exercise executed by EMS has indicated that while resources are a primary factor in influencing response times there are many communication and management factors that need to be refined to improve efficiency and improve response times. EMS is experiencing severe pressure from international agencies who are actively recruiting personnel for Africa and the Middle East. The HealthNET service in the Metropolitan Area has been implemented and all patient transport contracts previously managed through the hospitals have been transferred to HealthNET. HealthNET has taken over the transport of most non-acute patients but has not had an impact on response times of ambulances. The demand for patient transport is very high in the absence of a reliable safe public transport system.

Subject	Progress reported to SCOPA
Having heard the evidence it is clear that ambulance staff do not reach patients requiring urgent emergency medical service timeously which could result in a loss of life or a patient's condition could deteriorate to a more serious condition which could have been prevented. The non-achievement of the EMS response times will negatively impact on the implementation of Healthcare 2010. Recommendation The Department should ensure, as a matter of urgency especially and in the light of the upcoming festive season, the required number of operational staff is appointed within EMS to ensure that response times are improved, which will also facilitate the successful implementation of Healthcare 2010. The Department should furthermore conduct a review on patient transport services to determine the impact these services have on the response times and the resources required.	
Communication Centre The committee were informed that a total of 325,709 calls were received at the Cape Town Communications Centre for the period September 2006 to March 2007 of which a total of 67,834 calls (20.8%) were abandoned as calls were not in all instances answered within the norm of 12 seconds. Delays in the answering of telephone calls contributed to calls being abandoned and delays in the dispatching of ambulance staff. As a result the risk exists that ambulance staff do not reach patients timeously. Recommendation The committee having heard and considered the evidence wish to recommend that a review be performed on number of call takers and their workloads to determine the impact on the response times.	Emergency calls are currently routed through the 112 Emergency Centre in the Strand as part of a pilot with the Department of Communications. The 112 Emergency centre is a Centralised Emergency Call taking centre which takes all emergency calls from the public and then diverts such calls to the relevant response agency (ambulance, police or fire etc.) The 112 Centre then reroutes the call to the Tygerberg EMS Communications Centre. The rate of dropped calls recorded by the EMS digital telephone system reflected in the annual report is not only a factor of the number of call takers in the EMS Centre but also a factor of the 112 Centres policy with respect to call waiting where if the call is not answered within 2 rings they drop the call and dial again. We are not able to calculate the quantum of calls dropped by the 112 Centre.

Subject	Progress reported to SCOPA
The Department should then ensure that the required number of call taking staff is appointed within the EMS Communication Centres based on the review to ensure that response times are improved which will facilitate the successful implementation of Healthcare 2010.	EMS will appoint an ICT Manager from March April 2008 who will as part of his/her duties determine the acceptable norms and standards which should be applied in determining the number of call takers as well as those used by the system.
Turnaround times at hospitals The committee heard that the actual turnaround time of 27.1 minutes was higher than the target of 20 minutes as required in terms of the Standard EMS Operating Procedure. Turnaround time is determined from when the ambulance arrives at the hospital until the ambulance is ready to be dispatched to the next emergency. The committee expresses their concerns that the high turnaround times at hospitals contribute to slower response time as fewer ambulances and staff is available to be dispatched. Therefore, ambulance staff do not reach patients requiring urgent emergency medical service timeously which could result in a loss of life or a patient's condition could deteriorate to a more serious condition which could have been prevented. Recommendation The committee wish to recommend that management should reinforce the extreme importance of good turnaround times with staff and consider the implementation of turnaround managers at the larger medical institutions to ensure that ambulance units are dispatched as soon as they become available.	"Hospital Time" is one component of an ambulance "Mission Time" which includes: Time to Dispatch Time to Scene Time on Scene Time to Hospital Time at Hospital Time back to Base Managing down each component is essential to achieving good response times and EMS is measuring and managing each component. The Department has trained Hospital Deck supervisors to manage ambulances back into response and improve turn around and will roll out this initiative in 2008 with the cooperation of District Health and Hospital Services. Response and Mission Times are incorporated into the Performance Management System of EMS.
Training The committee wishes to express its grave concern at the insufficient intermediate and advanced life support training that was provided during the 2006/0707 financial year as a total of 8 and 13 staff members received intermediate and advanced life support training, respectively. This represents 5.6 and 13.8 per cent, respectively, of the total training required in order to achieve the target skills mix as per the Comprehensive Service Plan for the implementation of Healthcare 2010 and the Organisational Development Study 43/2006.	The Department will submit an application to the Health Professions Council of South Africa for accreditation to present the EMS Short Course Training from 2008 in order to improve training throughput. The Department will then present these courses through the Training College at Tygerberg Hospital.

Subject	Progress reported to SCOPA
It was highlighted that the insufficient training provided was due to the Tygerberg Training College not offering short courses in life support for approximately two years. Operational ambulance staff had to enrol at tertiary institutions to further their education in intermediate and advanced life support. This process proved lengthy and hindered staff from enrolling. Emergencies that require the specialist knowledge of advanced life support staff (paramedics) are pending until such time that staff are available to attend to these emergencies. This leads to an increase in the response times for such cases as well as a delay in the administration of the appropriate care for patients in need. The non-achievement of the EMS skills mix will negatively impact on the implementation of Healthcare 2010. Recommendation Management should as a matter of urgency review the current skills mix within the EMS and incorporate the required skills need into a training plan as well as a personal development plan for each individual which will ultimately link to the performance appraisal system.	
Transversal Non-compliance with applicable legislation and regulatory requirements Section 38(1)(a)(i) of the PFMA requires that the accounting officer has and maintains an effective, efficient and transparent system of financial and risk management and internal control. However, during the audit various discrepancies and control weaknesses were highlighted within departments and public entities, which could have serious implications as set out under "Risk". Following the discussions with the departments, public entities and the Auditor-General it is clear that staff shortages, limited staff capacity and the lack of awareness with regards to the requirements of the PFMA and the Treasury Regulations are some of the main contributing factors.	The Department regularly inform Heads of institutions by means of Finance Instructions of their regulatory responsibilities. The Department also conducts monthly meetings with all the various financial managers to keep them abreast of their responsibilities. Regular training sessions are provided to all levels of officials to ensure that all officials are adequately informed and trained. The Department is furthermore in the process of sourcing a training intervention that is aimed specifically at all institutional managers. One of the aspects that will be covered concentrates on the regulatory responsibilities of managers.

Subject	Progress reported to SCOPA
Reporting on Performance Information National Treasury Regulation 5.2.2(d) states, "the strategic plan/annual performance plan must include the measurable objectives, expected outcomes, programme outputs, indicators (measures) and targets of the institution's programmes". In terms of Treasury Regulation 5.2.3 "the strategic plan must form the basis for the annual reports of accounting officers as required by sections 40(1)(d) and (e) of the Act" (PFMA). Accounting officers has additional responsibilities as required by section 40(3)(a) of the PFMA to ensure that the annual report and audited financial statements fairly present the performance against predetermined measurable objectives as set out in the Annual Performance Plans of the Departments. The Auditor-General is required, in terms of section 13 of the Public Audit Act, 2004, to perform procedures of an audit nature to obtain sufficient appropriate evidence about the performance information and related systems, processes and procedures. Recommendation The committee expresses its concern that the Auditor-General highlighted the above-mentioned two matters in most departments and public entities and would like to recommend that Provincial Treasury ensure that departments and public entities comply with the provisions of the PFMA, follow the guidelines provided by National Treasury and apply disciplinary mechanisms if necessary.	The format for the APP is based on a generic format outlined by National Treasury in the *Framework and templates for provincial departments for the preparation of Strategic and Performance Plans for 2005 – 2010 and Annual Performance Plans for the 2005 financial year* which was published in August 2004. The National Department of Health used this format to develop a sector specific format for APPs*: Format for Annual Performance Plans of Provincial Health Departments.* This means that the National Department of Health customised the Treasury format for Health and also prescribed a number of performance measures against which the Department is required to report. The format makes provision in addition for own provincial objectives and performance indicators. The Department has included province specific indicators in each of the programmes. The format of the APP consists of three parts: Part A: Strategic overview Part B: Programme performance, which includes the nationally prescribed and province specific indicators for each programme and sub-programme. Part C: Is a new requirement from Treasury from 2008/09 and consists of the quarterly performance targets for each of the indicators that appear in Part B. The APP forms the basis of the quarterly monitoring and evaluation process. This takes the form of a meeting chaired by the Head of Department where each programme manager is required to report back on the performance of each of the indicators identified in the APP. This information is also used for the quarterly reports that are required by Treasury and the National Department of Health. The Annual Report is an accumulation of the quarterly reports.

Subject	Progress reported to SCOPA
Non-filling of posts – Vacancies The committee noted with concern the number vacancies that exist in the departments and in most instances the vacancy level of departments exceeded the norm of 5 per cent. In some instances vacant posts were vacant for longer than six months. The committee is particularly concerned about the effect it has on service delivery and the general functioning of the Department. One of the contributing factors highlighted by the Auditor-General in its audit reports is the absence of a comprehensive Human Resource Plan or the lack of implementation of it. Recommendation The committee wish to recommend as follows: - that all departments and public entities ensure that the relevant processes and procedures be put in place to ensure that the Human Resource Plan is timeously finalised and approved for implementation; - staff establishments should be re-assessed to determine if the vacant posts are still required, considering the fact that the Department has been able to operate, notwithstanding the vacant posts; and - the phasing in of the filling of vacant posts should be included in the Department's strategic plans to ensure that these posts are budgeted for and the heads of respective departments should be required to submit, on a quarterly basis, a report on the status of posts in their directorates and give explanations for the vacant posts as well as timeframes as to when the posts can be filled.	This Department is in the process of finalising a draft Human Resource Plan. It is envisaged to implement this Plan together with the implementation of the new organisational structures for the Department of Health. The concern with regard to the filling of posts has been noted. The Department is in process of identifying all vacant funded posts. The funded vacancies will be advertised and filled in terms of the current prescripts. It is noteworthy that the actual number of funded vacancies is far lower than the percentage of vacant posts as reflected by the current PERSAL data. This will also be corrected by the restructuring of the Department's staff establishment.

Subject	Progress reported to SCOPA
Transfer payments This is again a matter that was highlighted by the Auditor-General in various departments and the committee is concern that departments do not adhere to the Public Finance Management Act and Treasury Regulations with regard to transfer payments to municipalities, NGO's and other organisations. Recommendation The Public Finance Management Act and Treasury Regulations must at all times be adhere to and management should ensure that the necessary documentation should be completed and placed on file to ensure the institution establishes and implements effective, efficient and transparent financial management and internal control systems. Monitoring procedures should be implemented to ensure that funding is used for the intended purpose as per the service level agreement and progress reports should be submitted to the Department to assess the feasibility and benefits derived from funding.	The Department has on various occasions requested the various role-players to comply with the prescripts with regard to transfer payments. These actions did not yield the required responses. As a result of this the Department has decided to a appoint a service provider to assist the Department in evaluating the ability of recipients of transfer funding to comply with the requirements and ensuring that those who are not compliant, become compliant by means of training and other interventions that are necessary. The Department is still in the process of awarding the bid. It is the intention that all recipients of funding be compliant from the 2008/09 financial year.

14. Other

Environmental Rehabilitation Liability

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

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

Medical and Industrial Waste

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

Nuclear Waste

Nuclear Waste is removed from hospitals and shipped to the Nuclear Energy Board for further disposal.

Industrial Effluent

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

Electricity (Energy efficiency)

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

General

The above examples indicate that the Department is committed to minimise the impact of its activities on the environment. The Department has outsourced its responsibility to restore the environment and no contingent liability is therefore required.

Investments

Note 13 to the Annual Financial Statements refer.

The amount of R2,000 invested by the Isac Chames Trust for the benefit of Groote Schuur Hospital was paid over to the Groote Schuur Hospital Health Facilities Board. Groote Schuur Hospital is the only beneficiary from the investment.

Related Party Transactions

During the year the Department received services from the following related parties that are related to the Department as indicated.

The Department of Transport and Public Works

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

The Department of the Premier

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

Cape Medical Depot

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

Balances from the previous dispensations

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

On 7 February 2008 Minister Trevor Manuel, Minister of Finance, indicated in a letter to Ms Lynne Brown, Western Cape MEC for Finance, that the National Treasury is currently looking at drafting the necessary legislation as well as accounting rules to assist the Province with the matter.

Irregular Expenditure

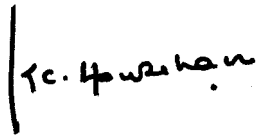
In terms of the Guide for the Preparation of Annual Reports issued on 10 April 2008, National Treasury indicated that expenditure incurred as a result of non-compliance with a requirement of the institutions delegations of authority issued in terms of the PFMA be regarded as irregular expenditure. The following irregular expenditure has been disclosed in Note 25 of the Annual Financial Statements.

Incident	AMOUNT R'000
Orders generated after services/goods were rendered/delivered (Valkenberg Hospital)	1,035
Procured from expired contract (Head Office)	16
Approved outside delegated authority (Karl Bremer Hospital)	4,887
Prescribed procurement procedures not followed (Metro Regional Office)	7
No delegated approval (Head Office)	28
RT3 of 2000 and 2003 (photocopiers procured as finance leases)	5,913
Approved outside delegated authority (Groote Schuur Hospital)	525
Approved outside delegated authority (Valkenberg Hospital)	945
Non compliance with delegations (Red Cross Hospital)	236
Non compliance with delegations (Tygerberg Hospital)	21,682
Non compliance with delegations (Stikland Hospital)	32
Non compliance with delegations (Stikland Hospital)	3,888
Non compliance with delegations (Stikland Hospital)	210
Non compliance with delegations (Bluespier Groote Schuur Hospital)	108
Approved outside delegated authority (Valkenberg Hospital)	1,148
Services procured without official order (Head Office)	33
Total	40,693

REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2008

Approval

The Annual Financial Statements set out on pages 161 to 225 have been approved by the Accounting Officer.



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PROFESSOR KC HOUSEHAM
ACCOUNTING OFFICER

DATE: 30 JULY 2008

REPORT OF THE AUDITOR-GENERAL TO THE WESTERN CAPE PROVINCIAL PARLIAMENT ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF VOTE 6: DEPARTMENT OF HEALTH FOR THE YEAR ENDED 31 MARCH 2008

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of the Department of Health which comprise the appropriation statement, statement of financial position as at 31 March 2008, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 161 to 225.

Responsibility of the accounting officer for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting determined by the National Treasury, as set out in accounting policy note 1.1, and in the manner required by the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA) and the Division of Revenue Act, 2007 (Act No. 1 of 2007) (DoRA). This responsibility includes:

    - designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error

    - selecting and applying appropriate accounting policies

    - making accounting estimates that are reasonable in the circumstances.

Responsibility of the Auditor-General

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

4. I conducted my audit in accordance with the International Standards on Auditing and General Notice 616 of 2008, issued in Government Gazette No. 31057 of 15 May 2008. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance on whether the financial statements are free from material misstatement.

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

6. An audit also includes evaluating the:

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

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

Basis of accounting

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

Opinion

9. In my opinion the financial statements present fairly, in all material respects, the financial position of the Department of Health as at 31 March 2008 and its financial performance and cash flows for the year then ended, in accordance with the modified cash basis of accounting determined by the National Treasury, as set out in accounting policy note 1.1, and in the manner required by the PFMA and DoRA.

Emphasis of matters

Without qualifying my audit opinion, I draw attention to the following matters:

Highlighting critically important matters presented or disclosed in the financial statements

Irregular expenditure

10. As disclosed in note 25 to the financial statements, irregular expenditure totalling R40,693,000 was incurred as a result of non-compliance with the supply chain management and financial delegations issued by the accounting officer in terms of section 44 of the PFMA, as well as not following proper procurement processes.

Unauthorised expenditure

11. As disclosed in note 9 to the financial statements, unauthorised expenditure totalling R114,228,000 was incurred on programmes 2, 4 and 5 as a result of the occupational specific dispensation for nurses which was implemented with effect from 1 July 2007 and for which insufficient funds were allocated to the Department to address the full cost of implementation.

OTHER MATTERS

Without qualifying my audit opinion, I draw attention to the following matters that relate to my responsibilities in the audit of the financial statements:

Non-compliance with applicable legislation

Treasury Regulations

12. The Department has not had an approved fraud prevention plan, as required by Treasury Regulation 3.2.1, to prevent and detect fraud and to mitigate specific fraud risks since the 2005-06 financial year.

Matters of governance

13. The PFMA tasks the accounting officer with a number of responsibilities concerning financial and risk management and internal control. Fundamental to achieving this is the implementation of certain key governance responsibilities, which I have assessed as follows:

Matter of governance	Yes	No
Audit committee		
• The department had an audit committee in operation throughout the financial year.	■	
• The audit committee operates in accordance with approved, written terms of reference.	■	
• The audit committee substantially fulfilled its responsibilities for the year, as set out in section 77 of the PFMA and Treasury Regulation 3.1.10.	■	
Internal audit		
• The department had an internal audit function in operation throughout the financial year.	■	
• The internal audit function operates in terms of an approved internal audit plan.	■	
• The internal audit function substantially fulfilled its responsibilities for the year, as set out in Treasury Regulation 3.2.	■	
Other matters of governance		
The annual financial statements were submitted for audit as per the legislated deadlines (section 40 of the PFMA for departments and constitutional institutions).	■	
The financial statements submitted for audit were not subject to any material amendments resulting from the audit.		■
No significant difficulties were experienced during the audit concerning delays or the unavailability of expected information and/or the unavailability of senior management.	■	
The prior year's external audit recommendations have been substantially implemented.		■
SCOPA resolutions have been substantially implemented.	■	

Unaudited supplementary schedules

14. Annexure 1F, Statement of Unconditional Grants and Transfers to Municipalities, includes a column of amounts spent by the municipality. I have not audited this amount and accordingly I do not express an opinion thereon.

OTHER REPORTING RESPONSIBILITIES

REPORT ON PERFORMANCE INFORMATION

15. I have reviewed the performance information as set out on pages 29 to 125.

Responsibility of the accounting officer for the performance information

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

Responsibility of the Auditor-General

17. I conducted my engagement in accordance with section 13 of the PAA read with General Notice 616 of 2008, issued in Government Gazette No. 31057 of 15 May 2008.

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

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

Audit findings (performance information)

Non-compliance with regulatory requirements

Incomplete reporting on actual achievements in the annual report

20. I draw attention to the fact that actual progress on four indicators relating to programme 2, which were specified in the national tables of the annual performance plan, were not reported on in the annual report as data and evidence in relation to these indicators were not collected during the year by the Department.

21. Nine indicators, evaluated for programme 2, were listed in the annual performance plan, but targets were not specified, as required by Treasury Regulation 5.2.2.

Lack of sufficient appropriate audit evidence

22. I was unable to verify 33 indicators for programme 2 as I was not able to adequately validate the processes and systems that produce the data for the indicators. The source was not clearly specified or the monitoring and evaluation report was listed as the source, but the source on which the monitoring and evaluation report is based was not specified.

23. The actual achievement of 38 indicators for programme 2 could not be substantiated by adequate evidence.

Lack of controls within systems generating performance information

24. The actual processes to validate and verify data submitted as performance information are not aligned with the internal information management policies and procedures. The following discrepancies were identified from the 2007-08 data:

    Programme 2:

    - Data completeness: Only 91,8% of data elements were entered on the routine monthly report, excluding information on private facilities and all facilities from Cape Town that are not on SINJANI.

    - Data quality: 1,442 validation rule violations.

    - Outliers: Explanations were not provided on SINJANI for 58% of the values that fall outside the specified minimum and maximum ranges.

Programme 5:

- Data completeness: Only 94,8% of data elements were entered on the hospital form.

- Outliers: Explanations were not provided on SINJANI for 93% of the values that fall outside the specified minimum and maximum ranges.

Evidence materially inconsistent with reported performance information

25. The evidence provided to support the performance information reported in the annual report for programme 2 was materially inconsistent with the reported performance information for 43 of the 69 indicators tested (62%). When reading this finding with the audit finding in paragraph 23, it can be concluded that 81 of the 161 performance indicators of programme 2 (50%) either deviated from the source or could not be substantiated by sufficient appropriate evidence.

26. The evidence provided to support the performance information of 13 performance indicators reported in the annual report for the three central hospitals under programme 5 differed between the hospital information systems (HIS and Clinicom), the provincial information management database (SINJANI) and the actual performance reported.

27. The targets set for nine performance indicators under programme 2 and three performance indicators under programme 5 did not appear to be relevant in relation to the Department's actual performance over the past two to three financial years.

APPRECIATION

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

Auditor - General

Cape Town

31 July 2008

AUDITOR-GENERAL

ACCOUNTING POLICIES
for the year ended 31 March 2008

The Financial Statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the Financial Statements and to comply with the statutory requirements of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the Act and the Division of Revenue Act, Act 1 of 2007.

1. Presentation of the Financial Statements

1.1 Basis of preparation

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

1.2 Presentation currency

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

1.3 Rounding

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

1.4 Comparative figures

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

1.5 Comparative figures - Appropriation Statement

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

2. Revenue

2.1 Appropriated funds

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

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

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

2.2 Statutory Appropriation

Statutory appropriations are recognised in the financial records on the date the appropriation becomes effective. Adjustments to the statutory appropriations made in terms of the adjustments budget process are recognised in the financial records on the date the adjustments become effective.

Total statutory appropriations are presented in the statement of financial performance.

Unexpended statutory appropriations are surrendered to the National/Provincial Revenue Fund. Amounts owing to the National/Provincial Revenue Fund at the end of the financial year are recognised in the statement of financial position.

2.3 Departmental revenue

All departmental revenue is paid into the National/Provincial Revenue Fund when received, unless otherwise stated. Amounts owing to the National/Provincial Revenue Fund at the end of the financial year are recognised in the statement of financial position.

Amounts receivable at the reporting date are disclosed in the disclosure notes to the annual financial statements.

2.3.1 Tax revenue

Tax revenue consists of all compulsory unrequited amounts collected by the Department in accordance with laws and or regulations (excluding fines, penalties & forfeits).

Tax receipts are recognised in the statement of financial performance when received.

2.3.2 Sales of goods and services other than capital assets

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

2.3.3 Fines, penalties & forfeits

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

2.3.4 Interest, dividends and rent on land

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

2.3.5 Sale of capital assets

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

2.3.6 Financial transactions in assets and liabilities

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

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

Forex gains are recognised on payment of funds.

2.3.7 Transfers received (including gifts, donations and sponsorships)

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

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

2.4 Direct Exchequer receipts

All direct exchequer fund receipts are recognised in the Statement of Financial Performance when the cash is received.

2.5 Local and foreign aid assistance

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

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

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

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

2.6 CARA Fund assistance

All CARA funds received must be recorded as revenue when funds are received. The cash payments made during the year relating to CARA earmarked projects are recognised as current or capital expenditure in the statement of financial performance.

Any unspent CARA funds are transferred to Retained Funds as these funds do not need to be surrendered to the National Revenue Fund.

3. Expenditure

3.1 Compensation of employees

3.1.1 Short-term employee benefits

Salaries and wages comprise payments to employees (including leave entitlements, thirteenth cheques and performance bonuses). Salaries and wages are recognised as an expense in the Statement of Financial Performance when final authorisation for payment is effected on the system (by no later than 31 March of each year). Capitalised compensation forms part of the expenditure for capital assets in the Statement of Financial Performance.[46]

All other payments are classified as current expense.

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 Position.

3.1.2 Post retirement benefits

The Department provides retirement benefits (pension benefits) for certain of its employees through a defined benefit plan for government employees. These benefits are funded by both employer and employee contributions.

Employer contributions (i.e. social contributions) to the fund are expensed when the final authorisation for payment to the fund is effected on the system (by no later than 31 March of each year). No provision is made for retirement benefits in the financial statements of the Department. Any potential liabilities are disclosed in the financial statements of the National/Provincial Revenue Fund and not in the financial statements of the employer department.

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

3.1.3 Termination benefits

Termination benefits such as severance packages are recognised as an expense in the Statement of Financial Performance as a transfer (to households) when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

46 This accounting policy is only relevant where the department elects to capitalise the compensation paid to employees involved on capital projects.

