



health

Department of
Health
FREE STATE PROVINCE

DEPARTMENT OF HEALTH
ANNUAL REPORT
2022/2023

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PART A:

GENERAL INFORMATION

1. DEPARTMENT GENERAL INFORMATION

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2. LIST OF ABBREVIATIONS/ACRONYMS

ACSM	Advocacy Communication and Social Mobilisation
AANC	Advanced Ante Natal Care
AFP	Adolescent Family Planning
AGSA	Auditor General of South Africa
AIDS	Acquired Immune Deficiency Syndrome
ALOS	Average Length of Stay
ANC	Ante – natal care
AOP	Annual Operational Plan
APP	Annual Performance Plan
ART	Anti – Retroviral Treatment
ARV	Antiretroviral
AYFS	Adolescent & Youth Friendly Services
BANC	Basic Ante – natal care
BAS	Basic Accounting System
BBAS	Babies Born Before Arrivals
BLS	Basic Life Skills
BoD	Burden of Diseases
CCMDD	Central Chronic Medicine Dispensing and Distribution
CCTV	Closed-Circuit Television
CDC	Centre for Disease Control
CEO	Chief Executive Officer
CHE	Council on High Education
CHIP	Child Problem Identification Programme
CHWs	Community Health Workers
CoC	Certificate of Compliance
COS	Community Outreach Services
COPD	Chronic obstructive pulmonary disease
COVID-19	Corona Virus Disease of 2019
CPSI	Centre for Public Sector Innovation
CTOP	Choice on Termination of Pregnancy
DHB	District Health Barometer
DDM	District Development Model
DDG	Deputy Director General
DHIS	District Health Information System
DHMO	Dental Health Maintenance Organization
DHS	District Health Services

DPC	Disease Prevention and Control
DORT	District Outbreak Response Team
DPSA	Department of Public Service and Administration
DS – TB	Drug Sensitivity Tuberculosis
EMC	Emergency Medical Care
EMS	Emergency Medical Care
EMS P1	Emergency Priority one calls
EPWP	Expanded Public Works Programme
ESMOE	Essential Steps in the Management of Obstetric Emergencies
EPI	Expanded Programme on Immunisation
ETAT	Emergency Triaging, Assessment and Treatment
FSDoH	Free State Department of Health
FSSON	Free State School of Nursing
FPS	Forensic Pathology Services
FSCoEC	Free State College of Emergency Care
FSPC	Free State Psychiatric Complex
FY	Financial Year
GPs	General Practitioners
HAST	HIV&AIDS / STI and TB
HBB	Helping Babies Breath
HCSS	Health Care Support Services
HCW	Health Care Workers
HFM	Health Facilities Management
HIV	Human Immunodeficiency Virus
HIV SS	HIV Self-Screening
HMS 2	Health Management System version 2
HOD	Head of Department
HPSCA	Health Professional Council of South Africa
HPRS	Health Patient Registration System
HPV	Human Papilloma Virus
HR	Human Resource
HRD	Human Resource Development
HRP	Human Resource Plan
HTA	High Transmission Areas
HTS	HIV Counselling and Testing Services
HVAC	Heat Ventilation Air Conditioner

IBUR	Inpatient Bed Utilisation Rate
ICRM	Ideal Clinic Realisation and Maintenance
ICT	Information Communication Technology
IDP	Integrated Development Plan
IHF	Ideal Health Facility Framework
IHL	Institutions of Higher Learning
IMCI	Integrated Management of Childhood Illnesses
IPC	Infection Prevention and Control
IUCD	Intra-uterine contraceptive device
LTFU	Loss-to-Follow Up
M&M	Morbidity and Mortality
MCWH&N	Maternal, Child and Women's Health and Nutrition
MDT	Multi-Disciplinary Team approach
MDR-TB	Multi Drug Resistant Tuberculosis
MHC	Mental Health Care
MHRBs	Mental Health Review Boards
MMC	Medical Male Circumcision
MOU	Memorandum of Understanding
MTEF	Medium-Term Expenditure Framework
MTSF	Medium-Term Strategic Framework
MSSN	Management of Small & Sick Neonates
NCDs	Non-Communicable Diseases
NDP	National Development Plan
NDoH	National Department of Health
NECET	National Emergency Care Education and Training
NHA	National Health Act
NHI	National Health Insurance
NHLS	National Health Laboratory Services
NIMART	Nurse Initiated Management of Anti-Retroviral Therapy
O&P	Orthotics & Prosthetics
OHH	Outreach Households
OHSA	Occupational Health and Safety Act
OPD	Out-Patient Department
OTLs	Outreach Team Leaders
P1	Priority one
PCR	Polymerase Chain Reaction
PESTLE	Political, Economic, Social, Technological, Legal and Environmental

PDE	Patient Day Equivalent
PEC	Patient Experience of Care
PEM	Protein Energy Malnutrition
PrEP	Pre-Exposure prophylaxis
PFMA	Public Finance Management Act
PGDS	Provincial Growth and Development Strategy
PIPP	Perinatal Problem Identification Programme
PHC	Primary Health Care
PHRC	Provincial Health Research Committee
PMDS	Performance Management Development System
PMIS	Project Management Information Systems
PPP	Public-Private Partnership
PSI	Patient safety incident
QLCs	Quality Learning Centres
QIPs	Quality Improvement Plans
RCA	Root Cause Analysis
RCCE	Risk Communication & Community Engagement
SA	South Africa
SAM	Severe Acute Malnutrition
SANC	South African Nursing Council
SAQA	South African Qualification Authority
SDIP	Service Delivery Improvement Plan
SDGs	Sustainable Development Goals
SCM	Supply Chain Management
SMS	Senior Management Service
SITA	State Information Technology Agency
STATS SA	Statistics South Africa
TB	Tuberculosis
TIDS	Technical Indicator Descriptions
UAMP	User Asset Management Plan
UHC	Universal Health Coverage
UTT	Universal Test and Treat
VIP	Virtual Private Network
WBOTs	Ward-based Outreach Teams
WBPHCOTs	Ward-based Primary Health Care Outreach Teams
WHO	World Health Organization
WSP	Workplace Skills Plan
XTDR - TB	Extreme Drug Resistant Tuberculosis

3. FOREWORD BY MEC



The 2022/23 financial year followed the most ever challenging period in the history of the department of health, where we were confronted with the COVID – 19 pandemic. Although the Department was faced with such immense challenges, we had to refocus on implementing catch-up plans to accelerate performance on priority health programmes and improve health outcomes.

Primary Health Care (PHC) continues to be a cornerstone of health care services and the department has thus intensified the implementation of PHC programmes such as Maternal and Child Health, TB, HIV/AIDS and non-Communicable Diseases. In our quest to improve access to PHC, we conducted community outreach services through the mobile clinics, Integrated School Health Services and the Ward Based Primary Health Care Outreach Teams (WBPHCOTs) to improve access to health services. The PHC services were provided through 182 WBPHCOTs, 64 mobile clinics, 219 clinics and 10 CHCs, which are linked to 32 hospitals through the referral system.

The participation of our people in the governance of the health care services is crucial. All hospitals have functional hospital boards to ensure community engagement and plans are in place to ensure to appoint the outstanding clinic committees. To ensure ongoing improved accessibility of services to all the different areas of the province, we shall sustain the outreach through the programme, “Taking Health Care Services to the People” focusing on prevention of diseases and educating our people on the need to prioritise healthy lifestyle.

Our long-term strategic focus is the implementation of universal health coverage through the National Health Insurance (NHI), which is an anticipated major health reform and the centre stage of Health transformation agenda. All the health facilities in the department participate in the Ideal Health Facility Framework, with a view to ensure their progressive compliance with the NHI. We have thus put in place interventions and quality improvement programmes in an endeavour to ensure that they all meet the ideal facility status.

The department faced numerous challenges in the financial year under review. These include the limited financial resources, shortage of human resources, especially nurses in the PHC level of care, and suboptimal ambulance coverage and the resultant poor EMS response times. This has and continuous to present the onus of maximising the quality and coverage of the care that we provide to the people of the Free State from the resources allocated to the department.

In our response, we shall progressively increase the number of rostered ambulances, including those dedicated to obstetric emergencies. Priority will also be given to the maintenance and upgrades of health infrastructure implementing interventions to ensure power and water supply security at health facilities. This will contribute to compliance with health infrastructure norms and standards, enhance the quality and accessibility of our facilities. I would like express my heartfelt appreciation to all our health care workers who are critical at the coalface of our services and relentlessly working toward the realization of our vision of long and health life for Free State community.

Ms NS Leeto

MEC: Health

31 August 2023

4. REPORT OF THE ACCOUNTING OFFICER



This annual report for the 2022/23 financial year outlines the outputs achieved by the department during the period. It is the period during which the department focused on continuing the implementation of recovery plans following the most challenging period brought about by the COVID – 19 pandemic.

This focus included the endeavours to align and integrate COVID-19 response with the mainstream Primary Health Care (PHC) programmes. PHC continues to be the cornerstone of comprehensive health care services and it is for this reason that the department intensified the implementation of PHC Programmes such as Maternal, Child and Women’s Health, HIV / AIDS, TB, Integrated School Health Programme and others.

The deployment of Community Health Workers, through Ward Based Primary Health Care Outreach Teams remains critical in improving access to health care services.

The Free State Department of health adopted and implemented “Taking Primary Health Care to the People” strategy to highlight the available services ensure accessibility of services to the deep rural areas of the Free State.

- **Overview of the operations of the department**

During the reporting period, the Free State Department of Health provided PHC services through 182 functional WBOTs, 64 mobile clinics, 219 fixed clinics and 10 community health centres. Hospital services were provided through 25 district hospitals, 4 regional hospitals, 1 specialised psychiatric hospital, 1 tertiary hospital and 1 central hospital.

The department focused on 11 key outcomes that include both the priority health outcomes and the strengthening of the health system. An overview of the results and challenges related to the 11 planned outcomes is provided hereunder:

- WBOTs conducted household outreach and achieved coverage of 68%, with a total of 351 210 clients were registered on CCMDDs.
- Immunisation coverage of 79.7% was attained and the pneumonia case fatality rates for children aged under 5 years reduced at level 2 and 3 levels of hospital care, but increased in district hospitals.
- Of all the new clients eligible for drug-sensitive TB treatment, 86.3% were started on treatment. Loss to follow-up in respect of clients on treatment continues to be a challenge that impacts on the treatment success rate.
- A total of 738 413 people were tested for HIV, the HIV positivity rate for the population aged 15 – 24 years reduced to 2.1% and a total of 25 581 eligible clients were initiated on ART.
- The patient experience of care satisfaction rate at PHC level has varied over the three year, with outputs for 2022/23 being 67.9%, with the availability of medication at 90.5% and 70,8% of the clinics attained ideal clinic status.
- The EMS operational ambulance coverage improved from 0.5 to 0.52 per 10 000 population and 15 dedicated obstetric ambulances.
- The number of medico-legal cases of the department increased to 508, with contingent liability amounting R5.3 billion in 2022/23. The department has established a medico-legal committee, consisting of clinical and legal experts, to assist in the reduction of contingent liability.
- The department is in the process of finalising the organogram, which will be submitted to the DPSA for review and approval.
- Revenue collection has progressively improved and 100,3% of the 2022/23 target was achieved.

- Overview of the financial results of the department:

- Departmental receipts

Departmental receipts	2021/2022			2022/2023		
	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Tax Receipts						
Casino taxes						
Horse-racing taxes						
Liquor licences						
Motor vehicle licences						
Sale of goods and services other than capital assets	119 893	153 238	(15 238)	202 768	203 559	(791)
Transfers received						
Fines, penalties and forfeits		2	(2)			
Interest, dividends and rent on land	603	730	(127)	633	633	0
Sale of capital assets						
Financial transactions in assets and liabilities	4 372	7 535	(3 163)	10 086	9 969	117
Total	123 938	161 505	(18 530)	213 487	214 161	(674)

2022 / 23	BUDGET REVENUE	REVENUE COLLECTED	PERCENTAGE
FINES, PENALITIES AND FORFEITS	-	1	
FINES	-	1	
IMPOUND FEES	-	1	
INTEREST, DIVIDEND, RENT ON LAND	633	633	99.92%
INTEREST	633	633	99.92%
INTEREST RECEIVABLES	633	633	99.92%
SALES GOODS & SERV NON-CAP ASS	202,768	203,559	100.39%
SALE GOODS&SERV PRODUCED BY DEPT	202,655	203,396	100.37%
ADMINISTRATIVE FEES: RECEIPTS	3,988	3,315	83.13%
OTHER SALES: RECEIPTS	198,667	200,068	100.71%
SALES BY MARKET ESTABLISHMENTS	-	12	
SALES: SCRAP, WASTE, OTH GOODS	113	163	144.24%
SALES: SCRAP AND WASTE	113	163	144.24%
TRANS IN FIN ASSETS&LIABILITIES	10,086	9,968	95.75%
REVENUE: FINANCIAL ASSETS	10,086	9 968	95.75%
REV: FA: OTHER RECEIPTS	8,870	8 493	95.75%
REV: FA: RECEIVABLES	1,216	1,476	121.39%
Grand Total	213,487	214,161	100%

The department makes use of the UPFS (Uniform Patient Fee Schedule) to update tariffs on an annual basis. Some of the revenue sources are however, not determined using the UPFS tariffs. This is applicable on items such as sales of capital assets where the market values are used to determine the value of items sold. The UPFS tariffs are recommended and approved by the National Department of Health and are used by all provinces. This entails that all public hospitals charge the same fees for similar medical treatments.

All patients are classified as H0, H1, H2 and H3 according to their income. These are subsidised patients. The Medical Aids and other third party funded patients pay full (unsubsidised) tariffs.

The major contributor to the achievement of the target is Patient Fees. Collection on patient fees was 1% below the target. However, the department achieved the overall target due to other sources of revenue (Other Sales and Transactions in Financial Assets & Liabilities.)

The original target for the Department of Health's revenue collection was initially R130 987 000 and was increased to R213 487 000 (62,9%). This was after the follow-ups to the Government of Lesotho (Ministry of Health) yielded positive results and the department recovered R107 119 000 of outstanding debt from Lesotho.

Challenges with regard to the collection of revenue:

The major challenge in collecting revenue is due to the stringent requirements that the Road Accident Fund has put in place. The Department of Health is unable to meet most of these requirements, therefore claims submitted to them are rejected.

➤ Programme Expenditure

Programme Name	2022/23			2021/22		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
1. Administration	319 161	324 410	(5 249)	331 259	324 335	6 924
2. District Health Services	5 892 290	6 009 725	(117 435)	5 853 088	5 833 705	19 383
3. Emergency Medical Services	926 457	1 004 356	(77 899)	960 262	960 226	36
4. Provincial Hospital Services	1 687 727	1 687 731	(4)	1 678 140	1 664 711	13 429
5. Central Hospital Services	2 990 852	2 888 610	102 242	2 565 025	2 477 250	87 775
6. Health Science & Training	321 423	321 422	1	292 150	249 251	42 899
7. Health Care Support Services	166 547	159 283	7 264	163 261	157 157	6 104
8. Health Facilities Management	877 607	790 957	86 650	755 949	534 251	221 698
Total	13 182 064	13 186 494	(4 430)	12 599 134	12 200 886	398 248

- **Virements/roll overs**

Some programmes or main divisions have overspent their budgets on certain essential service delivery linked items in Programme 1 to 4. The expenditure on these items has contributed to the department's 2022/23 unauthorized expenditure of R238,899,752.23. Hence, the department implemented virements between main divisions to reduce unauthorized expenditure amount by R38,314,000. The following table shows the Virements per programme/main division:

➤ **The following Virements were done:**

District Health Services	30 160 000
Emergency Medical Services	8 154 000
Health Sciences & Training	(8 030 000)
Health Care Support Services	(14 482 000)
Health Facilities Management	(15 802 000)

The virements from main division to another do not include: total departmental reductions/shifts from current payments, capital nor transfers. The virements are limited to each affected economic classification.

- Reasons for unauthorised, fruitless and wasteful expenditure and the amounts involved as well as steps taken to address and prevent a recurrence. –
- The Department incurred an unauthorised expenditure to an amount of R153 million in the current financial year. The unauthorised expenditure is mainly as a result of financial pressures in three programmes and the details are as follows:
 - a) Administration: Recognised an unauthorised expenditure to an amount of R5,249 million which is about 3% of the total unauthorised expenditure. The main contributor being the medical litigation costs and the lease of motor vehicles and related costs.
 - b) District Health Services: Recognised an unauthorised expenditure to an amount of R113, 176 million which is about 74% of the total unauthorised expenditure. The main contributor being the compensation for the Covid-19 employees, laboratory services and lease of motor vehicles and related transport costs.
 - c) Emergency Medical Services: Recognised an unauthorised expenditure to an amount of R34,587 million which is about 23% of the total expenditure. The main contributor being the lease of emergency services vehicles and the related costs.

The fruitless and wasteful expenditure incurred during the year was about R3 million, which was mainly due to interest on overdue accounts, of which about R2.981 million was on laboratory services account.

- **Public-Private Partnerships**

The Department entered into a Public-Private Partnership (PPP) with Community Health Management (CHM), a division of Netcare, during 2002 in order to develop Private Health Care Facilities at Universitas and Pelonomi Hospitals. This implied that the co-located public health facilities are used by the private sector in exchange for financial, infrastructure and services benefits to the FSDoH, as well as a much-needed medical facility infrastructure developed and maintained through the PPP agreement (as amended in 2012).

The Department is required to produce an exit strategy to as per National Treasury PPP Practice Note Number 07 of 2004 to demonstrate the institution's capacity to bring the project to an end efficiently and ensure ongoing service delivery. The current agreement is approaching its exit which is in November 2023 and the possibility of extension is being considered until a new PPP Agreement is in place.

The Department has decided for the new PPP for Pelonomi and Universitas Hospital and appointed Transaction Advisor as required by Treasury Regulations 16 to complete comprehensive feasibility study and in accordance with the phases of the regulated PPP Project Cycle. The appointed Transaction Advisory team is currently busy with the activities of the

feasibility study in order to ensure the selected project is well designed and can be successfully tendered and implemented.

- **Discontinued key activities / activities to be discontinued**

There were no key activities that discontinued within the department.

- **New or proposed key activities**

The department did not have new or proposed key activities during 2022/23 financial year.

- **Supply Chain Management**

There were no unsolicited bid proposals concluded by the department for the year under review.

The Department has an updated Supply Chain Management Policy, Delegations, and Standard Operating procedures in place to prevent irregular expenditure. Furthermore, Supply Chain Management monitoring and risk assessment is performed on a continuous basis and the training is provided to address the identified gaps.

The current Departmental Supply Chain Management organogram is not responsive to the needs and demand of the organisation. The Department has reviewed the organisational structure to ensure that there is an adequate Supply Chain Management capacity at the district level.

- **Gifts and Donations received in kind from non-related parties**

Gifts and donations amounting to **R96 136 998,85** were received from different companies and NDoH for medical consumables, non-medical consumables, office furniture and other critical goods that form part of ministerial non-negotiables with the intention of supporting the department while rendering the mandate to communities. A detailed report on items received is highlighted in the financial statements part of the report.

- **Exemptions and deviations received from the National Treasury**

The department did not have any exemption and deviation from the modified cash standard coming by National Treasury during 2022/23 reporting period.

- **Events after the reporting date**

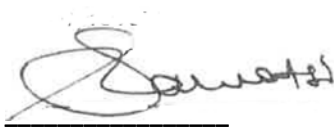
There were no events experienced by the department after the reporting period.

- **Others**

None

- **Sign-off**

The Annual Performance Report and the Annual Financial Statements of the department have been approved by the Head of the department as the Accounting Officer.



Mr MNG Mahlatsi
Accounting Officer
Department of Health

Date: 31 August 2023

STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

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

All information and amounts disclosed throughout the annual report are consistent.

The annual report is complete, accurate and is free from any omissions.

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

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

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

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

The external auditors are engaged to express an independent opinion on the annual financial statements.

In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the department for the financial year ended 31 March 2023.

Yours faithfully,



Mr MNG Mahlatsi

Accounting Officer

Date: 31 August 2023

5. STRATEGIC OVERVIEW

5.1. Vision

Healthy and long life for Free State community.

5.2. Mission

Provision of accessible, efficient and quality health care services to the Free State community.

5.3. Values

The value system of the Free State Department of Health entails the following:

- Integrity
- Accountability
- Responsiveness
- Respect
- Empathy

6. LEGISLATIVE AND OTHER MANDATES

- National Health Act, 2003 ([Act No. 61 of 2003](#)) - Provides a framework for a structured health system within the Republic, taking-into-account the obligations imposed by the Constitution and other laws on the national, provincial and local governments with regard to health services. The objectives of the National Health Act (NHA) are to:
 - unite the various elements of the national health system in a common goal to actively promote and improve the national health system in South Africa;
 - provide for a system of co-operative governance and management of health services, within national guidelines, norms and standards, in which each province, municipality and health district must deliver quality health care services;
 - establish a health system based on decentralised management, principles of equity, efficiency, sound governance, internationally recognized standards of research and a spirit of enquiry and advocacy which encourage participation;
- promote a spirit of co-operation and shared responsibility among public and private health professionals and providers and other relevant sectors within the context of national, provincial and district health plans; and
- create the foundation of the health care system and understood alongside other laws and policies which relate to health in South Africa.
- Medicines and Related Substances Act, 1965 ([Act No. 101 of 1965](#)) - Provides for the registration of medicines and other medicinal products to ensure their safety, quality and efficacy, and also provides for transparency in the pricing of medicines.
- Hazardous Substances Act, 1973 ([Act No. 15 of 1973](#)) - Provides for the control of hazardous substances, in particular those emitting radiation.
- Occupational Diseases in Mines and Works Act, 1973 ([Act No. 78 of 1973](#)) - Provides for medical examinations on persons suspected of having contracted occupational diseases, especially in

mines, and for compensation in respect of those diseases.

- Pharmacy Act, 1974 ([Act No. 53 of 1974](#)) - Provides for the regulation of the pharmacy profession, including community service by pharmacists.
- Health Professions Act, 1974 ([Act No. 56 of 1974](#)) - Provides for the regulation of health professions, in particular medical practitioners, dentists, psychologists and other related health professions, including community service by these professionals.
- Dental Technicians Act, 1979 ([Act No.19 of 1979](#)) - Provides for the regulation of dental technicians and for the establishment of a council to regulate the profession.
- Allied Health Professions Act, 1982 ([Act No. 63 of 1982](#)) - Provides for the regulation of health practitioners such as chiropractors, homeopaths, etc., and for the establishment of a council to regulate these professions.
- SA Medical Research Council Act, 1991 ([Act No. 58 of 1991](#)) - Provides for the establishment of the South African Medical Research Council and its role in relation to health Research.
- Academic Health Centres Act, 1993 ([Act, 86 of 1993](#)) - Provides for the establishment, management and operation of academic health centres.
- Choice on Termination of Pregnancy Act, 1996 ([Act No. 92 of 1996](#)) - Provides a legal framework for the termination of pregnancies based on choice under certain circumstances.
- Sterilisation Act, 1998 ([Act No. 44 of 1998](#)) - Provides a legal framework for sterilisations, including for persons with mental health challenges.
- Medical Schemes Act, 1998 ([Act No.131 of 1998](#)) - Provides for the regulation of the medical schemes industry to ensure consonance with national health objectives.
- Council for Medical Schemes Levy Act, 2000 ([Act 58 of 2000](#)) - Provides a legal framework for the Council to charge medical schemes certain fees.
- Tobacco Products Control Amendment Act, 1999 ([Act No 12 of 1999](#)) - Provides for the control of tobacco products, prohibition of smoking in public places and advertisements of tobacco products, as

well as the sponsoring of events by the tobacco industry.

- Mental Health Care 2002 ([Act No. 17 of 2002](#)) - Provides a legal framework for mental health in the Republic and in particular the admission and discharge of mental health patients in mental health institutions with an emphasis on human rights for mentally ill patients.
- National Health Laboratory Service Act, 2000 ([Act No. 37 of 2000](#)) - Provides for a statutory body that offers laboratory services to the public health sector.
- Nursing Act, 2005 ([Act No. 33 of 2005](#)) - Provides for the regulation of the nursing profession.
- Traditional Health Practitioners Act, 2007 (Act No. 22 of 2007) - Provides for the establishment of the Interim Traditional Health Practitioners Council, and registration, training and practices of traditional health practitioners in the Republic.
- Foodstuffs, Cosmetics and Disinfectants Act, 1972 ([Act No. 54 of 1972](#)) - Provides for the regulation of foodstuffs, cosmetics and disinfectants, in particular quality standards that must be complied with by manufacturers, as well as the importation and exportation of these items.

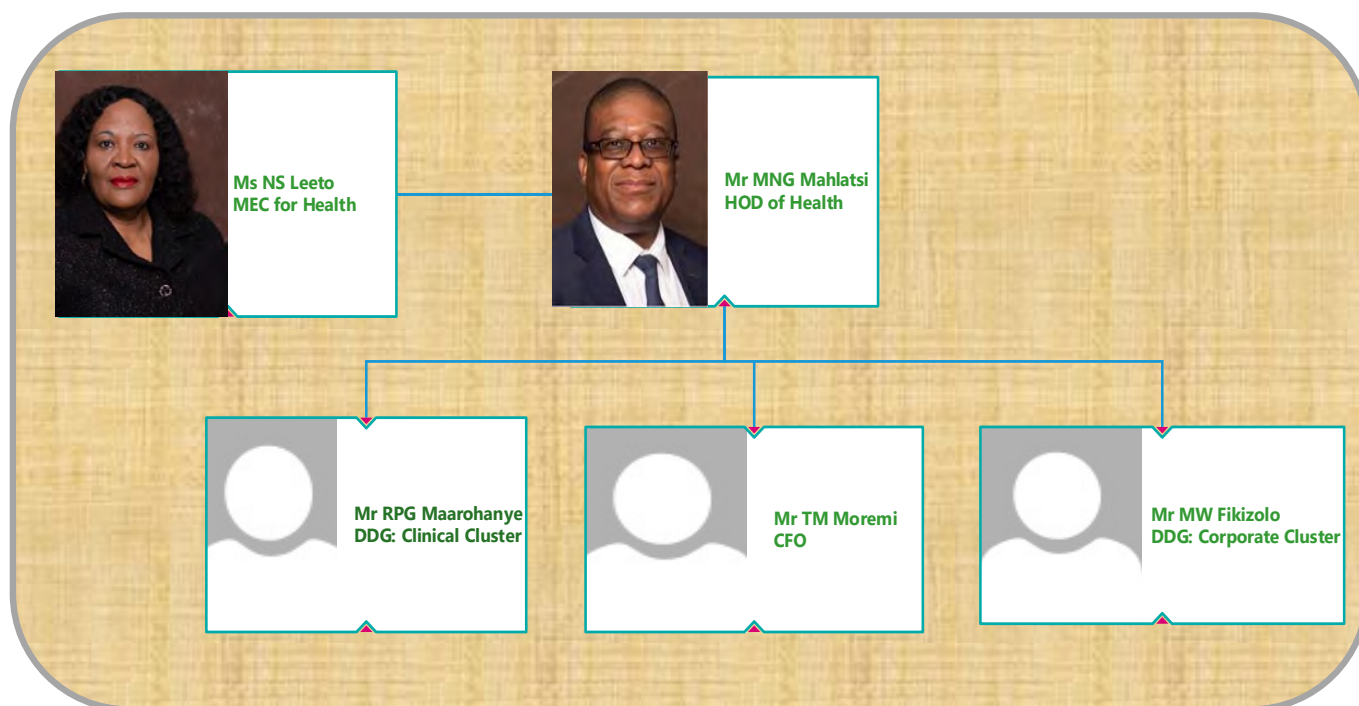
Other legislation applicable to the Department

- Criminal Procedure Act, 1977 ([Act No. 51 of 1977](#)), Sections 212 4(a) and 212 8(a) - Provides for establishing the cause of non-natural deaths.
- Children's Act, 2005 ([Act No. 38 of 2005](#)) - The Act gives effect to certain rights of children as contained in the Constitution; to set out principles relating to the care and protection of children, to define parental responsibilities and rights, to make further provision regarding children's court.
- Occupational Health and Safety Act, 1993 ([Act No. 85 of 1993](#)) - Provides for the requirements that employers must comply with in order to create a safe working environment for employees in the workplace.
- Compensation for Occupational Injuries and Diseases Act, 1993 ([Act No.130 of 1993](#)) - Provides for compensation for disablement caused by occupational injuries or diseases sustained or contracted by employees in the course of their

employment, and for death resulting from such injuries or disease.