3.1.4 Other long-term employee benefits

Other long-term employee benefits (such as capped leave) are recognised as an expense in the Statement of Financial Performance as a transfer (to households) when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

Long-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 Position.

3.2 Goods and services

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

3.3 Interest and rent on land

Interest and rental payments are recognised as an expense in the Statement of Financial Performance when the 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.

3.4 Financial transactions in assets and liabilities

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

Forex losses are recognised on payment of funds.

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

3.5 Unauthorised expenditure

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

Unauthorised expenditure approved with funding is recognised in the Statement of Financial Performance when the unauthorised expenditure is approved and the related funds are received. Where the amount is approved without funding it is recognised as expenditure, subject to availability of savings, in the Statement of Financial Performance on the date of approval.

3.6 Fruitless and wasteful expenditure

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

3.7 Irregular expenditure

Irregular expenditure is recognised as expenditure in the Statement of Financial Performance. If the expenditure is not condoned by the relevant authority it is treated as an asset until it is recovered or written off as irrecoverable.

3.8 Transfers and subsidies

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

3.9 Expenditure for capital assets

Payments made for capital assets are recognised as an expense in the Statement of Financial Performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

4. Assets

4.1 Cash and cash equivalents

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

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.

4.2 Other financial assets

Other financial assets are carried in the Statement of Financial Position at cost.

4.3 Prepayments and advances

Amounts prepaid or advanced are recognised in the statement of financial position when the payments are made.

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

4.4 Receivables

Receivables included in the statement of financial position arise from cash payments made that are recoverable from another party.

Receivables outstanding at year-end are carried in the statement of financial position at cost.

4.5 Investments

Capitalised investments are shown at cost in the statement of financial position. Any cash flows such as dividends received or proceeds from the sale of the investment are recognised in the statement of financial performance when the cash is received.

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

4.6 Loans

Loans are recognised in the statement of financial position at the nominal amount when cash is paid to the beneficiary. Loan lances are reduced when cash repayments are received from the beneficiary. Amounts that are potentially irrecoverable are included in the disclosure notes.

Loans that are outstanding at year-end are carried in the statement of financial position at cost.

4.7 Inventory

Inventories purchased during the financial year are disclosed at cost in the notes.

4.8 Capital assets

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

Projects (of construction/development) running over more than one financial year relating to assets, are only capitalised as assets on completion of the project and at the total cost incurred over the duration of the project.

Disclosure Notes 37 and 38 reflect the total movement in the asset register for the current financial year.

5. Liabilities

5.1 Voted funds to be surrendered to the Revenue Fund

Unexpended appropriated funds are surrendered to the National/Provincial Revenue Fund. Amounts owing to the National/Provincial Revenue Fund at the end of the financial year are recognised in the Statement of Financial Position

5.2 Departmental revenue to be surrendered to the Revenue Fund

Amounts owing to the National/Provincial Revenue Fund at the end of the financial year are recognised in the statement of financial position at cost.

5.3 Bank overdraft

The bank overdraft is carried in the statement of position at cost.

5.4 Payables

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

5.5 Contingent liabilities

Contingent liabilities are included in the disclosure notes.

5.6 Commitments

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

5.7 Accruals

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

5.8 Employee benefits

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

5.9 Lease commitments

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

Operating and finance lease commitments are expensed when the payments are made. Assets acquired in terms of finance lease agreements are disclosed in the annexures and disclosure notes to the financial statements.

6. Receivables for departmental revenue

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

7. Net Assets

7.1 Capitalisation reserve

The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are transferred to the National/Provincial Revenue Fund on disposal, repayment or recovery of such amounts.

7.2 Recoverable revenue

Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year.

8. Related party transactions

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

9. Key management personnel

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

10. Public private partnerships

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

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

APPROPRIATION STATEMENT
for the year ended 31 March 2008

Appropriation per Programme										
		2007/08							2006/07	
		Adjusted Appro-priation	Shifting of Funds	Virement	Final Appro-priation	Actual Expendi-ture	Variance	Expendi-ture as % of final Appropria-tion	Final Appro-priation	Actual Expendi-ture
		R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1.	Administration									
	Current payment	187,778	-	3,385	191,163	190,504	659	99.7%	148,881	148,837
	Transfers and subsidies	19,691	-	(11,265)	8,426	7,921	505	94.0%	8,926	8,922
	Payment for capital assets	14,399	-	(6,269)	8,130	6,908	1,222	85.0%	4,394	4,366
2.	District Health Services									
	Current payment	2,237,604	-	(561)	2,237,043	2,299,983	(62,940)	102.8%	1,642,947	1,615,460
	Transfers and subsidies	306,494	-	818	307,312	307,597	(285)	100.1%	286,383	279,899
	Payment for capital assets	127,636	-	6,634	134,270	99,998	34,272	74.5%	55,669	27,433
3.	Emergency Medical Services									
	Current payment	305,990	-	(1,715)	304,275	301,357	2,918	99.0%	247,063	247,063
	Transfers and subsidies	17,306	-	1,624	18,930	18,930	-	100.0%	16,202	16,165
	Payment for capital assets	21,500	-	91	21,591	21,590	1	100.0%	14,617	14,616
4.	Provincial Hospital Services									
	Current payment	1,259,053	-	3,498	1,262,551	1,292,376	(29,825)	102.4%	1,357,671	1,371,149
	Transfers and subsidies	2,986	-	46	3,032	2,686	346	88.6%	9,480	9,531
	Payment for capital assets	11,917	-	57	11,974	10,965	1,009	91.6%	16,955	16,955
5.	Central Hospital Services									
	Current payment	2,249,082	-	876	2,249,958	2,275,510	(25,552)	101.1%	2,034,319	2,034,319
	Transfers and subsidies	7,575	-	980	8,555	8,555	-	100.0%	8,574	8,560
	Payment for capital assets	65,149	-	671	65,820	65,819	1	100.0%	80,121	80,121
6.	Health Science and Training									
	Current payment	69,394	-	-	69,394	69,237	157	99.8%	53,417	47,330
	Transfers and subsidies	64,893	-	-	64,893	63,746	1,147	98.2%	51,379	51,210
	Payment for capital assets	739	-	-	739	723	16	97.8%	318	318
7.	Health Care Support Services									
	Current payment	82,901	-	(2,870)	80,031	79,832	199	99.8%	74,017	74,014
	Transfers and subsidies	1,619	-	-	1,619	1,554	65	96.0%	4,076	4,067
	Payment for capital assets	991	-	-	991	399	592	40.3%	14,890	14,825
8.	Health Facility Management									
	Current payment	102,096	-	4,000	106,096	103,856	2,240	97.9%	90,962	89,049
	Transfers and subsidies	-	-	-	-	-	-	-	-	2
	Payment for capital assets	270,512	-	-	270,512	267,822	2,690	99.0%	255,087	255,304
	Subtotal	7,427,305	-	-	7,427,305	7,497,868	(70,563)	101.0%	6,476,348	6,419,515
	TOTAL	7,427,305	-	-	7,427,305	7,497,868	(70,563)	101.0%	6,476,348	6,419,515
Reconciliation with Statement of Financial Performance										
Add:										
	Departmental revenue				91,542		-	-	611	
	Local and foreign aid assistance received				21,522		-	-	38,737	
Actual amounts per Statement of Financial Performance (Total revenue)					7,540,369		-	-	6,515,696	
Add:										
	Local and foreign aid assistance					17,538				37,803
Actual amounts per Statement of Financial Performance (Total expenditure)						7,515,406				6,457,318

APPROPRIATION STATEMENT
for the year ended 31 March 2008

Appropriation per economic classification									
	2007/08							2006/07	
	Adjusted Appro-priation	Shifting of Funds	Virement	Final Appro-priation	Actual Expendi-ture	Variance	Expendi-ture as % of final Appropria-tion	Final Appro-priation	Actual Expendi-ture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payment									
Compensation of employees	4,055,297	-	(9,381)	4,045,916	4,138,765	(92,849)	102.3%	3,447,100	3,419,042
Goods and services	2,438,601	-	12,893	2,451,494	2,470,797	(19,303)	100.8%	2,200,762	2,206,764
Financial transactions in assets and liabilities	-	-	3,101	3,101	3,093	8	99.7%	1,415	1,415
Transfers and subsidies									
Provinces and municipalities	152,279	-	-	152,279	150,924	1,355	99.1%	144,756	141,475
Departmental agencies and accounts	3,579	-	-	3,579	3,580	(1)	100.0%	6,109	6,089
Universities and technikons	1,477	-	-	1,477	1,400	77	94.8%	1,407	1,275
Non-profit institutions	188,166	-	1,624	189,790	191,404	(1,614)	100.9%	167,713	164,525
Households	75,063	-	(9,421)	65,642	63,681	1,961	97.0%	65,035	64,992
Payments for capital assets									
Buildings and other fixed structures	332,663	-	1,079	333,742	297,470	36,272	89.1%	260,988	234,589
Machinery and equipment	180,164	-	69	180,233	176,704	3,529	98.0%	180,755	179,116
Software and other intangible assets	16	-	36	52	50	2	96.2%	308	233
Total	7,427,305	-	-	7,427,305	7,497,868	(70,563)	101.0%	6,476,348	6,419,515

Detail of Programme 1 – Administration
for the year ended 31 March 2008

Programme per sub-programme	2007/08							2006/07	
	Adjusted Appro-priation	Shifting of Funds	Virement	Final Appro-priation	Actual Expendi-ture	Variance	Expendi-ture as % of final Appropria-tion	Final Appro-priation	Actual Expendi-ture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1.1 Office of the Provincial Minister									
Current payment	4,265	-	-	4,265	3,810	455	89.3%	3,686	3,686
Transfers and subsidies	-	-	-	-	-	-	-	1	1
Payment for capital assets	30	-	-	30	30	-	100.0%	51	51
1.2 Management									
Current payment	183,513	-	3,385	186,898	186,694	204	99.9%	145,195	145,151
Transfers and subsidies	19,691	-	(11,265)	8,426	7,921	505	94.0%	8,925	8,921
Payment for capital assets	14,369	-	(6,269)	8,100	6,878	1,222	84.9%	4,343	4,315
Total	221,868	-	(14,149)	207,719	205,333	2,386	98.9%	162,201	162,125

Economic classification	2007/08							2006/07	
	Adjusted Appro-priation	Shifting of Funds	Virement	Final Appro-priation	Actual Expendi-ture	Variance	Expendi-ture as % of final Appropria-tion	Final Appro-priation	Actual Expendi-ture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payment									
Compensation of employees	85,919	-	(4,002)	81,917	81,317	600	99.3%	69,897	69,853
Goods and services	101,859	-	7,300	109,159	109,101	58	99.9%	78,979	78,979
Financial transactions in assets and liabilities	-	-	87	87	86	1	98.9%	5	5
Transfers and subsidies to:									
Provinces and municipalities	-	-	-	-	-	-	-	43	39
Households	19,691	-	(11,265)	8,426	7,921	505	94.0%	8,883	8,883
Payment for capital assets									
Machinery and equipment	14,399	-	(6,276)	8,123	6,901	1,222	85.0%	4,386	4,358
Software and other intangible assets	-	-	7	7	7	-	100.0%	8	8
Total	221,868	-	(14,149)	207,719	205,333	2,386	98.9%	162,201	162,125

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

Detail of Programme 2 – District Health Services
for the year ended 31 March 2008

Programme per sub-programme	2007/08							2006/07	
	Adjusted Appro-priation	Shifting of Funds	Virement	Final Appro-priation	Actual Expendi-ture	Variance	Expendi-ture as % of final Appropria-tion	Final Appro-priation	Actual Expendi-ture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
2.1 District Management									
Current payment	114,283	-	(2,944)	111,339	101,192	10,147	90.9%	92,369	91,880
Transfers and subsidies	39	-	254	293	293	-	100.0%	737	749
Payment for capital assets	2,877	-	-	2,877	1,525	1,352	53.0%	1,586	1,522
2.2 Community Health Clinics									
Current payment	299,325	-	-	299,325	307,507	(8,182)	102.7%	258,898	258,898
Transfers and subsidies	119,313	-	104	119,417	118,751	666	99.4%	115,450	112,982
Payment for capital assets	3,993	-	358	4,351	4,350	1	100.0%	1,030	1,030
2.3 Community Health Centres									
Current payment	632,672	-	189	632,861	667,388	(34,527)	105.5%	549,968	549,968
Transfers and subsidies	327	-	231	558	557	1	99.8%	828	806
Payment for capital assets	4,484	-	5,275	9,759	9,758	1	100.0%	1,446	1,446
2.4 Community Based Services									
Current payment	54,927	-	(14)	54,913	53,632	1,281	97.7%	33,994	33,994
Transfers and subsidies	68,550	-	17	68,567	71,970	(3,403)	105.0%	64,236	64,120
Payment for capital assets	193	-	-	193	136	57	70.5%	181	181
2.5 Other Community Services									
Current payment	51,079	-	1,700	52,779	52,384	395	99.3%	31,984	31,984
Transfers and subsidies	-	-	-	-	-	-	-	131	26
Payment for capital assets	361	-	(330)	31	30	1	96.8%	302	302
2.6 HIV and AIDS									
Current payment	172,319	-	-	172,319	174,130	(1,811)	101.1%	122,169	123,443
Transfers and subsidies	65,288	-	-	65,288	65,349	(61)	100.1%	46,035	45,136
Payment for capital assets	-	-	-	-	420	(420)	0%	250	-
2.7 Nutrition									
Current payment	11,709	-	298	12,007	11,850	157	98.7%	10,584	10,584
Transfers and subsidies	4,714	-	-	4,714	4,871	(157)	103.3%	4,798	4,348
Payment for capital assets	145	-	-	145	89	56	61.4%	204	204
2.8 Coroner Services									
Current payment	57,514	-	-	57,514	65,047	(7,533)	113.1%	57,303	37,735
Transfers and subsidies	-	-	-	-	-	-	-	5	8
Payment for capital assets	72,068	-	-	72,068	57,219	14,849	79.4%	36,744	14,223
2.9 District Hospitals									
Current payment	793,010	-	210	793,220	818,050	(24,830)	103.1%	428,456	428,456
Transfers and subsidies	14,544	-	212	14,756	14,754	2	100.0%	20,751	20,601
Payment for capital assets	20,320	-	1,331	21,651	21,650	1	100.0%	7,616	7,616
2.10 Global Funding									
Current payment	50,766	-	-	50,766	48,803	1,963	96.1%	57,222	48,518
Transfers and subsidies	33,719	-	-	33,719	31,052	2,667	92.1%	33,412	31,123
Payment for capital assets	23,195	-	-	23,195	4,821	18,374	20.8%	6,310	909
Total	2,671,734	-	6,891	2,678,625	2,707,578	(28,953)	101.1%	1,984,999	1,922,792

Economic classification	2007/08							2006/07	
	Adjusted Appro-priation	Shifting of Funds	Virement	Final Appro-priation	Actual Expendi-ture	Variance	Expendi-ture as % of final Appropria-tion	Final Appro-priation	Actual Expendi-ture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payment									
Compensation of employees	1,351,260	-	(814)	1,350,446	1,399,729	(49,283)	103.6%	964,273	940,896
Goods and services	886,344	-	(547)	885,797	899,456	(13,659)	101.5%	678,467	674,357
Financial transactions in assets and liabilities	-	-	800	800	798	2	99.8%	207	207
Transfers and subsidies to:									
Provinces and municipalities	152,279	-	-	152,279	150,924	1,355	99.1%	143,089	139,797
Non-profit institutions	153,041	-	-	153,041	154,685	(1,644)	101.1%	141,029	137,859
Households	1,174	-	818	1,992	1,988	4	99.8%	2,265	2,243
Payment for capital assets									
Buildings and other fixed structures	84,686	-	1,067	85,753	49,609	36,144	57.9%	32,581	4,904
Machinery and equipment	42,934	-	5,545	48,479	50,352	(1,873)	103.9%	23,083	22,517
Software and other intangible assets	16	-	22	38	37	1	97.4%	5	12
Total	2,671,734	-	6,891	2,678,625	2,707,578	(28,953)	101.1%	1,984,999	1,922,792

Detail of Programme 3 – Emergency Medical Services
for the year ended 31 March 2008

Programme per sub-programme	2007/08							2006/07	
	Adjusted Appro-priation	Shifting of Funds	Virement	Final Appro-priation	Actual Expendi-ture	Variance	Expendi-ture as % of final Appropria-tion	Final Appro-priation	Actual Expendi-ture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
3.1 Emergency Transport									
Current payment	283,784	-	(1,715)	282,069	280,600	1,469	99.5%	237,817	237,817
Transfers and subsidies	17,301	-	1,624	18,925	18,930	(5)	100.0%	16,199	16,164
Payment for capital assets	21,500	-	91	21,591	21,590	1	100.0%	14,617	14,616
3.2 Planned Patient Transport									
Current payment	22,206	-	-	22,206	20,757	1,449	93.5%	9,246	9,246
Transfers and subsidies	5	-	-	5	-	5	0%	3	1
Total	344,796	-	-	344,796	341,877	2,919	99.2%	277,882	277,844

Economic classification	2007/08							2006/07	
	Adjusted Appro-priation	Shifting of Funds	Virement	Final Appro-priation	Actual Expendi-ture	Variance	Expendi-ture as % of final Appropria-tion	Final Appro-priation	Actual Expendi-ture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payment									
Compensation of employees	208,150	-	(1,341)	206,809	204,437	2,372	98.9%	167,467	167,467
Goods and services	97,840	-	(1,388)	96,452	95,907	545	99.4%	79,275	79,275
Financial transactions in assets and liabilities	-	-	1,014	1,014	1,013	1	99.9%	321	321
Transfers and subsidies to:									
Provinces and municipalities	-	-	-	-	-	-	0%-	132	95
Non-profit institutions	17,249	-	1,624	18,873	18,873	-	100.0%	16,053	16,053
Households	57	-	-	57	57	-	100.0%	17	17
Payment for capital assets									
Machinery and equipment	21,500	-	91	21,591	21,590	1	100.0%	14,604	14,604
Software and other intangible assets	-	-	-	-	-	-	0%	13	12
Total	344,796	-	-	344,796	341,877	2,919	99.2%	277,882	277,844

Detail of Programme 4 – Provincial Hospital Services for the year ended 31 March 2008

Programme per sub-programme	2007/08							2006/07	
	Adjusted Appro-priation	Shifting of Funds	Virement	Final Appro-priation	Actual Expendi-ture	Variance	Expendi-ture as % of final Appropria-tion	Final Appro-priation	Actual Expendi-ture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
4.1 General Hospitals									
Current payment	697,577	-	-	697,577	709,125	(11,548)	101.7%	880,035	893,594
Transfers and subsidies	1,090	-	-	1,090	925	165	84.9%	1,804	1,788
Payment for capital assets	9,154	-	-	9,154	8,140	1,014	88.9%	14,252	14,252
4.2 Tuberculosis Hospitals									
Current payment	102,710	-	(57)	102,653	100,579	2,074	98.0%	70,494	70,494
Transfers and subsidies	101	-	46	147	147	-	100.0%	5,407	5,401
Payment for capital assets	889	-	57	946	945	1	99.9%	484	484
4.3 Psychiatric/Mental Hospitals									
Current payment	322,227	-	155	322,382	342,181	(19,799)	106.1%	298,016	297,935
Transfers and subsidies	1,641	-	-	1,641	1,518	123	92.5%	1,601	1,682
Payment for capital asset	830	-	-	830	691	139	83.3%	879	879
4.4 Chronic Medical Hospitals									
Current payment	75,645	-	3,400	79,045	79,767	(722)	100.9%	54,262	54,262
Transfers and subsidies	54	-	-	54	16	38	29.6%	621	614
Payment for capital assets	123	-	-	123	105	18	85.4%	326	326
4.5 Dental Training Hospitals									
Current payment	60,894	-	-	60,894	60,724	170	99.7%	54,864	54,864
Transfers and subsidies	100	-	-	100	80	20	80.0%	47	46
Payment for capital assets	921	-	-	921	1,084	(163)	117.7%	1,014	1,014
Total	1,273,956	-	3,601	1,277,557	1,306,027	(28,470)	102.2%	1,384,106	1,397,635

Economic classification	2007/08							2006/07	
	Adjusted Appro-priation	Shifting of Funds	Virement	Final Appro-priation	Actual Expendi-ture	Variance	Expendi-ture as % of final Appropria-tion	Final Appro-priation	Actual Expendi-ture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payment									
Compensation of employees	848,976	-	(1,202)	847,774	877,609	(29,835)	103.5%	880,523	880,442
Goods and services	410,077	-	4,411	414,488	414,480	8	100.0%	476,656	490,215
Financial transactions in assets and liabilities	-	-	289	289	287	2	99.3%	492	492
Transfers and subsidies to:									
Provinces and municipalities	-	-	-	-	-	-	0%-	572	648
Non-profit institutions	1,051	-	-	1,051	1,021	30	97.1%	6,036	6,018
Households	1,935	-	46	1,981	1,665	316	84.0%	2,872	2,865
Payment for capital assets									
Buildings and other fixed structures	-	-	12	12	11	1	91.7%	-	-
Machinery and equipment	11,917	-	38	11,955	10,948	1,007	91.6%	16,853	16,853
Software and other intangible assets	-	-	7	7	6	1	85.7%	102	102
Total	1,273,956	-	3,601	1,277,557	1,306,027	(28,470)	102.2%	1,384,106	1,397,635

Detail of Programme 5 – Central Hospital Services
for the year ended 31 March 2008

	2007/08							2006/07	
Programme per sub-programme	Adjusted Appro-priation	Shifting of Funds	Virement	Final Appro-priation	Actual Expendi-ture	Variance	Expendi-ture as % of final Appropria-tion	Final Appro-priation	Actual Expendi-ture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
5.1 Central Hospital Services									
Current payment	2,249,082	-	876	2,249,958	2,275,510	(25,552)	101.1%	2,034,319	2,034,319
Transfers and subsidies	7,575	-	980	8,555	8,555	-	100.0%	8,574	8,560
Payment for capital assets	65,149	-	671	65,820	65,819	1	100.0%	80,121	80,121
Total	2,321,806	-	2,527	2,324,333	2,349,884	(25,551)	101.1%	2,123,014	2,123,000

	2007/08							2006/07	
Economic classification	Adjusted Appro-priation	Shifting of Funds	Virement	Final Appro-priation	Actual Expendi-ture	Variance	Expendi-ture as % of final Appropria-tion	Final Appro-priation	Actual Expendi-ture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payment									
Compensation of employees	1,480,155	-	-	1,480,155	1,500,187	(20,032)	101.4%	1,293,684	1,293,684
Goods and services	768,927	-	-	768,927	774,448	(5,521)	100.7%	740,484	740,484
Financial transactions in assets and liabilities	-	-	876	876	875	1	99.9%	151	151
Transfers and subsidies to:									
Provinces and municipalities	-	-	-	-	-	-	0%	871	857
Non-profit institutions	4,825	-	-	4,825	4,825	-	100.0%	4,595	4,595
Households	2,750	-	980	3,730	3,730	-	100.0%	3,108	3,108
Payment for capital assets									
Machinery and equipment	65,149	-	671	65,820	65,819	1	100.0%	80,121	80,121
Total	2,321,806	-	2,527	2,324,333	2,349,884	(25,551)	101.1%	2,123,014	2,123,000

Detail of Programme 6 – Health Science and Training
for the year ended 31 March 2008

Programme per sub-programme	2007/08							2006/07	
	Adjusted Appro-priation	Shifting of Funds	Virement	Final Appro-priation	Actual Expendi-ture	Variance	Expendi-ture as % of final Appropria-tion	Final Appro-priation	Actual Expendi-ture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
6.1 Nursing Training College									
Current payment	28,412	-	-	28,412	30,579	(2,167)	107.6%	25,289	25,289
Transfers and subsidies	1,489	-	-	1,489	1,403	86	94.2%	1,482	1,332
Payment for capital assets	78	-	-	78	135	(57)	173.1%	125	125
6.2 Emergency Medical Services Training College									
Current payment	6,091	-	-	6,091	5,564	527	91.3%	3,561	3,509
Transfers and subsidies	5	-	-	5	-	5	0%	2	3
Payment for capital assets	661	-	-	661	588	73	89.0%	193	193
6.3 Bursaries									
Current payment	3,686	-	-	3,686	4,004	(318)	108.6%	2,567	2,567
Transfers and subsidies	49,231	-	-	49,231	48,174	1,057	97.9%	47,830	47,830
6.4 Primary Health Care Training									
Current payment	1	-	-	1	-	1	0%	1	-
6.5 Training Other									
Current payment	31,204	-	-	31,204	29,090	2,114	93.2%	21,999	15,965
Transfers and subsidies	14,168	-	-	14,168	14,169	(1)	100.0%	2,065	2,045
Total	135,026	-	-	135,026	133,706	1,320	99.0%	105,114	98,858

Economic classification	2007/08							2006/07	
	Adjusted Appro-priation	Shifting of Funds	Virement	Final Appro-priation	Actual Expendi-ture	Variance	Expendi-ture as % of final Appropria-tion	Final Appro-priation	Actual Expendi-ture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payment									
Compensation of employees	23,259	-	-	23,259	25,243	(1,984)	108.5%	20,858	20,605
Goods and services	46,135	-	(13)	46,122	43,981	2,141	95.4%	32,533	26,699
Financial transactions in assets and liabilities	-	-	13	13	13	-	100.0%	26	26
Transfers and subsidies to:									
Provinces and municipalities	-	-	-	-	-	-	0%	25	14
Departmental agencies and accounts	2,168	-	-	2,168	2,169	(1)	100.0%	2,065	2,045
Universities and technikons	1,477	-	-	1,477	1,400	77	94.8%	1,407	1,275
Non-profit institutions	12,000	-	-	12,000	12,000	-	100.0%	-	-
Households	49,248	-	-	49,248	48,177	1,071	97.8%	47,882	47,876
Payment for capital assets									
Machinery and equipment	739	-	-	739	723	16	97.8%	318	318
Total	135,026	-	-	135,026	133,706	1,320	99.0%	105,114	98,858

Detail of Programme 7 – Health Care Support Services
for the year ended 31 March 2008

Programme per sub-programme	2007/08							2006/07	
	Adjusted Appro-priation	Shifting of Funds	Virement	Final Appro-priation	Actual Expendi-ture	Variance	Expendi-ture as % of final Appropria-tion	Final Appro-priation	Actual Expendi-ture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
7.1 Laundry Services									
Current payment	36,060	-	(1,590)	34,470	34,362	108	99.7%	31,901	31,899
Transfers and subsidies	58	-	-	58	39	19	67.2%	21	13
Payment for capital assets	440	-	-	440	295	145	67.0%	14,635	14,635
7.2 Engineering Services									
Current payment	36,420	-	(800)	35,620	35,547	73	99.8%	33,484	33,484
Transfers and subsidies	150	-	-	150	104	46	69.3%	8	8
Payment for capital assets	471	-	-	471	81	390	17.2%	179	123
7.3 Forensic Services									
Current payment	1	-	-	1	-	1	0%	1	-
7.4 Orthotic & Prosthetic Services									
Current payment	10,420	-	(480)	9,940	9,923	17	99.8%	8,631	8,631
Transfers and subsidies	-	-	-	-	-	-	0%	3	2
Payment for capital assets	80	-	-	80	23	57	28.8%	76	67
7.5 Medicine Trading Account									
Transfers and subsidies	1,411	-	-	1,411	1,411	-	100.0%	4,044	4,044
Total	85,511	-	(2,870)	82,641	81,785	856	99.0%	92,983	92,906

Economic classification	2007/08							2006/07	
	Adjusted Appro-priation	Shifting of Funds	Virement	Final Appro-priation	Actual Expendi-ture	Variance	Expendi-ture as % of final Appropria-tion	Final Appro-priation	Actual Expendi-ture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payment									
Compensation of employees	46,156	-	(2,022)	44,134	43,953	181	99.6%	39,362	39,360
Goods and services	36,745	-	(870)	35,875	35,858	17	100.0%	34,442	34,441
Financial transactions in assets and liabilities	-	-	22	22	21	1	95.5%	213	213
Transfers and subsidies to:									
Provinces and municipalities	-	-	-	-	-	-	0%	24	23
Departmental agencies and accounts	1,411	-	-	1,411	1,411	-	100.0%	4,044	4,044
Households	208	-	-	208	143	65	68.8%	8	-
Payment for capital assets									
Machinery and equipment	991	-	-	991	399	592	40.3%	14,890	14,825
Total	85,511	-	(2,870)	82,641	81,785	856	99.0%	92,983	92,906

Detail of Programme 8 – Health Facility Management
for the year ended 31 March 2008

Programme per sub-programme	2007/08							2006/07	
	Adjusted Appro-priation	Shifting of Funds	Virement	Final Appro-priation	Actual Expendi-ture	Variance	Expendi-ture as % of final Appropria-tion	Final Appro-priation	Actual Expendi-ture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
8.1 Community Health Facilities									
Current payment	9,130	-	-	9,130	9,431	(301)	103.3%	8,515	6,436
Payment for capital assets	22,598	-	-	22,598	18,969	3,629	83.9%	23,824	24,813
8.2 Emergency Medical Rescue									
Payment for capital assets	20,638	-	-	20,638	18,706	1,932	90.6%	16,842	9,093
8.3 District Hospital Services									
Current payment	15,984	-	4,000	19,984	21,485	(1,501)	107.5%	16,311	11,349
Transfers and subsidies	-	-	-	-	-	-	0%	-	1
Payment for capital assets	36,531	-	-	36,531	33,796	2,735	92.5%	59,467	47,299
8.4 Provincial Hospital Services									
Current payment	33,203	-	-	33,203	28,031	5,172	84.4%	31,103	43,771
Payment for capital assets	163,696	-	-	163,696	173,537	(9,841)	106.0%	144,557	148,129
8.5 Central Hospital Services									
Current payment	36,139	-	-	36,139	35,139	1,000	97.2%	27,288	23,729
Payment for capital assets	19,623	-	-	19,623	17,181	2,442	87.6%	6,897	17,363
8.6 Other Facilities									
Current payment	7,640	-	-	7,640	9,770	(2,130)	127.9%	7,745	3,764
Transfers and subsidies	-	-	-	-	-	-	0%	-	1
Payment for capital assets	7,426	-	-	7,426	5,633	1,793	75.9%	3,500	8,607
Total	372,608	-	4,000	376,608	371,678	4,930	98.7%	346,049	344,355

Economic classification	2007/08							2006/07	
	Adjusted Appro-priation	Shifting of Funds	Virement	Final Appro-priation	Actual Expendi-ture	Variance	Expendi-ture as % of final Appropria-tion	Final Appro-priation	Actual Expendi-ture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payment									
Compensation of employees	11,422	-	-	11,422	6,290	5,132	55.1%	11,036	6,735
Goods and services	90,674	-	4,000	94,674	97,566	(2,892)	103.1%	79,926	82,314
Transfers and subsidies to:									
Provinces and municipalities	-	-	-	-	-	-	0%	-	2
Payment for capital assets									
Buildings and other fixed structures	247,977	-	-	247,977	247,850	127	99.9%	228,407	229,685
Machinery and equipment	22,535	-	-	22,535	19,972	2,563	88.6%	26,500	25,520
Software and other intangible assets	-	-	-	-	-	-	0%	180	99
Total	372,608	-	4,000	376,608	371,678	4,930	98.7%	346,049	344,355

NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2008

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

Detail of these transactions can be viewed in note 7 (Transfers and subsidies) and Annexure 1 (A-K) to the Annual Financial Statements.

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

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

3. Detail on financial transactions in assets and liabilities:

Detail of these transactions per programme can be viewed in note 6 (Financial transactions in assets and liabilities to the Annual Financial statements.

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

4.1 Per Programme

Programme	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appro-priation
	R'000	R'000	R'000	%
Administration	207,719	205,333	2,386	1%
The saving can be attributed to Medico Legal claims being less than the budgeted amount and a saving on Capital Equipment.				
District Health Services	2,678,625	2,707,578	(28,953)	(1%)
The over-expenditure is as a result of the implementation of the Occupational Specific Dispensation for nurses and higher than expected inflation on Goods and Services. The extent of the over-expenditure is offset by savings on the Forensic Pathology Conditional Grant and on the Global Fund.				
Emergency Medical Services	344,796	341,877	2,919	1%
The saving can be attributed to Compensation of Employees. The recruitment process of EMS students took longer than anticipated as over a thousand interviews had to be conducted to appoint 165 students. Staff lost to the private sector leads to a constant attrition rate and concomitant saving in this regard.				
Provincial Hospital Services	1,277,557	1,306,027	(28,470)	(2%)
The over-expenditure can be attributed to the implementation of the Occupational Specific Dispensation for nurses.				
Central Hospital Services	2,324,333	2,349,884	(25,551)	1%
The over-expenditure can be attributed to the implementation of the Occupational Specific Dispensation for nurses and a higher than expected inflation rate on goods and services.				
Health Science and Training	135,026	133,706	1,320	1%
The planned number of new bursaries and the maintenance of existing bursaries could not be achieved due to the failure rate of students. A saving on Goods and Services resulted from the attrition of learners not satisfied with the stipend paid.				

NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2008

Programme	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appro-priation
	R'000	R'000	R'000	%
Health Care Support Services	82,641	81,785	856	1%
The saving can be attributed to prolonged tender processes with the procurement of Machinery and Equipment.				
Health Facility Management	376,608	371,678	4,930	1%
The saving can be attributed to prolonged tender processes with the procurement of construction contracts.				

4.2 Per economic classification

Programme	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appro-priation
	R'000	R'000	R'000	%
Current payment:				
Compensation of employees	4,045,916	4,138,765	(92,849)	(2%)
Goods and services	2,451,494	2,470,797	(19,303)	(1%)
Financial transactions in assets and liabilities	3,101	3,093	8	0%
Transfers and subsidies:				
Provinces and municipalities	152,279	150,924	1,355	1%
Departmental agencies and accounts	3,579	3,580	(1)	0%
Universities and Technikons	1,477	1,400	77	5%
Non-profit institutions	189,790	191,404	(1,614)	(1%)
Household	65,642	63,681	1,961	3%
Payments for capital assets:				
Buildings and other fixed structures	333,742	297,470	36,272	11%
Machinery and equipment	180,233	176,704	3,529	2%
Software and other intangible assets	52	50	2	4%

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2008

	Note	2007/08 R'000	2006/07 R'000
REVENUE			
Annual appropriation	*1*	7,427,305	6,476,348
Departmental revenue	*2*	91,542	611
Local and foreign aid assistance	*3*	21,522	38,737
TOTAL REVENUE		7,540,369	6,515,696
EXPENDITURE			
Current expenditure			
Compensation of employees	*4*	4,138,765	3,419,042
Goods and services	*5*	2,470,797	2,206,764
Financial transactions in assets and liabilities	*6*	3,093	1,415
Local and foreign aid assistance	*3*	17,518	36,462
Total current expenditure		6,630,173	5,663,683
Transfers and subsidies	*7*	410,989	378,356
Expenditure for capital assets			
Buildings and other fixed structures	*8*	297,470	234,589
Machinery and equipment	*8*	176,704	179,116
Software and other intangible assets	*8*	50	233
Local and foreign aid assistance	*3*	20	1,341
Total expenditure for capital assets		474,244	415,279
TOTAL EXPENDITURE		7,515,406	6,457,318
SURPLUS		24,963	58,378
Add back unauthorised expenditure	*9*	114,228	13,529
SURPLUS FOR THE YEAR		139,191	71,907
Reconciliation of Surplus for the year			
Voted Funds	*14*	43,665	70,362
Departmental Revenue	*15*	91,542	611
Local and foreign aid assistance	*3*	3,984	934
SURPLUS FOR THE YEAR		139,191	71,907

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

STATEMENT OF FINANCIAL POSITION
at 31 March 2008

	Note	2007/08 R'000	2006/07 R'000
ASSETS			
Current assets		226,222	576,375
Unauthorised expenditure	*9*	127,757	425,020
Cash and cash equivalents	*10*	63,979	83,935
Prepayments and advances	*11*	4,795	4,004
Receivables	*12*	29,691	63,416
Non-current assets		-	2
Investments	*13*	-	2
TOTAL ASSETS		226,222	576,377
LIABILITIES			
Current liabilities		210,465	563,267
Voted funds to be surrendered to the Revenue Fund	*14*	43,665	70,362
Departmental revenue to be surrendered to the Revenue Fund	*15*	91,542	28,571
Payables	*16*	71,274	463,400
Local and foreign aid assistance unutilised	*3*	3,984	934
TOTAL LIABILITIES		210,465	563,267
NET ASSETS		15,757	13,110
Represented by:			
Recoverable revenue		15,757	13,110
TOTAL		15,757	13,110

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

STATEMENT OF CHANGES IN NET ASSETS
for the year ended 31 March 2008

	Note	2007/08 R'000	2006/07 R'000
Recoverable revenue			
Opening balance		13,110	4,598
Transfers:		2,647	8,512
Irrecoverable amounts written off	*6.4*	(1,394)	(469)
Debts movement		4,041	8,981
Closing balance		15,757	13,110
TOTAL		15,757	13,110

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

CASH FLOW STATEMENT
for the year ended 31 March 2008

	Note	2007/08 R'000	2006/07 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		7,925,059	6,839,535
Annual appropriated funds received	*1*	7,427,305	6,476,348
Departmental revenue received	*2*	476,232	324,450
Local and foreign aid assistance received	*3*	21,522	38,737
Net (increase)/decrease in working capital		(62,863)	(45,661)
Surrendered to Revenue Fund		(483,633)	(378,142)
Current payments		(6,630,173)	(5,663,683)
Unauthorised expenditure – current payment	*9*	114,228	13,529
Transfers and subsidies paid		(410,989)	(378,356)
Net cash flow available from operating activities	*17*	451,629	387,222
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets		(474,244)	(415,279)
Proceeds from sale of capital assets	*2.3*	10	10
(Increase)/decrease in investments		2	-
Net cash flows from investing activities		(474,232)	(415,269)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		2,647	8,512
Net cash flows from financing activities		2,647	8,512
Net increase/(decrease) in cash and cash equivalents		(19,956)	(19,535)
Cash and cash equivalents at the beginning of the period		83,935	103,470
Cash and cash equivalents at end of period	*18*	63,979	83,935

1. Annual Appropriation

1.1 Annual Appropriation

Included are funds appropriated in terms of the Appropriation Act for Provincial Departments (Equitable Share)**

Programmes	Final Appropriation R'000	Actual Funds Received R'000	Funds not requested/ not received R'000	Appropriation received 2006/07 R'000
Administration	207,719	207,719	-	162,201
District Health Services	2,678,625	2,678,625	-	1,984,999
Emergency Medical Services	344,796	344,796	-	277,882
Provincial Hospital Services	1,277,557	1,277,557	-	1,384,106
Central Hospital Services	2,324,333	2,324,333	-	2,123,014
Health Science and Training	135,026	135,026	-	105,114
Health Care Support Services	82,641	82,641	-	92,983
Health Facility Management	376,608	376,608	-	346,049
Total	7,427,305	7,427,305	-	6,476,348

1.2 Conditional grants

	Note	2007/08 R'000	2006/07 R'000
Total grants received	*Annex 1A*	2,272,228	2,054,907
Provincial grants included in Total Grants received		2,272,228	2,054,907

Conditional grants are included in the amounts per the Final Appropriation in Note 1.1

2. Departmental revenue

Sales of goods and services other than capital assets	*2.1*	348,057	223,713
Interest, dividends and rent on land	*2.2*	624	205
Sales of capital assets	*2.3*	10	10
Financial transactions in assets and liabilities	*2.4*	11,548	16,484
Transfer received	*2.5*	116,003	85,252
Total revenue collected		476,242	325,664
Less: Departmental Revenue Budgeted	*15*	384,700	325,053
Total		91,542	611

2.1 Sales of goods and services other than capital assets

Sales of goods and services produced by the Department	347,338	223,713
Sales by market establishment	342,361	223,713
Administrative fees	4,977	-
Sales of scrap, waste and other used current goods	719	-
Total	348,057	223,713

		Note	2007/08 R'000	2006/07 R'000
2.2	Interest, dividends and rent on land			
	Interest		624	205
	Total		624	205
2.3	Sale of capital assets			
	Other capital assets		10	10
	Total		10	10
2.4	Financial transactions in assets and liabilities Nature of loss recovered			
	Receivables		9,315	-
	Other Receipts including Recoverable Revenue		2,233	16,484
	Total		11,548	16,484
2.5	Transfers received			
	Universities and technikons		11,140	11,050
	International organisations		104,863	74,202
	Total		116,003	85,252
3.	Local and foreign aid assistance			
3.1	Assistance received in cash: Other			
	Local			
	Opening Balance		(1,205)	1,300
	Revenue		(934)	(1,205)
	Expenditure		-	1,300
	Capital		-	1,300
	Closing Balance		(2,139)	(1,205)
	Foreign			
	Opening Balance		2,139	(95)
	Revenue		21,522	38,737
	Expenditure		17,538	36,503
	Current		17,518	36,462
	Capital		20	41
	Closing Balance		6,123	2,139

	Note	2007/08 R'000	2006/07 R'000
Total assistance			
Opening Balance		934	1,205
Revenue		20,588	37,532
Expenditure		17,538	37,803
Current		17,518	36,462
Capital		20	1,341
Closing Balance		3,984	934
Analysis of balance			
Local and foreign aid unutilised		3,984	934
Closing balance		3,984	934

4. Compensation of employees

4.1 Salaries and Wages

Basic salary	2,776,690	2,315,059
Performance award	37,597	34,354
Service Based	11,865	8,171
Compensative/circumstantial	413,100	354,695
Periodic payments	15,981	14,707
Other non-pensionable allowances	413,252	302,059
Total	3,668,485	3,029,045

4.2 Social contribution

4.2.1 Employer contributions

Pension	311,325	260,914
Medical	157,698	127,785
UIF	166	407
Bargaining council	860	741
Insurance	231	150
Total	470,280	389,997
Total compensation of employees	4,138,765	3,419,042
Average number of employees	25,614	24,395

		Note	2007/08 R'000	2006/07 R'000
5.	Goods and services			
	Advertising		15,663	16,432
	Attendance Fee		-	31
	Bank charges and card fees		612	947
	Bursaries (employees)		3,850	2,567
	Communication		47,586	41,936
	Computer services		43,372	22,278
	Consultants, contractors and special services		324,888	276,946
	Courier and delivery services		1,645	1,141
	Tracing agents & Debt collections		621	5,465
	Drivers Licence and Permits		-	18
	Entertainment		4,129	2,278
	External audit fees	*5.1*	8,014	5,899
	Equipment less than R5000		34,110	31,747
	Honoraria (Voluntary workers)		-	16
	Inventory	*5.2*	1,151,050	1,027,900
	Legal fees		4,613	2,427
	Maintenance, repairs and running costs		160,797	142,150
	Medical Services		308,693	317,601
	Operating leases		26,568	17,189
	Personnel agency fees		-	169
	Photographic services		-	8
	Plant flowers and other decorations		-	39
	Printing and publications		-	849
	Professional bodies and membership fees		1,021	2,816
	Resettlement costs		1,740	2,040
	Subscriptions		64	306
	Owned and leasehold property expenditure		152,649	135,669
	Translations and transcriptions		-	105
	Transport provided as part of the departmental activities		1,911	4,174
	Travel and subsistence	*5.3*	122,674	99,231
	Venues and facilities		2,825	1,720
	Protective, special clothing & uniforms		17,418	17,409
	Training & staff development		34,284	27,261
	Total		2,470,797	2,206,764

5.1	External audit fees		
	Regularity audits	7,450	5,899
	Other audits	564	-
	Total	8,014	5,899

		Note	2007/08 R'000	2006/07 R'000
5.2	Inventory			
	Strategic stock		312	791
	Domestic consumables		58,028	54,027
	Agricultural		9	5
	Food and food supplies		57,703	47,272
	Fuel, oil and gas		3,863	3,850
	Laboratory consumables		14,870	11,043
	Other consumables		10	4,889
	Parts and other maintenance material		18,109	20,134
	Stationery and printing		32,134	30,502
	Medical supplies		966,012	855,387
	Total		1,151,050	1,027,900
5.3	Travel and subsistence			
	Local		122,011	98,599
	Foreign		663	632
	Total		122,674	99,231
6.	Financial transactions in assets and liabilities			
	Material losses through criminal conduct			
	- Theft	*6.3*	490	3
	- Other material losses written off	*6.1*	1,209	943
	- Debts written off	*6.2*	1,394	469
	Total		3,093	1,415
6.1	Other material losses written off			
	Nature of losses			
	Government vehicle losses		1,209	727
	Other losses		-	216
	Total		1,209	943
6.2	Debts written off			
	Nature of debts written off			
	Salary Overpayments		450	190
	Guarantees		25	63
	Tax		117	122
	Interest		7	17
	Accommodation		33	28
	Telephone account		1	3
	Gas Cylinders		651	-
	Housing Allowances		106	-
	Other		4	46
	Total		1,394	469

		Note	2007/08 R'000	2006/07 R'000
6.3	Theft			
	Detail of theft			
	Fire Extinguisher		-	1
	Other		10	2
	Fraudulent cheques		33	-
	Traction Table Stand		21	-
	Stainless Steel Bowls		51	-
	Computer Equipment		54	-
	Food Nutrition Programme		298	-
	Projector		12	-
	Tools		11	-
	Total		490	3
6.4	Irrecoverable amounts written off			
	Receivables written off		1,394	469
	Miscellaneous Debt		1,394	469
	Total		1,394	469
7.	Transfers and subsidies			
	Provinces and municipalities	*Annex 1F*	150,924	141,475
	Departmental agencies and accounts	*Annex 1G*	3,580	6,089
	Universities and technikons	*Annex 1H*	1,400	1,275
	Non-profit institutions	*Annex 1K*	191,404	164,525
	Households	*Annex 1L*	63,681	64,992
	Total		410,989	378,356
8.	Expenditure on capital assets			
	Buildings and other fixed structures	*30*	297,470	234,589
	Machinery and equipment	*30*	176,704	179,116
	Software and other intangible assets		50	233
	Computer software	*31*	50	233
	Total		474,224	413,938

	Note	2007/08 R'000	2006/07 R'000

9. Unauthorised expenditure

9.1 Reconciliation of unauthorised expenditure

Opening balance	425,020	411,459
Unauthorised expenditure – current year	114,228	13,529
Amounts approved by Parliament/legislature (with funding)	220,105	-
Current expenditure	220,105	-
Transfer approved	(191,386)	32
Unauthorised expenditure awaiting authorisation	127,757	425,020

9.2 Analysis of current unauthorised expenditure

Incident	Disciplinary steps taken/criminal proceedings	
Over expenditure on Programmes 2, 4 and 5	No disciplinary steps or criminal proceedings will take place. The matter will be dealt with in a Finance Act	
Total		114,228

10. Cash and cash equivalents

Consolidated Paymaster General Account	(12,027)	4,825
Cash receipts	-	12
Cash on hand	129	106
Cash with commercial banks (Local)	75,877	78,992
Total	63,979	83,935

11. Prepayments and advances

Travel and subsistence	72	94
Advances paid to other entities	4,723	3,910
Total	4,795	4,004

12. Receivables

	Note	Less than one year	One to three years	Older than three years	Total	Total
		R'000	R'000	R'000	R'000	R'000
Staff debtors	*12.1*	6,469	3,837	13,044	23,350	21,077
Other debtors	*12.2*	4,776	2,376	1,713	8,865	31,175
Intergovernmental receivables	*Annex 4*	1,095	214	(3,833)	(2,524)	11,164
Total		12,340	6,427	10,924	29,691	63,416