- National Roads Traffic Act, 1996 ([Act No.93 of 1996](#)) - Provides for the testing and analysis of drunk drivers.
- Employment Equity Act, 1998 ([Act No.55 of 1998](#)) - Provides for the measures that must be put into operation in the workplace in order to eliminate discrimination and promote affirmative action.
- State Information Technology Act, 1998 ([Act No.88 of 1998](#)) - Provides for the creation and administration of an institution responsible for the state's information technology system.
- Skills Development Act, 1998 ([Act No. 97 of 1998](#)) - Provides for the measures that employers are required to take to improve the levels of skills of employees in workplaces.
- Public Finance Management Act, 1999 ([Act No. 1 of 1999](#)) - Provides for the administration of state funds by functionaries, their responsibilities and incidental matters.
- Promotion of Access to Information Act, 2000 ([Act No. 2 of 2000](#)) - Amplifies the constitutional provision pertaining to accessing information under the control of various bodies.
- Promotion of Administrative Justice Act, 2000 ([Act No. 3 of 2000](#)) - Amplifies the constitutional provisions pertaining to administrative law by codifying it.
- Promotion of Equality and the Prevention of Unfair Discrimination Act, 2000 ([Act No.4 of 2000](#)) Amplifies the constitutional provisions pertaining unfair discrimination and inequality. Provides for the further amplification of the constitutional principles of equality and elimination of unfair discrimination.
- Division of Revenue Act, ([Act No. 7 of 2003](#)) - Provides for the manner in which revenue generated may be disbursed.
- Broad-based Black Economic Empowerment Act, 2003 ([Act No. 53 of 2003](#)) - Provides for the promotion of black economic empowerment in the manner that the state awards contracts for services to be rendered, and incidental matters.
- Labour Relations Act, 1995 ([Act No. 66 of 1995](#)) - Establishes a framework to regulate key aspects of relationship between employer and employee at individual and collective level.
- Basic Conditions of Employment Act, 1997 ([Act No. 75 of 1997](#)) - Prescribes the basic or minimum conditions of employment that an employer must provide for employees covered by the Act.
- Control of Access to Public Premises and Vehicles Act, 1985 ([Act No. 53 Of 1985](#)) - Provides for the safeguarding of certain public premises and vehicles and the protection of the people in or at these public premises and vehicles.

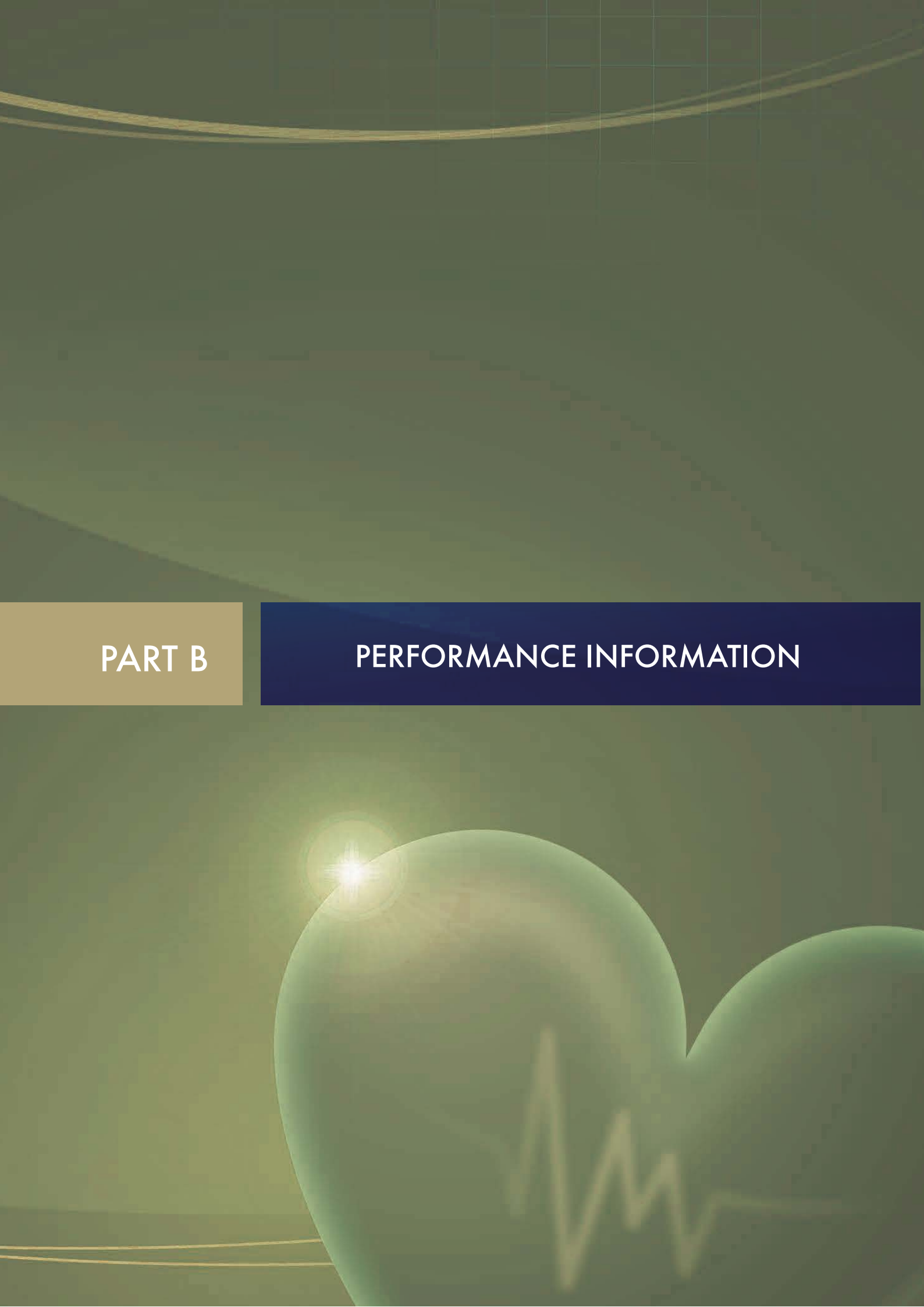
7. ORGANISATIONAL STRUCTURE



8. ENTITIES REPORTING TO THE MEC

The department does not have any entity.

Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
<i>Not applicable</i>			

The background is a dark, muted green with a subtle grid pattern. A large, glowing green heart is positioned in the lower right, with a bright light source at its top left. A faint, white pulse line is visible across the heart. Two horizontal bands, one tan and one dark blue, are located in the middle of the page.

PART B

PERFORMANCE INFORMATION

1. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

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

Refer to page 215 of the Report of the Auditor-General, published as Part F: Financial Information.

Report on the audit of the annual performance report

24. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected programmes presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.

25. I selected the following programmes presented in the annual performance report for the year ended 31 March 2023 for auditing. I selected programmes that measure the department's performance on its primary mandated functions and that are of significant national, community or public interest.

Programmes	Page numbers	Purpose
District health services	41	To render primary health care services and district hospital services
Provincial hospital services	60	Delivery of hospital services, which are accessible, appropriate, effective and provide general specialist services, including a specialized rehabilitation service, as well as a platform for training health professionals and research
Health care support services	80	To render support services required by the department to realise its outcomes.

26. I evaluated the reported performance information for the selected programmes against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the department's planning and delivery on its mandate and objectives.

27. I performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the department's mandate and the achievement of its planned objectives
- the indicators are well defined and verifiable to ensure that they are easy to understand and apply consistently and that I can confirm the methods and processes to be used for measuring achievements

- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
- the indicators and targets reported on in the annual performance report are the same as what was committed to in the approved initial or revised planning documents
- the reported performance information is presented in the annual performance report in the prescribed manner
- there are adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.

28. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion.

29. I did not identify any material findings on the reported performance information for selected programmes.

Other matter:

30. I draw attention to the matters below.

Achievement of planned targets

31. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- and under-achievements. This information should be considered in the context of the material findings on the reported performance information.

32. The department plays a key role in delivering services to South Africans. The annual performance report includes the following service delivery achievements against planned targets:

Key service delivery indicators not achieved	Planned targets	Reported achievements
District health services		
<i>Targets achieved: 41,3%</i>		
<i>Budget spent: 102%</i>		
District management		
1.1 Ideal status obtained rate	89%	70,8%
2.1 Patient experience of care satisfaction rate (PHC)	85%	67,9%
3.1 Number of GPs contracted to render PHC services	65	38
4.1 Percentage availability of medication	95%	90,5%
District hospitals		
1.1 Ideal hospital status obtained rate	72%	8%
2.1 Patient experience of care satisfaction rate	85%	70,7%

Key service delivery indicators not achieved	Planned targets	Reported achievements
3.3 Morbidity and mortality review rate	100%	86,3%
5.3 Child under 5 years severe acute malnutrition case fatality rate	1,8%	5,6%
HIV & AIDS, STI & TB control (HAST)		
7.1 All DS-TB client treatment success rate	80%	73%
8.1 All DS-TB client death rate	10,2%	12,9%
Maternal, child and women's health and nutrition (MCWH&N)		
3.1 Antenatal 1 st visit before 20 weeks rate	65%	62,1%
6.1 Neonatal death in facility rate (rate per 1k)	16/1 000	17,3/1 000
8.2 Measles 2 nd dose coverage	90%	80%
Disease prevention and control (DPC)		
1.2 Hypertension client treatment new 45 years and older	8 428	6 826
1.4 Diabetes client treatment new 18 - 44 years	2 317	1 942
1.5 Diabetes client treatment new 45 years and older	3 331	2 294
Forensic pathology services (FPS)		
1.1 Percentage medico-legal cases attended to where cause of death remained unknown	10%	2,1%
General (regional) hospitals		
<i>Targets achieved: 50%</i>		
<i>Budget spent: 100%</i>		
1.1 Ideal hospital status obtained rate	100%	0%
2.1 Patient experience of care satisfaction rate	85%	68,8%
3.3 Morbidity and mortality review rate	100%	97,9%
5.3 Child under 5 years severe acute malnutrition case fatality rate	11,3%	21,8%
5.4 Death under 5 years against live birth rate	3,8%	4,5%
5.5 Death under 5 years against live birth	473	559
Specialised psychiatric hospital services (FSPC)		
1.1 Ideal hospital status obtained rate	100%	0%
2.1 Patient experience of care satisfaction rate	85%	82,4%
4.1 Severity assessment code 1 incident reported within 24 hours rate	100%	66,7%

Key service delivery indicators not achieved	Planned targets	Reported achievements
Health care support services (HCSS) <i>Targets achieved: 57,1%</i> <i>Budget spent: 95,6%</i>		
Laundries		
1.1 Percentage availability of clean linen in health facilities	87%	66%
MEDPAS (Medicine trading account)		
1.2 Service level for normal orders	78%	70,7%
1.4 Lead time for emergency orders	16 hours	0

33. Reasons for the underachievement of targets are included in the annual performance report on pages 34 to 84.

Material misstatements

34. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of district health services and health care support services (HCSS). Management subsequently corrected all the misstatements and I did not include any material findings in this report.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1. Service Delivery Environment

The department provides comprehensive health care services, anchored on Primary Health Care, which represents the entry point into the health system. The PHC platform consists of both community-based and facility-based services. The former services are made up of services through the outreach conducted by 182 functional Ward Based Outreach Teams, made up of Community Health Care workers (CHWs), and 64 mobile clinics. Facility-based PHC services are provided through 219 clinics and community health centres.

Hospital services are rendered through a total of 32 hospitals, i.e., 25 district, 4 regional, 1 specialised, 1 tertiary and 1 central hospitals. All these comprehensive services are linked through the referral system and the emergency medical services.

▪ Primary Health Care

PHC is ambulatory in nature and includes child and adult curative care, preventive services, antenatal care, postnatal care, family planning, mental health, TB, HIV and AIDS, and chronic disease management. It is driven by Clinical Nurse Practitioners based at fixed PHC facilities and mobile clinics throughout the Province.

▪ Hospital Care

The department had the following number of hospitals:

- 25 District Hospitals around the province which render non-specialised level 1 care services.
- The four Regional Hospitals provide a full package of general specialist services.
- Specialised Hospital services are rendered by the Free State Psychiatric hospital, which offers specialised psychiatric health services and serves as a training platform.
- Tertiary services rendered by specialists based at Pelonomi Hospital.
- Universitas Central Hospital provides the super-specialised services, such as Urology, cardiology, Plastic surgery, and many others. Services are offered to patients referred from lower levels of care in the system who require specialised care.

▪ Ambulance Services

Emergency Medical services are rendered through planned patient transport, pre-hospital emergency care and inter-hospital transfer services co-ordinated through 69 EMS stations. In its quest to decrease maternal and child mortalities, the department dedicated a total of 15 rostered obstetric ambulances which is still a shortage relative to the planned 25 ambulances.

▪ Availability of medication

The Medical Depot of the department is responsible for the procurement and supply of medication to all health facilities within the province for the treatment of patients [*in-patients and out-patients*]. The depot must distribute medicines in line with the demands of the health facilities. There are facility-based pharmacists that monitor the availability and use of medicines against the set targets at facility level.

▪ Forensic Pathology Services

Forensic services were conducted in three (3) regional mortuaries based at Bloemfontein, Welkom and QwaQwa, as well as 1 district-based facility at Botshabelo. A total of 852 forensic autopsies were conducted during 2022/23 financial year and there were 18 cases where the cause of death remained undetermined, while the other cases were effectively resolved.

The department performed 99,2% of all autopsies within the 5 working days turnaround time despite the challenges that included COVID-19 pandemic and the shortage of personnel.

2.2. Service Delivery Improvement Plan [SDIP]

The Department of Public Service and Administration issued Circular 14 of 2022 in which departments were directed on the processes to follow in compiling Service Delivery Improvement Plans for the new cycle, 2022 to 2025.

Free State Department of Health developed a draft SDIP 2022/2023 and used it as a tool to collect implementation reports that would form as a basis for determining baseline targets for 2023/2025. The performance reports of the last eight months of 2022/2023 were thus used in the compilation of this annual Service Delivery Improvement report.

The table below highlights service delivery plan and the achievements during 2022/23 financial year.

Main services and standards

Main services	Beneficiaries	Current/actual standard of service 2022/23	Desired standard of service 2022/23	Actual achievement 2022/23
Implementation of extended programme on immunization (EPI)	Free State Community	Immunisation under 1-year coverage	Immunisation under 1-year coverage: 90%	Immunisation under 1-year coverage: 79,7%
		Vitamin A dose 12-59 months coverage	Vitamin A dose 12-59 months coverage: 65%	Vitamin A dose 12-59 months coverage: 61,3%
		Child under 5 years food nutritional supplementation coverage	Child under 5 years food nutritional supplementation coverage: 14%	Child under 5 years food nutritional supplementation coverage: 10,3%
		PHC utilisation under 5 years rate	PHC utilisation under 5 years rate: 3,2%	PHC utilisation under 5 years rate: 3%
		Child under 5 years diarrhoea case fatality rate	Child under 5 years diarrhoea case fatality rate: 2,7%	Child under 5 years diarrhoea case fatality rate: 0,62%
		Child under 5 years pneumonia case fatality rate	Child under 5 years pneumonia case fatality rate: 1,7%	Child under 5 years pneumonia case fatality rate: 0,37%
		Child under 5 years severe acute malnutrition case fatality rate	Child under 5 years severe acute malnutrition case fatality rate: 6,7%	Child under 5 years severe acute malnutrition case fatality rate: 9,8%
Implementation of the HIV 90-90-90 strategy	Free State Community	ART adult remain in care rate [12 months]:	ART adult remain in care rate [12 months]: 95. %	ART adult remain in care rate [12 months]: 62,5%
		ART child remain in care rate [12 months]	90%	58,3%
		ART adult viral load suppressed rate - below 50 [12 months]	90%	91,8%
		ART child viral load suppressed rate - below 50 [12 months]	90%	61,9%

Batho Pele arrangements with beneficiaries (Consultation access, etc.)

Current/actual arrangements	Desired arrangements	Actual achievements
Professional Standards - Public Servants	<u>100% of staff wearing identity/name tags.</u> PHC: 75% District Hospitals: 93% Regional Hospitals: 93% FSPC: 93% Tertiary Hospital: 73% Central Hospital: 85%	<u>100% of staff wearing identity/name tags.</u> PHC: 89% District Hospitals: 93% Regional Hospitals: 93% FSPC: 93% Tertiary Hospital: 73% Central Hospital: 85%
Working Environment Standards	<u>90% Patient Safety Incident case closure rate.</u> PHC: 105% District Hospitals: 84% Regional Hospitals: 84% FSPC: 103% Tertiary Hospital: 97% Central Hospital: 119%	<u>90% Patient Safety Incident case closure rate.</u> PHC: 94% District Hospitals: 90,7% Regional Hospitals: 89,96% FSPC: 96,7% Tertiary Hospital: 100% Central Hospital: 100%
Access Standards	<u>100% Access to PHC services.</u> <u>Disability-friendly health facilities</u> PHC: 100% District Hospitals: 100% Regional Hospitals: 100% FSPC: 100% Tertiary Hospital: 100% Central Hospital: 100%	<u>100% Access to PHC services.</u> <u>Disability-friendly health facilities</u> PHC: 72% District Hospitals: 68% Regional Hospitals: 73% FSPC: 57% Tertiary Hospital: 67% Central Hospital: 58%
Information Standards	<u>242 PHC facilities with a board on the premises displaying services offered.</u> PHC: 219 District Hospitals: 25 Regional Hospitals: 4 FSPC: 1 Tertiary Hospital: 1 Central Hospital: 1	<u>242 PHC facilities with a board on the premises displaying services offered.</u> PHC: 101 District Hospitals: 13 Regional Hospitals: 2 FSPC: 0 Tertiary Hospital: 1 Central Hospital: 0
Redress Standards	<u>80% Complaints resolution rate</u> PHC: District Hospitals: Regional Hospitals: FSPC: Tertiary Hospital: Central Hospital:	<u>80% Complaints resolution rate</u> PHC: 96% District Hospitals: 100% Regional Hospitals: 100% FSPC: 100% Tertiary Hospital: 100% Central Hospital: 100%
Consultation Standards	<u>5 district community engagements on Maternal, Child and Youth health.</u> <u>31% of health facilities with functional governance structures.</u> PHC: District Hospitals: Regional Hospitals: FSPC: Tertiary Hospital: Central Hospital:	<u>5 district community engagements on Maternal, Child and Youth health.</u> <u>% of health facilities with functional governance structures.</u> PHC: 64% District Hospitals: 89% Regional Hospitals: 85% FSPC: 67% Tertiary Hospital: 39% Central Hospital: 67%

Current/actual arrangements	Desired arrangements	Actual achievements
Openness & Transparency Standards	242 health facilities with photographs of the OM and CEOs, with relevant contact details, displayed PHC: 219 District Hospitals: 25 Regional Hospitals: 4 FSPC: 1 Tertiary Hospital: 1 Central Hospital: 1	194 health facilities with photographs of the OM and CEOs, with relevant contact details, displayed PHC: 171 District Hospitals: 18 Regional Hospitals: 3 FSPC: 1 Tertiary Hospital: 0 Central Hospital: 1
Service Standards	<u>Patient Waiting Times</u> PHC: 120 minutes District Hospitals: 120 minutes Regional Hospitals: 180 minutes FSPC: 180 minutes Tertiary Hospital: 180 minutes Central Hospital: 180 minutes	<u>Patient Waiting Times</u> PHC: 131 minutes District Hospitals: 201 minutes Regional Hospitals: 406 minutes FSPC: 274 minutes Tertiary Hospital: 400 minutes Central Hospital: 220 minutes
Value for Money	Expenditure per headcount (PHC) Expenditure per PDE (hospitals) PHC: District Hospitals: Regional Hospitals: FSPC: Tertiary Hospital: Central Hospital:	Expenditure per headcount (PHC) Expenditure per PDE (hospitals) PHC: District Hospitals: Regional Hospitals: FSPC: Tertiary Hospital: Central Hospital:

Service delivery information tool

Current/actual information tools	Desired information tools	Actual achievements
• Facility registers for complaints, complements and suggestions. • Patient Experience of care surveys • Patient Satisfaction surveys • Notice boards • Hospital Boards • Clinic Committees • Open days • Social media: Twitter, Facebook, Instagram, community WhatsApp, community Facebook, MEC WhatsApp groups • Radios: Mainstream, commercial, community and online digital radio. • Free State Health Information • Health Portal/ web	• Facility registers for complaints, complements and suggestions. • Patient Experience of care surveys • Patient Satisfaction surveys • Notice boards • Hospital Boards • Clinic Committees • Open days. • Social media: Twitter, Facebook, Instagram, community WhatsApp, community Facebook, MEC WhatsApp groups. • Radios: Mainstream, commercial, community and online digital radio. • Free State Health Information • Health Portal/ web • Taking health services to the people • Blits campaigns to taxi ranks and malls.	• Facility registers for complaints, complements and suggestions. • Patient Experience of care surveys • Patient Satisfaction surveys • Notice boards • Hospital Boards • Clinic Committees • Open days • Social media: Twitter, Facebook, Instagram, community WhatsApp, community Facebook, MEC WhatsApp groups • Radios: Mainstream, commercial, community and online digital radio. • Free State Health Information • Health Portal/ web. • Taking health services to the people. • Blits campaigns to taxi ranks and malls

Complaints mechanism

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
Complaints are addressed through Batho Pele principles under redress.	• To have functional governance structures which will promote complaints management, complements and/or suggestions.	• A total of 1 126 complaints were received in health facilities.
	• Complaints to be resolved within 25 working days	• 1 006 were resolved. • 834 were resolved within 25 working days while the others took longer due to their complexity.

2.3. Organisational environment

The department embarked on a process of developing the new designed organizational structure so as to align the core mandates and support functions. The intention is to re-align the strategic plan of the department with core functions which will facilitate efficiency and effectiveness in service delivery. The department went through the process also to comply with the Public Service Regulation of 2016 (paragraph 25), which states that the structure should be in line with the strategic objectives of the department. The intervention will address duplication of functions, the level of centralization and / or decentralization, excessive “red tape” and administrative inefficiencies.

The Service Delivery Improvement Plan, Service Delivery Model, and the Service Delivery Charter which will be implemented and monitored as of 01 April 2023 were also developed and marketed accordingly within the department. Effective functional alignment is aimed at improving service delivery in line with the principles of Universal Health Coverage and improving the Life expectancy of the Free State Community to 65 years by 2024 and to 70 years by 2030.

The current staff establishment of the department consists of 22 984 posts, 16 651 are actively filled, 6 333 vacant and this translates into vacancy rate of 27,55%.

A total number of managers at sen19 of the employees (39%) in the department are female in the SMS level.

Resignation and Appointment of Key Personnel

The department did not have any resignation/ exit of the senior manager during the reporting year.

In addition to numerous other officials of the department, two managers, i.e., CEO of a district hospital and the rector of the nursing college sadly died during the financial year.

To mitigate the impact of the loss of the afore-mentioned managers, different managers were appointed to the posts in acting capacity. The Accounting Officer was appointed on transfer from the Provincial Treasury.

The following management vacancies were filled during the 2022/23 financial year:

- DDG Clinical Health Services, : 01 October 2022
- CFO : 01 October 2022
- CEO: Universitas : 01 October 2022
- CD: Financial Management, : 01 November 2022
- Director: Financial Accounting, : 01 December 2022
- Director: Nursing Services, : 01 December 2022
- Director: Asset Management : 01 December 2022
- District Director: Xhariep District : 01 December 2022

2.4. Key policy developments and legislative changes

The department did not make major developments and legislative changes to the governing policies that may affect operations.

3. ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

The graphics below depict the interrelated outcomes and impact statements of the department, as well as their linkage to its mission and vision.

OUTCOME		ACHIEVEMENTS
1. Maternal, neonatal, infant and child mortality reduced	The progressive reduction in maternal, under five, infant and neonatal mortalities will lead to the reduction in crude mortality rates and ultimately to improved health and increased life expectancy. During the reporting period:	
	Maternal mortality ratio: 115 (per 100 000 livebirths)	• The maternal mortality in facility ratio improved significantly from 178.9 per 100 000 livebirths in 2020/21 to 95.1 per 100 000 in 2022/23. • This represents improvement that is evident in the actual maternal deaths reducing from 94 to 48 during the same period. • Key interventions to improve maternal health outputs include the upskilling of clinicians and the deployment of dedicated obstetric ambulances.
	Neonatal death in facility rate: 11 (per 1 000 livebirths)	• The neonatal mortality in facility rate declined from 14.7 per 1 000 livebirths in 2020/21 to 17.3 per 1 000 in 2022/23. • While maternal, neonatal and under-5 mortalities have not improved, the department continues to implement targeted interventions towards the reduction in the mortalities.