	Note	2007/08 R'000	2006/07 R'000
12.1 Staff Debtors			
Salary Reversal Control		(12)	(414)
Sal: Deduction Disall Account: CA		55	33
Sal: Tax Debt: CA		147	112
Debt Account: CA		23,160	21,346
Total		23,350	21,077
12.2 Other debtors			
Disallowance miscellaneous		7,604	8,658
Disallowance Dishonoured Cheques		8	65
Disallowance Damage & losses		1,076	1,144
Damage Vehicles: CA		270	244
Medsas Claims Recoverable		(1)	-
Sal: Recoverable		(92)	(540)
Donor Funds		-	21,604
Total		8,865	31,175
13. Investments			
Current			
Securities other than shares		-	2
Total current		-	2
Securities other than shares	*Annex 2A*		
Isaac Chames		-	2
Total		-	2
Total non-current		-	2
14. Voted funds to be surrendered to the Revenue Fund			
Opening balance		70,362	67,975
Transfer from Statement of Financial Performance		43,665	70,362
Paid during the year		(70,362)	(67,975)
Closing balance		43,665	70,362
15. Departmental revenue to be surrendered to the Revenue Fund			
Opening balance		28,571	13,074
Transfer from Statement of Financial Performance		91,542	611
Departmental revenue budgeted	*2*	384,700	325,053
Paid during the year		(413,271)	(310,167)
Closing balance		91,542	28,571

	Note	2007/08 R'000	2006/07 R'000

16. Payables – current

Description	*Note*	30 Days	30+ Days	2007/08 Total	2006/07 Total
		R'000	R'000	R'000	R'000
Amounts owing to other entities		-	11,206	11,206	16,697
Clearing accounts	*16.1*	1,942	58,126	60,068	446,703
Total		1,942	69,332	71,274	463,400

16.1 Clearing accounts

Description		
Patient Fee Deposits	661	673
Sal: Pension Fund	184	49
Sal: Medical Aid	1	-
Sal: Income Tax	1,750	904
Sal: Housing	1	3
Sal: Bargaining Councils	6	2
Advances from Western Cape	65,824	458,791
Advances from Public Entities	1,758	2,237
Advances from Public Corporations & Private Entities	814	741
Claims from other Depts included in Annexure 5	(11,206)	(16,697)
Medscheme Control Account	275	-
Total	60,068	446,703

17. Net cash flow available from operating activities

Net surplus/(deficit) as per Statement of Financial Performance	139,191	71,907
Add back non cash/cash movements not deemed operating activities	312,438	315,315
(Increase)/decrease in receivables – current	32,791	(27,778)
(Increase)/decrease in prepayments and advances	(791)	(1,087)
(Increase)/decrease in other current assets	297,263	(13,561)
Increase/(decrease) in payables – current	(392,126)	(3,235)
Proceeds from sale of capital assets	-	(10)
Expenditure on capital assets	474,244	415,279
Surrenders to Revenue Fund	(483,633)	(378,142)
Voted funds not requested/not received	384,690	323,849
Net cash flow generated by operating activities	451,629	387,222

	Note	2007/08 R'000	2006/07 R'000

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

Consolidated Paymaster General account	(12,027)	4,825
Cash receipts	-	12
Cash on hand	129	106
Cash with commercial banks (Local)	75,877	78,992
Total	63,979	83,935

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

19. Contingent liabilities

Liable to	Nature	Note	2007/08 R'000	2006/07 R'000
Housing loan guarantees	Employees	*Annex 3A*	8,195	20,179
Claims against the department		*Annex 3B*	213,099	165,649
Other departments (interdepartmental unconfirmed balances)		*Annex 5*	10,806	16,697
Other		*Annex 3B*	115	(16)
Total			232,215	202,509

20. Commitments

	2007/08 R'000	2006/07 R'000
Current expenditure		
Approved and contracted	163,821	82,807
Approved but not yet contracted	6,460	16,487
	170,281	99,294
Non-current expenditure		
Approved and contracted	8,782	7,674
Approved but not yet contracted	3,691	3,284
	12,473	10,958
Total Commitments	182,754	110,252

21. Accruals

Listed by economic classification	30 Days R'000	30+ Days R'000	Total R'000	Total R'000
Compensation of employees	4,834	225	5,059	5,710
Goods and services	104,803	39,031	143,834	125,694
Transfers and subsidies	2,807	20	2,827	31,059
Buildings and other fixed structures	3,351	575	3,926	29,056
Machinery and equipment	2,362	470	2,832	1,669
Total	118,157	40,321	158,478	193,188

	Note	2007/08 R'000	2006/07 R'000
Listed by programme level			
Administration		7,915	1,539
District Health Services		47,802	48,277
Emergency Medical Services		3,412	2,274
Provincial Hospital Services		19,824	25,416
Central Hospital Services		67,679	75,002
Health Sciences and Training		358	1,076
Health Care Support Service		534	1,967
Health Facility Management		10,954	37,637
Total		158,478	193,188
Confirmed balances with other departments	*Annex 5*	400	-
Total		400	-

22. Employee benefits provisions

Leave entitlement	103,501	61,309
Thirteenth cheque	107,831	87,842
Performance awards	37,316	34,550
Capped leave commitments	250,769	215,136
Total	499,417	398,837

Leave Entitlement

Leave taken before 31 March 2008 is still being captured on the system. This effectively means that the leave entitlement of R105, 822m according to the Salary System is overstated and the amount has been reduced to reflect a more accurate provision. The year-on-year increase can be attributed to nursing salary increases.

23. Lease Commitments

23.1 Operating leases

	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000	Total R'000
Not later than 1 year	39	623	662	4,640
Later than 1 year and not later than 5 years	-	7,538	7,538	4,762
Later than five years	-	-	-	1,762
Total present value of lease liabilities	39	8,161	8,200	11,164

	Note	2007/08 R'000	2006/07 R'000

23.2 Finance leases

	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000	Total R'000
Not later than 1 year	-	652	652	1,133
Later than 1 year and not later than 5 years	-	6,157	6,157	4,835
Later than five years	-	-	-	561
Total present value of lease liabilities	-	6,809	6,809	6,529

24. Receivables for departmental revenue

Sale of goods and services other than capital assets	365,667	475,179
Total	365,667	475,179

The Department's patient debt amounts to R366 million, comprising:

	2007/08	2006/07
Road Accident Fund (RAF)	R191m	R251m
Other	R175m	R224m
Total	R366m	R475m

Of the R 366m, R 26m should already have been deleted from the system due to departmental policy and because it is debt older than 3 years.
The remaining valid debt is thus R 340m.
Of this amount, 56% consists of Road Accident Fund debt. The Department estimates that a quarter of this debt is irrecoverable due to the RAF rules for shared accountability. The cost of RAF debt recovery is also very high, currently at 23.3% of amounts recovered. The Department therefore considers 50% of the RAF debt as recoverable on a net basis. However, despite the recent gains, it may still take years to recover this debt. The Department's debt grows by approximately R 10m per month, and this is solely due to the RAF debt.
Of the valid debt, 28% relates to individuals. The Department estimates that only 39% of this debt is recoverable due to the average low income of the Department's clients. The Department has an appointed debt collector to assist with the recovery of the debt with the necessary sensitivity.
Of the valid debt, 10% relates to medical aids, of which 81% is estimated to be recoverable since medical aids, on average, pay what they owe within two to three months. Most of the valid medical aid debt is therefore the individuals' share of the cost, and is more difficult to recover.
The total recoverable debt is therefore estimated at R 176m.
The above mentioned debt includes a credit balance of R 9,7m.
Credit balances are attributed to incorrect allocation of payments to an invoice within the same account holder, simultaneous write off and payment, and duplicate payments.
Patient fees debts written off during the year amounts to R 171m.

	Note	2007/08 R'000	2006/07 R'000
25. Irregular expenditure			
a. Reconciliation of irregular expenditure			
Opening balance		5,825	1,021
Add: Irregular expenditure – current year		40,693	4,896
Less: Amounts condoned		27,595	92
Current expenditure		27,595	92
Irregular expenditure awaiting condonement		18,923	5,825
Analysis of awaiting condonement per classification			
Current expenditure		14,316	1,218
Transfers and subsidies		4,607	4,607
		18,923	5,825
Analysis of awaiting condonement per age classification			
Current year		13,098	4,804
Prior years		5,825	1,021
Total		18,923	5,825

b. Irregular expenditure

Incident	Disciplinary steps taken/ criminal proceedings		
Incidents reported 2006/07	Reports of previous years	-	4,896
Orders generated after services/goods were rendered/delivered	Matter is being investigated	1,035	
Procured from expired contract	Matter is being investigated	16	
Approved outside delegated authority	Matter is being investigated	4,887	
Prescribed procurement procedures not followed	Matter is being investigated	7	
No delegated approval	Matter is being investigated	28	
RT3 of 2000 and 2003 (photocopiers)	Matter condoned	5,913	
Approved outside delegated authority (GSH)	Matter is being investigated	525	
Approved outside delegated authority (VBH)	Matter is being investigated	945	
Non compliance with delegations (RXH)	Matter being investigated	236	
Non compliance with delegations (TBH)	Matter condoned	21,682	
Non compliance with delegations (STH)	Matter being investigated	32	
Non compliance with delegations (STH)	Matter being investigated	3,888	
Non compliance with delegations (STH)	Matter being investigated	210	
Non compliance with delegations (Bluespier GSH)	Matter being investigated	108	
Approved outside delegated authority (VBH)	Matter being investigated	1,148	
Services procured without official order	Matter is being investigated	33	
Total		40,693	4,896

	Note	2007/08 R'000	2006/07 R'000

26. Related party transactions

Public entities are not controlled by the Department apart from a Trading Entity, which is not controlled by a governing body but by the Department itself. Transactions concluded by the Trading Entity are at arms length and reflected in a separate set of financial statements. The Report of the Accounting Officer, paragraph 14 provides more detail on this issue.

27. Key management personnel

Description	No of Individuals	2007/08	2006/07
Political office bearers (provide detail below)	1	924	866
Officials			
Level 15 to 16	4	3,341	3,138
Level 14 (incl CFO if at a lower level)	9	5,553	4,535
Family members of key management personnel	3	680	-
Total		10,498	8,539

28. Public Private Partnership

Contract fee paid		
Fixed component	35,416	960
Total	35,416	960

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

29. Provisions

Potential irrecoverable debts		
Staff debtors	133	83
Total	133	83

30. Tangible Capital Assets

MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2008

	Opening balance	Current Year Adjustments to prior year balances	Additions	Disposals	Closing Balance
	Cost R'000	Cost R'000	Cost R'000	Cost R'000	Cost R'000
BUILDING AND OTHER FIXED STRUCTURES	78	1,051	186,947	185,541	2,535
Non-residential buildings	-	-	185,504	185,504	-
Other fixed structures	78	1,051	1,443	37	2,535
MACHINERY AND EQUIPMENT	1,009,519	26,807	187,959	65,719	1,158,566
Transport assets	1,142	194	22,633	22,436	1,533
Computer equipment	56,572	(21)	18,359	2,842	72,068
Furniture and Office equipment	111,618	(21,610)	2,709	1,263	91,454
Other machinery and equipment	840,187	48,244	144,258	39,178	993,511
TOTAL TANGIBLE ASSETS	1,009,597	27,858	374,906	251,260	1,161,101

The Department has leased assets under finance leases amounting to R 6,809 m (2007: R 6,529 m).

30.1 ADDITIONS TO TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2008

	Cash	Non-cash	(Capital Work in Progress current costs)	Received current, not paid (Paid current year, received prior year)	Total
	Cost R'000	Fair Value/R1 R'000	Cost R'000	Cost R'000	Cost R'000
BUILDING AND OTHER FIXED STRUCTURES	297,470	-	(110,523)	-	186,947
Non-residential buildings	296,027	-	(110,523)	-	185,504
Other fixed structures	1,443	-	-	-	1,4431
MACHINERY AND EQUIPMENT	176,704	10,324	-	931	187,959
Transport assets	22,588	45	-	-	22,633
Computer equipment	17,742	308	-	309	18,359
Furniture and Office equipment	2,676	18	-	15	2,709
Other machinery and equipment	133,698	9,953	-	607	144,258
TOTAL	474,174	10,324	(110,523)	931	374,906

30.2 DISPOSALS OF TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2008

	Sold (cash) Cost R'000	Non-cash Fair Value R'000	Total Cost R'000	Cash Received Actual R'000
BUILDING AND OTHER FIXED STRUCTURES	-	185,541	185,541	-
Non-residential buildings	-	185,504	185,504	-
Other fixed structures	-	37	37	-
MACHINERY AND EQUIPMENT	10	65,709	65,719	10
Transport assets	-	22,436	22,436	-
Computer equipment	-	2,842	2,842	-
Furniture and Office equipment	10	1,253	1,263	10
Other machinery and equipment	-	39,178	39,178	-
TOTAL	10	251,250	251,260	10

30.3 MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2008

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
BUILDING AND OTHER FIXED STRUCTURES	163,879	(133,788)	30,013	78
Non-residential buildings	163,879	(133,866)	30,013	-
Other fixed structures	-	78	-	78
MACHINERY AND EQUIPMENT	873,798	197,316	61,595	1,009,519
Transport assets	9,357	14,960	23,175	1,142
Computer equipment	46,482	12,799	2,709	56,572
Furniture and office equipment	108,658	3,549	589	111,618
Other machinery and equipment	709,301	166,008	35,122	840,187
TOTAL TANGIBLE ASSETS	1,037,677	63,528	91,608	1,009,597

31. Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2008

	Opening balance	Current Year Adjust-ments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	428	-	50	-	478
TOTAL INTANGIBLE ASSETS	428	-	50	-	478

31.1 ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2008

	Cash	Non-cash	(Develop-ment work in progress – current costs)	Received current year, not paid (Paid current year, received prior year)	Total
	Cost R'000	Fair Value R'000	Cost R'000	Cost R'000	Cost R'000
COMPUTER SOFTWARE	50	-	-	-	50
TOTAL	50	-	-	-	50

31.2 CAPITAL INTANGIBLE ASSET MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2007

	Opening balance	Additions	Disposals	Closing balance
	Cost R'000	Cost R'000	Cost R'000	Cost R'000
COMPUTER SOFTWARE	195	233	- -	428
TOTAL	195	233	-	428

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2008

ANNEXURE 1A
STATEMENT OF CONDITIONAL GRANTS RECEIVED

NAME OF DEPARTMENT	GRANT ALLOCATION					SPENT			2006/07	
	Division of Revenue Act/ Provincial Grants	Roll Overs	DORA Adjustments	Other Adjustments	Total Available	Amount received by Department	Amount spent by Department	% of available funds spent by Department	Division of Revenue Act	Amount spent by Department
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Provincial Grants										
National Tertiary Services	1,335,544	-	-	-	1,335,544	1,335,544	1,335,544	100.0%	1,272,640	1,272,640
Health professions training and development	339,442	-	-	-	339,442	339,442	339,442	100.0%	323,278	323,278
HIV/AIDS	150,559	-	50,000	-	200,559	200,559	200,562	100.0%	133,170	133,227
Forensic Pathology Services	79,425	35,840	-	5,441	120,706	120,706	112,452	93.2%	85,734	44,453
Hospital Revitalisation	191,796	-	-	3,919	195,715	195,715	192,159	98.2%	178,256	174,337
Provincial Infrastructure	80,262	-	-	-	80,262	80,262	79,429	99.0%	61,829	64,056
Total	2,177,028	35,840	50,000	9,360	2,272,228	2,272,228	2,259,588		2,054,907	2,011,991

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2008

ANNEXURE 1F
STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		SPENT			2006/07
	Amount	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Total Available
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000
HO										
- City of Cape Town	143,633	-	-	143,633	142,740	99.4%	142,740	142,740	100%	129,915
Boland										
- Overberg	2,165	-	-	2,165	2,165	100.0%	2,165	2,165	100%	1,684
- Cape Winelands	-	-	-	-	-	0%	-	-	-	1,311
Westcoast\Winelands										
- West Coast	1,951	-	-	1,951	1,690	86.6%	1,690	1,690	100%	2,414
South Cape										
- Central Karoo	1,676	-	-	1,676	1,622	96.8%	1,622	1,622	100%	1,369
- Eden	2,854	-	-	2,854	2,707	94.8%	2,707	2,707	100%	2,540
Regional Service Council Levy (Various Municipalities)	-	-	-	-	-	-	-	-	-	2,242
Total	152,279	-	-	152,279	150,924		150,924	150,924		141,475

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2008

ANNEXURE 1G
STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENT/ AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2006/07
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Final Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Cape Medical Depot	1,411	-	-	1,411	1,411	100.0%	4,044
SETA	2,168	-	-	2,168	2,169	100.0%	2,045
Total	3,579	-	-	3,579	3,580		6,089

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2008

ANNEXURE 1H
STATEMENT OF TRANSFERS TO UNIVERSITIES AND TECHNIKONS

UNIVERSITY/TECHNIKON	TRANSFER ALLOCATION				TRANSFER			2006/07
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Amount not transferred	% of Available funds Transferred	Final Appropriation Act
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
Cape Peninsula University of Technology	1,477	-	-	1,477	1,400	77	94.8%	1,275
Total	1,477	-	-	1,477	1,400	77		1,275

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2008

ANNEXURE 1K
STATEMENT OF TRANSFERS/SUBSIDIES TO NON-PROFIT INSTITUTIONS

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2006/07
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Final Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
St Josephs	6,045	-	-	6,045	6,045	100.0%	5,757
Sarah Fox	4,236	-	-	4,236	4,644	109.6%	4,034
Maitland Cottage	4,825	-	-	4,825	4,825	100.0%	4,595
Booth Memorial	8,185	-	-	8,185	8,570	104.7%	7,796
Clanwilliam	3,788	-	-	3,788	3,787	100.0%	7,029
Radie Kotze	4,482	-	-	4,482	4,503	100.5%	4,043
Murraysburg	2,478	-	-	2,478	2,478	100.0%	2,360
Prince Albert	-	-	-	-	-	-	3,500
Uniondale	3,013	-	-	3,013	2,993	99.3%	2,850
SA Red Cross Air Mercy	17,249	-	1,624	18,873	18,873	100.0%	16,053
Conradie Care Centre	28,390	-	-	28,390	28,439	100.2%	27,008
DP Marais	-	-	-	-	-	-	5,330
EPWP	12,000	-	-	12,000	12,000	100.0%	-
HIV/Aids	47,452	-	-	47,452	47,601	100.3%	34,245
Nutrition	1,564	-	-	1,564	1,721	110.0%	1,374
TB NGO's	3,438	-	-	3,438	3,730	108.5%	3,250
Day Care Centres	4,580	-	-	4,580	4,415	96.4%	3,049
HCW NGO	-	-	-	-	-	-	486
Licensed homes	4,297	-	-	4,297	6,041	140.6%	3,723
Group homes	4,645	-	-	4,645	4,711	101.4%	3,132
Psycho Soc Rehab Groups	420	-	-	420	440	104.8%	255

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2008

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2006/07
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Final Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Santa Guidance	132	-	-	132	98	74.2%	81
Global Fund	21,714	-	-	21,714	19,649	90.5%	18,451
Community Outreach/Social Capital	5,233	-	-	5,233	5,841	111.6%	6,124
Total	188,166	-	1,624	189,790	191,404		164,525

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2008

ANNEXURE 1L
STATEMENT OF TRANSFERS/SUBSIDIES TO HOUSEHOLDS FOR THE YEAR ENDED 31 MARCH 2008

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2006/07
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Final Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
List by major category							
Employee social benefits-cash residents	6,338	-	1,795	8,133	7,627	93.8%	8,168
Claims against the state: households	15,488	-	(11,265)	4,223	3,976	94.2%	4,248
Bursaries	49,231	-	-	49,231	48,174	97.9%	47,830
PMT/Refund & Rem-Act/Grace (Injuries on duties)	4,006	-	54	4,060	3,904	96.2%	4,646
Donations & Gifts Households - cash	-	-	-	-	-	-	100
Total	75,063	-	(9,416)	65,647	63,681		64,992

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2008

ANNEXURE 1M
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED FOR THE YEAR ENDED 31 MARCH 2008

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2007/08	2006/07
		R'000	R'000
Received in kind			
Gifts & Donations and sponsorships received for the year ending 31 March 2007			21,218
Alan Blyth Hospital	Computer and Scanner Medicine	23	-
Brewelskloof Hospital	HP Laptop	14	-
Brewelskloof Hospital	HP Laptop	10	-
Eerste River Hospital	PATIENT WARMING SYSTEM	13	-
Eerste River Hospital	BICYCLE EXERCISE	12	-
G.F. Jooste Hospital	N95 Mask	173	-
G.F. Jooste Hospital	Face Mask	27	-
George Hospital	Laminar flow cabinet x 1	49	-
George Hospital	Hi-Lo adjustable back rest beds x 6	43	-
George Hospital	Air mattress x 1	36	-
George Hospital	Oxygen concentrators x 4	34	-
George Hospital	Morphine pumps x 2	23	-
George Hospital	Computers	15	-
George Hospital	Split safety sides x 6	14	-
George Hospital	Reclining chairs x 4	14	-
George Hospital	Blood donor chairs	11	-
George Hospital	Hemopure	10	-
Groote Schuur Hospital	Building Maintenance	680	-
Groote Schuur Hospital	Laser Angiographic System	679	-
Groote Schuur Hospital	Eye consumables-lenses etc	575	-
Groote Schuur Hospital	Staff salaries-Cataracts\Sessional etc	550	-
Groote Schuur Hospital	Special Events	406	-
Groote Schuur Hospital	ICSE Microscope	400	-

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2007/08	2006/07
		R'000	R'000
Groote Schuur Hospital	Endoscope	375	-
Groote Schuur Hospital	Research Funding	330	-
Groote Schuur Hospital	Gardens and Grounds	282	-
Groote Schuur Hospital	Ultrasound System	268	-
Groote Schuur Hospital	Staff training	257	-
Groote Schuur Hospital	Glaucoma Field Analyser	230	-
Groote Schuur Hospital	Furniture	199	-
Groote Schuur Hospital	Travel & Accommodation	197	-
Groote Schuur Hospital	Staff salaries-PAOU\PR\RO	192	-
Groote Schuur Hospital	Computer Equipment	138	-
Groote Schuur Hospital	Carpets	130	-
Groote Schuur Hospital	Slit lamp and tanometer	123	-
Groote Schuur Hospital	Slit lamp and tanometer	123	-
Groote Schuur Hospital	Colposcope	93	-
Groote Schuur Hospital	Books and Publications	69	-
Groote Schuur Hospital	Security system	64	-
Groote Schuur Hospital	Incubator and hand dispenser	49	-
Groote Schuur Hospital	Forceps and Scissors	46	-
Groote Schuur Hospital	Cellphones	42	-
Groote Schuur Hospital	Cleaning	37	-
Groote Schuur Hospital	Vehicle Maintenance	35	-
Groote Schuur Hospital	Appliances	34	-
Groote Schuur Hospital	Incubator	33	-
Groote Schuur Hospital	Airconditioning Units	32	-
Groote Schuur Hospital	Staff welfare	29	-
Groote Schuur Hospital	Mirror stands x 15	28	-
Groote Schuur Hospital	Wheelchairs	24	-
Groote Schuur Hospital	Carbon fibre panel	23	-
Groote Schuur Hospital	Subscription to M-net for in-patients	21	-

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2007/08	2006/07
		R'000	R'000
Groote Schuur Hospital	Blinds	21	-
Groote Schuur Hospital	Television sets	16	-
Groote Schuur Hospital	Furniture Maintenance	15	-
Groote Schuur Hospital	Catering	13	-
Groote Schuur Hospital	Curtains	10	-
Groote Schuur Hospital	Waterbath	10	-
Helderberg Hospital	CTG Foetal Monitor	26	-
Helderberg Hospital	Q 26 Cart	12	-
Knysna Provincial Hospital Theatre	Diathemy apparatus, elctro-surgical S 130	26	-
Knysna Provincial Hospital Theatre	Telescope, aspirating, Hopkins	23	-
Knysna Provincial Hospital Wards	Bed, medical hospital, metal frame	112	-
Montagu Hospital	Renovation Flat for doctor	65	-
Montagu Hospital	Cardiograph	17	-
Mowbray Maternity Hospital	LINEN TROLLEY	12	-
Mowbray Maternity Hospital	LINEN LOCKER	11	-
Oudtshoorn Hospital	Incubator, Isolete, Air Shield	125	-
Plettenberg Bay Community Health Care Centre	Ultrasound equipment, sonar,siemens, 6.6mhc arry 6.5evb	100	-
Red Cross Hospital	Servo Ventilator	238	-
Red Cross Hospital	Ripple Mattresses	105	-
Red Cross Hospital	Flotation Mattress	94	-
Red Cross Hospital	Curtaining	80	-
Red Cross Hospital	Beds Base and Mattress	76	-
Red Cross Hospital	Ventilator	59	-
Red Cross Hospital	Millipore RIOS 3 System	55	-
Red Cross Hospital	Steam Generated Kettle	37	-
Red Cross Hospital	Surgical Head Light	34	-
Red Cross Hospital	Alaris Syringe Pumps	32	-
Red Cross Hospital	Baby Scales	31	-
Red Cross Hospital	Infusion Warming System	25	-

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2007/08	2006/07
		R'000	R'000
Red Cross Hospital	Couches	23	-
Red Cross Hospital	Security Gate	20	-
Red Cross Hospital	Foot Pumps	19	-
Red Cross Hospital	Foot Pumps	19	-
Red Cross Hospital	Foot Pumps	19	-
Red Cross Hospital	Flow Meters	19	-
Red Cross Hospital	Flooring	18	-
Red Cross Hospital	Alaris Volumetric Pumps	17	-
Red Cross Hospital	Bipap Monitor with Accessories	17	-
Red Cross Hospital	Bipap Monitor	12	-
Red Cross Hospital	Bipap Monitor	12	-
Red Cross Hospital	Ventilator	11	-
Red Cross Hospital	Dermatomes	10	-
Somerset Hospital	X-Ray Bucky Room	1,000	-
Somerset Hospital	Siemens Acuson x500 Ultrasound	350	-
Somerset Hospital	X-Ray requisites	346	-
Somerset Hospital	Incubator BHC mk1	150	-
Somerset Hospital	Patient monitor Nihon Kohden BMS2301K	89	-
Somerset Hospital	Transport incubator	76	-
Somerset Hospital	Vascular Doppler Machine	75	-
Somerset Hospital	Phototherapy system	74	-
Somerset Hospital	Resuscitation Trolley	51	-
Somerset Hospital	Incubator	50	-
Somerset Hospital	Q-Cart Trolley	50	-
Somerset Hospital	Open Incubator 1	43	-
Somerset Hospital	Infusion Pump Spacesaver 5	42	-
Somerset Hospital	Air Conditioner	40	-
Somerset Hospital	DAP meter	40	-
Somerset Hospital	Wheelchairs	33	-

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2007/08	2006/07
		R'000	R'000
Somerset Hospital	Emergency Trolleys	32	-
Somerset Hospital	Network Cables	32	-
Somerset Hospital	Snap-on frames 110	31	-
Somerset Hospital	Shelving	28	-
Somerset Hospital	Incubator BHC mk1	25	-
Somerset Hospital	Phototheraphy light	25	-
Somerset Hospital	Chairs: plastic 310	24	-
Somerset Hospital	Chair recliner	20	-
Somerset Hospital	Sato Label Printer	19	-
Somerset Hospital	Syringe Pump Alaris 2	16	-
Somerset Hospital	Sato Printer	16	-
Somerset Hospital	Shower Door	15	-
Somerset Hospital	PA System	15	-
Somerset Hospital	Dura Y censor	14	-
Somerset Hospital	Step-off mat	13	-
Somerset Hospital	Apnoea monitor	11	-
Somerset Hospital	Gabler Mobile Suction Machine 2	10	-
Somerset Hospital	Treatment table	10	-
Somerset Hospital	Resuscitation unit:Gabler	10	-
Stellenbosch Hospital	Ventilator Monitor Ambu Resuscitate	22	-
Stellenbosch Hospital	Notebook laptop IBM Thinkpad	12	-
Stellenbosch Hospital	Projector Data in Carry Case	11	-
Tygerberg Academic Hospital	Cultural Survey for Employment Equity	50	-
Tygerberg Academic Hospital	Printing cost- Hospital Annual Report	49	-
Tygerberg Academic Hospital	Building expenses	42	-
Tygerberg Academic Hospital	Building expenses	37	-
Tygerberg Academic Hospital	Building expenses	31	-
Tygerberg Academic Hospital	Congress	29	-
Tygerberg Academic Hospital	Anaesthetic cabinets (Q – 26 + Q 11 Carts) (x2)	27	-

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2007/08	2006/07
		R'000	R'000
Tygerberg Academic Hospital	Children Xmas Party	25	-
Tygerberg Academic Hospital	Congress – J du Toit	20	-
Tygerberg Academic Hospital	Long service awards – frames (deposit)	19	-
Tygerberg Academic Hospital	Roller Blinds (x47)	18	-
Tygerberg Academic Hospital	Xmas lunch for patients – expenses	17	-
Tygerberg Academic Hospital	Curtains – Gene Louw Building lift areas (x12)	14	-
Tygerberg Academic Hospital	Knee support cushion "SINMED" (x2)	12	-
Tygerberg Academic Hospital	Long service awards – catering	12	-
Tygerberg Hospital	Paediatric Gastro-intestinal Endoscopy equipment	719	-
Tygerberg Hospital	LG 14J50 37cm Televisions (x10)	57	-
Tygerberg Hospital	Liason Hearing Aids	360	-
Tygerberg Hospital	Data projector plus	18	-
Tygerberg Hospital	Vital signs Monitor	19	-
Tygerberg Hospital	Welch Allyn wall mounted Ear, Nose and Throat sets	40	-
Tygerberg Hospital	Kangeroo Couch (x20)	34	-
Tygerberg Hospital	Donor™ Pre-evaluated Post Operative Autologous Blood Re-infusion systems	150	-
Tygerberg Hospital	Olympus Keymed Urology equipment (1 System)	1,500	-
Tygerberg Hospital	Nihon Kohden ECG	23	-
Tygerberg Hospital	GEM 3000 Blood gas Analyzers (x9)	1,080	-
Tygerberg Hospital	Blood gas M865 Systems (x2)	240	-
Valkenberg Hospital	2 x Monitor Vital Signs Bionet BMS R28606.25	57	-
Valkenberg Hospital	1 x Golf Car	44	-
Valkenberg Hospital	1 x Defibrillator	32	-
Valkenberg Hospital	1 X CLEANER DRAIN SPEED ROOTER	23	-
Valkenberg Hospital	1 x Electric Stove 3 Plate With Oven	17	-
Valkenberg Hospital	1 x E.C.G. Machine	17	-
Valkenberg Hospital	1 x WAISE 111 Complete Kid (Books)	15	-
Valkenberg Hospital	PIANO	10	-
Valkenberg Hospital	2 x Scrubbing Machine Columbus R45 R4974.00 each	10	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2008

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2007/08	2006/07
		R'000	R'000
Victoria Hospital	Gastroscope	350	-
Victoria Hospital	HP NX7300 Notebooks	11	-
Wesfleur Hospital	Bokomo / Weetbix	77	-
Wesfleur Hospital	Trolley Patient M8, mattress	13	-
Wesfleur Hospital	Cardiette AR600 ECG	11	-
Wesfleur Hospital	Infusomat FMS pump	10	-
Various		1,064	-
Subtotal		18,330	21,218
TOTAL		18,330	21,218

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2008

ANNEXURE 1N
STATEMENT OF LOCAL AND FOREIGN AID ASSISTANCE RECEIVED FOR THE YEAR ENDED 31 MARCH 2008

NAME OF DONOR	PURPOSE	OPENING BALANCE	REVENUE	EXPENDITURE	CLOSING BALANCE
		R'000	R'000	R'000	R'000
Received in cash					
Foreign:					
TB HIV Global Fund	Fight against TB, AIDS and Malaria	842	605	801	646
European Union Funds	Home Based Care	(727)	19,606	16,196	2,683
Belgium Fund	Purchase of Wheelchairs	718	387	542	563
World Population Fund	Reproductive Health Project	92	-	-	92
Subtotal		925	20,598	17,539	3,984
TOTAL		925	20,598	17,539	3,984

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2008

ANNEXURE 1O
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE AND REMMISSIONS, REFUNDS AND PAYMENTS MADE AS AN ACT OF GRACE FOR THE YEAR ENDED 31 MARCH 2008

NATURE OF GIFT, DONATION OR SPONSORSHIP (Group major categories but list material items including name of organisation)	2007/08 R'000	2006/07 R'000
Paid in cash		
Teaching Hospital Facility Board - Donation towards the 30 year anniversary celebration	-	100
Subtotal	-	100
Remissions, refunds, and payments made as an act of grace		
Payment made as an act of grace	98	38
Subtotal	98	38
TOTAL	98	138

ANNEXURE 2A
STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO NATIONAL/PROVINCIAL PUBLIC ENTITIES AS AT 31 MARCH 2008

Name of Public Entity	State Entity's PFMA Schedule type (state year end if not 31 March)	% Held 07/08	% Held 06/07	Number of shares held		Cost of investment R'000		Net Asset value of investment R'000		Profit/(Loss) for the year R'000		Losses guaran-teed
				2007/08	2006/07	2007/08	2006/07	2007/08	2006/07	2007/08	2006/07	Yes/No
National/Provincial Public Entity												
Isaac Chames		-	-	-	-	-	-	-	2	-	-	No
Total		-	-	-	-	-	-	-	2	-	-	

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2008

ANNEXURE 3A
STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2008 – LOCAL

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2007	Guarantees draw downs during the year	Guarantees repayments/ cancelled/ reduced/ released during the year	Revaluations	Closing balance 31 March 2008	Guaranteed interest for year ended 31 March 2008	Realised losses not recoverable i.e. claims paid out
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
	Housing								
Standard Bank	Housing	-	2,228	22	1,376	-	874	-	-
Nedbank (Cape of Good Hope)	Housing	-	66	-	17	-	49	-	-
Nedbank	Housing	-	848	-	677	-	171	-	-
First Rand	Housing	-	2,393	6	1,505	-	894	-	-
Nedbank (Inc BOE)	Housing	-	562	-	127	-	435	-	-
Absa	Housing	-	7,505	146	5,436	-	2,215	-	-
Old Mutual Fin Ltd	Housing	-	76	-	-	-	76	-	-
Peoples Bank FBC Fid	Housing	-	204	-	30	-	174	-	-
Peoples Bank (NBS)	Housing	-	763	-	107	-	656	-	-
FNB (Former Saambou)	Housing	-	1,936	16	571	-	1,381	-	-
Old Mutual (Nedbank/Perm)	Housing	-	3,056	-	2,255	-	801	-	-
Nedcor Inv, Bank Ltd	Housing	-	29	-	10	-	19	-	-
Community Bank	Housing	-	11	-	-	-	11	-	-
BOE Bank Ltd	Housing	-	160	-	16	-	144	-	-
Green Start Home Loans	Housing	-	47	-	47	-	-	-	-
NHFC (Masikeni)	Housing	-	295	22	22	-	295	-	-
Total		-	20,179	212	12,196	-	8,195	-	-

ANNEXURE 3B
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2008

Nature of Liability	Opening Balance 01/04/2007	Liabilities incurred during the year	Liabilities paid/cancelled/reduced during the year	Liabilities recoverable(Provide details hereunder)	Closing Balance 31/03/2008
	R'000	R'000	R'000	R'000	R'000
Claims against the Department					
Labour Relations Claims	269	-	-	-	269
Medico Legal	158,262	51,268	3,976	-	205,554
Civil & Legal Claims	7,118	158	-	-	7,276
	165,649	51,426	3,976	-	213,099
Other					
Ex-gratia payments	(16)	229	98	-	115
Sub-total	(16)	229	98	-	115
Total	165,633	51,655	4,074	-	213,214

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2008

ANNEXURE 4
INTER-GOVERNMENT RECEIVABLES

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2008	31/03/2007	31/03/2008	31/03/2007	31/03/2008	31/03/2007
	R'000	R'000	R'000	R'000	R'000	R'000
Department						
PROVINCE OF THE WESTERN CAPE						
Department of Correctional Services	-	-	417	15	417	15
Department of Social Development	-	-	18	18	18	18
Department of Transport & Public Works	190	483	-	-	190	483
Department of Community Safety	1	21	-	-	1	21
Department of Education	7	59	-	-	7	59
Department of the Premier	14	62	-	16	14	78
Parliament	-	-	-	241	-	241
South African Social Security Agency	-	-	160	1,076	160	1,076
PROVINCE OF THE EASTERN CAPE						
Department of Health	239	-	132	12	371	12
GAUTENG PROVINCE						
Department of Health	-	-	13	-	13	-
NORTHERN CAPE PROVINCE						
Department of Health	-	-	23	32	23	32
KWAZULU-NATAL PROVINCE						
Department of Health	24	-	-	80	24	80
NATIONAL DEPARTMENTS						
Department of Justice	-	-	13	-	13	-
Department of Health	-	-	-	6	-	6

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2008	31/03/2007	31/03/2008	31/03/2007	31/03/2008	31/03/2007
	R'000	R'000	R'000	R'000	R'000	R'000
OTHER						
ECF Piet	-	-	-	35	-	35
Integrated Nutrition Prog (METRO DHS)	-	-	58	58	58	58
	475	625	834	1,589	1,309	2,214
Other Government Entities						
Pension Recoverable	-	-	(33)	(160)	(33)	(160)
Agency Service	-	-	(3,800)	9,110	(3,800)	9,110
Subtotal	-	-	(3,833)	8,950	(3,833)	8,950
TOTAL	475	625	(2,999)	10,539	(2,524)	11,164

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2008

ANNEXURE 5
INTER-GOVERNMENT PAYABLES

Government Entity	Confirmed balance		Unconfirmed balance		TOTAL	
	31/03/2008	31/03/2007	31/03/2008	31/03/2007	31/03/2008	31/03/2007
	R'000	R'000	R'000	R'000	R'000	R'000
DEPARTMENTS						
Current						
WESTERN CAPE PROVINCE						
Government Motor Transport	399	-	10,578	16,667	10,977	16,667
Department of Premier	-	-	-	22	-	22
Department of Education	-	-	9	8	9	8
NATIONAL DEPARTMENTS						
National Department of Justice and Constitutional Development	-	-	216	-	216	-
South African Police Services	1	-	-	-	1	-
GAUTENG PROVINCE						
Department of Health	-	-	3	-	3	-
Subtotal	400	-	10,806	16,697	11,206	16,697
Total	400	-	10,806	16,697	11,206	16,697

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

1. General review of the state of financial affairs

Budget Allocation

The budget requirement in respect of the operational expenditure of the Cape Medical Depot is recovered from hospitals and institutions by means of a levy charged for goods supplied. The budget provision comprises compensation of employees, goods and services and payments for capital assets. The budget of the Cape Medical Depot is included in the approved Budget Statement of the Department. During the year under review revenue amounting to R 22,445 million was generated against an administrative expenditure of R 19,670 million resulting in a surplus of R 2,775 million.

The budget allocation for 2007/08 financial year to purchase goods for resale amounted to R 359,000 million. The actual purchases (receipts posted on the Medical Stores Administration System (MEDAS)) for the year amounted to R 312,263 million against actual issues (sales) for the year amounting to R 334,708 million. Revenue amounting to R 22,445 million was therefore available to fund operating activities.

The cumulative capital and reserves available to the Depot as at 31 March 2008 for the purchase of stock amounted to R 45,483 million. This amount remains static until Treasury is requested to grant an increase in the approved capital via normal budgeting processes. During the year under review the Depot's Trading Capital was augmented by R 2,017 million.

Over/Under spending

Revenue generated exceeded the operating expenditure for the year under review by R 2,775 million resulting in a surplus which was transferred to the Revenue Fund of the Department.

The closing stock figure as per the Medical Stores Administration System (MEDSAS) was R 58,227 million. The high stock level enables the Depot to meet the demands and ensures a consistent reliable supply of pharmaceutical and related items to all users within the Province.

Spending Trends

All items requisitioned for use in the administration of the Depot are channelled through a Budget Committee to ensure that funds are available and that the Depot's expenditure stays within budget.

Services rendered by the Trading Entity

The CMD caters for the provisioning of pharmaceutical and non-pharmaceutical supplies in bulk from suppliers, thereby enabling users to keep lower stock levels and rely on shorter delivery lead-times. Better control is exercised over purchases and the advantage of buying bulk results in lower costs especially on medical supplies. The Depot is responsible for the storage and management of this stock, to service provincial hospitals, provincial-aided hospitals, old age homes, day hospitals, local authorities and clinics with stock, upon receipt of requisitions in this regard.

The CMD consists of four sections, namely Pharmaceutical Depot, Non-pharmaceutical Depot, DDV (Direct Delivery Voucher) Pharmaceutical Depot and DDV Dental Depot. The Oudtshoorn Medical Depot is a sub-depot of the Cape Medical Depot and supplies pharmaceuticals to the Southern Cape Karoo and surrounding areas.

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

Tariff Policy

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

Pharmaceutical and non-pharmaceutical depot stock	:	8 % levy on average prices
Direct delivery items	:	5 % levy on average prices
Pre-pack items	:	R 0.68 per unit

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

Capacity Constraints

- *Working capital* – The working capital has to be reviewed and increased annually in order to meet the increasing demands. The biggest factor impacting on the CMD's capability to trade efficiently is the relatively high medical inflation.

- *Physical limitations of the building* – The building limits further expansion and leads to operational inefficiencies. In this regard a recent report by the SA Pharmacy Council highlighted several shortcomings in the building which required rectification in order to ensure that the building complies with legislation that became effective on the 1st July 2005. These shortcomings were addressed by the Department of Works during the year under review. The premises have been inspected by the SA Pharmacy Council and the outcome of the inspection is awaited.

- *Basis of accounting* - The Depot functions on a modified cash accounting system i.e. the Basic Accounting System. In terms of Treasury Regulations, Trading Entities must compile Financial Statements on an accrual basis of accounting. The conversion of the information to comply with the accounting principles of SA GAAP is extremely time consuming and ineffective.

Utilisation of Donor Funds

No donor funding was received at the CMD.

Business Address

16 Chiappini Street	Private Bag 9036
Cape Town	Cape Town
8001	8000

New/Proposed Activities

The Department has constructed a larger Oudtshoorn Medical Sub-Depot to cater for increased demand and to comply with legislation during the 2007/08 financial year.

Property Development has assisted the CMD in obtaining quotations to source a more appropriate building in industrial areas in the Metropole. Bids have been received and are currently under review.

Events after the Balance Sheet date

No material events.

Performance Information

The following performance indicators are available as standard reports on the MEDSAS system:

	2007/2008	2006/2007
Stock Turnover	5.82	6.02
Dues Out	8.6%	7.6%
Service Level	84%	84%

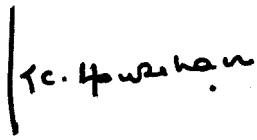
Stock turnover target is set at 8 by National Treasury. During the year under review, in order to compensate for erratic supplier performance, stock holding was increased significantly, resulting in a reduced stock turnover. The service level, (defined as the number of orders satisfied within 48 hours of receipt) has remained the same as the previous year.

Other

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

Approval

The Annual Financial Statements set out on pages 233 to 253 have been approved by the Accounting Officer.



PROFESSOR KC HOUSEHAM
ACCOUNTING OFFICER
DATE: 30 JULY 2008

REPORT OF THE AUDITOR-GENERAL TO THE WESTERN CAPE PROVINCIAL PARLIAMENT ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF THE CAPE MEDICAL DEPOT FOR THE YEAR ENDED 31 MARCH 2008

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of the Cape Medical Depot which comprise the balance sheet as at 31 March 2008, income statement, statement of changes in net equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 233 to 253.

Responsibility of the accounting officer for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with South African Statements of Generally Accepted Accounting Practice (SA Statements of GAAP), and in the manner required by the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA). This responsibility includes:

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

Responsibility of the Auditor-General

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

4. I conducted my audit in accordance with the International Standards on Auditing and General Notice 616 of 2008, issued in Government Gazette No. 31057 of 15 May 2008. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance on whether the financial statements are free from material misstatement.

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

6. An audit also includes evaluating the:

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

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

Opinion

8. In my opinion the financial statements present fairly, in all material respects, the financial position of the Cape Medical Depot as at 31 March 2008 and its financial performance and cash flows for the year then ended, in accordance with South African Statements of Generally Accepted Accounting Practice (SA Statements of GAAP), and in the manner required by the PFMA.

Emphasis of matter

Without qualifying my audit opinion, I draw attention to the following matter:

Highlighting critically important matters presented or disclosed in the financial statements

Irregular expenditure

9. As disclosed in note 28 to the financial statements, irregular expenditure of R 242 344 was incurred during the year under review as a result of non-compliance with the financial delegations issued by the accounting officer in terms of section 44 of the PFMA.

OTHER MATTERS

Without qualifying my audit opinion, I draw attention to the following matters that relate to my responsibilities in the audit of the financial statements:

Non-compliance with applicable legislation

Treasury Regulations

10. Invoices to the value of R 14,250,840 (2006/07: R 63,218,421 and 2005/06: R 58,739,980) were not settled within 30 days of receipt of the invoices, as required by Treasury Regulation 8.2.3.

11. Sufficient appropriate evidence for transactions with a total value of R 482,509 (2006/07: R 1,397,524 and 2005/06: R 1,174,623) was not retained as required by Treasury Regulation 17.2 and could therefore not be presented for audit purposes to confirm the existence, completeness and valuation of these inventory transactions and whether the entity holds the rights to the assets.

12. The entity does not have an approved fraud prevention plan, as required by Treasury Regulation 3.2.1, to prevent and detect fraud and to mitigate specific fraud risks.

Medicines and Related Substance Act

13. The entity is presently operating in contravention of the provisions of the Medicines and Related Substances Act, 1965 (Act No. 101 of 1965). Due to non-compliance with Good Wholesaling Practice requirements relating to the warehousing of medicines, the Medical Control Council has not issued the required licence for the wholesaling of medicines.

Matters of governance

14. The PFMA tasks the accounting officer with a number of responsibilities concerning financial and risk management and internal control. Fundamental to achieving this is the implementation of certain key governance responsibilities, which I have assessed as follows:

Matter of governance	Yes	No
Audit committee		
• The trading entity had an audit committee in operation throughout the financial year.	■	
• The audit committee operates in accordance with approved, written terms of reference.	■	
• The audit committee substantially fulfilled its responsibilities for the year, as set out in section 77 of the PFMA and Treasury Regulation 3.1.10.	■	
Internal audit		
• The trading entity had an internal audit function in operation throughout the financial year.	■	
• The internal audit function operates in terms of an approved internal audit plan.	■	
• The internal audit function substantially fulfilled its responsibilities for the year, as set out in Treasury Regulation 3.2.	■	
Other matters of governance		
The annual financial statements were submitted for audit as per the legislated deadlines (section 40 of the PFMA for departments and constitutional institutions).	■	
The financial statements submitted for audit were not subject to any material amendments resulting from the audit.		■
No significant difficulties were experienced during the audit concerning delays or the unavailability of expected information.		■
The prior year's external audit recommendations have been substantially implemented.		■

OTHER REPORTING RESPONSIBILITIES

REPORT ON PERFORMANCE INFORMATION

15. I have reviewed the performance information as set out on pages 33 and 121.

Responsibility of the accounting officer for the performance information

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

Responsibility of the Auditor-General

17. I conducted my engagement in accordance with section 13 of the PAA read with General Notice 616 of 2008, issued in Government Gazette No. 31057 of 15 May 2008.

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

19. I believe that the evidence I have obtained is sufficient and appropriate to report that no significant findings have been identified as a result of my review.

APPRECIATION

20. The assistance rendered by the staff of the Cape Medical Depot during the audit is sincerely appreciated.

Auditor - General

Cape Town

31 July 2008

AUDITOR-GENERAL

Accounting Policies
for the year ended 31 March 2008

The Annual Financial Statements have been prepared in accordance with South African Statements of Generally Accepted Accounting Practice and the Public Finance Management Act, Act 1 of 1999 as amended.

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

- Property, Plant and Equipment
  In assessing the remaining useful lives and residual values of PPE, management have made judgements based on historical evidence as well as the current condition of PPE under its control.

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

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

1. Basis of preparation

The financial statements have been prepared on the historical cost basis.

2. Presentation currency

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

3. Revenue recognition

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

4. Expenditure

Compensation of Employees

Salaries and wages comprise payments to employees. Salaries and wages are recognised as an expense in the Statement of Financial Performance when the final authorisation for payment is effected on the system. The expenditure is classified as capital where the employees were involved, on a full time basis, on capital projects during the financial year. All other payments are classified as current expense.