	Death under 5 years against livebirth in facility rate: 15 (<i>per 1 000 livebirths</i>)	- The PHC utilisation rate for children aged under 5 years increased from 2.8 visits annually in 2021/22 to 3 in 2022/23. - The catch-up drive was implemented and immunisation coverage to 79.7% against the target of 82%. - The performance on pneumonia and diarrhoea case fatality rates have improved for all the levels of hospital care except for regional hospitals, while severe acute malnutrition case fatality outputs invariably regressed.
2. Morbidity and premature mortality due to communicable diseases reduced	HIV positive 15-24 years (excl ANC) rate: 5%	The positivity rate for people aged 15 – 24 years reduced from 2.6% in 20221/22 to 2.1% in 2022/23, which is indicative of lesser HIV incidences.
	ART client remain on ART end of month – sum: 464 034	A total of 25 587 new clients were initiated on ART as of the end of 2022/23 FY, 62.5% and 58.3% adults and children respectively remained in care.
	ART death rate: 1.8%	- The viral load suppression rate was at 91,8% for adults and 61,9% for children. - ART death rate reduced to 2%.
	All DS -TB Client death rate: 10.2%	Of the clients eligible for initiation on DS-TB treatment, 86.3% was reached, loss to follow-up was at 13.1% and the treatment success rate of 84.3% was achieved.
	Case fatality rate - COVID-19: 4.2%	- A total of 1 346 948 eligible people over a population of 2 239 073 were vaccinated (60.2%) against COVID-19. - Amidst the very limited incidences, the case fatality rate dropped to 1,6%.
3. Morbidity and premature mortality due to non-communicable diseases reduced	Men and Women 15 years and older with hypertension: 53%	The total of 5 177 and 1 942 new eligible clients aged 18 years and older were initiated on treatment for hypertension and diabetes mellitus respectively during the reporting period.
	Men and Women 15 years and older with diabetes: 10.5%	The proportion of stable diabetic clients, calculated through the HbA1C test results, out of the total improved from 48.1% in 2021/22 to 53.7% in 2022/23.
The improved quality of health services will in turn promote Universal Health Coverage as more health facilities will meet the NHI requirements.		
4. Quality of health services in public health facilities improved	Number of Districts with Quality Improvement; monitoring and Response Forums formalised and convened quarterly: 5	- Formalised Quality Improvement, Monitoring and Response Forums, which convene quarterly were established in four of the five districts - Quarterly meetings and monitoring were conducted as planned.
	Morbidity and mortality review rate: 100%	- Clinical governance meetings were conducted at all hospital levels targeting 100% compliance to discuss morbidity and mortalities. - District hospitals achieved 83.6% - Regional Hospitals was at 97.9% - Specialised Psychiatric Hospitals achieved 100% - Provincial Tertiary Hospital – 91.7% - Central hospital services achieved 91.8%
	Patient Safety Incident (PSI) case closure rate: 100%	- Patient safety incidents are monitored and investigated: - The 2022/23 output on the resolution of PSIs for all the levels of hospital care ranged from 90% to 100%, with the lowest being the district hospitals.

	Patient Experience of Care satisfaction rate: 85%	- The patient experience of care survey is conducted annually in all health facilities. - During the reporting period, the PEC satisfaction rate was attained at 67.9% for PHC facilities and average of 72,6% for the hospitals.
	Percentage of facilities certified by OHSC: 100%	- Formalised Quality Improvement, Monitoring and Response Forums, which convene quarterly were established in four of the five districts. - Ideal Hospital status was achieved in 2 (8%) district hospitals and was not achieved in the other hospital levels of care as assessments were affected by non-compliance on essential and vital elements which are not negotiables. A total of 209 clinics were assessed during the reporting period out of 219. Ideal status was achieved in 155 (70,8%) of the facilities. Some factors that affected outcomes of ideal status were infrastructural challenges and the non-negotiables. - QIPs were developed to address problematic areas and are monitored frequently so as to improve performance during the next assessments.
	Ideal clinic status obtained rate: 100%	
	Ideal clinic status obtained rate: 100%	
	Percentage availability of medication: 95%	Availability of medication in the department's facilities is monitored monthly by the pharmacists who work closely with the Medical Depot. 90.5% was achieved over the provincial target of 100%.
5. Package of services available to the population is expanded with priority given to equity and most cost-effective services	Number of functional ward-based outreach teams: 150	- The functional WBOTs increased from the 172 achieved during 2021/22 to 182 in 2022/23 over the reporting period. - Household visit coverage improved to 68% over the targeted 38%.
	OHH visit Coverage: 20%	
	EMS P1 urban response times under 30 minutes rate: 75%	- A total percentage of 49.1% for EMS P1 urban response under 30 minutes rate improved and the P1 rural response under 60 minutes rate was achieved by 80.3%. - The operational ambulance coverage maintained the 0.5 rate over the target of 0.60 per 10 000 population. Performance is affected by the shortage of skilled personnel for the ambulances to increase coverage.
	EMS P1 rural response times under 60 minutes rate: 80%	
6. Leadership and governance in the health sector enhanced to improve quality of care	Percentage of PHC facilities with functional Clinic committees: 100%	The functional clinic committees were 67,4% over a target of 90,4%. Contract of some committee members expired during quarter 4 of 2022/23. The department is in the process of appointing new members.
	Percentage of Hospitals with functional hospital boards: 100%	- The target for functional hospital boards was fully achieved at 100% of level 2 and 3 hospitals. - Security audits conducted and the related quality improvement plans developed were achieved by a total of 60 health facilities.
	Audit opinion of Provincial DoH: Clean audit	- The department attained Qualified [<i>Irregular expenditure</i>] audit opinion in 2022. - This is progress from 3 qualification paragraphs in 2021 to 1 in 2022.
7. Improve financial management and sustainability	Percentage own revenue collected: 100%	Own revenue collection was achieved by 100,3% during 2022/3 against the target of 90%.
	Percentage of invoices paid within 30 days: 100%	- The payment of invoices within 30 days was 65,8% over a set target of 100%. Compliance was compromised by the during quarter 4 of 2022/23 due to pressure on cash resource. - The Annual departmental budget allocation spent was 100% during the end of financial year.

8. Contingent liability of medico-legal cases reduced	Contingent liability of medico-legal cases: R452 540 509	- The implementation of clinical governance and litigation reduction strategy continues to be intensified in the department. 100% of Medico-legal unit posts were filled as per the approved organisational structure of the department. - A total of 3 out of 4 Medico-legal meetings were conducted. - The contingent liability cases of the department increased to 508 during the financial year (31 March 2023) which consists of letters of demand and summons. The cost value was R5 316 309 541,11.
9. Robust and effective health information systems	Percentage of health facilities electronically recordings clinical codes for their patient visits: 25%	- Access of broadband at the hospitals was improved from 81.3% to 90,6%. - A total of 7 business processes were automated in the quest to improve the department's operational efficiency; namely: - Online Bursary System - Vaccination Reporting - Access Management Dashboard - e-Survey – with DPSAs - Asset Management System - Risk Management System - Invoice Tracking System
10. Institutional capacity strengthened through appropriate human resources for health	Implementation of the FSDoH HRH Plan: FSDoH HRH Plan implemented	- Women representivity at senior management level registered was 38,9%. 0,3% of the people with disabilities were employed. - A total of 571 health workers and clinicians were upskilled on ESMOE, AANC and BLS/ALS.
	Proportion of professional nurses (PNs) per 100 000 people: 131.4	94 per 100 000 people [2 744 PNs] - The training of professional nurses continues through the Free State School of Nursing.
	Number of Community Health Workers appointed: 2 401	A total number of 2 404 of community health workers were absorbed into the system.
11. Infrastructure maintained and backlog reduced	Percentage of Health facilities with completed capital infrastructure projects: 80%	- Facilities with completed infrastructure projects during the year was 80% at all 4 districts and the metro. 90% of facilities underwent maintenance against the targeted 90%.

4. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

4.1. Budget Programme 1: Administration

The aim of the programme is to conduct the strategic management and overall administration of the Department of Health.

Budget Programme has the following sub-programmes

Office of the MEC - Rendering of advisory, secretarial and office support services.

Management - Policy formulation, overall management and administration support of the department and the respective districts and institutions within the department in order to ensure service effectiveness.

PRIORITIES

- Strengthening the management of Human Resources and implementation of the approved Human Resources for Health Plan to ensure the recruitment and retention of health professionals in critical skills.
- Improving the synergy and operational efficiency in the districts.
- Strengthening the Information & Communication Technology (ICT) by aligning to the new National Digital Health Strategy and the National Health Insurance (NHI) through the implementation of various strategic initiatives, including the implementation of an integrated Health Information Systems that is “paper-less” and interoperable with other existing and new systems.
- Strengthening the quality of health data produced at all health facilities and other entities within the department and implementation of system integration.
- Improving the departmental audit outcomes through monitoring of the implementation of the internal control measures and the audit action plan.
- Improving the financial management and sustainability within the department through the close monitoring of expenditure against the budget allocations.
- Reducing the Department’s exposure to litigation through improved clinical governance and efficient management of medico-legal cases and monitoring of litigation cases trends in order to ensure their mitigation.
- Strengthening the health sector licensing and accreditation processes in line with NHI implementation

Table 4.1.1.1:

Programme 1: Administration							
Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Outcome: Leadership and governance in the health sector enhanced to improve quality of care							
1. Functionality of health governance structures improved	1.1 Number of districts with functional District Health Councils	3	2	5	4	(1)	<i>Target not achieved.</i> Thabo Mofutsanyana is the only district that has not established the District Health Council because appointments members have not been done.

Table 4.1.2:

Programme 1: Management							
Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Outcome: Leadership and governance in the health sector enhanced to improve quality of care							
1. Departmental strategic risks reduced	1.1 Number of Top 10 strategic risks reduced to Low Risk	0	0	3	0	(3)	<i>Target not achieved.</i> The design and implementation of the controls by risk owners might not be sufficient to reduce the recognized risk.
2. Safety and security improved in public health facilities	2.1 Number of public health facilities security audited	40	60	60	63	3	Target achieved.

Programme 1: Management							
Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
3. Audit recommendations implemented for improved governance	2.2 Number of facilities with security QIPs implemented	New indicator	60	60	63	3	Target achieved.
	3.1 Audit opinion of FS Department of Health	Qualified audit opinion	Qualified audit opinion	Unqualified audit opinion	Qualified	Failure to achieve the planned unqualified Audit opinion.	Target not achieved. Basis of qualification: - Insufficient appropriate audit evidence for the prior year's additions to immovable tangible capital assets. - Insufficient appropriate audit evidence for expenditure relating to the inventories.
	3.2 Percentage of internal audit recommendations implemented	49%	63%	100%	54%	(46%)	Target not achieved. - Insufficient implementation and monitoring of audit action plans. - Non-submission of progress reports by the clusters.
Outcome: Improved financial management and sustainability							
4. Own revenue collection improved	4.1 Percentage own revenue collected	70,9%	117,2%	90%	100,3%	10,3%	Target achieved. The payment received from the Government of Lesotho and the revenue generated from the COVID-19 vaccination fees that were recovered from the Medical Schemes (via NDoH) contributed to the over-achievement of the target.
5. Creditors management improved	5.1 Percentage of invoices paid within 30 days	75,7%	75,4%	100%	65,8%	(34,2%)	Target not achieved. The compliance was generally compromised in the 4th quarter due to pressure on the departmental budget and cash resources.

Programme 1: Management							
Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
6. Efficient financial resources promoted	6.1 Percentage of the annual departmental budget allocation Spent	New indicator	97%	100%	100%	-	Target achieved.
Outcome: Contingent liability of medico-legal cases reduced							
1. Management of medico-legal cases improved	7.1 Percentage of medico-legal unit posts filled	New indicator	New indicator	71,4%	100%	28,6%	Target achieved.
	7.2 Number of medico-legal committee meetings held	New indicator	New indicator	4	2	(2)	Target not achieved. - The committee meeting could not convene during 3rd quarter of 2022/23 due to the unavailability of most members, including the chairperson, because of the examination timetable at UFS. - The chairperson and other external members are lecturers at the UFS.
Outcome: Institutional capacity strengthened through appropriate human resources for health							
8. Employment equity improved	8.1 Percentage of female representivity at senior management	38,6%	40%	50%	38,9%	(11,1%)	Target not achieved. The Employment Equity plan was developed and approved by executive management and is addressing gender-based recruitment issues.

Programme 1: Management								
Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations	
	8.2 Percentage of employees with disability	0,3%	0,3%	0,5%	0,3%	(0,2%)	Target not achieved. The department is in the process to strengthen partnerships with the organisations of people with disabilities to increase the appointment of people with disabilities.	
9. Workforce discipline improved	9.1 Number of employees trained on code of conduct, grievance procedures and disciplinary code and procedures	New indicator	1 077	2 000	2 034	34	Target achieved.	
Outcome: Robust and effective health information systems								
10. Research recommendations implemented for evidence-based management	10.1 Number of research projects recommended for implementation in the department by PHRC	3	3	3	3	-	Target achieved.	
11. Information management and systems improved for departmental efficiency	11.1 Percentage of Hospitals with access to Broadband 11.2 Public health dataset timelines rate	85%	81,3%	90,6%	90,6%	-	Target achieved. Target achieved.	
		New indicator	New indicator	95%	95,27%	0,27%	Target achieved.	

Programme 1: Management							
Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
	11.3 Number of business processes automated	4	4	4	7	3	Target achieved. The following business processes were developed during the reporting financial year: - 1. Online Bursary System 2. Vaccination Reporting 3. Access Management Dashboard 4. e-Survey – with DPSA 5. Asset Management System 6. Risk Management System 7. Invoice Tracking System

Strategy to overcome areas of under-performance

- To engage with the District Municipal Councils to initiate the re-constitution of the District Health Councils.
- To strengthen Risk management campaigns.
- Enforce compliance to the 30-day payment requirement within the department.
- Strengthen the monitoring and tracking of invoices to avoid late payments.
- Regular follow-up on all audit recommendations by management.
- Conduct regular follow up audits.
- The department to engage NGOs working with people with disabilities to encourage qualifying persons to apply for the advertised posts.

Linking performance with budgetsSub-programme expenditure

Programme 1: ADMINISTRATION	2022/23			2021/22		
	Final Appropriation R'000	Actual Expenditure R'000	(Over)/ Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
Sub programme						
1. OFFICE OF THE MEC	13 435	9 126	4 309	11 998	8 596	3 402
2. MANAGEMENT	305 726	315 284	(9 558)	319 261	315 739	3 522
TOTAL	319 161	324 410	(5 249)	331 259	324 335	6 924

4.2. Programme 2: District Health Services

Programme Purpose

To render Primary Health Care Services and District Hospital Services.

Programme 2 has the following sub-programmes:

- District Management - the management of all district health services including resources
- District Hospitals - rendering of hospital services at district level
- Primary Health care / Community health centres – rendering of primary health care to all the citizens
- Community Based Services - provision of community-based health services at non-health facilities in respect of home-based care, victims of abuse, mental and chronic care, school health
- HIV/AIDS, STI and TB - rendering of primary health care services in respect of HIV/AIDs campaign and special projects including reduction of TB related deaths
- Maternal, Neonatal, Child, Youth and Women's Health and Nutrition (MCWH&N) – reduce maternal, neonatal and mortality. The focus will be on accelerating the implementation of key interventions to save mothers, new-borns and children enhancing health care training and strengthening health systems and to improve quality of care.
- Coroner Services - the performance of medico-legal autopsies. Strengthening of Forensic Pathology services.
- Disease prevention and Control – render preventive, promotive and management of non-Communicable diseases including palliative care and upscale screening for early detection and initiation on treatment.

Outcomes

- Quality of health services in public health facilities improved.
- Leadership and governance in the health sector enhanced to improve quality of care.
- Maternal, Neonatal, Infant and Child Mortality reduced.
- Package of services available to the population expanded with priority given to equity and most cost effective.
- Morbidity and premature mortality due to non-communicable diseases reduced.

Table 4.2.1:

Programme 2: District Management								
Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations	
Outcome: Quality of services in public health facilities improved								
1. Implementation of Quality Improvement Programmes increased in PHC facilities.	1.1 Ideal clinic status obtained rate	43%	65.6%	89%	70,8%	(18,2%)	<i>Target not achieved.</i>	Some PHC facilities had infrastructure challenges and performed unsatisfactorily on vital elements.
	1.2 Percentage of PHC facilities implementing Quality Improvement Programme	43%	88,5%	100%	95,9%	(4,1%)	<i>Target not achieved.</i>	- Poor monitoring and supervision of QIPs implementation. - Limited reporting from district to provincial level which resulted to delayed interventions in some areas of concern.
	1.3 Number of Districts with Quality Improvement; monitoring and Response Forums formalised and convened quarterly	3	4	5	5	-	Target achieved.	
2. Patient satisfaction levels with experience of care in public health facilities increased	2.1 Patient Experience of Care satisfaction rate (PHC)	67.8%	66.9%	85%	67,9%	(17,1%)	<i>Target not achieved.</i>	Due to poor performance on the following areas: - Facilities performed poorly on the following areas: - Long waiting time - Patient safety - Access to care. - Cleanliness
3. Access to clinical care improved at PHC level	3.1 Number of GPs contracted to render PHC services.	28	35	65	38	(27)	<i>Target not achieved.</i>	The number of GP contract posts approved on the NHI business was lower than target set in the APP.
Outcome: Quality of services in public health facilities improved								

Programme 2: District Management							
Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
4. Availability of medication in health facilities improved	4.1 Percentage availability of medication	87%	88,9%	95%	90,5%	(4,5%)	<i>Target not achieved.</i> - Stock-outs occurred at medical depot. - Inappropriate order quantities from health facilities.
Outcome: Maternal, Neonatal, Infant and Child Mortality reduced							
5. Access to PHC services improved	5.1 PHC utilisation under 5 years rate	2,5	2,8	3,2	3	(0,2)	Target achieved. - Poor health-seeking behaviour on the part of the parents and care-givers of children - However, there has been improved PHC utilisation post COVID-19 pandemic.
Outcome: Package of services available to the population expanded with priority given to equity and most cost-effective services							
5. Access to PHC services improved	5.2 OHH visit coverage	33,4%	50,7%	38%	68%	30%	Target achieved. District management to continue support and monitoring of the WBPCHOTs policy framework strategy implementation.
	5.3 Number of functional ward-based outreach teams	122	172	175	182	7	Target achieved.
	5.4 Number of PHC facilities operated over 24 hours	7	7	6	4	(2)	<i>Target not achieved.</i> Staff shortages in some districts leading to failure to operate the PHC facilities over 24 hours.
Outcome: Leadership and governance in the health sector enhanced to improve quality of care							

Programme 2: District Management							
Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
6. Functionality of health governance structures improved	6.1 Percentage of PHC facilities with functional Clinic committees	69%	68,5%	90,4%	67,4%	(23%)	<i>Target not achieved.</i> The appointment terms of some committee members expired and the department is struggling to appoint new ones.

Table 4.2.2:

Programme /Sub-programme 2: District Hospitals							
Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
<i>Outcome: Quality of services in public health facilities improved</i>							
1. Quality of care in hospitals improved for NHI accreditation	1.1 Ideal hospital status obtained rate	28%	44%	72%	8%	(64%)	<i>Target not achieved.</i> - Only 2 district hospitals, i.e., Botshabelo and Fezi Ngubentombi hospitals, achieved the ideal hospital status. - Other hospitals performed poorly on non-negotiables, essential and vitals.
	1.2 Percentage of hospitals implementing Quality Improvement Programme	48%	72%	100%	100%	-	Target achieved.

Programme /Sub-programme 2: District Hospitals								
Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations	
2. Patient satisfaction levels with experience of care in public health facilities increased	2.1 Patient Experience of Care satisfaction rate	72%	70,6%	85%	70,7%	(14,3%)	<i>Target not achieved.</i>	
	3.1 Severity assessment code 1 incident reported within 24 hours rate	54%	65,9%	75%	75,9%	0,9%	Target achieved.	
	3.2 Patient Safety Incident case closure rate	62.5%	83,7%	95%	90,7%	(4,3%)	<i>Target not achieved.</i>	
3. Clinical governance strengthened	3.3 Morbidity and mortality review rate	36.3%	75%	100%	86,3%	(13,7%)	<i>Target not achieved.</i>	
							Some district hospitals in Lejweleputswa (Mohau, Nala & Thusanong) did not hold the M&Ms due to unavailability of clinical managers.	
							In Thabo Mofutsanyana, some hospitals were affected by the strike action.	
Outcome: Leadership and governance in the health sector enhanced to improve quality of care								
4. Functionality of health governance structures improved	4.1 Percentage of Hospitals with functional Hospital boards	72%	80%	100%	100%	-	Target achieved.	
Outcome: Maternal, Neonatal, Infant and Child Mortality reduced								
5. Child mortality reduced	5.1 Child under 5 years	2,1%	0,9%	2,1%	0,8%	1,3%	Target achieved.	

Programme /Sub-programme 2: District Hospitals								
Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations	
	diarrhoea case fatality rate							
	5.2 Child under 5 years pneumonia case fatality rate	1%	0,4%	2,2%	0,9%	1,3%	Target achieved.	
	5.3 Child under 5 years severe acute malnutrition case fatality rate	2,7%	4,7%	1,8%	5,6%	(3,8%)	<i>Target not achieved.</i> • Due to household food & Nutrition security. • Delay in seeking Medical Help • Co-infections e.g., HIV/TB Disease progression to SAM (Severe Acute Malnutrition) • Failure to identify/ recognize the danger signs by Primary care givers. • Poor integration of clinical health services. • Poor collaboration with other departments to address social determinants of health. • Failure to recognize the severity of child illness leading to late referrals.	
	5.4 Death under 5 years against live birth rate	0,6%	0,57%	0,6%	0,6%	0	Target achieved.	
6. Maternal mortality reduced	6.1 Maternal mortality in facility ratio (per 100k)	47,5	49,9	32,6	25,8	6,8	Target achieved.	

Table 4.2.3:

Programme / Sub-programme 2: HIV & AIDS, STI & TB Control (HAST)							
Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Outcome: Morbidity and premature mortality due to Communicable diseases reduced							
1. HIV incidences reduced	1.1 HIV positive 15-24 years (excl ANC) rate	3,4%	2,6%	5%	2,1%	2,9%	Target achieved.
2. People living with HIV tested, initiated on treatment, and retained on care at 12 months	2.1 ART client naïve start ART during month - sum	23 691	26 364	32 664	25 581	(7 083)	Target not achieved. Low HIV positivity yield resulted in low numbers of clients eligible for initiation on treatment.
	2.2 ART adult remain in care rate [12 months]	52,8%	67,3%	90%	62,5%	(27,5%)	Target not achieved. - The high number of patients lost to follow-up affected the output. - The attendance of children is affected by the health care seeking behaviour of parents and care-givers.
	2.3 ART child remain in care rate [12 months]	56,1%	76,2%	90%	58,3%	(31,7%)	
3. Viral suppression at 12 months increased in both children and adults on ART	3.1 Adult viral load suppressed rate [12 months]	89,4%	92,2%	90%	91,8%	1,8%	Target achieved.
	3.2 ART child viral load suppressed rate [12 months]	71,2%	68,5%	90%	61,9%	(28,1%)	Target not achieved. - Non-disclosure of HIV status to children - Children are dependent on care givers for the administration of the medicine. - Shortage of social workers to render psycho-social support.

Programme / Sub-programme 2: HIV & AIDS, STI & TB Control (HAST)							
Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
4. HIV related deaths reduced	4.1 ART Death rate	2,4%	2,4%	<10%	2%	8%	Target achieved.
5. Access to TB treatment improved	5.1 New DS-TB client start treatment rate	87,5%	86,1%	90%	86,3%	(3,7%)	Target not achieved. New affected TB cases were limited out of all those who started treatment and that affected performance outcomes during 2022.
6. TB Drug sensitive TB treatment adherence and outcomes improved	6.1 All DS-TB client lost to follow-up rate	11,1%	12,6%	9%	13,1%	(4,1%)	Target not achieved. Xhariep district had high loss-to-follow-up during 3rd quarter of 2021 and that affected the annual performance.
	7.1 All DS-TB client treatment success rate	77,1%	74,4%	80%	73%	(7%)	Target not achieved. Performance was affected by high loss-to follow up and death rate during the reporting period, 2021.
Outcome: Morbidity and premature mortality due to Communicable diseases reduced							
7. Drug resistant TB treatment outcomes improved	7.1 TB Rifampicin resistant/MDR/pr e-XDR treatment success rate	57,1%	43,6%	59%	59,4%	0,4%	Target achieved.
	7.2 TB XDR treatment start rate	100%	88,8%	100%	100%	-	Target achieved.
8. TB related deaths reduced	8.1 All DS-TB client death rate	10,6%	11,4%	10,2%	12,9%	(2,7%)	Target not achieved. Performance was negatively affected by loss to follow-up which led to non-adherence to treatment resulting in high death rate.

Programme / Sub-programme 2: HIV & AIDS, STI & TB Control (HAST)							
Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
9. Malaria fatalities decreased	9.1 Malaria case fatality rate	0	0	0	11,8%	(11,8%)	<i>Target not achieved.</i> Malaria cases were presented late for health care and that resulted with the mortalities.
10. COVID-19 case finding intensified	10.1 COVID-19 Screenings done	9 989 752	17 953 712	2 000 000	No data	No data	The Ministerial Advisory Committee (MAC) circular, dated 08 June 2022, directed that symptom screening for COVID-19 be stopped with immediate effect.
	10.2 COVID-19 Testing coverage	99,6%	100%	100%	No data	No data	Based on the circular, testing coverage could not be calculated.
	10.3 COVID-19 Positivity rate	14,9%	4%	12%	1,2%	(10,8%)	Target achieved.
11. Fatalities due to COVID-19 reduced	11.1 COVID-19 Vaccination rate	New indicator	54,2%	70%	60,2%	(9,8%)	<i>Target not achieved.</i> - A decline was seen in the number of first doses administered, from 3 511 to 3 025. - More booster doses (9 637) were administered compared to first doses.
	11.2 Case fatality rate COVID-19	New indicator	3,8%	4,2%	1,6%	2,6%	Target achieved.

Table 4.2.4:

Programme / Sub-programme 2: Maternal, Child and Women's Health and Nutrition (MCWH&N)							
Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Outcome: Maternal, Neonatal, Infant and Child Mortality reduced							
1. Improved family planning coverage	1.1 Couple year protection rate	75,2%	84,8%	70%	83,8%	13,8%	Target achieved
2. Teenage pregnancy reduced	2.1 Delivery in 10 to 19 years in facility rate	13,1%	13,3%	13%	13,3%	0,3%	Target achieved.
3. Increased early ANC coverage	3.1 Antenatal 1 st visit before 20 weeks rate	61,3%	60,5%	65%	62,1%	(2,9%)	<i>Target not achieved.</i> - Inadequate number of Midwives at PHC level, which does not meet the demand for care. - Delays in seeking health care from the community level
4. Still birth incidences reduced	4.1 Live birth under 2500g in facility rate	14,4%	14,8%	14%	15%	(1%)	<i>Target not achieved.</i> - Poor management of hypertension and infections during the antenatal period, resulting in premature births. - Poor maternal nutrition, which affects fetal growth
5. Postnatal care coverage increased	5.2 Mother postnatal visit within 6 days rate	79,7%	76,6%	80%	84,3%	4,3%	Target achieved.
6 Neonatal mortality reduced	1.1 Neonatal death in facility rate (Rate per 1k)	16/ 1 000	15,9/ 1 000	16/ 1 000	17,3/ 1 000	(1,3/ 1 000)	<i>Target not achieved.</i> - Increase in deaths of premature babies below a 1 000g, which are contributed to by failed termination of pregnancy. - Poor management of maternal health conditions which increase the risk of premature birth. - Systemic challenges which result in an unsafe environment for management of neonates.

Programme / Sub-programme 2: Maternal, Child and Women's Health and Nutrition (MCWH&N)							
Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
7. Mother to child transmission of HIV reduced	7.2 Infant PCR test positive around 10 weeks rate	0,5%	0,6%	0,5%	0,5%	-	Target achieved.
8. Immunisation coverage improved	8.1 Immunisation under 1-year coverage	75,8%	83,7%	82%	79,7%	(2,3%)	<i>Target not achieved.</i> Measles outbreak declared during the 3rd Quarter of 2022/2023 impacted to under 1-year.
	8.2 Measles 2 nd dose coverage	73,3%	77,5%	90%	80%	(10%)	<i>Target not achieved.</i> - Loss to follow up of children at 12 months. - Poor health seeking behaviour of caregivers.
Outcome: Morbidity and premature mortality due to Non-Communicable diseases reduced							
9. Vitamin A dose 12-59 months coverage improved	9.1 Vitamin-A dose 12-59 months coverage	48.1%	55.8%	60%	61,3%	1,3%	Target achieved.

Table 4.2.5:

Programme / Sub-programme 2: Disease Prevention and Control (DPC)							
Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Outcome: Morbidity and Premature mortality due to Non-Communicable diseases reduced							
1. NCD treatment coverage and outcomes improved	1.1 Hypertension client treatment new 18-44 years	5 509	4 935	4 968	5 177	209	Target achieved.
	1.2 Hypertension client treatment new 45 years and older	11 361	9 208	8 428	6 826	(1 602)	Target not achieved. • A high number of patients of this age group were screened and only 6 826 were found to be eligible for treatment.
	1.3 Normal Haemoglobin A1c (HbA1c) test with result <7% rate	34.5%	48.1%	72%	52.1%	(19.9%)	Target not achieved. • Some patients with HbA1c of more than 7% were not successfully followed-up for counselling to control treatment due to faulty addresses provided at facilities.
	1.4 Diabetes client treatment new 18 - 44 years	3 076	2 305	2 317	1 942	(375)	Target not achieved. • Initiation of treatment was done to all the positive cases found. Most patients tested were negative or already on treatment.
	1.5 Diabetes client treatment new 45 years and older	4 451	3 630	3 331	2 294	(1 037)	Target not achieved. • Delays in implementation of HR processes in some districts. • Lack of interest in contract appointments by potential candidates.
2. Management of mental health disorders improved	2.1 Number of contracted Psychologists / Registered Counsellors	New indicator	2	5	2	(3)	Target not achieved. • Delays in implementation of HR processes in some districts. • Lack of interest in contract appointments by potential candidates.
	2.2 Number of mental health clients seen by Contracted	New indicator	529	8 400	711	(7 689)	Target not achieved. • Performance is affected by the lack of appointment of personnel in all the districts.

Programme / Sub-programme 2: Disease Prevention and Control (DPC)								
Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations	
	Psychologists / Registered Counsellor's at PHC level							
	2.3 Percentage of health facilities compliant on 72-hour mental health assessment	New indicator	New indicator	10,3%	3,5%	(6,8%)	<i>Target not achieved.</i> The infrastructure was not fit for the purpose (compliance issues) and patients were not accommodated as planned.	
Outcome: Leadership and governance in the health sector enhanced to improve quality of care								
3. Functionality of health governance structures improved	3.1 Percentage of functional Mental Health Review boards	100%	100%	100%	100%	-	Target achieved	

Table 4.2.6:

Programme / Sub-programme 2: Forensic Pathology Services (FPS)							
Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Outcome: Quality of services in public health facilities improved							
1. Efficacy of Forensic Pathology Services improved	1.1 Percentage medico-legal cases attended to where cause of death remained unknown	13.7%	13.5%	10%	2,1%	7,9%	Target achieved.
	1.2 Percentage of autopsies performed within 5 working days	92.3%	97,5%	90%	99,2%	9,2%	Target achieved.

Strategy to overcome areas of under-performance**District Management**

- The Quality Improvement Plans to be fully implemented in order to address the deficiencies noted during Ideal status assessments.
- To reinforce proper supervision and monitoring across all levels of care.
- To facilitate appointment of Governing structures for improve service delivery and stability.

District Hospitals

- Strengthening of Health Education on the integration of practices to ensure no missed cases.
- Implementation and monitoring of PEC QIPs.
- In-service training of staff on Batho Principles and Patients' Rights will be conducted to address areas of concern.

- Conduct of Health Education about pregnancy and related risks for both mother and baby.
 - Strengthening of high-risk antenatal care to address maternal mortality ratio.
- HIV and AIDS, TB and STI control***
- Implementation of HIV Index testing to improve on case finding.
 - Conduct targeted HIV testing at High Transmission Areas.
 - Weekly monitoring of the lost to follow-up and tracing of patients will be conducted weekly.
 - Implementation of the Kidz Alive strategy to reinforce support to the children and family unit.
 - Allocate newly initiated clients on ART to a Community Health Worker to improve adherence.
 - Encourage care-takers of children to administer medication.
 - Strengthen the implementation of KIDZ Alive strategy to improve adherence.
 - Continue to educate community on benefits of HIV and TB treatment adherence.
 - Encourage all eligible citizens to vaccinate against COVID-19.

Maternal, Child and Women's Health and Nutrition

- Engage and educate communities on maternal and child health services.
- Strengthen Sexual Reproductive Health Services (SRH) to reduce unplanned and unwanted pregnancies.

Disease Prevention and Control

- Continue with healthy lifestyle message, screen all and put eligible clients on treatment.
- Strengthen Health Promotion by CHWs and Health Promoters
- Strengthen Defaulter tracing by CHWs
- Conduct active case findings on hard to reach areas by screening
- Formation of Adherence Clubs to strengthen support
- Conduct training of both Professional Nurses and Community Health Workers able diseases

Forensic Pathology Services

- Reinforce 5 days turn-around time for better efficiency in service delivery.
- Address staff shortage issues.

Linking performance with budgetsSub-programme expenditure

Programme 2: District Health Services	2022/23			2021/22		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
Sub-programme	R'000	R'000	R'000	R'000	R'000	R'000
1. District Management	119 073	160,828	(41,755)	143 587	152 242	(8 655)
2. Community Health Clinics	1 113 603	1,116,498	(2,895)	1 064 402	1 065 120	(718)
3. Community Health Centre	162 254	164,529	(2,275)	160 958	149 807	11 151
4. Community Based Services	718 215	704,574	13,641	529 219	531 022	(1 803)
5. HIV/AIDS	1 920 848	1,995,969	(75,121)	2 234 844	2 228 399	6 445
6. Nutrition	15 786	14,784	1,002	12 819	12 403	416
7. Coroner Services	46 998	47,927	(929)	45 429	40 631	4 798
8. District Hospitals	1 701 830	1,706,729	(4,899)	1 661 830	1 654 081	7 749
9. Other Community Services	93 683	93,626	57	-	-	-
Total	5 892 290	6,005,464	(113,174)	5 853 088	5 833 705	19 383

4.3. Programme 3: Emergency Medical Services (EMS)

Programme Purpose:

The rendering of pre-hospital Emergency Medical Services including inter-hospital transfers, Planned Patient Transport and emergency communication.

This programme has the following sub-programmes:

- Emergency Transport
- Planned Patient Transport

Table 4.3.1:

Programme 3: Emergency Medical Services (EMS)							
Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Outcome: Package of services available to the population expanded with priority given to equity and most cost-effective services							
1. EMS P1 response times improved	1.1 EMS P1 urban response under 30 minutes rate	55.4%	56.6%	65%	49,1%	(15,9%)	<i>Target not achieved.</i> • Shortage of skilled personnel affects the rostering of more ambulances to improve the response to P1 emergencies.
	1.2 EMS P1 rural response under 60 minutes rate	78.8%	86.8%	79%	80.3%	1,3%	Target achieved.
	2.1 EMS operational ambulance coverage	0.49 (132 ambulances)	0.5	0,6	0,5	(0,1)	<i>Target not achieved.</i> • Coverage low due to the shortage of skilled personnel and ambulances. • 145 ambulances were rostered.
Outcome: Maternal, Neonatal, Infant and Child Mortality reduced							
3. Operational dedicated obstetric ambulances increased	3.1 Number of rostered obstetric ambulances	9	14	25	15	(10)	<i>Target not achieved.</i> • Lack of advance life support personnel that are required to roster more obstetric ambulances in the province.
Outcome: Package of services available to the population expanded with priority given to equity and most cost-effective services							
4. Ambulance coverage improved	4.1 Percentage rostered planned patient transport operational	100%	100%	100%	100%	-	Target achieved.

Strategy to overcome areas of under-performance

- To improve skills within EMS in line with EMS regulations.
- To implement effective triaging and dispatching of relevant resources.
- To open 6 more new EMS stations for continues health services.

Linking performance with budgetsSub-programme expenditure

Programme 3: EMERGENCY MEDICAL SERVICES	2022/23			2021/22		
	Final Appropriation R'000	Actual Expenditure R'000	(Over)/ Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
Sub-programme						
1. Emergency Transport	952,559	990 229	(37,670)	942 266	946 026	(3 760)
2. Planned Patient Transport	17,209	14 127	3,082	17 996	14 200	3 796
Total	969,768	1 004 356	(34,588)	960 262	960 226	36

4.4. Budget Programme 4: Provincial Hospital Services

Programme Purpose:

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

Programme 4 has the following sub-programmes:

- General Hospitals (Regional Hospitals)
- Psychiatric/Mental Hospitals (FSPC)

Outcomes

- Quality of health services in public health facilities improved.
- Leadership and governance in the health sector enhanced to improve quality of care.
- Maternal, Neonatal, Infant and Child Mortality reduced

Table 4.4.1:

Programme 4: General (Regional) Hospitals							
Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Outcome: Quality of services in public health facilities improved							
1. Quality of care in hospitals improved for NHI accreditation	1.1 Ideal Hospital status obtained rate	50%	75%	100%	0	(100%)	<i>Target not achieved.</i> • Poor performance due to non-availability of some non-negotiable and essentials.
	1.2 Percentage of Hospitals implementing Quality Improvement Programme	50%	75%	100%	100%	-	Target achieved.
	2.1 Patient Experience of Care satisfaction rate	67.2%	61.4%	85%	68,8%	(16,2%)	<i>Target not achieved.</i> • The areas that contributed to poor PEC satisfaction outcomes were access to care and long waiting times.
2. Patient satisfaction levels with experience of care in public health facilities increased	3.1 Severity assessment code 1 incident reported within 24 hours rate	65%	82%	70%	85,3%	15,3%	Target achieved.
	3.2 Patient Safety Incident case closure rate	73%	83%	85%	89,96%	4,96%	Target achieved.
	3.3 Morbidity and mortality review rate	47.9%	85.4%	100%	97,9%	(2,1%)	<i>Target not achieved.</i> • Boitumelo Regional Hospital was not able to hold the clinical governance meeting during the 3 rd quarter due non-availability of key personnel.
Outcome: Leadership and governance in the health sector enhanced to improve quality of care							
4. Functionality of health governance structures improved	4.1 Percentage of Hospitals with functional hospital boards	100%	100%	100%	100%	-	Target achieved.

Programme 4: General (Regional) Hospitals							
Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Outcome: Maternal, Neonatal, Infant and Child Mortality reduced							
5. Child mortality reduced	5.1 Child under 5 years diarrhoea case fatality rate	2.3%	3.9%	1.9%	3.5%	(1,6%)	<i>Target not achieved.</i> - Failure to identify danger signs by Primary caregivers - Delay in seeking help - Failure to recognize severity of illness - Late referrals children admitted already in hypovolaemic shock
	5.2 Child under 5 years pneumonia case fatality rate	4.2%	5.5%	3.4%	2.9%	0,5%	Target achieved.
	5.3 Child under 5 years severe acute malnutrition case fatality rate	11.8%	15.2%	11.3%	21.8%	(10,5%)	<i>Target not achieved.</i> - Due to household food & Nutrition security. - Delay in seeking Medical Help - Co-infections e.g., HIV/TB Disease progression to SAM (Severe Acute Malnutrition) - Failure to identify/ recognize the danger signs by Primary care givers. - Poor integration of clinical health services. - Poor collaboration with other departments to address social determinants of health. - Failure to recognize the severity of child illness leading to late referrals.
	5.4 Death under 5 years against live birth rate	4.2%	4.1%	3.8%	4.5%	(0,7)	<i>Target not achieved.</i> - Mothers /Primary Care givers fail to identify danger signs - Delay in seeking medical help.
	5.5 Death under 5 years against live birth	547	537	473	559	(86)	Failure to recognize severity of child illness leading to late referrals.

Programme 4: General (Regional) Hospitals								
Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations	
6. Maternal mortality reduced	6.1 Maternal mortality in facility ratio (per 100k)	316.5/100 00	283.2/100 000	227.9/100 000	223.5/100 000	4.4/100 000	Target achieved.	
	6.2 Maternal mortality in facility	43	39	32	29	3	Target achieved.	

Table 4.4.2:

Programme 4: Specialised Psychiatric Hospital Services (FSPC)							
Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Outcome: Quality of services in public health facilities improved							
1. Quality of care in hospitals improved for NHI accreditation	1.1 Ideal Hospital status obtained rate	0	0	100%	0	(100%)	Target not achieved. • Poor performance due to non-compliance on some non-negotiable and essential elements.
	1.2 Percentage of Hospitals implementing Quality Improvement Programme	100%	100%	100%	100%	-	Target achieved

Programme 4: Specialised Psychiatric Hospital Services (FSPC)							
Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
2. Patient satisfaction levels with experience of care in public health facilities increased	2.1 Patient Experience of Care satisfaction rate	72,7%	87,6%	85%	82,4%	(2,6%)	<i>Target not achieved.</i> PEC Performance was affected negatively by the following priorities: - Medicine availability was 90,7% out of the target of 95% - Waiting times achieved 66,7% against the target of 74%.
Outcome: Quality of health services in public health facilities improved							
3. Optimised Mental Health Care services	3.1 Inpatient bed utilisation rate	92%	92,6%	90%	89,1%	(0,9%)	<i>Target not achieved.</i> - There were few observations during December 2022 because courts of law who usually refer observandi for 30 days, were closed. - The observation unit separations were high during the financial year and that affected performance.
4. Clinical governance strengthened	4.1 Severity assessment code 1 incident reported within 24 hours rate	100%	66,7%	100%	66,7%	(33,3%)	<i>Target not achieved.</i> A cellphone dedicated for PSI and severity assessment code 1 reporting, was stolen and that affected a 24-hour turn-around time.
	4.2 Patient Safety Incident case closure rate	98%	100%	99,2%	96,7%	(2,5%)	
	4.3 Morbidity and mortality review rate	66,7%	100%	100%	100%	-	Target achieved.

Programme 4: Specialised Psychiatric Hospital Services (FSPC)							
Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Outcome: Leadership and governance in the health sector enhanced to improve quality of care							
5. Functionality of health governance structures improved	5.1 Percentage of Hospitals with functional hospital board	100%	100%	100%	100%	-	Target achieved.

Strategy to overcome areas of under-performance

Regional Hospitals

- Strengthen monitoring and implementation of QIPs.
- Strengthening of Mass health education regarding danger signs of dehydration and one-to-one health education at health entry points.

FSPC

- Corrective measures to be taken for under-reporting of cases.
- Continue to encourage staff and conduct continuous in-service training.
- Corrective measures to be taken for under reporting of cases.

Linking performance with budgetsSub-programme expenditure

Programme 4. PROVINCIAL HOSPITAL SERVICES	2022/23				2021/22		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure		Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
Sub-programme	R'000	R'000	R'000		R'000	R'000	R'000
1. General Hospitals	1 297 455	1 312 002	(14 547)		1 313 125	1 299 829	13 296
2. Psychiatric/Mental Hospital	390 272	375 729	14 543		365 015	364 882	133
Total	1 687 727	1 687 731	(4)		1 678 140	1 664 711	13 429

4.5. Budget Programme 5: Central Hospital Services

Programme Purpose

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

Sub-Programmes

- Central Hospital Services (Universitas Academic Hospital)
- Provincial Tertiary Services

Outcomes

- Quality of health services in public health facilities improved.
- Leadership and governance in the health sector enhanced to improve quality of care.
- Maternal, Neonatal, Infant and Child Mortality reduced

Table 4.5.1:

Provincial Tertiary Hospital Services							
Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Outcome: Quality of services in public health facilities improved							
1. Quality of care in hospitals improved for NHI accreditation	1.1 Ideal Hospital status obtained rate	100%	100%	100%	0	(100%)	Target not achieved. Non-compliance on some non-negotiable and essential elements.
	1.2 Percentage of Hospitals implementing Quality Improvement Programme	100%	100%	100%	100%	-	Target achieved.
2. Patient satisfaction levels with experience of care in public health facilities increased	2.1 Patient Experience of Care satisfaction rate	59,2%	70,7%	85%	62,7%	(22,3%)	Target not achieved. Areas of poor performance were Access to care and Waiting times that scored below 50%.
3. Clinical governance strengthened	3.1 Severity assessment code 1 incident reported within 24 hours rate	67%	57%	72,5%	93,8%	21,3%	Target achieved.
	3.2 Patient Safety Incident case closure rate	6%	12%	70%	100%	30%	Target achieved.
	3.3 Morbidity and mortality review rate	33,3%	75%	100%	91,7%	(8,3%)	Target not achieved. The meeting did not take place in October and 2 (two) meetings were held in November 2022.
Outcome: Leadership and governance in the health sector enhanced to improve quality of care							

Provincial Tertiary Hospital Services							
Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
4. Functionality of health governance structures improved	4.1 Percentage of Hospitals with functional hospital boards	100%	100%	100%	100%	-	Target achieved.
Outcome: Maternal, Neonatal, Infant and Child Mortality reduced							
5. Child mortality reduced	5.1 Child under 5 years diarrhoea case fatality rate	8%	4,6%	8%	2,5%	5,5%	Target achieved.
	5.2 Child under 5 years pneumonia case fatality rate	4,4%	3,2%	3,2%	3%	0,2	Target achieved.
	5.3 Child under 5 years severe acute malnutrition case fatality rate	1%	8,9%	12%	10,8%	1,2%	Target achieved.
	5.4 Death under 5 years against live birth rate	3,5%	4,1%	3%	3,4%	(0,4%)	Target not achieved. • There was a total of 172 under-5 deaths, including 130 neonates (aged 0-28 days) who died due to complications of pre-maturity.
	5.5 Death under 5 years against live birth	176	142	128	172	(44)	
6. Maternal mortality reduced	6.1 Maternal mortality in facility ratio (Per 100k)	178	154,2	153,8	133,9	19,9	Target achieved.

Provincial Tertiary Hospital Services								
Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations	
	6.2 Maternal Mortality in facility	11	11	10	7	3	Target achieved.	

Table 4.5.2:

Programme 5: Central Hospital Services								
Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations	
Outcome: Quality of services in public health facilities improved								
1. Quality of care in hospitals improved for NHI accreditation	1.1 Ideal Hospital status obtained rate	100%	100%	100%	0	(100%)	Target not achieved. • Poor performance due to non-availability of some non-negotiable and essentials.	
	1.2 Percentage of Hospitals implementing Quality Improvement Programme	100%	100%	100%	100%	-	Target achieved.	

Programme 5: Central Hospital Services							
Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
2. Patient satisfaction levels with experience of care in public health facilities increased	2.1 Patient Experience of Care satisfaction rate	83,4%	71,3%	85%	78,6%	(6,4%)	<i>Target not achieved.</i> Due to poor performance on the following areas: - Long waiting time - Access to care.
3. Clinical governance strengthened	3.1 Severity assessment code 1 incident reported within 24 hours rate	88%	72%	80%	93,8%	13,8%	Target achieved.
	3.2 Patient Safety Incident case closure rate	99%	94%	100%	100%	-	Target achieved.
	3.3 Morbidity and mortality review rate	41,7%	83,3%	100%	91,8%	(8,2%)	<i>Target not achieved.</i> The meeting did not take place during December due to the shortage of key personnel.
<i>Outcome: Leadership and governance in the health sector enhanced to improve quality of care</i>							
4. Functionality of health governance structures improved	4.1 Percentage of Hospitals with functional hospital boards	100%	100%	100%	100%	-	Target achieved.
<i>Outcome: Maternal, Neonatal, Infant and Child Mortality reduced</i>							
5. Child mortality reduced	5.1 Child under 5 years diarrhoea case fatality rate	0	0	0	0	-	Target achieved.

Programme 5: Central Hospital Services							
Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
	5.2 Child under 5 years pneumonia case fatality rate	0	5,6%	0	0	-	Target achieved.
	5.3 Child under 5 years severe acute malnutrition case fatality rate	0	0	0	10%	(10%)	<i>Target not achieved.</i> 4 children were admitted with SAM in the 1st quarter and 1 died due to late referrals.
	5.4 Death under 5 years against live birth rate	21,4%	22%	15,2%	23,3%	(8,1%)	<i>Target not achieved.</i> High number of referrals to Central hospital due to complex congenital abnormalities.
	5.5 Death under 5 years against live birth	108	104	100	171	(71)	
	6.1 Maternal mortality in facility ratio (per 100k)	2 614,3	2 275,8	1 666,7	407,1	1 259,6	Target achieved.
6. <i>Maternal mortality reduced</i>	6.2 Maternal Mortality in facility	16	14	13	3	10	Target achieved.

Strategy to overcome areas of under-performance

- Monitor implementation of Obstetric resolutions in all facilities.
- Facilitate the implementation of quality improvement plan.
- Training of all frontline workers will be intensified and strengthened.
- Screening by Outreach teams to identify children with moderate and severe acute malnutrition.
- IMCI training at clinics and hospitals on identification and management of Malnutrition, implementation of 10 Steps Hospital Management of SAM.

Linking performance with budgetsSub-programme expenditure

Programme 5. CENTRAL HOSPITAL SERVICES	2022/23			2021/22		
	Final Appropriation R'000	Actual Expenditure R'000	(Over)/ Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/ Under Expenditure R'000
Sub-programme						
1. Central Hospital Services	1,872,791	1,869,760	3,031	1 717 943	1 646 308	71 635
2. Public-Private Partnership	12,710	12,715	(5)	12 783	21 987	(9 204)
3. Provincial Tertiary Hospital Services	1,062,040	1,010,396	51,644	834 299	808 955	25 344
Total	2,947,541	2,892,871	54,670	2 565 025	2 477 250	87 775

4.6. Budget Programme 6: Health Science and Training (HST)

Programme Purpose

To provide Training and Development Programmes for a skilled workforce that is responsive to the needs of the Free State Department of Health.

The programme has following Sub-Programmes:

- **Sub-Programme: Nurse Training College**
Increase the number of professional nurse's throughput from the Nursing Colleges.
- **Sub-Programme: Primary Health Care Training**
Provision, Co-ordination and Management of all Clinical Training Programs for Health Care Professionals in line with the Department of Health Workplace Skills Plan, HRD Strategy and HR Plan.
- **Sub-Programme: Training Other**
 - Provision, Co-ordination and Management of all Generic Training Programs for Health Care Workers, in line with the Department of Health Workplace Skills Plan, HRD Strategy and HR Plan.
 - Implementation of the Free State Department of Health Skills Development programme through the training of various officials of the department.
- **Sub-Programme: Emergency Medical Services (EMS) Training Colleges**
The College's existence is in terms of the National Health Act.
 - To provide training as well as promote research and development of health systems.
 - To provide EMS education and training that is of high-quality standards which is demand driven and cost effective through partnerships and co-operation with relevant stakeholders using world class best training practices.

Outcomes

- Institutional capacity strengthened through appropriate human resources for health.
- Morbidity and premature mortality due to Communicable diseases reduced.

Programme 6: Nurse Training Colleges							
Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Outcome: Institutional capacity strengthened through appropriate human resources for health							
1. Nurse throughput increased	1.1 Number of graduating nurse students	150	200	150	153	3	Target achieved.

Table 4.6.2:

Programme 6: Primary Health Care [PHC] Training							
Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Outcome: Morbidity and premature mortality due to Communicable diseases reduced							
1. Drug resistant TB treatment adherence and outcomes improved	1.1 Number of professional Nurses trained to initiate MDR-TB treatment	-	15	13	13	-	Target achieved.
Outcome: Institutional capacity strengthened through appropriate human resources for health							
2. Skills and Competence level of clinicians improved	2.1 Number of doctors and nurses re-skilled on ESMOE	150	117	200	207	7	Target achieved.
	2.2 Number of midwives re-skilled on Advanced Ante Natal Care (AANC)	0	38	45	33	(12)	<i>Target not achieved.</i> - Only 33, instead of the targeted 45, were trained - Not all participants were released due to shortage of personnel in the health facilities.

Programme 6: Primary Health Care [PHC] Training								
Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations	
	2.3 Number of HCW trained on Basic Life Support	0	416	400	457	57	Target achieved.	

Table 4.6.3:

Programme 6: Training other								
Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations	
Outcome: Institutional capacity strengthened through appropriate human resources for health								
1. Orientation and induction of new appointees strengthened	1.1 Number of induction programmes implemented	New indicator	New indicator	5	5	-	Target achieved.	
	1.2 Number of training programmes implemented in line with WSP	New indicator	New indicator	6	5	(1)	Target not achieved. - Five programs, instead of six were, implemented. - The planned security grades training could not take place due to delayed logistical arrangements.	
	2.1 Number of skills programmes implemented for youth development	New indicator	New indicator	2	2	-	Target achieved.	

Programme 6: Training other							
Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
3. <i>Management and leadership development pipeline strengthened</i>	3.1 Number of managers trained on leadership and management programmes	24	20	50	55	5	Target achieved. - Project Khaedu was not on the plan; however, the department was invited to nominate 5 managers/supervisors. 5 managers were nominated as this training seeks to improve service delivery.

Table 4.6.4:

Programme 6: EMS Training Colleges								
Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations	
Outcome: Institutional capacity strengthened through appropriate human resources for health								
1. Compliance with Emergency Care Qualification Framework (ECQF) improved	1.1 Number of training programmes implemented according to the Emergency Care Qualification Framework	2	2	2	2	-	Target achieved.	
	1.2 Number of Emergency Medical Care Diploma Graduates	8	8	7	7	-	Target achieved.	
	1.3 Number of Emergency Medical Care Higher Certificate Graduates	New indicator	6	14	4	(10)	Target not achieved. - Only Six (6) Higher Certificate Students were enrolled for the 2022 academic year. - Four (4) successfully completed the program and will graduate in 2023. - One student deregistered due to medical condition, one failed and was academically excluded from the program.	
2. EMS officials capacitated to meet the service demands	2.1 Number of EMS officials successfully completing the new Clinical practice Guidelines	-	62	120	805	685	Target achieved. Introduction of online training platform increased access to the training, as a result, more officials were enrolled for training.	

Strategy to overcome areas of under-performance

- To Improve marketing for the Emergency Medical Care Higher Certificate program so as to enroll more students on program.
- Improve procurement processes to ensure WSP implementation.