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

Short-term employee benefits

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

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

5. Retirement benefit costs

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

6. Irregular and fruitless and wasteful expenditure

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

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

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

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

7. Unusual items

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

8. Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation.

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

Plant and equipment	20% p.a.
Computer Equipment	33% p.a.
Furniture and Fittings	20% p.a.
Medical Allied Equipment	10% p.a.

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

9. Impairment

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

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

10. Inventories

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

11. Financial instruments

Financial assets

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

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

Financial liabilities

The Cape Medical Depot's principle financial liabilities are accounts payable.

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

- Trade payables
  Trade and other payables are stated at their nominal value.

12. Cash and cash equivalents

Cash comprises cash on hand and cash with banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown in current liabilities in the balance sheet.

13. Provisions

Provisions are recognised when the Cape Medical Depot has a present obligation as a result of a past event and it is probable that this will result in an outflow of economic benefits that can be estimated reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

14. Changes in accounting estimates and errors

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

(a) this fact; and

(b) known or reasonably estimable information relevant to assessing the possible impact that application of the new Standard or Interpretation will have on the entity's financial statements in the period of initial application.

15. Lease commitments

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

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

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

16. Contingent liabilities

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

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

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

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

17. Events after the reporting date

The entity considers events that occur after the reporting date for inclusion in the AFS. Events that occur between the reporting date (31 March 2008) and the date on which the audit of the financial statements is completed (31 July 2008) are considered for inclusion in the AFS.

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

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

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

(a) The nature of the event.
(b) An estimate of its financial effect or a statement that such an estimate cannot be made.

Cape Medical Depot

Income Statement
for the year ended 31 March 2008

	Note	2007/08 R'000	2006/07 Restated R'000
REVENUE			
Sale of Goods	*3*	334,708	292,304
Cost of Sales	*4*	(312,263)	(273,932)
Gross Profit		22,445	18,372
Other Income	*5*	-	2
		22,445	18,374
EXPENDITURE			
Administrative Expenses	*6*	(1,979)	(1,678)
Staff Costs	*7*	(13,290)	(12,646)
Audit Fees	*8*	(1,186)	(797)
Transfers and Subsidies	*9*	-	(7)
Depreciation	*10*	(442)	(435)
Other Operating Expenses	*11*	(2,773)	(2,341)
Profit from Operations		2,775	470
Finance Cost	*12*	-	(3,017)
Net Profit/(Loss) for the Year		2,775	(2,547)

Cape Medical Depot

Balance Sheet
as at 31 March 2008

	Note	2007/08 R'000	2006/07 Restated R'000
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	*13*	3,650	1,020
		3,650	1,020
Current Assets			
Inventory	*14*	58,227	54,741
Trade and Other Receivables	*15*	3,683	5,677
		61,910	60,418
Total Assets		65,560	61,438
EQUITY AND LIABILITIES			
Capital and Reserves	*16*	45,483	42,242
Non-Current Liabilities			
Provisions	*17*	666	637
Current Liabilities			
Short Term Provisions	*17*	170	197
Cash and Cash Equivalents	*18*	9,103	12,339
Trade and Other Payables	*19*	10,113	6,023
Income received in advance		25	-
		19,411	18,559
Total Equity and Liabilities		65,560	61,438

Statements of Changes in Equity
for the year ended 31 March 2008

		Trading Fund R'000	Accumulated profit/(loss) R'000	Total R'000
Balance at 1 April 2006		41,268	(330)	40,938
Correction of prior period error			(193)	(193)
As restated		41,268	(523)	40,745
Restated profit/(loss) for the year			(2,547)	(2,547)
Transfers from Department of Health		2,540	1,504	4,044
Balance at 1 April 2007	*16*	43,808	(1,566)	42,242
Net profit/(loss) for the year			2,775	2,775
Transfers from /(to) Department of Health		1,411	(3,428)	(2,017)
Restatement of values for assets previously carried at R1			2,483	2,483
Balance at 31 March 2008	*16*	45,219	264	45,483

Cape Medical Depot

Cash Flow Statement
for the year ended 31 March 2008

	Note	2007/08 R'000	2006/07 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from/(utilised in) operations	*22*	5,841	(8,197)
Interest paid		-	(3,017)
Net cash outflows from operating activities		5,841	(11,214)
CASH FLOWS FROM INVESTING ACTIVITIES			
Net cash used in investing activities	*23*	(588)	(447)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash from/(used in) financing activities	*24*	(2,017)	7,061
Net increase/(decrease) in cash and cash equivalents		3,236	(4,600)
Cash and cash equivalents at the beginning of the year	*18*	(12,339)	(7,739)
Cash and cash equivalents at end of the year	*18*	(9,103)	(12,339)

1. Adoption of South African Accounting Standards

The financial statements for the year ended 31 March 2008 have been prepared in accordance with South African Statements of Generally Accepted Accounting Practice.

2. Nature of Enterprise

The Cape Medical Depot is a Trading Entity under the control of the Department of Health, and its domicile is Western Cape, South Africa.

3. Sale of Goods

	2007/08 R'000	2006/07 R'000
An analysis of the Cape Medical Depot's revenue is as follows:		
Sales of goods	334,708	292,304
Hospitals, NGO's, Provincially Aided Hospitals and Local Authorities	334,708	292,304
Total	334,708	292,304

4. Cost of sales

Freight Service	4,328	5,360
Packaging	1,251	983
Purchases	306,684	267,589
Total	312,263	273,932

5. Other Income

Profit on disposal of Asset	-	2
Total	-	2

6. Administrative expenses

General and Administrative Expenses	1,691	1,055
Stationary and Printing	205	258
Training and Staff Development	83	365
Total	1,979	1,678

	2007/08 R'000	2006/07 R'000
7. Staff costs		
Wages and Salaries	11,707	11,309
Basic Salaries	9,445	8,998
Performance Awards	127	193
Periodic Payments	39	40
Other Non-pensionable Allowance	1,227	953
Temporary Staff	-	343
Leave Payments	88	(1)
Overtime Pay	781	783
Defined Pension Contribution Plan Expense	991	890
Social Contributions (Employer's Contributions)	592	448
Medical	586	415
Official Unions and Associations	3	3
Other Salary Related Costs	3	29
Total	13,290	12,646
8. Audit Fees		
Auditor's remuneration		
- Audit fees	1,186	797
Total	1,186	797
9. Transfers and subsidies		
Transfers		
Local Governments	-	7
Households		
Total	-	7
10. Depreciation		
- Computer Equipment and Peripherals	159	85
- Office Furniture and Fittings	283	350
Total	442	435

	2007/08 R'000	2006/07 R'000
11. Other Operating Expenses		
Consultants, Contractors and Special Services	1,394	636
Equipment items expensed as per entity policy	14	(5)
Maintenance, Repairs and Running Costs	237	262
- Property and Buildings	3	80
- Machinery and Equipment	233	162
- Other Maintenance, Repairs and Running Costs	1	20
Impairment / (write back of impairment) of Disallowance Accounts	(19)	45
Stores/Consumables	196	370
Travel and Subsistence	353	431
Communication Costs	460	525
Other	28	-
Rentals in respect of operating leases	110	77
- Plant, Machinery and Equipment	38	67
- Vehicles	58	
- Security and Alarms	14	10
Total	2,773	2,341

The Cape Medical Depot occupies a building owned by the Department of Works for which no rental is paid.

12. Finance Cost		
Interest paid on Trading Fund	-	3,017

13. Property, Plant and Equipment

	Computer Equipment and Peripherals R'000	Office Furniture and Fittings R'000	TOTAL R'000
Year ended 31/3/2007			
Opening net carrying amount	85	923	1,008
Gross carrying amount	479	1,435	1,914
Accumulated depreciation	(394)	(512)	(906)
Additions	165	282	447
Depreciation charge	(85)	(350)	(435)
Net carrying amount 31 March 2007	165	855	1,020
Gross carrying amount	644	1,717	2,361
Accumulated depreciation	(479)	(862)	(1,341)

	2007/08 R'000	2006/07 R'000

13. Property, Plant and Equipment (continued)

	Computer Equipment and Peripherals R'000	Office Furniture and Fittings R'000	TOTAL R'000
Year ended 31/3/2008			
Opening net carrying amount	165	855	1,020
Gross carrying amount	644	1,717	2,361
Accumulated depreciation	(479)	(862)	(1,341)
Additions	323	265	588
Depreciation charge	(160)	(282)	(442)
Carrying value of R1 assets	349	2,135	2,483
Net carrying amount 31 March 2008	677	2,973	3,650
Gross carrying amount	1,316	4,117	5,433
Accumulated depreciation	(639)	(1,144)	(1,783)

14. Inventory

Work in Progress	4,290	4,018
Packaging Material	383	235
Finished Goods	53,554	50,488
Stock losses awaiting write-off approval	1,935	769
Provision for Stock Losses	(1,935)	(769)
Total	58,227	54,741

Inventory surpluses to the value of R 323,369 (Western Cape Depot: R 323,369 and Oudtshoorn Depot: R 0) was taken in stock during the year and recognised as a decrease in Cost of Sales of the Cape Medical Depot. At year-end CMD was awaiting approval for the write-off of Inventory shortages amounting to R 128,036 (Western Cape Depot: R 134,570 (surplus) and Oudtshoorn Depot: R 5,534 (shortage)).

15. Trade and other receivables

Trade Receivables	3,665	4,998
	3,665	4,998
Other Receivables:		
Disallowance Miscellaneous	44	724
Less Provision for Doubtful debts on disallowance accounts	(26)	(45)
	18	679
Total	3,683	5,677

The credit period on sales of goods is 30 days. No interest is charged on trade receivables. An allowance has been made for estimated irrecoverable amounts (long outstanding disallowance accounts), determined by reference to past default experience and by evaluation of the age analysis at year-end. During the current financial year, the allowance for doubtful debts was estimated at R 26,000 (2007: R 45,000). The movement was recognised in the Statement of Financial Performance for the year to bring Trade and other receivables in line with its fair value, in accordance with IAS 39.

In determining the recoverability of a debtor, management considers any change in the credit quality of the debtor from the date credit was initially granted up to the reporting date. The concentration of credit risk of trade and other receivables is limited due to the fact that debtors comprise of state entities such as clinics and hospitals spread across the Western Cape, for which theoretically there should be no risk of non-recovery.

The provision for impairment on Other Debtors (loans and receivables) exists predominantly due to the possibility that these debts will not be recovered. Management assesses these debtors individually for impairment and group them together in the Statement of Financial Position as financial assets with similar credit risk characteristics.

Reconciliation of Provision for Doubtful debts on disallowance account:

	2007/08 R'000	2006/07 R'000
Balance at beginning of the year	45	0
Contributions to provision	26	45
Reversal of provision	(45)	0
Balance at end of year	26	45

16. Capital and reserves

	Trading Fund R'000	Accumulated profit/(loss) R'000	TOTAL R'000
Balance at 1 April 2006	41,268	(330)	40,938
Prior period errors		(193)	(193)
Balance as restated	41,268	(523)	40,745
Restated loss for the year		(2,547)	(2,547)
Transfers from the Department of Health	2,540	1,504	4,044
Balance at 1 April 2007	43,808	(1,566)	42,242
Net profit/(loss) for the year		2,775	2,775
Transfers from the Department of Health	1,411	(3,428)	(2,017)
Adjustment of R1 assets to Fair values		2,483	2,483
Balance at 31 March 2008	45,219	264	45,483

The trading fund is a reserve that ring-fences the contribution that the Department of Health (the mother department) made to the operating capital of the Cape Medical Depot.

	2007/08 R'000	2006/07 R'000

17. Provisions

Provisions for 2008

Description of Components of Provisions	Provision for Damages	Provision for Performance Bonuses	Provision for Capped Leave	TOTAL
	R'000	R'000	R'000	R'000
Opening balance	0	197	637	834
Amounts utilised against the Provision		(156)		(156)
Unused amounts reversed during the year		(41)		(41)
Provisions made during the year	2	168	29	199
Less: Short Term Provisions	(2)	(168)		(170)
Closing balance	0	0	666	666

Provisions for 2007

Description of Components of Provisions	Provision for Performance Bonuses	Provision for Capped Leave	TOTAL PROVISIONS
	R'000	R'000	R'000
Opening balance	154	654	808
Amounts utilised against the provision	(149)	(17)	(166)
Unused amounts reversed during the year	(5)		(5)
Provisions made during the year	197		197
Less: Short Term Provisions	(197)		(197)
Closing balance	0	637	637

Analysis for reporting purposes:

Non-current provisions	666	637
Current provisions	170	197
	836	834

18. Cash and Cash Equivalents

Cash owed to Western Cape Department of Health	(9,103)	(12,339)
	(9,103)	(12,339)
For the purpose of the cash flow statement:		
Cash and cash equivalents at the beginning of the year	(12,339)	(7,739)

	2007/08 R'000	2006/07 R'000

19. Trade and other Payables

Trade creditors	3,397	189
Accruals	6,385	5,539
Staff creditors	327	294
Other Payables	4	1
	10,113	6,023

The average payment period on purchases of goods is 30 days. No interest is charged on trade payables. The Cape Medical Depot has internal operating procedures and controls in place to ensure that all payables are paid within the credit timeframe.

20. Correction of Error

a. The CMD previously applied a policy whereby assets with costs not exceeding R 5,000 were not capitalised, but expensed in the year it was acquired. This is not in accordance with GAAP, and the error was corrected in the current financial period. The effect on the 2006/07 figures are indicated below.

b. An assessment was made for the first time of the condition of assets as at 31 March 2008, in order to review useful lives of PPE in accordance with IAS 16. As part of this exercise, a complete asset count was performed. This resulted in adjustment of balances to agree to the numbers reflected in the verified asset register. The cumulative effects of the error have been restated in accordance with IAS 8.

c. Service bonuses (13th cheque) payable to employees were not accounted for in prior periods as liabilities. These bonuses are due to the employees at year-end, irrespective of whether they remain in CMD's service or not, and accrue to employees based on the period of service to the entity from the date of the previous service bonus paid, up to the reporting date. The effect of these liabilities on the 2006/07 figures are indicated below.

d. Historically, departments and public entities were allowed to include assets in the asset register at R 1 where cost or fair values could not be accurately determined. This is however not in accordance with GAAP, and during the financial year the CMD asset specialists were appointed to adjust values of these assets to a deemed cost (depreciated replacement cost), and it does not imply that the Department will continue to revalue these assets in subsequent periods. Cost recognition of all assets that are still in use but recorded in the books at R 1 value was performed. Due to the impracticability of determining the annual effect of the error, 2006/07 figures have not been restated.

e. During preparation of the current year financial statements, classes of operating expenses were adjusted for more appropriate disclosure under Maintenance, repairs and running costs in the notes to the financial statements. This has no effect on the 2006/07 figures, but the effect on the notes are indicated below.

f. Due to timing differences, the year-end figure on the financial management system, BAS, do not agree to the stock-take reports for stock losses awaiting approval at year-end. An adjustment of R 93,348.18 was made to stock losses awaiting approval for the year ended 31 March 2007 to reflect a balance of R 768,988,27. The effect on the 2006/07 figures are indicated below.

g. The MEDSAS system is set up to recognise the revenue when the issue voucher is finalised on the system. As a result, the prior year revenue and cost of sales was overstated by R 26,214,741.13 and has been restated. The effect on the 2006/07 figures are indicated below.

Effect of Corrections on the Income Statement	2006/07 Audited R'000	2006/07 Amended R'000
Revenue		
SALE OF GOODS	318,519	292,304
COST OF SALES	(300,054)	(273,932)
GROSS PROFIT	18,465	18,372
Staff costs		
BASIC SALARIES	8,704	8,998
Depreciation		
COMPUTER EQUIPMENT AND PERIPHERALS	70	85
OFFICE FURNITURE AND FITTINGS	349	350
Other operating expenses		
EQUIPMENT ITEMS EXPENSED AS PER ENTITY POLICY	42	(4)
Loss for the year	2,191	2,547
Effect of Corrections on the Balance Sheet		
Inventory	54,834	54,741
Trade and other payables		
STAFF CREDITORS	0	294
Property, plant and equipment	1,182	1,020
Capital and Reserves	42,791	42,242
Effect of Corrections on the Statement of Changes in Equity		
Loss for the year	2,191	2,547
Accumulated loss (opening balance)	330	529
Accumulated loss	1,017	1,566
Effect of Corrections on Disclosure Notes		
Other operating expenses		
Maintenance, Repairs and Running Costs	263	263
- Property and Buildings	81	80
- Machinery and Equipment	140	163
- Other Maintenance, Repairs and Running Costs	42	20
Effect of Corrections on Disclosure notes		
Inventory		
Work in Progress	4,018	4,018
Packaging Material	235	235
Finished Goods	50,581	50,488
Stock losses awaiting write-off approval	676	769
Provision for Stock Losses	(676)	(769)
Total	54,834	54,741

	2007/08 R'000	2006/07 R'000

21. Changes in estimate

Changes in estimate are disclosed in note 17: Provisions

22. Cash Utilised in Operations

Reconciliation of profit before taxation to cash utilised in operations

Profit / (loss) before taxation	2,775	(2,547)
Adjusted for:		
- Depreciation on plant and equipment	442	435
- Increase/(decrease) in accrual raised for goods & services received	849	(7,754)
- Increase/(decrease) in provision for doubtful debts	(19)	45
- Increase/(decrease) in provisions	2	26
Operating cash flows before working capital changes	4,049	(9,795)
Working capital changes	1,792	1,599
- (Increase)/decrease in inventories	(3,486)	4,631
- (Increase)/decrease in receivables	2,013	1,827
- Increase/(decrease) in payables	3,240	(4,385)
- Increase in Income Received in Advance	25	(474)
Cash utilised in operations	5,841	(8,196)

23. Net cash used in investing activities

Acquisition of plant and equipment	(588)	(447)
Cash used in investing acivities	(588)	(447)

24. Net cash from/(used in) financing activities

Interest Paid	-	3,017
Transfers from the Provincial Department of Health	(2,017)	4,044
Cash from/(used in) financing activities	(2,017)	7,061

25. Contingent Liabilities

25.1 Housing Loan Guarantees

Housing Loan guarantees (Employees)	102	133

25.2 A supplier instituted a claim in the Pretoria High Court against the CMD, arising from monies recovered in terms of State Tender Board regulations during the period 1999/2000. If successful the CMD will be liable for the costs of suit and damages. It is impossible to quantify the claim at this stage. This implies that a contingent liability exists, but has not been raised in the financial statements as the existence of this obligation will only be confirmed pending the outcome of the court case.

26. Operating lease arrangements

The CMD as lessee

Lease of Forklift - Leasing arrangement:

The contract in terms of this lease had expired in 2005 and it is currently leased on a month-to month basis, cancellable within a 30 day period.

Lease of Photocopiers - Leasing arrangement:

Operating leases relate to office equipment with lease terms of 3 years, with fixed instalments per month (no escalations).

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

	R'000	
	Minimum future lease payments	
	2007/08	2006/07
Up to 1 year	47	57
1 to 5 years	90	27
More than 5 years	-	-
Minimum future lease payments	137	84

27. Fruitless and Wasteful Expenditure

An amount of R 10,742 was identified during the 2005/06 financial period as fruitless and wasteful expenditure. The expenditure was in respect of rental payments for equipment that had not been in use since 2002/03. The process is still ongoing and no expenditure has been condoned or recovered to date.

During the 2007/08 financial period, the Oudtshoorn Medical Sub-depot relocated to new premises, and new occupants (Oudtshoorn Hospital Pharmacy) moved into the old premises. The service of the security company responsible for the premises was however not transferred, and it was continued to be rendered to the new occupants while CMD incurred expenses amounting to R 3,034.80. The amount will be recovered from the Oudtshoorn Hospital.

28. Irregular Expenditure

A tablet counting machine amounting to R 109,440 was purchased during the 2006/07 financial year, and it was established that the Supply Chain management procurement rules were not followed properly. The process is still ongoing and no expenditure has been condoned or recovered to date. During 2007/08 a payment was inappropriately authorised by the acting chief accounting clerk as the amount exceeded his delegated authority. The amount of R 242,344 is therefore regarded as irregular expenditure.

29. Financial Instruments

29.1 Financial Risk Management Objectives

The Cape Medical Depot monitors and manages the financial risks relating to the operations through internal policies and procedures. These risks include interest rate risk, credit risk and liquidity. Compliance with policies and procedures is reviewed by internal and external auditors on a continuous basis. The entity does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

29.2 Interest Rate Management

No formal policy exists to hedge volatilities in the interest rate market.

29.3 Credit Risk Management

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

Trade receivables consist of a small number of customers, comprising clinics and hospitals spread across the Western Cape. A debtors' policy has been adopted as a means of mitigating the risk of financial loss from defaults. The entity does not have any significant credit risk exposure to any single counterparty.

At 31 March 2008 the institution did not consider there to be any significant concentration of credit risk that had not been adequately provided for.

29.4 Liquidity Risk Management

The entity manages liquidity risk by maintaining adequate banking facilities and by receiving contributions annually from the Department of Health, which ensures the Trading Fund is maintained at an adequate level.

29.5 Fair Value

Management considers the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements to approximate their fair values on 31 March 2008, as a result of the short-term maturity of these assets and liabilities.

	2007/08 Carrying Amounts R'000	2006/07 Carrying Amounts R'000	2007/08 Fair Values R'000	2006/07 Fair Values R'000
Assets				
Trade and other receivables	3,683	5,677	3,683	5,677
Liabilities				
Trade and other payables	10,113	6,023	10,113	6,023

30. Events after the reporting date

Management have not identified any matter or circumstance (adjusting or non-adjusting) since the end of the financial year, that has significantly affected, or may significantly affect, the operations, the results of those operations, or the state of affairs of the Cape Medical Depot in future financial years.

31. Related party transactions

31.1 Department of Health

The Cape Medical Depot operates as a Trading Entity under the control of the Department of Health, from which contributions are received annually.

	2006/07 R'000	2005/06 R'000
Transfers from the Department of Health	1,411	2,540
	1,411	2,540

31.2 Transactions with key management personnel

The members of key management personnel of the Cape Medical Depot during the year were:

Prof. K. C. Household : Accounting Officer (Head: Department of Health)
Mr. A. Van Niekerk : Chief Financial Officer: Department of Health
Mr. J. Jooste : Chief Director: Department of Health

These staff members do not reside at the CMD and is not compensated by the CMD, but by the Department of Health. Compensation made to key management personnel is therefore presented in the Annual Financial Statements of the Department of Health.

32. Comparative figures

Certain comparative figures were adjusted as a result of prior period errors. Also refer to note 20.

PART 5: HUMAN RESOURCE MANAGEMENT (OVERSIGHT REPORT)

5.1 Service delivery

Table 5.1.1: Service delivery improvement plan performance targets 2007/08

Objectives (Outputs)	Indicator	Performance		
		Aug 2007 Actual	Feb 2008 Actual	Feb 2008 Target
Reduce waiting time in reception by 50% in Mitchells Plain CHC	Average waiting time in reception	90 min	40 min	45 min
Improve customer satisfaction in reception by 50% in Mitchells Plain CHC	% clients satisfied	25%	75%	50%
Reduce waiting time in pharmacy by 50% in Mitchells Plain CHC	Average waiting time in pharmacy	180 min	89 min	90 min
Improve customer satisfaction in pharmacy by 50% in Mitchells Plain CHC	% clients satisfied	35%	73%	70%
Reduce waiting time in reception by 50% in Khayelitsha Site B CHC	Average waiting time in reception	150 min	58 min	75 min
Improve customer satisfaction in reception by 50% in Khayelitsha Site B CHC	% clients satisfied	28%	77%	56%
Reduce waiting time in pharmacy by 50% in Khayelitsha Site B CHC	Average waiting time in pharmacy	180 min	89 min	90 min
Improve customer satisfaction in pharmacy by 50% in Khayelitsha Site B CHC	% clients satisfied	40%	70%	80%

Background

The Metro District Health Services (MDHS) management implemented service delivery improvement projects in the Mitchells Plain and Khayelitsha sub-districts from 1 July 2007 to 31 March 2008. The projects were managed by project teams in each of the two sub-districts.