Linking performance with budgets**Sub-programme expenditure**

Programme 6. HEALTH SCIENCE & TRAINING	2022/23			2021/22		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
Sub programme	R'000	R'000	R'000	R'000	R'000	R'000
1. Nurse Training Colleges	143,736	143,447	289	140 814	129 799	11 015
2. EMS Training Colleges	31,373	23,712	7,661	25 424	22 409	3 015
3. Primary Health Care Training	32,195	21,319	10,876	21 483	16 543	4 940
4. Training Other	114,119	132,944	(18,825)	104 429	80 500	23 929
Total	321,423	321,422	1	292 150	249 251	42 899

4.7. Budget Programme 7: Health Care Support Services (HCSS)**Programme Purpose**

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

Sub-Programmes

- Laundries - Ensure continuous supply of clean linen in health facilities and implementation of health Non-Negotiables.
- Orthotic and Prosthetics- Improved accessibility to O&P by the Free State community and Provisioning of O&P services integrated according to Framework and Strategy for Disability & Rehabilitation.
- Med Pas (Medical Trading Account) - Improve governance of Pharmaceutical Services and availability of medicines.

Outcomes

- Quality of health services in public health facilities improved.

Table 4.7.1:

Sub -Programme 7: Laundries							
Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Outcome: Quality of services in public health facilities improved							
1. Availability of clean linen stocks in health facilities improved	1.1 Percentage availability of clean linen in health facilities	85,4%	76,6%	87%	66%	(21%)	<i>Target not achieved.</i> Non-procurement of the required washing machines, driers, ironers and boilers at Bloemfontein, Psychiatric and Kroonstad laundry affected performance.

Table 4.7.2:

Sub-Programme 7: Orthotics and Prosthetics							
Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Outcome: Quality of services in public health facilities improved							
1. Backlog for O&P medical devices reduced	1.1 Medical orthotic devices issued rate	72,8%	72,2%	65%	78,5%	13,5%	Target achieved.
	1.2 Medical prosthetic devices issued rate	55,7%	63,4%	50,9%	65,4%	14,5%	Target achieved. More funds were allocated for procurement of orthosis and prosthesis consumables to address backlogs.

Table 4.7.3:

Sub-Programme 7: Med Pas (Medicine Trading Account)							
Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Outcome: Quality of services in public health facilities improved							
1. Availability of medication in health facilities improved	1.1 Percentage Tracer drug availability	79%	76%	77%	81%	4%	Target achieved.
	1.2 Service Level for normal orders	54%	74,5%	78%	70,7%	(7,3%)	<i>Target not achieved.</i> - Some irrational orders by some health facilities. - Non-availability of contracts for non-tracer items. - Non-adherence to ordering and delivery schedule by both the health facilities and MEDPAS.
	1.3 Lead time for normal orders	New indicator	New indicator	42 days	38 days	4 days	Target achieved.
	1.4 Lead time for emergency orders	New indicator	New indicator	16 hours	0	(16 hours)	<i>Target not achieved</i> - The performance output data for the indicator could not be accessed from the MEDSAS system. - The system owner was consulted for support and they confirmed that they were not able to assist with the reports due to status of the system. - The lead time indicators were discontinued and the focus was put on the tracer drug availability and the service level in the 2023/24 APP.

Strategy to overcome areas of under-performance**Laundries**

- fast-track the procurement of laundry equipment.
- Implement alternative water and power supply at the laundries.

MEDPAS

- National DoH to support Provinces in securing all the contracts for Essential Medicines.
- Review the MEDPAS indicators to circumvent the challenge of unavailable performance data and reports.

Linking performance with budgetsSub-programme expenditure

Programme 7. HEALTH CARE SUPPORT SERVICES	2022/23			2021/22		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
Sub- programme	R'000	R'000	R'000	R'000	R'000	R'000
1. Laundry Services	105 208	100 123	5 085	97 431	95 162	2 269
2. Orthotic and Prosthetic Services	26 339	24 160	2 179	25 830	21 995	3 835
3. Medicine (MEDPAS) Trading Account	35 000	35 000	-	40 000	40 000	-
• Total	166 547	159 283	7 264	163 261	157 157	6 104

4.8. Budget Programme 8: Health Facilities Management (HFM)

Programme Purpose

Provision of new health facilities and the refurbishment, upgrading and maintenance of existing facilities including health technology.

The Programme is funded from the following sources:

- Health facility Revitalisation Grant (**Conditional Grant**)
- Infrastructure Enhancement Allocation (**Equitable Share**)
- EPWP Allocation (**EPWP**)

Outcome

- Infrastructure maintained and backlog reduced.

Table 4.8.1:

Programme 8: Health Facilities Management (HFM)							
Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Outcome: Infrastructure maintained and backlog reduced							
1. Health facilities refurbished and adequately maintained for effective service delivery	1.1 Percentage of health facilities with completed capital infrastructure projects	75%	60%	80%	80%	-	Target achieved.
	1.2 Percentage of facilities that have undergone maintenance	75%	95%	90%	90%	-	Target achieved.

Strategy to overcome areas of under-performance

- To strengthen infrastructural services compliance.

Linking performance with budgetsSub-programme expenditure

Programme 8. HEALTH FACILITIES MANAGEMENT	2022/23			2021/22		
	Final Appropriation R'000	Actual Expenditure R'000	(Over)/ Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
Sub-programme						
1. Community Health Facilities	133,517	121,962	11,555	129 395	100 024	29 371
2. District Hospital Services	394,932	336,941	57,991	233 689	187 206	46 483
3. Provincial Hospital Services	211,893	190,065	21,828	199 524	103 851	95 673
4. Emergency Medical Rescue Services	7,376	4,438	2,938	2 372	-	2 372
5. Central Hospital Services	92,611	105,090	(12,479)	125 782	89 684	36 098
6. Other Facilities	37,278	32,461	4,817	65 187	53 486	11 701
Total	877,607	790,957	86,650	755 949	534 251	221 698

Performance in relation to Standardised Outputs and Output Indicators for Sectors with Concurrent Functions

The department has incorporated both, the standardised and non-standardised output indicators in the above-mentioned eight (8) programmes as per the Annual Performance Plan. The output indicators were therefore implemented and are reported in the Annual Report 2022/ 23 financial year.

5. TRANSFER PAYMENTS

5.1. Transfer payments to public entities

There were no payments transferred to any entity.

Name of Public Entity	Key Outputs of the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
Not Applicable				

5.2. Transfer payments to all organisations other than public entities

The were no transferred payments during the year under review.

Name of transferee	Type of organisation	Purpose for which the funds were used		Did the dept. comply with s 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity	Reasons for the funds unspent by the entity
Not applicable							

There were no transferred payments budgeted for during the period 1 April 2022 to 31 March 2023.

Name of transferee	Purpose for which the funds were to be used	Amount budgeted for (R'000)	Amount transferred (R'000)	Reasons why funds were not transferred
Not applicable				

6. CONDITIONAL GRANTS

6.1 Conditional Grants and Earmarked Funds Paid

The table below describes each of the conditional grants and earmarked funds paid for the period 01 April 2022 to 31 March 2023.

Conditional Grant 1: Statutory Human Resources and HP Training and Development

Department/ Municipality to whom the grant has been transferred	Free State Department of Health
Purpose of the grant	To appoint statutory positions in the health sector for systematic realisation of the human resources for health strategy and the phase in of National Health Insurance (NHI).
Expected outputs of the grant	Increased number of statutory posts funded from the grant (per category and discipline) and other funding sources.
Actual outputs achieved	Professional nurses, registrars and interns were trained
Amount per amended DORA	Monthly variance reports, quarterly reports and NDoH support visits
Amount transferred (R'000)	129,247

Reasons if amount as per DORA not transferred	N/A
Amount spent by the department/ municipality (R'000)	129,247
Reasons for the funds unspent by the entity	All funds were spent
Monitoring mechanism by the transferring department	Financial and Non-financial reviews were conducted

DISTRICT HEALTH (DH) COMPONENT (R'000)

Division of Revenue Act amounted to R244,981.

Amount received by department was R244,981.

Amount spent by department was R244,930.

District Health components are as follows:

- Human Papilloma Virus (HPV)
- Community Outreach services
- Covid-19 programme

Conditional Grant 2: Human Papilloma Virus (HPV)

Department/ Municipality to whom the grant has been transferred	National Department of Health
Purpose of the grant	• To enable the health sector to prevent cervical cancer by making available HPV vaccination for grade five school girls in all public and special schools • Social Mobilisation of community on benefits of HPV for prevention of cervical cancer.
Expected outputs of the grant	• 90 per cent of grade five school girls aged 9 years and above vaccinated for HPV first dose. • 95 percent of schools with grade five girls reached by the HPV vaccination team with first dose • 80 per cent of grade five school girls aged 9 years and above vaccinated for HPV second dose. • 95 per cent of schools with grade five girls reached by the HPV vaccination team with second dose.

Actual outputs achieved	87% of grade five (5) school girls aged 9 years and above vaccinated for HPV first dose. 99.7 % of schools with grade 5 girls reached by the HPV vaccination team with first dose. 87% of grade five (5) school girls aged 9 years and above vaccinated for HPV second dose. 100% of schools with grade five girls reached by the HPV vaccination team with second dose.
Amount per amended DORA (R'000)	13,056
Amount transferred (R'000)	13,056
Reasons if amount as per DORA not transferred	Not applicable
Amount spent by the department/ municipality (R'000)	13,056
Reasons for the funds unspent by the entity	Not applicable
Monitoring mechanism by the transferring department	Financial and Non-financial reviews were conducted and other jointly with National Department of Health

Conditional Grant 3: Community Outreach services

Department who transferred the grant	National Department of Health
Purpose of the grant	To ensure that every Community Health Worker contracted as part of the WBPHCOTs receives a remuneration, tools of trade and is trained to deliver on the approved scope of work.
Expected outputs of the grant	• Number of CHWs receiving a stipend • Number of CHWs trained • Number of OTLs trained • Number of WBPHCOTs supervised by an OTL
Actual outputs achieved	CHW and OTL were appointed and trained. CHW teams were increased to 182
Amount per amended DORA (R'000)	138,242
Amount received (R'000)	138,242
Reasons if amount as per DORA was not received	Not applicable
Amount spent by the department (R'000)	138,242
Reasons for the funds unspent by the entity	Not applicable
Reasons for deviations on performance	Not applicable
Measures taken to improve performance	Not applicable

Monitoring mechanism by the receiving department	Financial and Non-financial reviews were conducted and other jointly with National Department of Health.
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Conditional Grant 4: COVID-19 Programme

Department who transferred the grant	National Department of Health
Purpose of the grant	To enable the health sector to rollout COVID-19 vaccine
Expected outputs of the grant	• Number of healthcare workers rolling out the vaccine funded through the grant broken down by category. • Number of vaccine doses administered, broken down by - Type of vaccine - Target group (phase 1, 2, 3 & 4) - One dose vaccine and two dose vaccine • Number of clients fully vaccinated • Number of vaccines procured (quantify per type)
Actual outputs achieved	COVID-19 vaccinations were procured FS community was vaccinated for COVID-19 (68% achieved)
Amount per amended DORA (R'000)	93,683
Amount received (R'000)	93,683
Reasons if amount as per DORA was not received	All amount received
Amount spent by the department (R'000)	93,631
Reasons for the funds unspent by the entity	N/A
Reasons for deviations on performance	The number of administered people decreased and that affected expenditure.
Measures taken to improve performance	Mobilizing of communities to vaccine for Covid-19
Monitoring mechanism by the receiving department	Financial and Non-financial reviews were conducted and other jointly with National Department of Health

COMPREHENSIVE HIV AND AIDS COMPONENT (R'000)

Division of Revenue Act amounted to R1,479,325.

Amount received by department was R1,479,325.

Amount spent by department was R1,478,852.

The grants are as follows:

- HIV/AIDS programme
- TB Programme

Conditional Grant 5: Comprehensive HIV&AIDS Component – HIV&AIDS Programme

Department/ Municipality to whom the grant has been transferred	National Department of Heal
Purpose of the grant	• To enable the health sector to develop and implement an effective response to HIV & AIDS and TB. • To fund Community Outreach Services. • Prevention and protection of health workers from exposure to hazards in the workplace.
Expected outputs of the grant	Please see Annexure A below
Actual outputs achieved	Please see Annexure A below
Amount per amended DORA (R'000)	1,447,485
Amount transferred (R'000)	1,447,485
Reasons if amount as per DORA not transferred	Not applicable
Amount spent by the department/ municipality (R'000)	1,447,020
Reasons for the funds unspent by the entity	The programme underspent due to Human resource procedures that affected appointments on certain posts.
Monitoring mechanism by the transferring department	Financial and Non-financial reviews were conducted and other jointly with National Department of Health

Conditional Grant 6: Comprehensive HIV&AIDS Component – TB Programme

Department/ Municipality to whom the grant has been transferred	National Department of Health
Purpose of the grant	To find the TB Missing cases
Expected outputs of the grant	• Number of clients initiated on new drug resistant-TB drugs • Number of TB infected children receiving paediatric formulations • Number of clients screened for symptoms in health facilities • Percentage of TB clients started on treatment • Percentage of confirmed TB Rifampicin Resistant patients started on treatment • Number of newly diagnosed HIV positive patients tested for TB • Number of HIV positive pregnant women tested for TB • Number of TB index patients whose contacts are traced and screened for TB • Number of eligible HIV positive patients tested for TB using urine lipoarabinomannan assay. • Number of hospitals which correctly screen, test and manage TB, as determined by the "Finding TB cases Actively, separately safely, and Treating effectively" (FAST) methodology.
Actual outputs achieved	<i>Please see annexure A below</i>
Amount per amended DORA (R'000)	31,840

Amount transferred (R'000)	31,840
Reasons if amount as per DORA not transferred	Not applicable
Amount spent by the department/ municipality (R'000)	31,831
Reasons for the funds unspent by the entity	Not applicable
Monitoring mechanism by the transferring department	Financial and Non-financial reviews were conducted and other jointly with National Department of Health

6.2 Conditional Grants and Earmarked Funds Received

The table/s below details the conditional grants and ear marked funds received during for the period 1 April 2022 to 31 March 2023: -

NATIONAL HEALTH INSURANCE GRANT (NHI) (R'000)

Division of Revenue Act amounted to R28,404.

Amount received by department was R28,023.

Amount spent by department was R27,920.

The grants are as follows:

- Mental Health Programme
- HP Contracting Programme

Conditional Grant 7: National Health Insurance Grant (Health Professionals Contracting)

Department who transferred the grant	National Department of Health
Purpose of the grant	To expand the healthcare service benefits through the strategic purchasing of health services from healthcare providers.
Expected outputs of the grant	• Number of health professionals contracted (Total and by discipline) • Number of health professionals contracted through capitation Arrangements. • Number of patients seen by contracted doctors.
Actual outputs achieved	• Number of health professionals contracted (total and by discipline). • Number of patients seen (total and by discipline). • Number of patients screened and treated for mental health problems (8 400) 25% quarterly. Percentage increase in the number of clients of all ages seen at ambulatory (non-inpatient) services for mental health conditions. • 80% Percentage reduction in the backlog of forensic mental evaluations. • Number of health professionals contracted for oncology services. • Percentage reduction in oncology treatment waiting times including radiation oncology.
Amount per amended DORA (R'000)	20,067
Amount received (R'000)	20,067
Reasons if amount as per DORA was not received	N/A

Amount spent by the department (R'000)	20,060
Reasons for the funds unspent by the entity	N/a
Reasons for deviations on performance	Delay in processing travel claims
Measures taken to improve performance	To ensure that service level agreement is adhered to. Timely processing of travel claims.
Monitoring mechanism by the receiving department	Financial and Non-financial reviews were conducted and other jointly with National Department of Health

Conditional Grant 8: Mental Health Services

Department who transferred the grant	National Department of Health
Purpose of the grant	To expand the mental health care service benefits through the strategic purchasing of services from healthcare providers.
Expected outputs of the grant	- Improved access to and quality of mental health services in the Province. - Reduction of the backlog of forensic mental evaluations. - Enhance service provision for eligible people with mental health problems seen by contracted Psychologist or Registered Councillor.
Actual outputs achieved	Psychologists and councillors were contracted for the provision of mental health services.
Amount per amended DORA (R'000)	7,956
Amount received (R'000)	7,956
Reasons if amount as per DORA was not received	Not applicable
Amount spent by the department (R'000)	7,859
Reasons for the funds unspent by the entity	Not applicable
Reasons for deviations on performance	Not applicable
Measures taken to improve performance	Not applicable
Monitoring mechanism by the receiving department	Financial and Non-financial reviews were conducted and other jointly with National Department of Health.

Conditional Grant 9: National Tertiary Services Grant

Department who transferred the grant	Free State Department of Health
Purpose of the grant	- To enable provinces to plan, modernize, rationalize and transform the tertiary hospital service delivery platform - Ensure provision of tertiary health services in South Africa - To compensate tertiary facilities for the additional costs associated with provision of these services
Expected outputs of the grant	Number of National Central and Tertiary hospitals providing components of Tertiary services maintained.
Actual outputs achieved	2 Hospitals received funding, Universitas Academic Hospital and Pelonomi Tertiary Hospital.
Amount per amended DORA (R'000)	1,285,202
Amount received (R'000)	1,285,202
Reasons if amount as per DORA was not received	Not applicable
Amount spent by the department (R'000)	1,285,202
Reasons for the funds unspent by the entity	Not applicable
Reasons for deviations on performance	Not applicable
Measures taken to improve performance	Not applicable
Monitoring mechanism by the receiving department	Financial and Non-financial reviews were conducted and other jointly with National Department of Health

Conditional Grant 10: Health Facility Revitalisation

Department who transferred the grant	Free State Department of Health
Purpose of the grant	To help accelerate construction, maintenance, upgrading and rehabilitation of new and existing infrastructure in health including, the provision of health technology (equipment), and Human Resources capacitation in order to enhance capacity to deliver health infrastructure
Expected outputs of the grant	- Number of new facilities completed - Number of facilities upgraded, and renovated and maintained to Ideal status - Number of facilities commissioned

Actual outputs achieved	• 1 New facility completed • 11 Health facilities refurbished and renovated to Ideal status • 12 Health facilities were commissioned
Amount per amended DORA (R'000)	853,702
Amount received (R'000)	853,702
Reasons if amount as per DORA was not received	N/A
Amount spent by the department (R'000)	769,569
Reasons for the funds unspent by the entity	The negative impact of the nationwide intermittent electricity load shedding beyond our control not all the compliant invoices could be processed timeously. Contractors with non-compliant tax matters could not be paid until their tax issues are resolved with SARS and a positive tax status is reflecting on CSD.
Reasons for deviations on performance	Expected performance achieved: Number of Health facilities were refurbished. Maintenance works was done on a number of facilities across the Province. Mechanical and Electrical works was carried out across the Province
Measures taken to improve performance	Constant monitoring of projects to ensure quality output
Monitoring mechanism by the receiving department	Financial and Non-financial reviews were conducted and other jointly with National Department of Health

Conditional Grant 11: Social Sector Expanded Public Works [EPWP]

Department who transferred the grant	Free State Department of Health
Purpose of the grant	To incentivise Provincial Social Sector department identified in the 2022/2023 Social Sector EPWP Log- Frame to increase job creation by focusing on strengthening and expansion of social services programmes that have employment potential.
Expected outputs of the grant	• Increase number of participants recruited and receiving stipend • Increase number of beneficiaries receiving community-based health care services provided by participants • Increase number of participants training
Actual outputs achieved	221 Recruited and received stipend 445 078 beneficiaries receiving community-based health care services No training conducted during the reporting year. Participants were trained in 2021/22 financial year.
Amount per amended DORA (R'000)	10,884

Amount received (R'000)	10,884
Reasons if amount as per DORA was not received	N/A
Amount spent by the department (R'000)	10,865,339
Reasons for the funds unspent by the entity	100% spent fully
Reasons for deviations on performance	None
Measures taken to improve performance	None
Monitoring mechanism by the receiving department	Financial and Non-financial reviews were conducted and other jointly with National Department of Health

KEY PERFORMANCE TARGETS		
Key Indicators	2022/23 Target	2022/23 Achieved
ART client remain on ART end of month - sum	330 298	306 337
ART client naive start ART during month - sum	32 664	25 581
Male condoms distributed	48 975 450	52 469 700
Female condoms distributed	750 000	2 182 220
New sexual assault case HIV negative issued with Post Exposure Prophylaxis	1 740	1 498
HIV test done - sum	646 918	738 413
Medical male circumcision - sum	20 000	18 635
Male urethritis syndrome treated - new episode	12 500	15 523

7. DONOR FUNDS

7.1. Donor Funds Received

The department did not receive any donor funding during the financial year under review.

8. CAPITAL INVESTMENT

Progress made on implementing the capital, investment and asset management plan.

The strategy of the department is to prioritize maintenance (infrastructure asset renewal, scheduled maintenance and day-to-day maintenance) and upgrades. Refurbishment and maintenance of all health infrastructure asset is prioritized before any consideration is given to other natures of investment.

The infrastructure Planning and Implementation is aligned with the Infrastructure Delivery Management System (IDMS) principles and Framework for Infrastructure Delivery and Procurement Management (FIDPM) which prescribe the minimum requirements for infrastructure delivery.

GIAMA prescribes the infrastructure asset management process through the implementing Life-Cycle-Management of immovable assets. The Implementing Agent, Department of Public Works and Infrastructure, is tasked with implementing major capital projects which included the following projects in the 2022/23:

- Lesedi Clinic in Intabazwe
- New Dinaane Clinic in Thaba Nchu
- New Rheederpark Clinic in Welkom
- New Thandanani Clinic in Welkom

- New Bophelong Clinic in Kroonstad
- Boitumelo Hospital Revitalisation (Contract 12)
- Bethlehem Mortuary
- Welkom Mortuary
- Puthaditjhaba Mortuary
- Gariepdam Clinic

These projects were in the main at initiation, design and procurement stages. Contractors have been appointed for Thandanani and Rheederpark clinics and construction has already commenced and progressing well. The department of health as a client is engaging on regular basis with the Implementing agent to expedite implementation and completion of these projects.

The planning unit in the Infrastructure Chief Directorate has a number of additional capital projects that are in the initiation and concept stages. Strategic/Clinical briefs for such proposed capital projects are being developed in consultation with the end users. These proposed projects include but not limited to: -

- New Psychiatric Hospital
- New Mangaung Hospital
- New Heidedal CHC
- New Caleb Motsabi CHC
- New Kananelo CHC
- New Gariepdam Clinic
- Westdene Clinic Upgrades, etc

Significant progress has been made on refurbishment of facilities and mechanical installation such as boilers, generators, lifts, etc. The total expenditure on infrastructure by the end of the 2022/23 financial year was 90% HFRG and 95% IEA. The under expenditure can duly be attributed the following:

- Delays in finalizing prototype designs for Dinaane Clinic (Thaba Nchu) and Bophelong Clinic (Kroonstad).
- Delays in the delivery of long lead items (overseas) affected by the war in Ukraine
- Delays in appointing contractor for Boitumelo Hospital Revitalisation (Contract 12)

Infrastructure projects which have been completed in the current year and the progress in comparison to what was planned at the beginning of the year. A number of infrastructure projects were completed by the end of the 2022/23 financial year. Majority of these projects were started in the prior year. The following projects were completed: -

- Refurbishment of Seadimo Clinic (Thaba Nchu)
- Refurbishment of Kgalala Clinic (Thaba Nchu)
- Pelonomi Hospital - Refurbish all roofs (Bloemfontein)
- Refurbishment of Bophelong Clinic (Odendaalsrus)
- Refurbishment of Universitas Academic Hospital Annex (Bloemfontein)
- Refurbishment of Kopano Orthotic and Prosthetic centre (Welkom)
- Refurbishment of Mafube Hospital (Frankford)
- Refurbishment and renovations to Doctors Accommodation at Botshabelo Hospital (Botshabelo)
- Refurbishment of Rouxville Clinic (Rouxville)
- Refurbishment of Boitumelo Clinic (Senekal)
- Refurbishment of Kgotsong Clinic (Welkom)
- Refurbishment of Kgotsong Clinic (Bothaville)

Infrastructure projects that are currently in progress (list of projects) and expected time of completion:

PROJECT NAME	EXPECTED COMPLETION
Refurbishment of Pelonomi Maternity	30/07/2024

PROJECT NAME	EXPECTED COMPLETION
Renovation and refurbishment Masilo Clinic in Theunissen	30/10/2023
Refurbishment of Eva Mota clinic	01/12/2023
Refurbishment of Manapo Dr's accommodation	30/10/2023
Thembaletu Clinic (refurbishment)	01/06/2023
Upgrade and addition of Leratong Clinic	30/07/2023
Upgrade and addition of Tshepong Clinic	30/07/2023
Refurbishment of OR Tambo Clinic	30/07/2023
Refurbishment of EMS QwaQwa	30/07/2023
Refurbishment of Manapo FSSON	30/07/2023
Refurbishment of Welkom FSSON	30/03/2024
Construction of Thandanani Clinic	30/10/2023
Construction of Rheederpark Clinic	30/10/2023
Refurbishment of Doctor's accommodation at Dr JS Moroka Hospital together with renovation of the EMS	31/08/2023
Bongani Hospital - Maternity Wing and Other General Wards	31/11/2023

Plans to close down or down-grade any current facilities

The following facilities were closed down in the 2022/23 financial year.

- Old Bakenpark Clinic at Bethlehem
- Old Zamani Clinic at Memel
- Old Matwabeng Clinic at Senekal

Progress made on the maintenance of infrastructure

The department continues to experience a huge maintenance backlog. As indicated, the priority is maintenance of the existing facilities. Limitations are due to budget constraints as the provincial equitable share allocation is insignificant, the department by large relies on the conditional grants for projects including for maintenance programme. The department's infrastructure deals with minor maintenance and repairs to facilities as major maintenance work in the form of refurbishments and renovations projects are included in the list contained in the above table. Maintenance projects are grouped as packaged programme to provide flexibility for implementation.

PROJECT NAME	PROGRESS
Maintenance of Clinics - Xhariep District	8 Clinics maintained
Maintenance of Clinics in Fezile Dabi District	8 Clinics maintained
Maintenance of Clinics in Lejweleputswa District	10 Clinics maintained
Maintenance of Clinics in Mangaung Metro District	10 Clinics maintained
Maintenance of Clinics in Thabo Mofutsanyana	15 Clinics maintained

Developments relating to the above that are expected to impact on the department's current expenditure.

Despite the challenges emanating from load shedding, national shortage of steel, shortage of generators due to high demand, the global shortage of IC (integrated circuits) for HVAC, laundry machines and its negative effects the department registered 90% expenditure on its adjusted 2022/23 budget. Application for roll-overs was submitted to Treasury for commitments incurred by end of the financial year. Maintenance projects boosted expenditure.

Details as to how asset holdings have changed over the period under review, including information on disposals, scrapping and loss due to theft

During 2022/23 financial year, there are 3 immovable/infrastructure assets (IA) that has been disposed of. The asset has been reported to the custodian department, who will take it over. Fixed machinery such as boilers, generator and or lifts that are obsolete are worked into the contract with service providers to resuscitate or dispose depending on the condition of the machine. Movable assets such as medical technology or equipment were dealt with differently by the institutions and SCM asset management unit, in this regard Infrastructure Management has no report on both, theft and disposals.

Measures taken to ensure that the department's asset register remained up-to-date during the period under review

The immovable assets have unique identifiers or coding captured in LOGIS/BAS. In the year under review, no new IA were commissioned. There is a drive however, to code and build up an asset register for the mechanical installations which will be linked to a web-based maintenance system. This system would capture the maintenance history of such assets and be able to indicate the maintenance cycle of the assets. This initiative is being thought through as IDMS is being fully implemented. This is part of the strengthening the operations and maintenance (O&M) side of Infrastructure Management as envisaged in the IDMS and in line with total facilities management prescripts.

The current state of the department's capital assets (good, fair or bad condition)

The department has finalised the procurement of Professional Service Providers (PSP), which commenced conducting conditional assessment of the department's Infrastructure Assets.

Major maintenance projects that have been undertaken during the period under review

Major maintenance projects in terms of budget allocation were mechanical and electrical installations packaged programme implemented in the 2022/23 financial year. This has been an ongoing programme which began few financial years ago but due to the magnitude of work continues to receive much attention during the budgeting process. This follows years of neglect (while attending some projects) which resulted in collapse of most of these installations at various institutions.

PROJECT NAME	PROGRESS
Central and Specialised Hospital refurbishment of mechanical equipment	Ongoing
Central and specialised hospitals and replacement of generators	Ongoing
Central and Specialised Hospitals Refurbishment and replacement of boilers	Ongoing
Central and Specialized Hosp - Electrical Refurbishment	Ongoing
Central Hosp - Main Refurb Med Air Gas and Vacuum Plants	Ongoing
District Hospital Maint. Refurb, and Upgr. of Med Air Gas	Ongoing
District Hospital Refurbishment and Replacement of Boilers	Ongoing
District Hospital refurbishment and replacement of mechanical equipment (lifts, aircons, etc.)	Ongoing
District Hospital Refurbishment of Electrical Installation	Ongoing

Progress made in addressing the maintenance backlog during the period under review

There has been a measurable impact in reducing the maintenance backlog in the 2022/23 financial year. The decision to scale down of building new facilities and move the funds to addressing the maintenance challenges has yielded some positive results. In moving the department towards Primary Health Care (PHC) Re-engineering and improving the health facilities to comply with ideal clinic requirements, a considerable effort has been put on maintenance. All the tables above highlight projects that have undergone maintenance (planned maintenance, refurbishments, renovations, repairs and day-to-day maintenance).

Progress in addressing maintenance backlog has improved significantly. Constraints in the implementation of maintenance are attributed to budget shortfalls, lack of maintenance personnel at district, institutions and infrastructure unit. The institutions have minimal budget for maintenance work and districts have limited financial

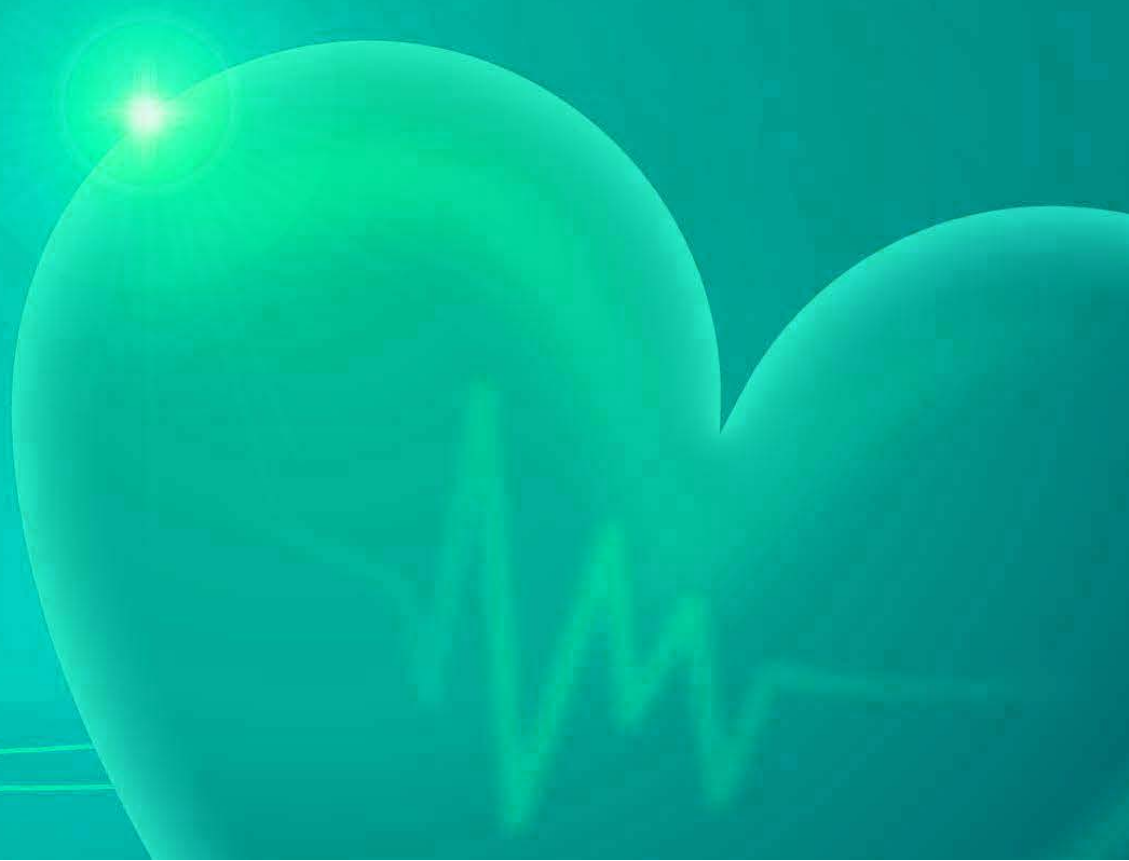
and human resource capacity to deal with infrastructure maintenance. Therefore, the burden of this situation is borne by infrastructure unit at corporate office, who also has limited human resource and financial capacity.

To address this challenge a panel of professional service providers (PSP) and contractors were appointed during the 2022/23 financial year. Currently, there is an existing panel of specialist contractors for mechanical and electrical installation. The recruitment processes for professionals is in progress and interviews were held.

Infrastructure projects	2021/2022			2022/2023		
	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
New and replacement assets	46 472	18 154	28 318	63 367	31 339	32 028
Existing infrastructure assets						
- Upgrades and additions	35 100	5 829	29 271	23 145	4 879	18 266
- Rehabilitation, renovations and refurbishments	558 617	422 540	136 077	650 000	630 398	19 602
- Maintenance and repairs	54 764	46 588	8 176	45 000	42 385	2 615
Infrastructure transfer						
- Current	-	-	-	8 000	7 594	406
- Capital	-	-	-	-	-	-
Non- Infrastructure	55 831	36 978	18 853	88 038	46 505	41 533

PART C

GOVERNANCE



1. INTRODUCTION

Commitment by the department to maintain the highest standard of governance is fundamental to the management of public finances and resources. The department had good governance structures in place to ensure effective, efficient and economic utilization of the state resources.

2. RISK MANAGEMENT

The Free State Department of Health has approved Risk Management Policy and Risk Management Strategy as its governance documents. The department conducts regular risk assessments to determine the effectiveness of the risk management strategy and to identify new and emerging risks as required by Chapter 3, Section 3.2.1 of Treasury Regulations.

The risk management committee is a governance structure that sits at quarterly intervals, and it advises management on the overall systems of risk management and is chaired by an independent chairperson.

The risk management maturity level of the department is continually improving with regard to the management of risks and reporting of risk management activities.

3. FRAUD AND CORRUPTION

The department's fraud prevention plan is aimed at ensuring that the whistle-blower hotline facility is adequate and effective

- It is also aimed at identifying fraud-prone environment and receiving of underlying root causes in order to detect fraud
- It is implemented through conducting regular awareness sessions

Mechanism in place to report fraud and corruption:

- Fraud and corruption can be anonymously reported telephonically, in writing or verbally to Anti-Fraud email address
- Fraud and corruption can be reported confidentially at fraud hotline: 0800 701 701 or fraud corruption unit at 051 408 1583/1231.
- The department has approved ethics strategy that obliges officials to make confidential disclosure about suspected fraud and corruption.

How cases are reported

- Upon receipt of complains or allegations of corruption, the fraud unit register the case and allocate to investigator's for investigation.
- Cases with criminal records are referred to the external law enforcement agencies like SAPS, DCPI and CCU.

4. MINIMISING CONFLICT OF INTEREST

- All supply chain officials are bond to do financial disclosure irrespective of their levels.
- Period to disclose for financial interest of supply chain officials is from 01-30 July of the year in question.
- Integrity and Ethics Management Strategy of the department compels different categories of employees to disclose financial interest.

5. CODE OF CONDUCT

Public Service Code of Conducts guide public servants to think and behave ethically. The codes of conduct are structured to promote ethos of dedication and service, evoke commitment to high standards of professionalism, contribute to more efficient and effective service delivery which eliminates corruption in the public service. It sets expectations about acceptable behavior and benchmarks for ethical practice.

The following are the guidelines on the provisions of the code:

- Relationship with the legislature and the Executive
- Relationship with the public
- Relationship among employees
- Performance of duties
- Personal conduct and private interest

In an event where there is a breach of code of the conduct the Public Service Co-ordinating Bargaining Council (PSCBC) Resolution 1 of 2003, Disciplinary Code and Procedures are followed to ensure a sound labour climate at the workplace.

The Disciplinary Code and Procedures for the Public Service strive to:

- To support constructive labour relations in the public service;
- To promote mutual respect between employees and between employees and employer;
- To ensure that managers and employees share a common understanding of misconduct and discipline;
- To promote acceptable conduct;
- To provide employees and the employer with a quick and easy reference for the application of discipline;
- To avert and correct unacceptable conduct; and to prevent arbitrary or discriminatory actions by managers towards employees.

Training on Code of Conduct

The department trained 2 108 employees on the Code of Conduct during the reporting financial year 2022/23 to encourage acceptable behavior within the workplace.

6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

Environmental Health Services is responsible for monitoring of water quality, waste management, hazardous substances control, management of human remains and Municipal Health Services. Water quality, Management of Human Remains and HCRW functions largely conducted within health facilities and hazardous substances control largely conducted in private facilities across the province.

Water Quality

The National Health Act (No. 61 of 2003) define Water Quality Monitoring as one of the components of Municipal Health Services (MHS), however the Department of Health as a custodian of Health Services should also ensure that its facilities are adherent to Water Quality regulatory prescripts. The Department is required to sample portable water for microbiological determinants as prescribed by Table 1 and compare performance to Table 2 below. Based on the above compliance requirements, the Environmental Health Division developed a water quality monitoring tools for the District MHS, Provincial Health Service and Water Services Authorities to report the water quality status by populating water samples results data, for provincial water quality monitoring and evaluation.

Table 1: Microbiological determinants

Table 1 — Microbiological determinands			
1 Determinand	2 Risk	3 Unit	4 Standard limits
<i>E. coli</i> ^a or faecal coliforms ^b	Acute health – 1	Count per 100 mL	Not detected
Cytopathogenic viruses ^c	Acute health – 2	Count per 10 L	Not detected
Protozoan parasites ^d <i>Cryptosporidium</i> species <i>Giardia</i> species	Acute health – 2 Acute health – 2	Count per 10 L Count per 10 L	Not detected Not detected
Total coliforms ^e	Operational	Count per 100 mL	≤ 10
Heterotrophic plate count ^f	Operational	Count per mL	≤ 1 000
Somatic coliphages ^{c,g}	Operational	Count per 10 mL	Not detected
^a Definitive, preferred indicator of faecal pollution. ^b Indicator of unacceptable microbial water quality, could be tested instead of <i>E. coli</i> , but is not the preferred indicator of faecal pollution. Also provides information on treatment efficiency and aftergrowth in distribution networks. ^c Confirms a risk of human infection and faecal pollution, and also provides information on treatment efficiency. The detection of selected viruses confirms faecal pollution of human origin. ^d Confirms a risk of infection and faecal pollution, and also provides information on treatment efficiency. The detection of selected protozoan parasites confirms a human health risk. ^e Indicates potential faecal pollution and provides information on treatment efficiency and aftergrowth. ^f Process indicator that provides information on treatment efficiency, aftergrowth in distribution networks and adequacy of disinfectant residuals. ^g Process indicator that provides information on treatment efficiency.			

Apart from the above microbiological determinants that are required to be sampled for water quality compliance to South African National Standards, the acute health and operational compliance performance indicators play a major role in determining the quality of the distributions system. See table 2 below.

Table 2: Compliance indicators and standards

Performance indicator	Quality of the distribution system	Proportion of compliant results %	
		Population size	
		Up to 100 000	> 100 000
1. Acute Health Microbiological Compliance (<i>E. coli</i> or faecal coliforms, Protozoan parasites – <i>Cryptosporidium</i> species, <i>Giardia</i> species)	Excellent	³ 97	³ 99
	Good	³ 95	³ 97
	Unacceptable	< 95	< 97
2. Operational Compliance (pH, Turbidity, Treatment Chemicals, Total Coliforms, Heterotrophic Plate Count, Somatic Coliphages)	Excellent	≥ 93	≥ 95
	Good	≥ 90	≥ 93
	Unacceptable	< 90	< 93

Portable Water Overview

The Department of Water and Sanitation developed Integrated Regulatory Information System (IRIS) for the water services authority and private to report water quality management activities.

Access to sufficient, safe water is a basic right enshrined by South Africa's Constitution. The Water Services Act (Act 108 of 1997) places the responsibility for provision of water services to Local Government, while the oversight and monitoring duties are delegated to Provincial and National Government.

The Blue Drop regulation programme seeks to identify and develop the core competencies required for the sector that, if strengthened, will gradually and sustainably improve the level of drinking water management in South Africa. It is a form of regulation that holds the intent to synergise the current goodwill exhibited by municipalities, business, Department of Public Works, as well as existing government support programmes to give the focus, commitment and planning needed to achieve excellence in drinking water management.

This risk-based approach extends to the compulsory South African National Standard SANS 241:2015 which is the minimum requirement for drinking water that is considered safe for human consumption.

The following are the water data reported into IRIS that is Free State: Water Service Authority > Potable water Overview in line with SANS 241:2015 performed in 2022

Free State												
	Acute Health Microbiological		Acute Health Chemical		Chronic Health Chemical		Non Health Aesthetic		Operational		Disinfectant	
	Comply	*MRP	Comply	*MRP	Comply	*MRP	Comply	*MRP	Comply	*MRP	Comply	*MRP
Dihlabeng Local Municipality	>99.9%	21.1%	0.0%	0.0%	>99.9%	0.0%	>99.9%	82.5%	93.1%	36.2%	74.4%	0.0%
Kopanong Local Municipality	90.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	97.3%	0.0%	0.0%	0.0%
Letsemeng Local Municipality	87.0%	55.9%	>99.9%	0.0%	99.9%	0.0%	92.0%	>99.9%	83.2%	72.5%	9.3%	0.0%
Mafube Local Municipality	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Maluti a Phofung Local Municipality	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Mangaung	93.5%	95.9%	>99.9%	0.0%	>99.9%	0.0%	95.8%	99.4%	88.7%	86.3%	29.8%	0.0%
Mantsopa Local Municipality	84.4%	31.3%	0.0%	0.0%	>99.9%	92.3%	84.1%	77.1%	58.7%	38.7%	24.1%	40.5%
Masilonyana Local Municipality	61.8%	12.4%	83.8%	0.0%	96.8%	0.0%	94.5%	66.0%	49.3%	20.9%	2.9%	0.0%
Matjhabeng Local Municipality	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Metsimaholo Local Municipality	96.8%	41.6%	>99.9%	0.0%	99.0%	0.0%	92.2%	74.8%	89.3%	66.0%	12.0%	0.0%
Mohokare Local Municipality	93.1%	59.9%	>99.9%	0.0%	99.8%	0.0%	87.4%	0.0%	87.1%	0.0%	0.0%	0.0%
Moghaka Local Municipality	69.1%	88.2%	>99.9%	0.0%	99.6%	81.9%	88.8%	95.4%	80.4%	86.9%	9.0%	78.9%
Nala Local Municipality	94.2%	0.0%	0.0%	0.0%	0.0%	0.0%	>99.9%	0.0%	88.0%	0.0%	57.4%	0.0%
Ngwathe Local Municipality	80.0%	0.0%	>99.9%	0.0%	>99.9%	0.0%	>99.9%	0.0%	87.5%	0.0%	0.0%	0.0%
Nketoana Local Municipality	97.1%	29.3%	>99.9%	0.0%	>99.9%	71.4%	99.8%	92.3%	89.1%	55.7%	0.0%	76.8%
Phumelela Local Municipality	98.6%	35.1%	0.0%	0.0%	>99.9%	0.0%	98.6%	90.3%	92.2%	54.7%	0.0%	0.0%
Setsotho Local Municipality	93.8%	50.5%	0.0%	0.0%	99.1%	0.0%	93.0%	94.1%	75.4%	60.6%	52.0%	0.0%
Tokologo Local Municipality	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Tswelopele Local Municipality	99.2%	55.6%	>99.9%	0.0%	>99.9%	0.0%	99.8%	>99.9%	96.5%	72.7%	99.6%	0.0%
Free State	90.0%	>99.9%	99.2%	0.0%	99.7%	>99.9%	93.7%	>99.9%	85.1%	>99.9%	31.3%	>99.9%

* MRP = Minimum Risk Parameters As Per SANS 241-2 2015 P10-11, Table 1-3

* based on summaries calculated on May 16 2023 12:00AM

Interpretation of results depicted above

a) Legend:



- b) On average of all water services authorities 90% achieved for microbiological compliance in terms of SANS 241, the results indicate bad performance. This is of serious concern as the majority of supply systems present a potential health risk to consumers. For sustained failures, 'Boil Water' notices must be issued by the above local authorities to safeguard consumers while the root cause of the failure is investigated and resolved and subsequently the WSA must notify provincial DoH: Head
- c) 31 % on average Water Services Authorities conduct water quality disinfections at the water treatment works the matter that pose a risk of water supplied to community being infested with microbiological pathogens.

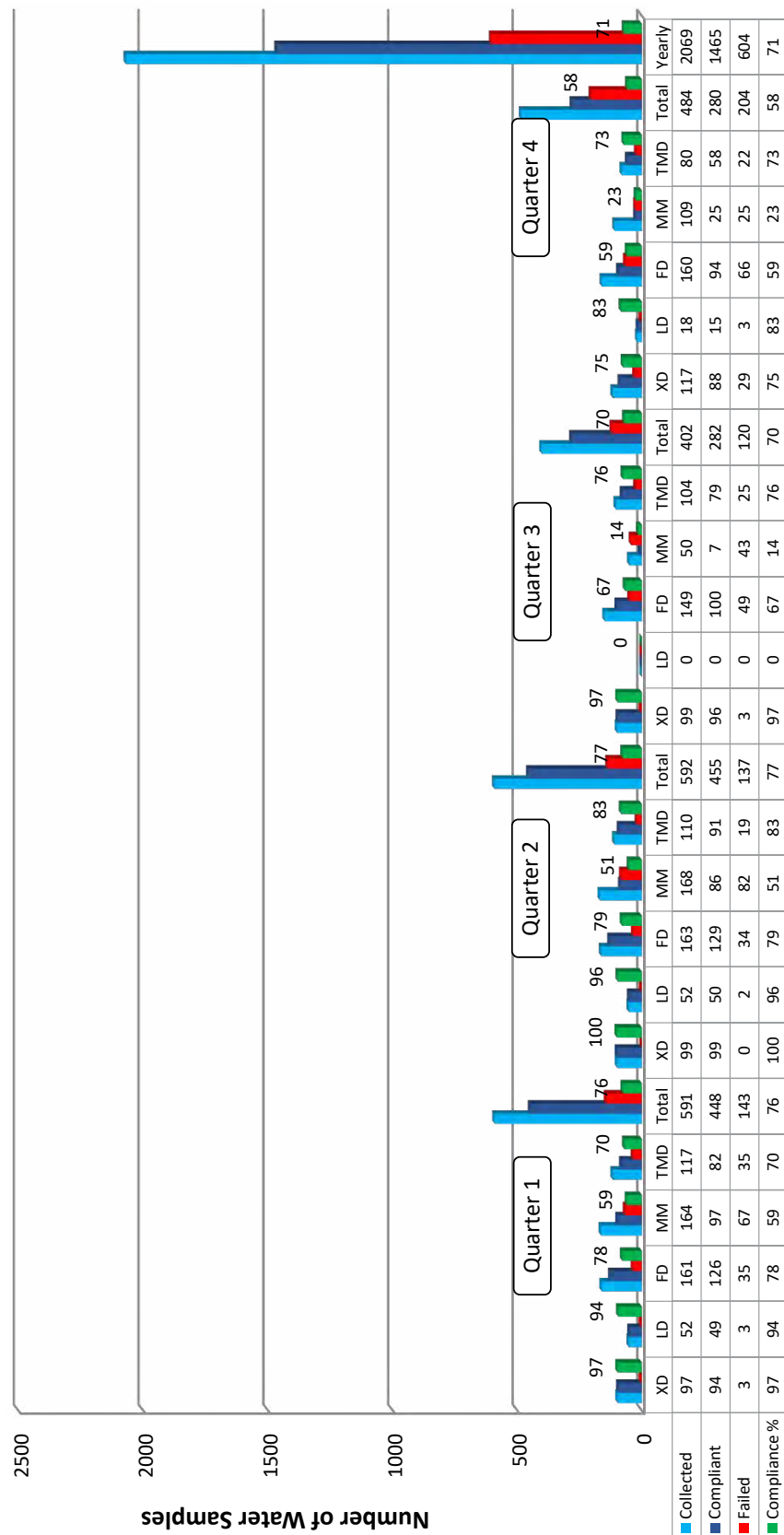
MHS Water Quality Data (April 2022 - March 2023)

The report below (graph 3.4.1) is the summary report of data from DHIS reported by Environmental Health Practitioners from District Municipalities (Municipal Health Services). The reported water quality data was collected in line with the Information Management Standard Operating Procedures.

- Lejweleputswa District collected 122 water samples. The water quality compliance of 93% attained.
- Xhariep District collected 412 water samples. The water quality compliance of 92% attained.
- Thabo Mofutsanyana District collected 411 water samples with water quality compliance of 75% attained.
- Fezile Dabi District collected 633 water samples. The water quality compliance of 71% attained.
- Mangaung Metro collected 491 water samples. The water quality compliance of 44% attained.
- Grand total number of 2069 water samples were collected for microbiological analysis, i.e. E. coli and Total Coliforms in the province. The overall compliance rate is 71%. See the graph below.
- The water quality status is of concerned in the province indicating possible risk of community drinking water containing waterborne pathogens. The percentage of 71 shows unacceptable water quality that is noncompliant with SANS 241.
- The Municipal Health Services advised to investigate water quality non-compliance to prevent possible outbreaks of waterborne diseases.

Free State MHS Water Quality Data

Free State Water Quality Data (April 2022 - March 2023)



Definitions:

XD: Xhariep District

LD: Lejweleputswa District

FD: Fezile Dabi District

MM: Mangaung Metro

MD: Thabo Mofutsanyana District

6.1. Health Facilities Water Supply Infrastructure and Health Facilities Water Quality Compliance

The Environmental Health conducted a survey throughout the province to determine the water supply infrastructure status at all health facilities.

6.1.1. Health Facilities Water Supply Infrastructure 2022 – 2023

Health Facilities Water Supply Infrastructure 2022 - 2023						
Indicator	Xhariep	Lejweleputswa	Fezile Dabi	Mangaung Metro	Thabo Mofutsanyana	Grand Total
Number of Health Facilities (HF)	21 4 District Hospitals 16 Clinics 1 CHC	50 43 clinics 6 Hospitals 1 other Tutuzela at Bongani	47	54	87	258
Number of HF with Water Storage Reservoirs	8	9	7	13	16	53
Number of JOJO Tanks	20	20	31	35	50	156
Number of Health Facilities: JOJO Tanks connected to WSA water supply	4	10	22	7	36	79
Number of Health Facilities: JOJO Tanks not connected to WSA water supply	21	10	9	24	12	76
Number of Boreholes	5	1+5 (6)	5	3	2	21
Number of Boreholes non-functional	1	0	2	3	0	6
Number of Health Facilities with no water or with water Supply challenges	4	1 Masilonyana 2 Matjhabeng 3 Tokologo 2 Tswelopele	0	11	42	65

6.1.2. Water Shortage challenges and water quality compliance

- Power cuts/ load-shedding affecting water production at the Water Services Authority's (WSA) water treatment works (WTW).
- Unavailability of the back-up water storage reservoirs at the health facilities to augment water supply during water supply interruption.
- Emergency/ temporary water reservoirs "JoJo Tanks" not being connected to the municipal water supply system to support Water, Sanitation and Hygiene during water supply interruptions.
- Unavailability or Non-functional borehole.
- Water Quality compliance is above 71 %. Incident management protocols should be followed where there is Water quality failures.

6.1.3. Impact of water shortage on health services

- Health nuisance.
- Cleanliness, personal hygiene and fire fighting in case of emergencies
- Health Services delivery failures

- Non-compliance with National Environmental Health and Standards: A health establishment should have access to a constant, safe and adequate water supply. If on-site storage facilities are available, storage capacity should be enough for 24hrs.
- Non-compliance with infection and prevent control protocols.
- Risk of nosocomial infections / Healthcare-associated infections.