Objectives

The project objectives were:

- Improvement of patient care at the Mitchells Plain and Khayelitsha Site B CHCs;
- Improvement of physical infra-structure at the Mitchells Plain and Khayelitsha Site B CHCs;
- Improvement in human resource capacity at Mitchells Plain and Khayelitsha Site B CHCs;
- Improvement in supply chain management processes at Mitchells Plain and Khayelitsha Site B CHCs

Improvement in patient care

The key objectives for the improvement in patient care were:

- 50% reduction in waiting times at the reception areas at Mitchells Plain and Khayelitsha Site B CHCs;
- 50% reduction in waiting times at the pharmacy areas at Mitchells Plain and Khayelitsha Site B CHCs

Outcomes

The primary project objectives were met in all instances (see Table 5.1.1).

5.2 Expenditure

Departments budget in terms of clearly defined programmes. The following tables summarise final audited expenditure by programme (Table 5.2.1) and by salary bands (Table 5.2.2). In particular, it provides an indication of the amount spent on personnel costs in terms of each of the programmes or salary bands within the Department.

Table 5.2.1: Personnel costs by programme, 2007/08

Programme	Total expenditure (R'000)	Compensation of employees/ social contributions (R'000)	Training expenditure (R'000)	Goods and services (R'000)	Personnel costs as a percent of total expenditure	Average personnel cost per employee (R'000)	Total number of employees
	A	B	C	D	E	F	G
Programme 1	205,333	81,317	354	1,686	40%	207	392
Programme 2	2,707,578	1,399,729	8,542	85,018	52%	172	8,157
Programme 3	341,877	204,437	0	0	60%	143	1,431
Programme 4	1,306,027	877,609	2,788	59,011	67%	135	6,492
Programme 5	2,349,884	1,500,187	2,003	63,645	64%	176	8,541
Programme 6	133,706	25,243	133,706	0	19%	160	158
Programme 7	81,785	43,953	351	49	54%	99	443
Programme 8	371,678	6,290	241	7,953	2%	0	0
Total	7,497,868	4,138,765	147,985	217,362	55%	162	25,614

Notes:

- The above expenditure totals and personnel totals exclude Medsas and EU funding.
- Expenditure on sessional, periodical and extraordinary appointments are included in the expenditure but not in the personnel totals which will inflate the average personnel cost per employee.
- Compensation of employees/social contributions: This excludes SCOA item Household/Employer Social Benefits on BAS.
- Goods and Services: Consists of the SCOA item Consultants, Contractors and Special Services on BAS.
- The total number of employees is the average of employees that was in service as on 2007/03/31 and 2008/03/31.

Table 5.2.2: Personnel costs by salary bands, 2007/08

Salary bands	Personnel expenditure (R'000)	% of total personnel cost	Average personnel cost per employee (R'000)	Total number of employees
Lower skilled (Levels 1 - 2)	176,498	4.33	51	3,473
Skilled (Levels 3 - 5)	817,862	20.07	92	8,919
Highly skilled production (Levels 6 - 8)	1,086,609	26.67	128	8,496
Highly skilled supervision (Levels 9 - 12)	1,905,644	46.76	414	4,598
Senior management (Levels 13 - 16)	88,417	2.17	691	128
Total	4,075,030	100.00	159	25,614

Notes:

- The above expenditure totals excludes the Medsas and EU funding personnel.
- Expenditure on sessional, periodical and extraordinary appointments are included in the expenditure but not in the personnel totals which inflate the average personnel cost per employee.
- The senior management cost includes commuted overtime of health professionals which inflates the average personnel cost per employee.

The following tables provide a summary per programme (Table 5.2.3) and salary bands (Table 5.2.4), of expenditure incurred as a result of salaries, overtime, home owners allowance and medical assistance. In each case, the table provides an indication of the percentage of the personnel budget that was used for these items.

Table 5.2.3: Salaries, Overtime, Housing allowance and Medical aid by programme, 2007/08

Programme	Salaries		Overtime		Housing allowance		Medical assistance	
	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of personnel cost	Amount (R'000)	Housing as a % of personnel cost	Amount (R'000)	Medical assistance as a % of personnel cost
Programme 1	73,942	92.87	1,020	1.28	961	1.21	3,700	4.65
Programme 2	1,245,976	90.37	63,735	4.62	15,764	1.14	53,204	3.86
Programme 3	175,346	85.90	14,725	7.21	2,480	1.21	11,569	5.67
Programme 4	772,047	88.17	56,488	6.45	12,524	1.43	34,582	3.95
Programme 5	1,241,516	84.56	156,308	10.65	21,140	1.44	49,170	3.35
Programme 6	23,013	92.37	444	1.78	394	1.58	1,062	4.26
Programme 7	38,942	88.66	1,678	3.82	1,181	2.69	2,119	4.82
Total	3,570,782	87.63	294.398	7.22	54,444	1.34	155,406	3.81

Notes:

- The above expenditure totals exclude the Medsas and EU funding personnel.
- Expenditure of sessional, periodical and abnormal appointments are included in the expenditure.
- Expenditure of the joint establishment (universities conditions of service) is excluded in the above.

Table 5.2.4: Salaries, Overtime, Housing Allowance and Medical Aid by salary bands, 2007/08

Salary bands	Salaries		Overtime		Housing allowance		Medical assistance	
	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of personnel cost	Amount (R'000)	Housing as a % of personnel cost	Amount (R'000)	Medical assistance as a % of personnel cost
Lower skilled (Levels 1 - 2)	160,997	91.22	2,635	1.49	4,989	2.83	7,878	4.46
Skilled (Levels 3 - 5)	721,941	88.27	30,089	3.68	19,275	2.36	46,557	5.69
Highly skilled production (Levels 6 - 8)	970,421	89.31	44,815	4.12	18,912	1.74	52,460	4.83
Highly skilled supervision (Levels 9 - 12)	1,642,398	86.19	205,330	10.77	11,268	0.59	46,648	2.45
Senior management (Levels 13 -16)	75,025	84.85	11,529	13.04	0	0	1,863	2.11
Total	3,570,782	87.63	294,398	7.22	54,444	1.34	155,406	3.81

Notes:

- The above expenditure totals exclude the Medsas and EU funding personnel.
- Expenditure of sessional, periodical and abnormal appointments are included in the expenditure.
- Expenditure of the joint establishment (universities conditions of service) is excluded in the above.
- Commuted overtime is included in salary bands Highly skilled supervision (Levels 9 - 12) and Senior management (Levels 13 - 16).

5.3 Employment and Vacancies

The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate, and whether there are any staff that are additional to the establishment. This information is presented in terms of three key variables: - programme (Table 5.3.1), salary band (Table 5.3.2) and critical occupations (Table 5.3.3). Departments have identified critical occupations that need to be monitored. Table 5.3.3 provides establishment and vacancy information for the key critical occupations of the Department.

The vacancy rate reflects the percentage of posts that are not filled.

Table 5.3.1: Employment and vacancies by programme, 31 March 2008

Programme	Number of posts	Number of posts filled	Vacancy rate	Number of posts filled additional to the establishment
Programme 1	631	361	42.79	38
Programme 2	12,274	9,266	24.51	117
Programme 3	2,749	1,561	43.22	2
Programme 4	7,788	5,816	25.32	58
Programme 5	10,138	8,527	15.89	74
Programme 6	284	145	48.94	13
Programme 7	641	442	31.05	1
EU funding posts	0	0	0.00	4
Medsas	345	100	71.01	10
Total	34,850	26,218	24.77	317

Notes:

- Nature of appointment sessional is excluded.
- Nature of appointments periodical and abnormal are also excluded. No posts.
- The vacancy rate for Programme 3 has been inflated as a result of the implementation of a new establishment for Emergency Medical Services (EMS) on PERSAL.
- The staff establishment consist of 34,850 posts of which 26,218 are filled. The majority of the vacant posts of 8,632 are unfunded but could not be reflected on PERSAL as such as a result of the implementation of the new establishment of EMS and the OSD for nurses.
- The Department has overspent an amount of R 92,849,000 on personnel as a result of the under funding for the implementation of the OSD for nurses. This resulted that previously funded vacant posts could not be filled.

Table 5.3.2: Employment and vacancies by salary bands, 31 March 2008

Salary band	Number of posts	Number of posts filled	Vacancy rate	Number of posts filled additional to the establishment
Lower skilled (Levels 1 - 2)	4,308	2,993	30.52	20
Skilled (Levels 3 - 5)	11,651	9,183	21.18	133
Highly skilled production (Levels 6 - 8)	10,178	7,483	26.48	64
Highly skilled supervision (Levels 9 - 12)	8,206	6,331	22.85	86
Senior management (Levels 13 - 16)	162	128	20.99	0
EU funding posts	0	0	0.00	4
Medsas	345	100	71.01	10
Total	34,850	26,218	24.77	317

Notes:

- Nature of appointment sessional is excluded.
- Nature of appointments periodical and abnormal are also excluded. No posts.
- Number of posts includes 8,749 vacant posts of which most are unfunded posts.

Table 5.3.3: Employment and vacancies by critical occupation, 31 March 2008

Critical occupations	Number of posts	Number of posts filled	Vacancy rate	Number of posts filled additional to the establishment
Medical ort & prosthetist	20	11	45.00	0
Medical physicist	17	14	17.65	1
Clinical technologist	100	79	21.00	0
Pharmacist	480	324	32.50	8
Industrial technician	87	56	35.63	0
Total	704	484	31.25	9

Notes:

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

The information in each case reflects the situation as at 31 March 2008. For an indication of changes in staffing patterns over the year under review, please refer to paragraph 5.5 in this section of the report.

5.4 Job evaluation

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

The following table (Table 5.4.1) summarises the number of jobs that were evaluated during the year under review. The table also provides statistics on the number of posts that were upgraded or downgraded.

Table 5.4.1: Job Evaluation, 1 April 2007 to 31 March 2008

Salary band	Number of posts	Number of jobs evaluated	% of posts evaluated by salary bands	Posts upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower skilled (Levels 1 - 2)	4,408	1	0.02	1	100.00	0	0.00
Skilled (Levels 3 - 5)	12,002	5	0.04	5	100.00	0	0.00
Highly skilled production (Levels 6 - 8)	10,342	6	0.06	6	100.00	0	0.00
Highly skilled supervision (Levels 9 - 12)	8,363	53	0.63	51	96.23	2	3.77
Senior management (Service band A)	135	0	0.00	0	0.00	0	0.00
Senior management (Service band B)	30	0	0.00	0	0.00	0	0.00
Senior management (Service band C)	3	0	0.00	0	0.00	0	0.00
Senior management (Service band D)	1	0	0.00	0	0.00	0	0.00
Total	35,284	65	0.18	63	96.92	2	3.08

Notes:

- Nature of appointment sessional is excluded.

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

Table 5.4.2: Profile of employees whose salary positions were upgraded due to their posts being upgraded, 1 April 2007 to 31 March 2008

Beneficiaries	African	Asian	Coloured	White	Total
Female	5	0	3	4	12
Male	1	0	6	8	15
Total	6	0	9	12	27
Employees with a disability	0	0	0	0	0

Notes:

- Nature of appointment sessional is excluded.

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

Table 5.4.3: Employees whose salary level exceed the grade determined by job evaluation, 1 April 2007 to 31 March 2008 (in terms of PSR 1.V.C.3)

Occupation	No of em-ployees	Job evalua-tion level	Remuneration level	Reason for deviation
Chief medical technologist	2	8	9 (16th notch) 9 (5th notch)	Retention of services due to better job offer
Pharmacist	2	8	9 (16th notch) 10 (1st notch)	Retention of services due to better job offer
Specialist	4	11	12 (1st notch) 12 (8th notch) 11 (16th notch) x 2	Retention of services due to better job offer
Principal pharmacist	3	9	9 (15th notch) 9 (7th notch) 9 (6th notch)	Retention of services due to better job offer
Pharmacy assistant	1	4 and 5	5 (14th notch)	Retention of services due to better job offer
Clinical technologist	1	8	9 (1st notch)	Retention of services due to better job offer
Chief professional nurse	2	8	8 (16th notch) 10 (3rd notch)	Retention of services due to better job offer
Clinic manager	1	12	12 (10th notch)	Retention of services due to better job offer
Artisan foreman	1	7	8 (9th notch)	Retention of services due to better job offer
Physiotherapist	1	6	7 (1st notch)	Retention of services due to better job offer
Chief medical officer	2	12	11 (16th notch)	Retention of services due to better job offer
Senior specialist	3	12	12 (14th notch) 13 (2nd notch) 12 (8th notch)	Retention of services due to better job offer
Community pharmacist	1	7	8 (8th notch)	Retention of services due to better job offer
Personnel officer	1	4	5 (2nd notch)	Retention of services due to better job offer
Senior administrative officer	2	8	9 (2nd notch) 9 (9th notch)	Retention of services due to better job offer
Professional nurse	2	6	8 (1st notch)	Retention of services due to better job offer
Specialist scientist	1	11	12 (16th notch)	Retention of services due to better job offer
Senior radiographer	1	7	8 (16th notch)	Retention of services due to better job offer
Facility manager	1	10	11 (1st notch)	Retention of services due to better job offer
Staff nurse	1	5	6 (14th notch)	Retention of services due to better job offer
Provisioning administrative officer	1	7	8 (1st notch)	Retention of services due to better job offer
Chief personnel officer	1	8	8 (16th notch)	Retention of services due to better job offer
Logistic clerk	1	4	6 (4th notch)	Retention of services due to better job offer
Total number of employees whose salaries exceeded the level determined by job evaluation in 2007/08				36
Percentage of total employment				0.1%

Table 5.4.4 summarises the beneficiaries of the above in terms of race, gender, and disability.

Table 5.4.4: Profile of employees whose salary level exceed the grade determined by job evaluation, 1 April 2007 to 31 March 2008 (in terms of PSR 1.V.C.3)

Beneficiaries	African	Asian	Coloured	White	Total
Female	3	1	7	8	19
Male	5	1	8	3	16
Total	8	2	15	11	36

5.5 Employment changes

This section provides information on changes in employment over the financial year.

Turnover rates provide an indication of trends in the employment profile of the Department. The following tables provide a summary of turnover rates by salary band (Table 5.5.1) and by critical occupations (Table 5.5.2). (These "critical occupations" should be the same as those listed in Table 5.3.3).

Table 5.5.1: Annual turnover rates by salary band for the period 1 April 2007 to 31 March 2008

Salary band	Number of employees per band as on 1 April 2007	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Lower skilled (Levels 1 - 2)	3,940	750	423	10.74
Skilled (Levels 3 - 5)	8,582	1,811	1,078	12.56
Highly skilled production (Levels 6 - 8)	9,505	1,678	1,182	12.44
Highly skilled supervision (Levels 9 - 12)	2,795	1,065	1,030	36.85
Senior management (Service band A)	108	3	9	8.33
Senior management (Service band B)	16	0	1	6.25
Senior management (Service band C)	3	0	0	0
Senior management (Service band D)	1	0	0	0
Total	24,950	5,307	3,723	14.92

Notes:

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

Table 5.5.2: Annual turnover rates by critical occupation for the period 1 April 2007 to 31 March 2008

Occupation	Number of employees per occupation as on 1 April 2007	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Clinical technologists	74	25	17	22.97
Industrial technician	52	9	4	7.69
Medical ort & pros	12	2	2	16.67
Medical physicist	14	2	2	14.29
Pharmacists	306	208	181	59.15
Total	458	246	206	44.98

Notes:

- Nature of appointment sessional is excluded.
- Nature of appointments periodical and abnormal are also excluded. No posts.
- Any differences in numbers between 2007 and 2008 is a result of the rectification of occupational classification and Job Title codes.

Table 5.5.3 identifies the major reasons why staff left the Department.

Table 5.5.3: Reasons why staff are leaving the Department

Termination type	Number	% of total
Death	79	2.21
Resignation	1,212	33.85
Expiry of contract	1,776	49.61
Dismissal – operational changes	1	0.03
Dismissal – misconduct	90	2.51
Dismissal – inefficiency	0	0.00
Discharged due to ill-health	58	1.62
Retirement	277	7.74
Other	87	2.43
Total	3,580	100.00
Total number of employees who left as a % of the total employment		13.49

Notes:

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

Table 5.5.4: Promotions by critical occupation

Occupation	Employees as at 1 April 2007	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progressions as a % of employees by occupation
Clinical technologists	74	3	4.05	55	74
Industrial technician	52	5	9.62	36	69
Medical ort & pros	12	0	0.00	7	58
Medical physicist	14	1	7.14	11	79
Pharmacists	306	12	3.92	131	42.81
Total	458	21	4.59	240	52.40

Notes:

- Nature of appointment sessional is excluded.
- Nature of appointments periodical and abnormal are also excluded. No posts.
- Promotions to another salary level include event 10 – Promotion and 52- Promotion: Package SMS.
- Progression to another notch within a salary level includes event 61 – Pay Progression, but excludes event 62 – Higher Notch PSR 2001 I.V.C.3 and event 63 – Higher Notch PS Act 1994, Section 37(2)(c)

Table 5.5.5: Promotions by salary band

Salary band	Em-ployees 1 April 2007	Promo-tions to another salary level	Salary bands promo-tions as a % of em-ployees by salary level	Progres-sions to another notch within a salary level	Notch progres-sions as a % of em-ployees by salary band	Occu-pational Specific Dispen-sions (OSD's)	OSD as a % of em-ployees by salary band
Lower skilled (Levels 1 - 2)	3,940	27	0.69	2,913	73.93	0	0.00
Skilled (Levels 3 - 5)	8,582	248	2.89	6,598	76.88	4,030	46.96
Highly skilled production (Levels 6 - 8)	9,505	298	3.14	6,285	66.12	2,962	31.16
Highly skilled supervision (Levels 9 - 12)	2,795	216	7.73	1,621	58.00	3,408	121.93
Senior management (Levels 13 - 16)	128	8	6.25	76	0	0	0.00
Total	24,950	797	3.19	17,493	70.11	10,400	41.68

Notes:

- Nature of appointment session is excluded.
- Nature of appointments periodical and abnormal are also excluded. No posts.
- The above figures include personnel of Medsas.
- Promotions to another salary level include event 10 – Promotion and 52 – Promotion: Package SMS.

- Progression to another notch within a salary level includes event 61 – Pay Progression, but excludes event 62 – Higher Notch PSR 2001 I.V.C.3, event 63 – Higher Notch Public Service Act 1994, Section 37(2)(c) and event 65 – Upgrade of post.

5.6 Employment equity

The tables in this section are based on the formats prescribed by the Employment Equity Act, 55 of 1998.

Table 5.6.1: Total number of employees (including employees with disabilities) in each of the following occupational categories (SASCO) as on 31 March 2008

Occupational categories (SASCO)	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	7	9	1	11	1	2	0	8	39
Professionals	130	381	138	943	217	887	163	1,156	4,015
Technicians and associate professionals	253	637	9	182	864	3,353	61	1,116	6,475
Clerks	198	855	6	128	398	1,256	18	471	3,330
Service and sales workers	354	1,106	13	153	1,126	4,919	11	509	8,191
Craft and related trades workers	7	88	1	81	0	3	0	0	180
Plant and machine operators and assemblers	51	156	1	4	5	10	0	2	229
Labourers and related workers	449	1,045	2	70	543	1,944	1	22	4,076
Total	1,449	4,277	171	1,572	3,154	12,374	254	3,284	26,535
Employees with disabilities	2	27	0	24	2	14	0	22	91

Notes:
- Nature of appointment sessional is excluded.
- Nature of appointments periodical and abnormal are also excluded. No posts.
- The above figures includes the Medsas and EU funded personnel.
- Total number of employees includes employees additional to the establishment.

Table 5.6.2: Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2008

Occupational bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	0	1	0	2	0	0	0	1	4
Senior management	9	12	8	67	1	4	0	23	124
Professionally qualified	203	518	117	893	592	2,490	135	1,482	6,430
Skilled technical	215	1,277	33	418	566	3,650	94	1,331	7,584
Semi-skilled	601	1,717	10	158	1,476	4,961	24	424	9,371
Unskilled	421	752	3	34	519	1,269	1	23	3,022
Total	1,449	4,277	171	1,572	3,154	12,374	254	3,284	26,535

Notes:

- Nature of appointment sessional is excluded.
- Nature of appointments periodical and abnormal are also excluded. No posts.
- The above figures includes the Medsas and EU funded personnel.
- Senior management includes senior professionals.
- Total number of employees include employees additional to the establishment.

Table 5.6.3: Recruitment for the period 1 April 2007 to 31 March 2008

Occupational bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	0	0	0	0	0	0	0	0	0
Senior management	0	0	0	1	0	1	0	0	2
Professionally qualified	28	91	48	248	68	135	58	318	994
Skilled technical	68	134	20	93	228	588	42	435	1,608
Semi-skilled	180	319	5	22	401	735	17	95	1,774
Unskilled	134	192	1	20	151	234	0	18	750
Total	410	736	74	384	848	1,693	117	866	5,128
Employees with disabilities	0	1	0	1	0	1	0	0	3

Notes:

- Nature of appointment sessional is excluded.
- Nature of appointments periodical and abnormal are also excluded. No posts.
- The above figures includes the Medsas and EU funded personnel.
- Senior management includes senior professionals.

Table 5.6.4: Promotions for the period 1 April 2007 to 31 March 2008

Occupational bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	0	0	0	0	0	0	0	0	0
Senior management	0	3	0	2	0	0	0	3	8
Professionally qualified	16	19	3	41	18	47	3	71	218
Skilled technical	24	60	3	9	35	135	3	27	296
Semi-skilled	36	69	0	3	30	103	0	7	248
Unskilled	0	12	0	0	2	13	0	0	27
Total	76	163	6	55	85	298	6	108	787
Employees with disabilities	0	0	0	1	0	1	0	0	2

Notes:

- Nature of appointment sessional is excluded.
- Nature of appointments periodical and abnormal are also excluded. No posts.
- The above figures includes the Medsas and EU funded personnel.
- Senior management includes senior professionals (principal and chief specialists).
- All senior professional posts are advertised nationwide and difficulties are experienced to recruit representative candidates in these highly specialised fields.

Table 5.6.5: Terminations for the period 1 April 2007 to 31 March 2008

Occupational bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	0	0	0	0	0	0	0	0	0
Senior management	0	0	1	8	0	0	0	1	10
Professionally qualified	30	89	49	272	62	128	45	324	999
Skilled technical	60	123	13	71	123	396	29	307	1,122
Semi-skilled	88	203	4	16	186	458	6	72	1,033
Unskilled	55	110	0	14	62	165	0	10	416
Total	233	525	67	381	433	1,147	80	714	3,580
Employees with disabilities	0	0	0	5	0	0	0	1	6

Notes:

- Nature of appointment sessional is excluded.
- Nature of appointments periodical and abnormal are also excluded. No posts.
- The above figures includes the Medsas and EU funded personnel.
- Senior management represents 10 senior professionals (4 retirements, 4 resignations, 1 expiry of contract and 1 conversion - appointment).

Table 5.6.6: Disciplinary action for the period 1 April 2007 to 31 March 2008

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Correctional counseling	8	13	0	4	15	73	0	8	121
Verbal warning	12	34	0	2	18	56	1	11	134
Written warning	36	75	0	8	23	131	0	3	276
Final written warning	53	164	0	7	97	420	0	9	750
Suspension without pay	0	0	0	0	0	0	0	0	0
Dismissal/ Desertions	11	48	0	1	10	19	0	1	90
Not guilty	0	0	0	1	0	0	0	0	1
Case withdrawn	0	0	0	1	0	0	0	0	1
Total	120	334	0	24	163	699	1	32	1,373

Table 5.6.7: Skills development for the period 1 April 2007 to 31 March 2008

Occupational categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	6	10	0	16	0	14	2	15	63
Professionals	136	312	32	216	669	2,871	55	1,229	5,520
Technicians and associate professionals	71	294	6	62	357	736	27	438	1,991
Clerks	106	440	7	55	219	677	8	172	1,684
Service and sales workers	145	775	17	120	177	610	16	139	1,999
Craft and related trades workers	2	23	1	13	3	2	1	1	46
Plant and machine operators and assemblers	3	8	0	9	5	13	0	0	38
Elementary occupations	85	241	12	8	192	452	0	11	1,002
Total	554	2,103	75	499	1,622	5,375	109	2,005	12,343

5.7 Performance rewards

To encourage good performance, the Department has granted the following performance rewards during the year under review. The information is presented in terms of race, gender, and disability (Table 5.7.1), salary bands (Table 5.7.2) and critical occupations (Table 5.7.3).