6.1.4. Recommendations

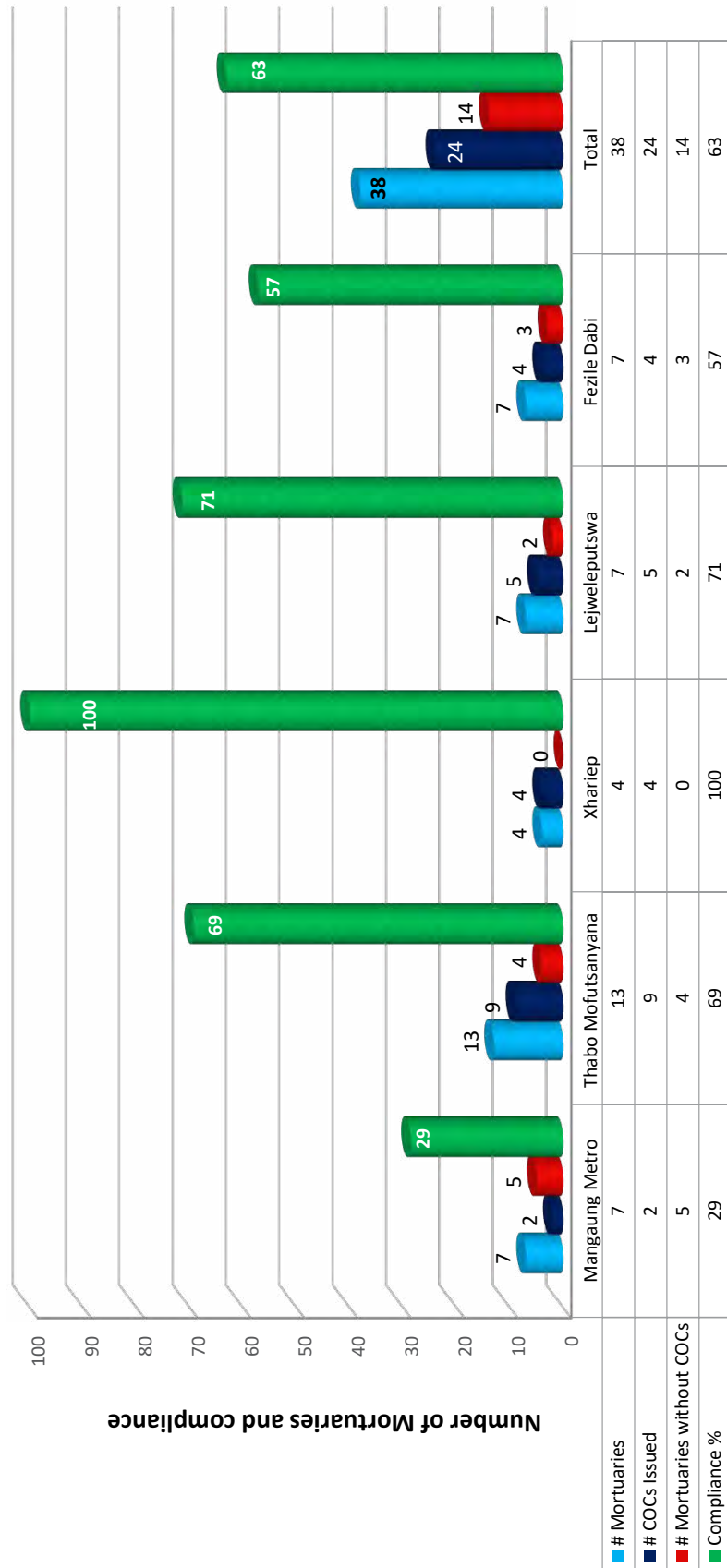
- Water Services Authorities (WSA) to have back-up power supply at water treatment works to ensure continuous water supply to the communities.
- Installation of the elevated water storage tanks (above 24 hours capacity) at the health facilities to ensure less energy and sufficient flow pressure uninterrupted water supply. All installed reservoirs must be accompanied by operational and maintenance manuals including training thereof e.g. cleaning procedure.
- Temporally relief: Utilization of the available onsite water reservoirs “JoJo tanks” connect to the WSA water supply.
- Installation of new boreholes and repair the non-functional boreholes. Ensure that boreholes are protected from contamination and the disinfection system installed. All installed boreholes must be accompanied by operational and maintenance manuals including training thereof.
- Purchase departmental water tanker/s to draw portable water from available health establishment boreholes/ WSAs (Water Services Authority), and supply to the health facilities of need.

6.2. MANAGEMENT OF HUMAN REMAINS

All facilities and equipment used in connection with the handling, preparation, storage, preservation and transportation of human remains must be complying to the Regulations relating to the Management of Human Remains, published in terms of the National Health Act, No. 61 of 2003 i.e. Regulations Relating to the Management of Human Remains, No. R. 363 of 22 May 2013. The premises must be operated under a valid Certificate of Competence issued by an Environmental Health Practitioner of the relevant Municipality, to the effect that the premises comply with environmental health and occupational hygiene requirements.

MORTUARIES COCs

Health Facilities Mortuaries 2022/23



Management of Human Remains Summary

- There are 38 health facilities mortuaries in the province i.e. the provincial mortuaries and the hospitals mortuaries.
- 24 mortuaries were issued with the CoCs (Certificate of Competence) to date.
- 14 mortuaries are operating without CoCs and do not comply with the Regulations Relating to the Management of Human Remains (No. Reg. 363 of 22 May 2013)
- Good practice is observed in Xhariep all Hospitals were issued with COCs. It must also be noted that Fezile Dabi is improving.
- Over all provincial compliance is equal to 63%.

6.2.1 Health Facilities without COCs

Health Facilities Without CoCs				
Mangaung Metro	Xhariep DM	Thabo Mofutsanyana District	Lejweleputswa District	Fezile Dabi District
1. National District Hospital	1. Albert Nzula District Hospital	1. Mofumahadi Manapo Regional Hospital	1. Katlego Hospital	1. Boitumelo Regional Hospital
2. Pelonomi Regional Hospital	2. Diamant District Hospital	2. Thebe District Hospital	2. Windburg Hospital	2. Parys District Hospital
3. Universitas Tertiary Hospital	3. Embekweni District Hospital	3. QwaQwa State Mortuary		3. Kroonstad Provincial Mortuary
4. Psychiatric Complex Regional Hospital	4. Stoffel Coetzee District Hospital			
5. Bloemfontein Forensic Pathology Mortuary				

6.3. HAZARDOUS SUBSTANCES

Hazardous substances are substances that may cause injury or ill-health to or death of human beings by reason of their toxic, corrosive, irritant, strongly sensitizing or flammable nature or the generation of pressure thereby in certain circumstances. The Hazardous Substances Act, Act No. 15 of 1973 provides for the prohibition and control of the importation, manufacture, sale, use, operation, application, modification, disposal or dumping of such substances and products. The Department of Health is the custodian of the Hazardous Substances Act, Act No. 15 of 1973 and ensures compliance with the Act by conducting inspection of the Hazardous Substances dealers and issuing Group I (Category A &/ B) licences to the compliant dealers.

6.3.1. Table below indicates the number of Hazardous Substances licences that were issued in terms of Section 4 of the Hazardous Substances Act, 1973 (Act 15 of 1973) by the NDoH

ORGANISATION UNIT TYPE	ORGANISATION UNIT	DATA	VALIDITY: JAN 2023 – DEC 2023
EHS Prov Service	fs Fezile Dabi District	Number of HS dealers licensed	36
	fs Lejweleputswa District	Number of HS dealers licensed	37
	fs Mangaung Metropolitan	Number of HS dealers licensed	8
	fs Thabo Mofutsanyana District	Number of HS dealers licensed	51
	fs Xhariep District	Number of HS dealers licensed	19
Total Number of HS dealers licensed			151

6.4. Table below indicates the number of Hazardous Substances inspections conducted in terms of the Hazardous Substances Act, 1973 (Act 15 of 1973)

Provincial EHS DHIS Data: Hazardous Substances Inspected compliance rate (April 2021 - March 2022)						
District / Metro	XD	LD	FD	MM	TMD	Total
Inspected	33	122	81	50	163	449
Compliant	33	122	81	50	163	449
Compliance %	100	100	100	100	100	100

6.5. Hazardous Substances Summary

- The total number of 151 Hazardous Substances (HS) dealers applied for Group I hazardous substances licence for the period from January 2023 to December 2023. The National Department of Health issued 151 licences to the compliant HS dealers.
- A total number of 449 hazardous substances inspection were conducted, and 100 % compliance was achieved.

7. WASTE MANAGEMENT

The FSDoH outsourced waste management, participated on Limpopo Health contract HEDP 027/18/19. The agreement is valid from 01/09/2020 - 30/06/2022 for collection, removal, treatment and disposal of Health Care Risk Waste (HCRW) in all health care facilities of Free State Health by the appointed service provider (Buhle Waste PTY LTD). The Department managed to comply with the provisions of Chapter VIII of the National Road Traffic Regulations, 2000, by ensuring that government vehicles are not transporting medical waste from one facility to the other.

Tshenolo Waste was awarded HCRW contract to collect and safely dispose waste in line with HCRW Technical Specifications and HCRW prescripts from November 2022 to November 2025.

To ensure compliance with the HCRWM specifications and the Provincial policy of Health Care Risk Waste; all health facilities are monitored on monthly basis through onsite inspection by Environmental Health Practitioners at the district level and Waste Management Control Officers (WMCOs) at the hospital level.

The EHPs submitted reports on quarterly basis to the district co-ordinator who consolidate the district reports. Where there are no employed WMCOs to manage Health Care Waste, Community Service Environmental Practitioners (COMSEPs) placed to render the said service or Infection and Prevention Control Practitioners and Occupational Health and Safety Practitioner. There are additional contracted EHPs appointed in 2021-2023 as COVID-19 EHPs to assist the district in management of COVID-19 HCRW.

7.1. Environmental Health Waste Management supporting structure

DISTRICTS/ METRO	HOSPITALS	NUMBER OF WMOS	DISTRICT	COMSEHP PLACED	COVID-19 EHP PLACEMENT	OUTSTANDING EHPS POSTS
MANGAUNG METRO	1 Academic Hospital 1 Tertiary Hospital 1 Centre 3 Districts Hospitals	EHPs Pelonomi Tertiary Hospital: Appointed 1 EHP- designate d as WMCO	5 (EHPs)	2 Universitas 1 Pelonomi Hospital) 1 National	3 District office 2 (Pelonomi and Universitas)	1(AD:EH) retired in February 2022 1 National hospital (resign in March 2022)

DISTRICTS/ METRO	HOSPITALS	NUMBER OF WMOS	DISTRICT	COMSEHP PLACED	COVID-19 EHP PLACEMENT	OUTSTANDING EHPS POSTS
XHARIEP	4 District Hospitals Diamant district Stoffel Coetzee district hospital Embekweni district hospital Albert Nzula district hospital.	3	1 EHPs 1(AD:EH)	3 District office 1 Albert Nzula District Hospital	4	4 Environme ntal Health Practitione r posts vacant
FEZILE DABI	2 Regional Hospital 4 district Hospitals	4	1 Chief 2 EHPs	1 Mafube 1 Fezile Dabi Municipal	4	1 Mafube 1 ASD EH
LEJWELEPUTSWA	1 Regional Hospital 5 District hospitals	3	1 Chief 5 EHPs	1 Nala hospital 1 Bongani 1 Winburg 1 Mohau	3	1 ASD EH 1 Nala 1 Mohau 1 Winburg 1 District office (resign February 2022)
THABO MOFUTSANYANA	2 Regional Hospitals Dihlabeng Regional Mofumahadi Manapo Regional 9 District Hospitals Itemoheng Phuthuloha Thebe district Elizabeth Ross Phumelela Nketoana Phekolong Senorita JD Newberry	8 Three started in March 2022)	4 Chiefs 4 EHPs	1 Senorita Hospital 3 MMM Hospital 1 Phuthuloha 1 Nketoana 2 TM District office	3	1 ASD EH 1Senorita 1 Nketoana 1 JD Newberry
Total	32	22	26	22	18	1

7.2. EH Health Care Risk Waste generator compliance rate DHIS

EH Health Care Risk Waste generator compliance rate (April 2022 - March 2023)						
District / Metro	XD	LD	FD	MM	TMD	Total
Inspected	69	332	29	65	83	478
Compliant	63	221	28	53	66	431
Compliance %	91	67	97	82	80	75

7.3. Interventions

CHALLENGES	IMPROVEMENT /ACTION	RESPONSIBLE PERSON
Management of EHS in the 4 districts without an Assistant Director (monitoring, coordination and submit of HCRW reports).	None	District Manager (Lejweleputswa, Mangaung, T. Mofutsanyana and Fezile Dabi districts)
Facilities without EHPs.	Environmental Health Community services were appointed to render EH services	CEO
Service provider not paid within 30 days of issuing invoice	Communication with the affected facilities	Facilities (WMCOs and district coordinators)
Submission of HCRW Quarterly	Provincial HCWM always remind the District coordinators to submit HCRW quarterly report on time.	District coordinators
HCRW facilities storage areas not complying with SANS 10248-1:2008	Communication with the affected facilities	CEO, District Manager and Provincial HCWM manager

8. FOOD CONTROL**8.1. Food Control Objective**

- Protecting the public by monitoring food control in the Free State, and
- Ensuring compliance of all food handling premises of Free State Health Care Facilities with the requirements of Regulations governing general hygiene requirements for food premises, the transport of food and related matters, NO. 638 of 22 June 2018 and other food safety related legislation.

8.2. Milestones

- Facilitate the issuance of Certificate of Acceptability.
- Audit food-handling premises of Health Care facilities.
- Provide advice, support and guide Health Facility Managers and stationed EHPs regarding food control and -safety.

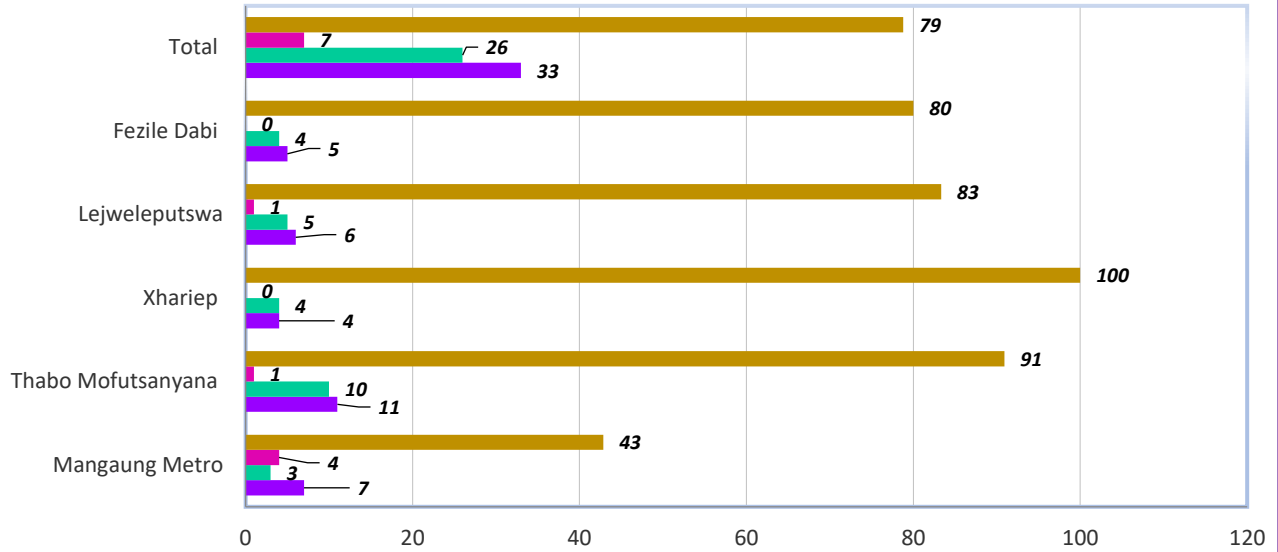
8.3. EH food handling Premises compliance rate (April 2022- March 2023)

EH food handling Premises compliance rate (April 2022 - March 2023)						
District / Metro	XD	LD	FD	MM	TMD	Total
Inspected	285	1003	642	8 739	9 345	20 014
Compliant	111	679	414	7646	8 324	17 174
Compliance %	39	68	64	87	89	86

Health Facilities COAs

Food Safety @ Health Facilities: Certificate of Acceptability 2022/23

Number of Facilities and compliance



	Mangaung Metro	Thabo Mofutsanyana	Xhariep	Lejweleputswa	Fezile Dabi	Total
■ Compliance %	43	91	100	83	80	79
■ # Hospitals without COCs	4	1	0	1	0	7
■ # COAs Issued	3	10	4	5	4	26
■ # Health Facilities (Food Service)	7	11	4	6	5	33

Health Facilities without COAs

MANGAUNG METRO	THABO MOFUTSANYANA DISTRICT	FEZILE DABI DISTRICT	LEJWELEPUTSWA DISTRICT
1. National District Hospital	1. Mofumahadi Manapo Regional Hospital	1. Parys District Hospital	1. Nala District Hospital
2. Pelonomi Regional Hospital			
3. Cook Freeze			
4. Psychiatric Complex Regional Hospital			

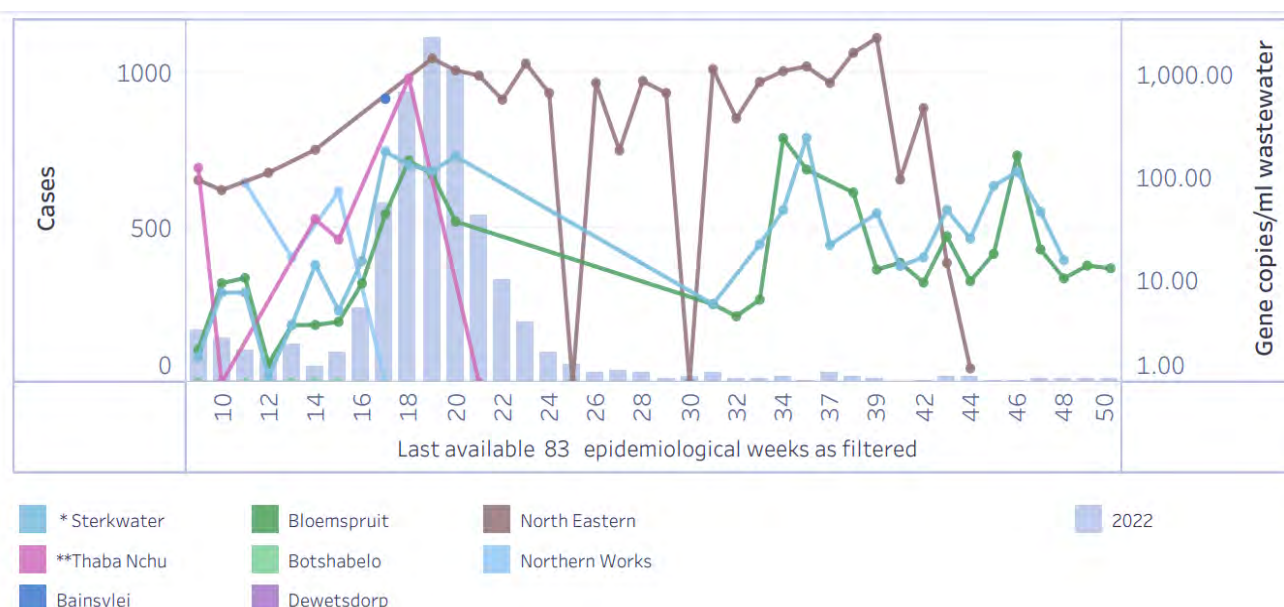
8.4. CHALLENGES AND IMPROVEMENT PLANS

Challenges	Improvement Plan	Person Responsible	Progress
The number of MHS Food Premises not compliant is high (2840). Compliance must be 100%	Work with the Districts and Metro through Forums and other Food Safety Law Enforcement Programmes	- MHS Managers - Provincial Food Safety Coordinator	86% compliance

Health facilities without CoA's (Certificate of Acceptability)	- Support facilities with application processes. - Engage with DM's to facilitate issuance of CoA's.	- District MHS - EHP's at facilities	Most of health facilities do have CoA's (79%).
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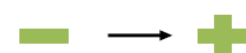
<https://wastewater.nicd.ac.za>

8.5 COVID-19 Environmental Surveillance (which is monitored in the Metro only)



Wastewater-based Epidemiology for COVID-19

How can we use wastewater testing for strengthening public health responses



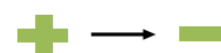
- What should we do if levels go from **negative** to **positive**?
 - Inform public
 - Strengthen health promotion messages regarding NPIs and vaccination
 - Strengthen testing in affected areas



- What should we do if levels are **increasing**?
 - Inform public
 - Identify where NPIs are not being adhered to and target these areas for strengthened health promotion messages regarding NPIs and vaccination
 - Strengthen testing in affected areas
 - Prepare hospitals for overflow



- What should we do if levels are **decreasing**?
 - Inform and congratulate public
 - Reinforce public health messaging regarding NPIs
 - Strengthen vaccination to ensure population is protected for the next wave



- What should we do if levels go from **positive** to **negative**?
 - Inform public
 - Redirect resources from NPIs to vaccination to ensure population is protected for the next wave

9. GREEN DROP REPORT

The Department of Water and Sanitation recently (2022) released Green Drop report for the assessment conducted at the Wastewater Treatment Works at Water Services Authorities in year 2021 period.

There are 19 WSAs, delivering wastewater services through a sewer network comprising of 96 WWTWs, 287 network pump stations and 1,995 km outfall and main sewer pipelines. The sewer network excludes the pipeline data of 14 municipalities who were unable to provide this data. There is a total installed treatment capacity of 457 Ml/d, with the majority of this capacity residing in the medium to macro-sized treatment plants.

Seven (7) of the 19 WSAs improved on their 2013 scores. The remaining WSAs regressed to lower Green Drop scores compared to 2013 baselines. Dihlabeng LM is the best performing WSA in the province. Letsemeng achieved the best overall progress from a 16% in 2013 to a municipal score of 40% in 2021. Unfortunately, 64 systems were identified to be in a critical state, compared to 46 systems in 2013. The highest number of systems in critical state are owned and managed by Mangaung, Matjhabeng and Maluti-A-Phofung (23 of 64 systems). The remaining systems fall within the other 14 municipalities. The full range of KPAs require attention by all municipalities, with no exceptions.

The provincial Risk Ratio for treatment plants regressed from 77% in 2013 to 81.2% in 2021. The most prominent risks were observed at a treatment level and pointed to WWTWs that exceeded their design capacity, dysfunctional processes, and equipment (especially disinfection), and effluent and sludge non-compliance.

9.1. Regulatory Enforcement

Wastewater systems which failed to achieve the minimum Green Drop target of 31%, are placed under regulatory focus. The Regulator requires these municipalities to submit a detailed corrective action plan within 60 days from publishing the report.

Seventeen (17) municipalities and 64 wastewater systems that received Green Drop scores below 31%, are to be placed under regulatory surveillance, in accordance with the Water Services Act (108 Of 1997). In addition, these municipalities will be compelled to ringfence water services grant allocation to rectify/restore wastewater collection and treatment shortcomings identified in this report.

9.2. Wastewater Treatment with <31% score Green Drop Scores

WSA Name	2021 Municipal GD Score	WWTWs with <31% score
Letsemeng LM	40%	Koffiefontein, Oppermansgronde
Tswelopele LM	40%	Hoopstad
Nketoana LM	34%	Lindley-Ntha
Mangaung LM	33%	Northern Works, Bloemindustria, Soutpan, Dewetsdorp, Van Stadensrus, Wepener
Mantsopa LM	30%	Excelsior, Ladybrand, Tweespruit
Kopanong LM	26%	Fauresmith, Gariep Dam, Jagersfontein, Reddersburg
Matjhabeng LM	26%	10 of 11 plants except Kutlwanong
Mohokare LM	21%	All 3 plants
Setsoto LM	19%	Ficksburg, Clocolan, Marquard New
Maluti-A-Phofung LM	18%	All 7 plants
Masilonyana LM	16%	Brandfort, Theunissen-Masilo, Winburg
Metsimaholo	11%	Both plants
Moqhaka LM	10%	All 3 plants
Ngwathe LM	10%	All 5 plants
Nala LM	6%	All 3 plants
Phumelela LM	4%	All 3 plants
Mafube LM	0%	All 5 plants

9.3. EHS REGULATIONS, IMPLICATIONS AND PLANS TO COMPLY

REGULATIONS	IMPLICATIONS	PLANS TO COMPLY
Hazardous Substances Act, 1973 (Act 15 Of 1973)	Chemical Poisoning Litigation	Facilitate the issuing of Group I Category A & B Hazardous Substances licenses
Regulation Related to The Management of Human Remains, Reg. No. 363 Of 22 May 2013	Litigation Nosocomial Infections	Facilitate the issuing of the Certificate of Competence to the State Mortuary and Hospitals Mortuaries
Regulations Relating to The Labelling and Advertising of Foodstuffs, No. R. 146 Of 1 March 2010	Litigation	Monitor Health Facilities Food Suppliers compliance with the regulations
Regulations Governing General Hygiene Requirements for Food Premises, The Transport of Food and Related Matters, No. 638 Of 22 June 2018	Litigation Nosocomial Infections Foodborne Diseases	- Facilitate the issuing of the COAs to all Food Handling Health Care Facilities - Ensure that food suppliers present the COAs for their food handling premises and vehicles prior food delivery to Health facilities
NEMA: Waste Act, 2008 (Act No. 59 Of 2008),	Litigation Nosocomial Infections Occupational Health Safety	- Monitor Waste Management in the Health Care Facilities - Facilitate that all major health care risk waste generators have approved HCRW plan.
Meat Safety Act, 2000 (Act No. 40 Of 2000) ^[1] _{SEP}	Litigation Nosocomial Infections Foodborne Diseases	Ensure that meat supplied to the Health Facilities is slaughtered at an abattoir
National Health Act, 2003 (Act No. 61 Of 2003) ("The Act") As Amended,	Litigation Nosocomial Infections Outbreaks of Waterborne Diseases Outbreaks of Foodborne Diseases Outbreaks of Air borne diseases	Water Quality Monitoring Food Safety Waste Management Management of Human Remains
Regulations Relating to Health Care Waste Management in Health Establishments, No. R. 375 23 May 2014	Litigation Nosocomial Infections Occupational Health Safety	Monitor Health Care Waste Management in the Health Care Facilities
Waste Act, 2008 (Act No. 59 Of 2008),	Litigation Health care risk waste illegal dumping and mixing of health care risk waste with general waste	Facilitate by ensure service provider for Health care risk waste are appointed to render the services according to the tender specification.

10. PORTFOLIO COMMITTEES

The department was invited to Health and Social Development Portfolio Committee to present quarterly reports and the Annual Report of 2021/22 financial year on the following dates: -

DATE OF MEETING	REPORTED PERFORMANCE
01 September 2022	Annual Performance Plan presentation
06 September 2022	1 st Quarter non-financial Performance reporting
17 November 2022	Annual Report 2021/22
14 March 2023	2 nd & 3 rd Quarter non-financial Performance reporting

- The department did not have any matters raised by the Portfolio Committee that needed attention during the reporting year.