Table 5.7.1: Performance rewards by race, gender, and disability, 1 April 2007 to 31 March 2008

	Beneficiary profile			Cost	
	Number of beneficiaries	Total number of employees in group	% of total within group	Cost (R'000)	Average cost per employee (R'000)
African					
Male	164	1,449	0.11	791	5
Female	386	3,154	0.12	2,176	6
Asian					
Male	24	171	0.14	412	17
Female	30	254	0.12	353	12
Coloured					
Male	764	4,277	0.18	5,033	7
Female	2,678	12,374	0.22	15,408	6
White					
Male	319	1,572	0.20	4,957	16
Female	821	3,284	0.25	8,252	10
Employees with a disability	16	91	0.18	0	0
Total	5,186	26,535	19.54	37,382	7

Notes:

- Nature of appointment sessional is excluded.
- Nature of appointments periodical and abnormal are also excluded. No posts.
- Performance awards includes merit awards and allowance 0228.
- Employees with a disability is included in "Total".
- Senior management and senior professionals are included.

Table 5.7.2: Performance rewards by salary bands for personnel below Senior Management Service, 1 April 2007 to 31 March 2008

Salary bands	Beneficiary profile			Cost		
	Number of beneficiaries	Number of employees	% of total within salary bands	Total cost (R'000)	Average cost per employee (R'000)	Total cost as a % of the total personnel expenditure
Lower skilled (Levels 1 - 2)	747	3,022	24.72	2,179	3	0.05
Skilled (Levels 3 - 5)	1,627	9,371	17.36	7,055	4	0.17
Highly skilled production (Levels 6 - 8)	2,185	7,584	28.81	16,766	8	0.41
Highly skilled supervision (Levels 9 - 12)	605	6,430	9.41	10,400	17	0.26
Total	5,164	26,407	19.56	36,400	7	0.90

Notes:
- Nature of appointment sessional is excluded.
- Nature of appointments periodical and abnormal are also excluded. No posts.
- Performance awards includes merit awards and allowance 0228.
- Senior management is excluded.

Table 5.7.3: Performance rewards by critical occupations, 1 April 2007 to 31 March 2008

Critical occupations	Beneficiary profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total cost (R'000)	Average cost per employee (R'000)
Clinical technologists	17	79	21.52	163	10
Industrial technician	16	56	28.57	237	15
Medical orth & pros	1	11	9.09	18	18
Medical physicist	2	15	13.33	59	30
Pharmacist	64	332	19.28	736	12
Total	100	493	20.28	1,213	12

Notes:
- Nature of appointment sessional is excluded.
- Nature of appointments periodical and abnormal are also excluded. No posts.
- Performance awards includes merit awards and allowance 0228.

Table 5.7.4: Performance related rewards (cash bonus), by salary band, for Senior Management Service, 1 April 2007 to 31 March 2008

Salary band	Beneficiary profile			Cost			
	Number of beneficiaries	Number of employees	% of total within band	Total Cost (R'000)	Average cost per employee	Total cost as a % of the total personnel expenditure	Personnel cost per Band (R'000)
Band A	15	108	13.89	674	45	0.009	72,766
Band B	7	16	43.75	308	44	0.025	12,310
Band C	0	3	0.00	0	0	0.000	2,270
Band D	0	1	0.00	0	0	0.000	1,071
Total	22	128	17.19	982	45	0.011	88,417

Notes:

- Senior management includes senior professionals (principal and chief specialists).

5.8 Foreign workers

The tables below summarise the employment of foreign nationals in the Department in terms of salary bands and by major occupation. The tables also summarise changes in the total number of foreign workers in each salary band and by each major occupation.

Table 5.8.1: Foreign workers, 1 April 2007 to 31 March 2008, by salary band

Salary band	1 April 2007		31 March 2008		Change	
	Number	% of total	Number	% of total	Number	% change
Lower skilled (Levels 1 - 2)	2	1.49	1	0.76	(1)	33
Skilled (Levels 3 - 5)	8	5.97	5	3.82	(3)	100
Highly skilled production (Levels 6 - 8)	37	27.61	26	19.85	(11)	367
Highly skilled supervision (Levels 9 - 12)	85	63.43	97	74.05	12	(400)
Senior management (Levels 13 - 16)	2	1.49	2	1.53	0	0
Total	134	100.00	131	100.00	(3)	100

Notes:

- Nature of appointments sessional, periodical and abnormal are not included.

Table 5.8.2: Foreign workers, 1 April 2007 to 31 March 2008, by major occupation

Major occupation	1 April 2007		31 March 2008		Change	
	Number	% of total	Number	% of total	Number	% change
Admin office workers	2	1.49	2	1.53	0	0.00
Craft related workers	1	0.75	0	0.00	(1)	33.33
Elementary occupations	2	1.49	1	0.76	(1)	33.33
Professionals and managers	88	65.67	96	73.28	8	(266.67)
Service workers	7	5.22	7	5.34	0	0.00
Plant and machine operators	0	0.00	0	0.00	0	0.00
Technical and associate professionals	34	25.37	25	19.08	(9)	300.00
Total	134	100	131	100	(3)	100.00

Notes:
- Nature of appointments sessional, periodical and abnormal are not included.

5.9 Leave utilisation for the period 1 January 2007 to 31 December 2007

The Public Service Commission identified the need for careful monitoring of sick leave within the public service. The following tables provide an indication of the use of sick leave (Table 5.9.1) and disability leave (Table 5.9.2). In both cases, the estimated cost of the leave is also provided.

Table 5.9.1: Sick leave, 1 January 2007 to 31 December 2007

Salary band	Total days	% days with medical certification	Number of employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1 - 2)	27,988	81.59	2,535	12.05	11	4,810
Skilled (Levels 3 - 5)	87,315	84.13	8,827	41.96	10	20,799
Highly skilled production (Levels 6 - 8)	73,523	83.33	8,091	38.46	9	31,468
Highly skilled supervision (Levels 9 - 12)	11,213	76.32	1,538	7.31	7	8,538
Senior management (Levels 13 - 16)	234	74.36	47	0.22	5	297
Total	200,273	83.03	21,038	100.00	10	68,844

Notes:
- Nature of appointments sessional, periodical and abnormal are not included.
- Annual leave cycle is from 1 January – 31 December of each year.

Table 5.9.2: Incapacity leave (temporary and permanent), 1 January 2007 to 31 December 2007

Salary band	Total days	% days with medical certification	Number of employees using incapacity leave	% of total employees using incapacity leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1 - 2)	2,170	100.00	37	12.89	58.65	375
Skilled (Levels 3 - 5)	6,029	99.97	117	40.77	51.53	1,496
Highly skilled production (Levels 6 - 8)	5,393	100.00	111	38.68	48.59	2,333
Highly skilled supervision (Levels 9 - 12)	1,097	99.91	22	7.67	49.86	888
Senior management (Levels 13 - 16)	0	0.00	0	0.00	0.00	0
Total	14,689	99.98	287	100.00	51.18	5,182

Notes:
- Nature of appointments sessional, periodical and abnormal are not included.
- Annual leave cycle is from 1 January – 31 December of each year.

Table 5.9.3 summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the PSCBC in 2000 requires management of annual leave to prevent high levels of accrued leave being paid at the time of termination of service.

Table 5.9.3: Annual leave, 1 January 2007 to 31 December 2007

Salary bands	Total days taken	Average per employee
Lower skilled (Levels 1 - 2)	63,250	22
Skilled (Levels 3 - 5)	255,825	25
Highly skilled production (Levels 6 - 8)	266,916	27
Highly skilled supervision(Levels 9 - 12)	61,617	20
Senior management (Levels 13 - 16)	3,267	25
Total	650,875	25

Notes:
- Nature of appointments sessional, periodical and abnormal are not included.
- Annual leave cycle is from 1 January – 31 December of each year.

Table 5.9.4: Capped leave, 1 January 2007 to 31 December 2007

Salary bands	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2007	Number of employees as at 31 December 2007	Total capped leave available as at 31 December 2007
Lower skilled (Levels 1 - 2)	2,523	1	8	2,911	23,400
Skilled (Levels 3 - 5)	9,465	1	16	9,420	150,679
Highly skilled production (Levels 6 - 8)	12,185	2	30	7,442	225,913
Highly skilled supervision (Levels 9 - 12)	5,204	1	24	5,961	140,218
Senior management (Levels 13 - 16)	113	1	43	128	5,537
Totals	29,490	1	21	25,862	545,747

Notes:

- Nature of appointments sessional, periodical and abnormal are not included.
- Annual leave cycle is from 1 January – 31 December of each year.

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

Table 5.9.5: Leave payouts for the period 1 April 2007 to 31 March 2008

Reason	Total amount (R'000)	Number of employees	Average payment per employee (R'000)
Leave payout for 2007/08 due to non-utilisation of leave for the previous cycle	594	179	3
Capped leave payouts on termination of service for 2007/08	6,135	278	22
Current leave payout on termination of service for 2007/08	2,895	668	4
Total	9,624	1,125	9

Notes:

- Capped leave are only paid out in case of normal retirement, termination of services due to ill health and death.

5.10 HIV and AIDS & Health Promotion Programmes

Table 5.10.1: Steps taken to reduce the risk of occupational exposure

<table>
<tr><th>Units/categories of employees identified to be at high risk of contracting HIV and related diseases (if any)</th><th>Key steps taken to reduce the risk</th></tr>
<tr><td>Employees in clinical areas, i.e. doctors, nurses, medical students, general workers and paramedics are more at risk of contracting HIV and related diseases.

The table below depicts the nature of injuries reported by employees for 2007/08:

<table>
<tr><th>Nature of injury on duty</th><th>Cases reported</th></tr>
<tr><td>Needle prick</td><td>148</td></tr>
<tr><td>Post traumatic stress disorder</td><td>12</td></tr>
<tr><td>Tuberculosis</td><td>2</td></tr>
<tr><td>Latex allergy</td><td>1</td></tr>
</table>

Young employees and the children of employees have also been identified to be at high risk.</td><td>• The HIV and AIDS/STI Policy within the Department identifies the prevention of occupational exposure to potentially infectious blood and blood products as a key focus area.
• A protocol to ensure universal infection control measures has been implemented.
• Special responsive programs targeting behaviourial risks have been implemented.</td></tr>
</table>

Table 5.10.2: Details of health promotion and HIV and AIDS programmes (tick the applicable boxes and provide the required information)

Question	Yes	No	Details, if yes
1. Has the Department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	✓		Mrs B Arries Chief Director Human Resources
2. Does the Department have a dedicated unit or has it designated specific staff members to promote the health and well being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	✓		Staff Health Wellness Component at Head Office level: Wellness manager: Ms Sandra Newman Admin support: Ms Nicky van der Walt and Mr Kyle Barnes Institutional / regional level: Groote Schuur Hospital: Gill Reynolds Red Cross Hospital : Hilary Barlow Tygerberg Hospital: Willieta Van Zyl Associated Psychiatric Hospitals: Linda Hering Boland/Overberg Region: James Kruger West Coast/Winelands: Nicola Wilson South Cape/Karoo Region: Nuruh Davids Cape Metropole: Kay Govender MDHS: Wendy Van Zyl EMS: Shahnaz Adams EMS: Liz Crossley

Question	Yes	No	Details, if yes
3. Has the Department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this programme.	✓		The Department uses a combined model i.e. internal and external services. Key elements - Staff Health and Wellness Programme: • The Western Cape Department of Health has created a Staff Health and Wellness Programme (SHWP) to support employees with life's challenges. • An independent service provider, ICAS, has been appointed to provide this confidential service and four institutions have an internal service in addition to the external service. • The service is available to all employees and their household members. • This multilingual service is available 24 hours per day, 365 days per year and gives access to both telephone and face-to-face counselling, as well as access to life management consultancy services. • Specialised interventions are specifically designed to target identified priority areas within the Department. • Managerial and formal referrals are conducted where necessary. • Regular reporting and feedback sessions with relevant management members occur on a quarterly basis. Some examples of common issues include: • Relationships: family, work, partners, friends. • Family: childcare, eldercare, state benefits. • Emotional: Stress, substance abuse, depression, trauma. • Financial: money management, debt. • Legal: legal matters, maintenance, child custody, divorce law, consumer rights. • Health Issues: HIV and AIDS counselling, illness. • Work: Stress management, career matters, maternity, harassment.

Question	Yes	No	Details, if yes
			Key elements - HIV and AIDS/STI programmes: • To ensure that every employee within the Department received appropriate and accurate HIV and AIDS/STI risk –reduction education. • To create a non-discriminatory work environment. • To prevent occupational exposure to potentially infectious blood and blood products and to manage occupational exposures that occurred. • To provide voluntary counselling and testing services for those employees who wish to determine their own HIV status. • To determine the impact of HIV and AIDS on the Department in order to plan accordingly. • To promote the use of and to provide SABS approved condoms. • Awareness of available services. • Education and training. • Counselling. • Critical incident stress debriefing (CISD). • Reporting and evaluating.
4. Has the Department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	✓		HIV and AIDS is seen as a transversal issue in the Provincial Government of the Western Cape. The Department of Health has been appointed as the primary driver of the process, with the Department of the Premier providing strategic direction. The Department of Health therefore has a dual role to play (i.e. to oversee and manage their departmental programme as well as to manage and co-ordinate the programme within the Province). Health Departmental Committee: Ms S Newman: Head Office Ms G Reynolds: Groote Schuur Hospital Ms H Barlow: Red Cross Hospital Ms W Van Zyl: Tygerberg Hospital Dr L Hering: Associated Psychiatric Hospitals Mr J Kruger Boland/Overberg Region Ms N Wilson: West Coast/Winelands Region Ms N Davids: South Cape/Karoo Region Ms K Govender: Cape Metropole Ms W van Zyl: MDHS Ms. S Adams: Emergency Medical Services Ms L Crossley: Emergency Medical Services

Question	Yes	No	Details, if yes
			Provincial Committee (PEAP): Ms B Claasen-Hoskins: Agriculture Ms C Leetz: Community Safety Ms Z Lamati: Cultural Affairs and Sport Ms J Nonong: Economic Development Ms N Adonsis: Education Mr C Carelse: Environmental Affairs Ms S Newman: Health Mr M Daniel: Local Government and Housing Ms H Ward: Premier Mr D Marks: Provincial Treasury Ms T Mgxwati: Social Development Ms J Van Stade: Transport and Public Works
5. Has the Department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	✓		None of the employment policies and practices discriminates unfairly against employees on the basis of their HIV and AIDS status. The HIV and AIDS/STI workplace programme is reviewed on an annual basis.
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.	✓		One of the objectives of the HIV and AIDS/STI workplace programme is to "create a working environment that is free of discrimination". In order to meet this objective, the Department: • Includes persons living with AIDS in awareness campaigns. • Develops ongoing awareness and communication strategies. • Has trained peer educators to assist with the breaking of social barriers and stigma. • Holds workshops and information sessions. • Promotes openness. • Promotes the need for confidentiality with regards to testing and status.
7. Does the Department encourage its employees to undergo voluntary counselling and testing? If so, list the results that you have you achieved.	✓		The Department of Health has appointed the following NGOs to render an on-site Voluntary Counselling and Testing (VCT) service to all employees: • LifeLine: Metropole Region • @Heart: West Coast/Winelands Region • Elgin Community College: Boland/Overberg Region • The Department of Health Regional Office provides the service in the South Cape/Karoo Region

<table>
<tr><th>Question</th><th>Yes</th><th>No</th><th>Details, if yes</th></tr>
<tr><td></td><td></td><td></td><td>Results:

<table>
<tr><th rowspan="2">Region</th><th colspan="3">No of employees tested</th></tr>
<tr><th>Tested</th><th>Negative</th><th>Positive</th></tr>
<tr><td>Metropole</td><td>220</td><td>219</td><td>1</td></tr>
<tr><td>West Coast/ Winelands</td><td>148</td><td>148</td><td>0</td></tr>
<tr><td>Boland/ Overberg</td><td>31</td><td>31</td><td>0</td></tr>
<tr><td>South Cape/ Karoo</td><td>175</td><td>173</td><td>2</td></tr>
</table>

Notes:

Employees who tested positive are supported via the Employee Assistance Programme and, where necessary, are on a Provincial ARV programme. Employees are also encouraged to join GEMS in cases where they have not already joined a medical aid.</td></tr>
<tr><td>8. Has the Department developed measures/indicators to monitor and evaluate the impact of its health promotion programme? If so, list these measures/indicators.</td><td>✓</td><td></td><td>The Department has an annual monitoring and evaluation tool for the Workplace HIV and AIDS Programme. This information is submitted to the HOD and DG.

Monthly statistics, quarterly reports and annual reports provided by VCT service providers serve as a means to monitor and evaluate the effectiveness of this programme.

Quarterly and annual report provided by the EAP service provider serves as a means to monitor and evaluate the effectiveness of this programme and also to identify trends and challenges within the Department.</td></tr>
</table>

5.11 Labour relations

The following collective agreements were entered into with trade unions within the Department.

Table 5.11.1: Collective agreements, 1 April 2007 to 31 March 2008

Subject matter	Date
Total collective agreements	None

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

Table 5.11.2: Misconduct and disciplinary hearings finalised, 1 April 2007 to 31 March 2008

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	121	8%
Verbal warning	134	10%
Written warning	276	20%
Final written warning	750	55%
Demotion	0	0
Dismissal/Desertions	90	7%
Not guilty	1	0.07%
Case withdrawn	1	0.07%
Total	1373	100%

Table 5.11.3: Types of misconduct addressed at disciplinary hearings

Type of misconduct	Number	% of total
Absent from work without reason or permission	463	34%
Code of conduct (improper/unacceptable manner)	68	5%
Insubordination	102	7%
Fails to comply with or contravenes an act	46	4%
Negligence	28	2%
Misuse of PGWC property	37	3%
Steals, bribes or commits fraud	8	0.6%
Substance abuse	21	2%
Sexual harassment	1	0.07%
Discrimination	3	0.22%
Assault or threatens to assault	15	0.10%
Desertions	13	0.9%
Protest action	568	42%
Total	1,373	100%

Table 5.11.4: Grievances lodged for the period 1 April 2007 to 31 March 2008

	Number	% of total
Number of grievances resolved	290	70%
Number of grievances not resolved	543	30%
Total number of grievances lodged	833	100%

Table 5.11.5: Disputes lodged with Councils for the period 1 April 2007 to 31 March 2008

	Number	% of total
Number of disputes upheld	52	58%
Number of disputes dismissed	38	42%
Total number of disputes lodged	90	100%

Table 5.11.6: Strike actions for the period 1 April 2007 to 31 March 2008

Total number of person working days lost	12,043 days
Total cost (R'000) of working days lost	R2,271,308.36
Amount (R'000) recovered as a result of no work no pay	R2,271,308.36

Table 5.11.7: Precautionary suspensions for the period 1 April 2007 to 31 March 2008

Number of people suspended	20
Number of people whose suspension exceeded 30 days	17
Average number of days suspended	111
Cost (R'000) of suspensions	R1,183,825.00

5.12 Skills development

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

Table 5.12.1: Training needs identified 1 April 2007 to 31 March 2008

Occupational categories	Gender	Number of employees as at 1 April 2007	Training needs identified at start of reporting period			
			Learnerships	Skills programmes and other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	10	0	24	0	24
	Male	29	0	44	0	44
Professionals	Female	1,690	0	3,322	180	3,502
	Male	1,490	0	768	63	831
Technicians and associate professionals	Female	5,490	245	3,272	160	3,677
	Male	1,036	85	573	25	683
Clerks	Female	1,985	0	1,427	70	1,497
	Male	1,154	0	767	10	777
Service and sales workers	Female	6,202	0	1,102	0	1,102
	Male	1,454	0	556	0	556
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	3	0	7	0	7
	Male	173	0	102	0	102
Plant and machine operators and assemblers	Female	19	0	28	0	28
	Male	198	0	114	0	114
Elementary occupations	Female	2,409	0	1,199	0	1,199
	Male	1,518	0	862	0	862
Sub-total	Female	17,808	245	10,381	410	11,036
	Male	7,052	85	3,786	98	3,969
Total		24,860	330	14,167	508	15,005

Table 5.12.2: Training provided 1 April 2007 to 31 March 2008

Occupational Categories	Gender	Number of employees as at 1 April 2007	Training provided within the reporting period			
			Learnerships	Skills programmes and other short courses	Other forms of training	Total
Legislators, senior officials & managers	Female	10	0	11	0	11
	Male	29	0	10	0	10
Professionals	Female	1,690	0	3,787	184	3,971
	Male	1,490	0	670	63	733
Technicians and associate professionals	Female	5,490	172	2,668	163	3,003
	Male	1,036	44	442	26	512
Clerks	Female	1,985	0	907	68	975
	Male	1,154	0	488	11	499
Service and sales workers	Female	6,202	0	607	0	607
	Male	1,454	0	1,122	0	1,122
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	3	0	1	0	1
	Male	173	0	52	0	52
Plant and machine operators & assemblers	Female	19	0	6	0	6
	Male	198	0	21	0	21
Elementary occupations	Female	2,409	0	559	0	559
	Male	1,518	0	261	0	261
Sub-total	Female	17,808	172	8,546	415	9,133
	Male	7,052	44	3,066	100	3,210
Total		24,860	216	11,612	515	12,343

5.13 Injury on duty

The following tables provide basic information on injury on duty.

Table 5.13.1: Injury on duty, 1 April 2007 to 31 March 2008

Nature of injury on duty	Number	% of total
Required basic medical attention only	0	0%
Temporary total disability	212	93%
Permanent disability	15	7%
Fatal	0	0%
Total	227	100%

5.14 Utilisation of consultants

Table 5.14.1: Report on consultant appointments using appropriated funds

Project title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand
Asset Management – Implementation and development of LOGIS sites and Asset Management.	1 consultant and 30 assistants.	Ongoing until 31 March 2009	R 504,108
Compile and maintenance of asset registers at Academic Hospitals for Annual Financial Statements for 2006/07 and maintenance of same asset registers on system for 2007/08 and completion of a total stock take at each institution during 2007/08.	The services of a consortium with the necessary expertise and manpower to render the service within the timeframe was procured and it is not clear how many people they used.	Ongoing until 31 March 2009	R 432,647
Khayelitsha CHC trauma unit.	1	Ongoing until 31 March 2009	R 500,000
Architect plans for Karl Bremer Hospital.	1	168	R 130,000
Project Manager of Chronic Dispensing Unit.	1	1 March 2006 – 30 June 2009	R 7,068 per month R 84,816
PERSAL User Support services.	5	Ongoing until 30 April 2011	1 = R 327.87 per hour 1 = R 200.00 per hour 3 = R 324.90 per hour
Implement General Acceptable Accounting Principles	5	10 days	R 212,477
Total number of projects	Total individual consultants	Total duration: Work days	Total contract value in Rand
7	43	178 for completed projects	R 1,864,048

Table 5.14.2: Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs)

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
Asset Management – Implementation and development of LOGIS sites and Asset Management.	Nil	Nil	Nil

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
Compile and maintenance of asset registers at Academic Hospitals for Annual Financial Statements for 2006/07 and maintenance of same asset registers on system for 2007/08 and completion of a total stock take at each institution during 2007/08.	17%	17%	Unknown
Khayelitsha CHC trauma unit.	Nil	Nil	Nil
Architect plans for Karl Hospital.	Nil	Nil	Nil
Project Manager of Chronic Dispensing Unit.	Nil	Nil	Nil
PERSAL User Support services.	Nil	Nil	Nil
Implement General Acceptable Accounting Principles	Nil	Nil	Nil

Table 5.14.3: Report on consultant appointments using donor funds

Project title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand
None			
Total number of projects	Total individual consultants	Total duration: Work days	Total contract value in Rand
None			

Table 5.14.4: Analysis of consultant appointments using donor funds, in terms of Historically Disadvantaged Individuals (HDIs)

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
None			