11. PROPAC RESOLUTIONS

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
1	Renovations and refurbishments at the Boitumelo Regional Hospital	Renovations and refurbishments at the Boitumelo Regional Hospital to be completed as a matter of urgency, as the project completion date was long overdue	The tender was at the bid evaluation stage at Public Works department but, unfortunately, Public Works was told to hold the process until further notice by their management.	No
2	Infrastructural projects are adequately monitored and shoddy and/or poor workmanship is avoided.	The implementing agent for the infrastructural projects was adequately monitored and shoddy and/or poor workmanship avoided.	Monthly bilateral meetings were held with the implementing agent. DOH appointed 8 additional Build Environment Professionals, in July 2021. Three directors for Planning, Engineering/Technical Services and Health Technology) were appointed. Strengthening the internal capacity will assist in monitoring all health projects.	Yes
3	Mechanism in place under the Bill of Quantities to avoid overcharging costs	The mechanism is in place at Albert Nzula Hospital, Amelia Clinic and Mantsopa Specialised TB facility to avoid overcharging costs, implemented under the Bill of Quantities.	The checklist (for Thandanani clinic) provided for December reporting was an example of measures in place because the 3 projects indicated were long completed. Phase 2 of Mantsopa Specialised TB is still in planning phase and these measures will be implemented once the project is at implementation stage.	Yes
4	Planning, usage and maintenance of Radiology equipment	Planning, usage and maintenance of Radiology equipment across various medical facilities are regularly serviced to prevent ineffective and inefficient service delivery to communities.	A copy of SLA for the service and maintenance of radiology equipment has been provided to Provincial Treasury.	Yes
5	Management of medical records	The management of medical records at various health facilities are properly stored to avoid delays in retrieval of such records.	Proof was provided that there is a system in place to monitor the flow of medical records to avoid delays in filing and retrieval of medical records.	Yes
6	Training of staff members and filling of vacancies in the management of medical records.	The training of staff members and filling of vacancies in the management of medical records is prioritized.	A programme of action has been developed to digitise paper-based patient files at 12 facilities in 2023/24. The plan involves the recruitment of 150 interns who will help to re-package and sort patient files, as well as scan maternity records first, into an electronic patient management system. The electronic system is implemented with the assistance of the Eastern Cape Department of Health, as the developers of the system and have	No

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			agreed to share it with the Free State province. A proof of concept is carried out at National District Hospital.	
7	Audit plan actions are effective and are monitored on a regular basis to ensure effective controls which will prevent errors from re-occurring.	Audit plan actions are effective and are monitored on a regular basis to ensure effective controls which will prevent errors from re-occurring.	The department consolidated and submitted the updated progress reports on a monthly basis as required by the resolution.	Yes
8	Capital projects are monitored and the details for each invoice/payment are verified before a payment is made. Control should also be clear on how the detail per invoice was verified.	Capital projects were monitored and the details for each invoice/payment are verified before a payment is made. Control should also be clear on how the detail per invoice was verified.	A copy of the checklist as a control mechanism to ensure that all payments and invoices are correctly completed to verify that work is done	Yes
9	The deviation register is compliant to the SCM regulations	The deviations that were approved were recorded completely in the deviation register and was compliant to SCM regulations before approved.	Deviations are reported to Corporate Office on a monthly basis. They were assessed and reported to Provincial Treasury as part of the KCM reports	Yes
10	Monitoring of compliance checklist	Management should compile and monitor a compliance checklist to ensure that all compliance matters were prevented.	A copy of the compliance certificate implemented in the department was provided to Provincial Treasury	No

12. PRIOR MODIFICATIONS TO AUDIT REPORTS

The department did not have any prior modification.

13. INTERNAL CONTROL UNIT

The Internal Control Unit has conducted monitoring visits to facilities to assess the status of records with the main focus on payment and expenditure files. The team focused on the reviews of the files to assess whether the files had relevant source and supporting documents, and for the identification of any non-compliance that could lead to irregular expenditure.

One of the responsibilities on the Internal Control unit, is to register and report fruitless and wasteful expenditure as well as the irregular expenditure. The unit continued to maintain the registers for the reported cases. Regarding the investigation of irregular expenditure cases, the department has been relying on the services of external providers appointed by Provincial Treasury. In an effort to improve the capacity within the department, the Unit also developed the procedures that could serve as guide for the internal investigations of irregular expenditure. In the process the procedures were shared with the Provincial Treasury, the Fraud and Anti-Corruption unit and the Internal Audit. Inputs on the procedures were received from the Provincial Treasury.

The procedures were approved by the Accounting Officer for implementation. Due to the audit qualification received in the previous financial years, the unit prioritised the assessment of transactions to address the qualification on the completeness of irregular expenditure.

14. INTERNAL AUDIT AND AUDIT COMMITTEES

Key activities and objectives of the internal audit

The purpose of the internal auditing activity is to provide an independent and objective assurance and consulting services (limited to advisory) designed to add value and improve the Department of Health's operations.

The scope of work of the Internal Audit Activity (IAA) is to determine whether the department's network of risk management, internal control and governance processes, as designed and represented by management, is adequate and functioning in a manner designed to ensure amongst others that:

- Risks are appropriately identified and managed;
- Significant financial, managerial and operating information is accurate, reliable and timely;
- Assets and resources are acquired economically, used efficiently and adequately protected;
- Programs, plans and objectives are achieved; and
- Applicable laws and regulations are complied with

Specify summary of audit work done

- Annual/Interim Financial Statements
- MEDPAS: Revenue and Payables
- Performance Information
- Unauthorized Expenditure
- Asset Management
- Procurement
- Follow up Audits (informal)

Key activities and objectives of the audit committee

Objectives

The audit committee performs an oversight role in the department activities and act in an advisory capacity to the Accounting Officer.

Key Activities

- Review of management reports
- Review of annual financial statements.
- Review AG audit plans and report.
- Review Internal Audit Plans and reports.
- Provide oversight to AG and Internal Audit activities
- Oversee and provide advice on Risk Management.
- Review Corporate Governance arrangements.
- Review Compliance and Internal Control system.
- Report to Accounting Officer and Executive Authority.
- Provide oversight on implementation of combined assurance.

The table below discloses relevant information on the audit committee members:

Name	Qualifications	Internal or external	If internal, position in the department	Date appointed	Date Resigned/ Contract Elapsed	No. of Meetings attended
Adv. K Nhlapo	BA (Law) LLB PGDIP	External	N/a	01-01-2019	N/a	7
Mr. SP Simelane	CA (SA), BCom Acc Honours	External	N/a	01-08-2018	N/a	7
Mr. PG Zitumane	B Com, Master of Business leadership (MBL)	External	N/a	01-01-2018	N/a	7

15. AUDIT COMMITTEE REPORT

We are pleased to present our final report for the financial year ended 31 March 2023.

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from section 38(1) (a), section 76 of the Public Finance Management Act and Treasury Regulation 3.1.13. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its audit committee charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

In terms of Treasury Regulations section 3.1.10, the Audit Committee has amongst others, reviewed the following:

- (a) Effectiveness of the internal control systems;
- (b) Effectiveness of the internal audit function;
- (c) Risk areas of the institution's operations to be covered in the scope of internal and external audits;
- (d) Adequacy, reliability and accuracy of the financial and performance information provided to management and other users of such information;
- (e) Any accounting and auditing concerns identified as a result of internal and external audits;
- (f) The department's compliance with legal and regulatory provisions and
- (g) The activities of the internal audit function, including its annual work programme, coordination with the external auditors, the reports of significant investigations and the responses of management to specific recommendations.

The effectiveness of internal control

The system of internal control applied by the department was not generally effective and efficient as evidenced by numerous reports from internal audit. Risk management was partially effective throughout the year as there are no measures in place to mitigate the impact of the identified strategic risks as reported by the risk management. In line with the PFMA and the King IV Report on Corporate Governance requirements, Internal Audit provides the Audit Committee and management with assurance on the appropriateness and effectiveness of the internal controls. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes.

During the year under review, Internal Audit conducted various internal audit reviews and material deficiencies and weaknesses in the system of internal controls were reported. Management has committed to address these weaknesses in order to strengthen the control environment. In addition to this, the committee is reasonably satisfied with progress made to address prior year qualifications although there is still a concern with regards to payables and revenue completeness (Medpas) as these paragraphs have been on the audit report of the entity for the past few years. The Audit Committee can report that whilst there has been a notable improvement in the system of internal control, it was not entirely effective for the year under review especially, as it relates to the implementation of the audit action plan, transport management, revenue and payables (Medpas). The committee also noted that irregular expenditure has been resolved as a qualification, however, the department still needs to revisit population for the past two financial years for completeness of the process.

The committee is concerned with unresolved unauthorized expenditure from previous years which continues to reflect on the financial statements. The committee is also concerned about the following areas and some of these issues were reported to the Executive Authority:

- Medpas: Revenue and Payables.
- Increasing medico-legal cases.
- Increasing staff debt.
- Over-expenditure.
- Significant increase in bank overdraft.

The Accounting Officer committed to deal with these matters.

The Audit Committee is satisfied with the improvement on the content and quality of management reports submitted by the Accounting Officer during the year under review however, the committee is concerned with the following:

- Less than 60% of set targets on the predetermined objectives were achieved while the budget was over spent.

The Committee has recommended that the annual performance plan be linked to the budget and also revise the targets accordingly in line with budget adjustments to ensure that all targets are sufficiently budgeted for. It is important to state that the department was advised on this matter in the past and there is little progress in this regard.

The Audit Committee commends the department for its achievement of a favourable outcome on the audit of its annual performance report. There were no material findings on the predetermined objectives of the three programmes that were audited by AGSA.

Evaluation of Financial Statements

The Audit Committee has performed the following:

- Reviewed and discussed with management the complete set of audited annual financial statements to be included in the annual report with Accounting Officer and Auditor-General of South Africa (AGSA);
- Reviewed material adjustments resulting from the audit for the department and MEDPAS.
- There were changes in accounting policies and practices during the financial year affecting unauthorized, irregular, fruitless and wasteful expenditure;
- Reviewed the department's compliance with legal and regulatory provisions although this was insufficient as compliance committee was not functioning and there was no assurance on the level of compliance with key legislation;
- Reviewed the quality and timeliness of financial information submitted to the Audit Committee during the year;
- Reviewed the information on the predetermined objectives to be included in the annual report but has concerns. Management's attention is drawn to the stringent control measures required to ensure that performance information objectives are achieved on **Reliability, Completeness and Accuracy** of information contained in the annual performance report. This can be achieved by ensuring that the validation process is credible and all parties expected to participate in the process do play their role.

The Audit Committee also received assurance that the issues raised by the Provincial Treasury on the draft annual financial statements were being addressed before submission to AGSA.

Internal Audit

The Audit Committee is reasonably satisfied that the internal audit function is discharging its mandate although it lacks adequate capacity to cover audit universe sufficiently and address risks relating to information systems due to lack of human resources. The Committee is concerned that the process of reviewing the organizational structure of the department including internal audit is very slow and this affects the functioning of the unit. The Committee is not satisfied with the progress made to address the External Quality Assurance Report as some issues are long outstanding.

Combined Assurance

Combined assurance model has not been fully implemented in the department which brings a challenge in terms of coordination of assurance services. The committee has noted with appreciation that internal audit plan includes allocated time to deal with this matter to ensure that it receives sufficient attention.

Auditor-General South Africa

The Audit Committee has met with Auditor-General South Africa throughout the year to ensure that there are no unresolved issues with management. The Committee has noted that the two material irregularities identified by AGSA on supplier overpayments have been resolved. The department is urged to finalise audit action plan to address issues raised on the audit report and management letter.

The Audit Committee concurs with the conclusions of the Auditor General South Africa on the Annual Financial Statements and is of the opinion that they should be accepted and read together with the report of the AGSA.

Appreciation

The Audit Committee expresses its sincere appreciation to the Executive Authority, Accounting Officer, management and internal audit for their support and cooperation.



PG Zitumane
Chairperson of the Audit Committee
Free State Department of Health
Date: 31/07/2023

16. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

The following table has been completed in accordance with the compliance to the BBBEE requirements of the BBBEE Act of 2013 and as determined by the Department of Trade, Industry and Competition.

Has the Department / Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	Response Yes / No	Discussion <i>(include a discussion on your response and indicate what measures have been taken to comply)</i>
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	Yes	The department is considering the relevant Code of Good Practice when issuing private hospital licences.
Developing and implementing a preferential procurement policy?	Yes	The Supply Chain Management Policy is aligned with the current Preferential Procurement Regulations as issued by National Treasury. The policy is implemented accordingly within the department.
Determining qualification criteria for the sale of state-owned enterprises?	No	The department is not mandated to handle the sale of the state-owned enterprises.
Developing criteria for entering into partnerships with the private sector?	Yes	B-BBEE relevant Code of Good Practices are always considered when entering into Public- Private partnerships.
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	No	The department does not award incentives, grants, and investment schemes.

PART D

HUMAN RESOURCE MANAGEMENT



1. INTRODUCTION

The information contained in this part of the annual report has been prescribed by the Minister for the Public Service and Administration for all departments in the public service.

2. OVERVIEW OF HUMAN RESOURCES

- The status of human resources in the department.

	FILLED	VACANCY	POSTS	VACANCY RATE
V5	16 663	6 367	23 000	27,7%
X4	114	18	130	12,3%
TOTAL	16 747	6 383	23 130	27,6%

V5: ADDITIONAL POSTS TO THE STAFF ESTABLISHMENT			
POST STATUS DESCRIPTION	ADDITIONAL: FILLED	ADDITIONAL: VACANT	ADDITIONAL: POSTS (TOTAL)
GRAND-TOTAL	1 530	1 359	2 889
			47%

SALARY LEVEL	FEMALE	MALE	TOTAL FILLED
13	12	21	33
14	4	2	6
15	-	3	3
16	1	1	2
GRAND TOTAL	17	27	44

DISABLED CODE	DISABLED DESCRIPTION	ACTIVE FILLED	ADDITIONAL	TOTAL FILLED
2	Mobility	10		10
3	Blind or Visual Impairment	11		11
4	Deaf or hard of hearing	5		5
6	Other disability	20	1	21

DISABLED CODE	DISABLED DESCRIPTION	ACTIVE FILLED	ADDITIONAL	TOTAL FILLED
9	Visual and Mobility	1		1
13	Visual, Hearing and Speech Impairment	2		2
GRAND TOTAL		49	1	50

• **HUMAN RESOURCE PRIORITIES FOR THE YEAR UNDER REVIEW AND THE IMPACT OF THE FOLLOWING: -**

Recruitment, Selection and Retention

To attract and retain the identified critical and scarce skills especially in the rural areas in order to improve overall service delivery. The budget must be prioritized for the implementation of the retention strategy.

Training and Development.

Training and development are set to ensure a sufficient supply of competent, skilled officials and looks to foster a culture of learning and development.

Personal Development Plans (PDP's) had to be aligned with the Workplace Skills Plan and allocate bursaries to address the service demands.

Employment Equity

Looks at promoting gender equality, diversity and transformation in the workplace.

Workforce planning and key strategies to attract and recruit skilled and capable workforce.

The Retention Strategy has been developed and submitted to multilateral committee for final consultation with organised labour, which will address the recruiting and retention of skilled and capable workforce.

The Recruitment and Selection Policy was drafted and circulated for inputs.

Employee performance management.

The Department has a backlog in the implementation of Performance rewards in terms of the PMDS Policy, however the 2019/2020 performance cycle rewards were implemented during the financial year 2022/2023. The Department has also completed the moderation for 2020/2021 performance cycle and it is envisaged to complete the backlog during 2023/2024 financial year.

Employee wellness programmes.

80% of the facilities are rendering OHS services through qualified Occupational Health (OH) Nurse Practitioners.

Mangaung Metro is implementing OH services at all levels of care. There are OH Nurses appointed, including at PHC level.

Pelonomi Hospital's OH Unit rendered a comprehensive OHS model with appropriate professionals' full-time for their employees only (Medical Practitioner; OH, Nurses x 3; Clinical Psychologist x 1; Administrative Support x 1)

ACHIEVEMENTS AND CHALLENGES FACED BY THE DEPARTMENT, AS WELL AS FUTURE HUMAN RESOURCE PLANS /GOALS.

Achievements:

- A draft Retention Strategy was developed and submitted to multi-lateral committee for final consultation with organized labour.
- A draft Recruitment and Selection Policy developed and circulated for inputs.
- Posts on the Recruitment Plan (2022/2023) were advertised and filled.
- Draft Employment Equity Plan (2022/2025) developed.
- Two EE Reports (EEA 2 and EEA 4) completed and signed by the HOD on 17 January 2023
- A Skills Development Facilitator, was appointed in August 2022, immediately started reviving and training of the Skills Committees, especially on the WSP (Workplace Skills Plan) and completion of the ATR (Annual Training Report);
- The HWSETA did online training to the committees in 2022 on the role of the HWSETA and the WSP
- Training that was initiated in 2022/2023 in accordance with the WSP includes generic / transversal training e.g. diversity management, conflict management, disciplinary Code and Procedures, IT training etc; training provided by the Regional Training Centre consisting of (Compulsory Induction Program), ROP (Re-orientation Program) etc.
- The WSP (2023/2024) is already in process and a huge improvement can be seen in terms of the quality of the inputs.

Challenges

- Continuous budget constraints to retain critical and scarce occupational categories and to fill all identified critical posts for the 2022/2023 financial year
- Vacant posts reflected on PERSAL includes unfunded vacant posts
- Decline in the representation of women at SMS level from 40% to 39%
- Reaching the target for people with disabilities remain a challenge due to the fact that the disclosure of disability status is not compulsory
- Capacity constraints to conduct a proper skills audit as well as inadequate budget provision for the outsourcing of a skills audit;
- EE Reports (EEA 2 and EEA 4) were signed after the closing date of the online reporting system of the Department of Employment and Labour for 2022 reporting.
- The “consultation process” of the Retention Strategy, Recruitment and Selection policy remains a challenge and delayed finalization and approval thereof.
- Status of the Compensation budget affect the filling of critical posts.
- It is not compulsory for people with disabilities to disclose their disability status.
- Capacity constraints to conduct a proper skills audit in the department.
- The WSP (Workplace Skills Plan) was drafted for 2022/2023, inputs were received from offices/hospitals/regions, however the credibility of information could not be determined due to the Workplace Skills Committees not being fully functional.

3. HUMAN RESOURCES OVERSIGHT STATISTICS

3.1 Personnel related expenditure

Table 3.1.1 Personnel expenditure by programme for the period 1 April 2022 and 31 March 2023

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and special services expenditure (R'000)	Personnel expenditure as a % of total expenditure	Average personnel cost per employee (R'000)	Average Personnel Cost per Employee (R'000)	Employment (Including Periodical and Abnormal Appointments)
Administration	324 195,00	244 587,00	0	0	75,4	513,00	513,00	477,00
Central Hospital Services	2 977 249,00	2 024 607,00	0	0	68,0	541,00	541,00	3 740,00
District Health Services	6 014 142,00	4 171 987,00	0	0	69,4	325,00	325,00	12 821,55
Emergency Medical Services	1 005 597,00	619 064,00	0	0	61,6	354,00	354,00	1 748,00
Health Care Support Services	159 054,00	90 649,00	0	0	57,0	299,00	299,00	303,00
Health Facilities Management	771 919,00	24 726,00	0	0	3,2	798,00	798,00	31,00
Health Sciences & Training	323 089,00	164 488,00	0	0	50,9	112,00	112,00	1 467,04
Provincial Hospital Services	1 715 275,00	1 327 267,00	0	0	77,4	440,00	440,00	3 014,11
Total as on Financial Systems (BAS)	13 290 521,00	8 667 376,00	0	0	65,2	0	367,00	23 601,70

Table 3.1.2 Personnel costs by salary band for the period 1 April 2022 and 31 March 2023

Salary Band	Personnel Expenditure including Transfers (R'000)	% of Total Personnel Cost	Average Personnel Cost per Employee (R)	Total Personnel Cost for Department including Goods and Services (R'000)
01 Lower skilled (Levels 1-2)	340 052,00	3,9	212 665,00	8 759 573,00
02 Skilled (Levels 3-5)	2 485 013,00	28,4	284 587,00	8 759 573,00
03 Highly skilled production (Levels 6-8)	1 502 620,00	17,2	458 955,00	8 759 573,00

Salary Band	Personnel Expenditure including Transfers (R'000)	% of Total Personnel Cost	Average Personnel Cost per Employee (R)	Total Personnel Cost for Department including Goods and Services (R'000)
04 Highly skilled supervision (Levels 9-12)	2 771 708,00	31,6	930 728,00	8 759 573,00
05 Senior management (Levels >= 13)	58 615,00	0,7	1 221 146,00	8 759 573,00
09 Other	66 662,00	0,8	401 578,00	8 759 573,00
10 Contract (Levels 1-2)	41 002,00	0,5	172 277,00	8 759 573,00
11 Contract (Levels 3-5)	200 544,00	2,3	235 657,00	8 759 573,00
12 Contract (Levels 6-8)	352 049,00	4,0	409 836,00	8 759 573,00

Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2022 and 31 March 2023

Programme	Salaries (R'000)		Salaries as a % of Personnel Costs		Overtime (R'000)		Overtime as a % of Personnel Costs	
Administration	193 562,00	78,90	8 559,00	3,50	7 219,00	2,90	13 023,00	5,30
Central Hospital Services	1 487 695,00	73,70	214 219,00	10,60	48 916,00	2,40	110 200,00	5,50
District Health Services	3 433 140,00	81,60	143 856,00	3,40	111 261,00	2,60	210 957,00	5,00
Emergency Medical Services	449 372,00	71,90	32 407,00	5,20	30 000,00	4,80	59 232,00	9,50
Health Care Support Services	65 896,00	72,10	741,00	0,80	5 260,00	5,80	10 610,00	11,60
Health Facilities Management	21 997,00	83,20	12,00	0,00	143,00	0,50	364,00	1,40
Health Sciences & Training	139 333,00	82,90	2 370,00	1,40	3 789,00	2,30	7 783,00	4,60
Provincial Hospital Services	1 041 387,00	75,60	98 270,00	7,10	41 401,00	3,00	83 896,00	6,10
TOTAL	6 832 382,00	78,00	500 434,00	5,70	247 988,00	2,80	496 065,00	5,70

Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2022 and 31 March 2023

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid		Total Personnel Cost per Salary Band (R'000)
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs	
01 Lower skilled (Levels 1-2)	231 448,00	68,1	5 699,00	1,7	25 749,00	7,6	47 733,00	14,0	340 109,00
02 Skilled (Levels 3-5)	1 795 337,00	72,0	61 894,00	2,5	135 548,00	5,4	271 628,00	10,9	2 493 200,00
03 Highly skilled production (Levels 6-8)	1 170 464,00	77,6	39 298,00	2,6	51 166,00	3,4	101 228,00	6,7	1 507 764,00
04 Highly skilled supervision (Levels 9-12)	2 187 486,00	78,6	232 863,00	8,4	34 622,00	1,2	74 805,00	2,7	2 784 340,00
05 Senior management (Levels >= 13)	51 828,00	85,0	547,00	0,9	841,00	1,4	398,00	0,7	61 007,00
09 Other	66 145,00	99,2	0	0	37,00	0,1	256,00	0,4	66 670,00
10 Contract (Levels 1-2)	40 571,00	98,9	411,00	1,0	0	0	0	0	41 016,00
11 Contract (Levels 3-5)	198 140,00	98,2	2 334,00	1,2	0	0	0	0	201 773,00
12 Contract (Levels 6-8)	348 468,00	98,5	3 488,00	1,0	0	0	6,00	0	353 786,00
13 Contract (Levels 9-12)	546 298,00	77,0	153 899,00	21,7	25,00	0	10,00	0	709 465,00
14 Contract (Levels >= 13)	1 181,00	84,2	0	0	0	0	0	0	1 403,00
19 Periodical Remuneration	23 636,00	91,1	0	0	0	0	0	0	25 941,00
20 Abnormal Appointment	171 380,00	99,0	0	0	0	0	0	0	173 099,00
TOTAL	6 832 382,00	78,0	500 434,00	5,7	247 988,00	2,8	496 065,00	5,7	8 759 573,00

3.2 Employment and Vacancies

Table 3.2.1 *Employment and vacancies by programme as on 31 March 2022*

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administration, Permanent	659	469	28,8	44
Central Hospital Services, Permanent	4937	3676	25,5	267
Central Hospital Services, Temporary	29	29	0,0	0
District Health Services, Permanent	13056	9866	24,4	2184
District Health Services, Temporary	79	79	0,0	0
Emergency Medical Services, Permanent	2350	1748	25,6	0
Health Care Support Services, Permanent	464	303	34,7	0
Health Facilities Management, Permanent	52	31	40,4	2
Health Sciences & Training, Permanent	656	268	59,1	3
Provincial Hospital Services, Permanent	3984	2935	26,3	108
Provincial Hospital Services, Temporary	47	47	0	0
TOTAL	26313	19451	26,1	2608

Table 3.2.2 *Employment and vacancies by salary band as on 31 March 2022*

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate (includes frozen posts)	Number of employees additional to the establishment
01 Lower Skilled (Levels 1-2), Permanent	2450	1599	34,7	0
02 Skilled (Levels 3-5), Permanent	11784	8732	25,9	2
03 Highly Skilled Production (Levels 6-8), Permanent	4530	3273	27,7	19
03 Highly Skilled Production (Levels 6-8), Temporary	1	1	0	0
04 Highly Skilled Supervision (Levels 9-12), Permanent	4661	2972	36,2	0
04 Highly Skilled Supervision (Levels 9-12), Temporary	6	6	0	0
05 Senior Management (Levels >= 13), Permanent	61	48	21,3	0

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate (includes frozen posts)	Number of employees additional to the establishment
09 Other, Permanent	18	18	0	10
09 Other, Temporary	148	148	0	0
10 Contract (Levels 1-2), Permanent	238	238	0	238
11 Contract (Levels 3-5), Permanent	851	851	0	844
12 Contract (Levels 6-8), Permanent	859	859	0	853
13 Contract (Levels 9-12), Permanent	705	705	0	642
14 Contract (Levels >= 13), Permanent	1	1	0	0
TOTAL	26313	19451	26,1	2608

Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2022

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate (includes frozen posts)	Number of employees additional to the establishment
Administrative Related, Permanent	164	116	29,3	5
All Artisans in The Building Metal Machinery Etc., Permanent	128	74	42,2	0
Ambulance and Related Workers, Permanent	2 252	1 683	25,3	1
Architects Town and Traffic Planners, Permanent	8	4	50,0	0
Artisan Project and Related Superintendents, Permanent	3	2	33,3	0
Auxiliary and Related Workers, Permanent	414	310	25,1	1
Biochemistry Pharmacol. Zoology & Life Scie. Techni, Permanent	26	8	69,2	5
Building and Other Property Caretakers, Permanent	67	39	41,8	0
Bus and Heavy Vehicle Drivers, Permanent	61	57	6,6	2

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate (includes frozen posts)	Number of employees additional to the establishment
Chemical and Physical Science Technicians, Permanent	13	8	38,5	3
Cleaners in Offices Workshops Hospitals Etc., Permanent	1 892	1 487	21,4	130
Client Inform Clerks (Switchb Recept Inform Clerks), Permanent	60	38	36,7	0
Communication and Information Related, Permanent	2	2	0	0
Community Development Workers, Permanent	32	15	53,1	0
Compositors Typesetters & Related Printing Workers, Permanent	1	0	100	0
Computer System Designers and Analysts., Permanent	8	6	25,0	0
Dental Practitioners, Permanent	91	68	25,3	30
Dental Specialists, Permanent	7	1	85,7	0
Dental Technicians, Permanent	1	1	0	0
Dental Therapy, Permanent	2	1	50,0	0
Dieticians and Nutritionists, Permanent	89	76	14,6	23
Dieticians and Nutritionists, Temporary	1	1	0	0
Emergency Services Related, Permanent	32	28	12,5	0
Engineering Sciences Related, Permanent	1	1	0	1
Engineers and Related Professionals, Permanent	26	15	42,3	1
Environmental Health, Permanent	146	104	28,8	35
Finance and Economics Related, Permanent	69	50	27,5	0
Financial and Related Professionals, Permanent	109	73	33,0	0
Financial Clerks and Credit Controllers, Permanent	184	136	26,1	0
Fire Fighting and Related Workers, Permanent	1	1	0	0
Food Services Aids and Waiters, Permanent	639	541	15,3	16

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate (includes frozen posts)	Number of employees additional to the establishment
Food Services Workers, Permanent	9	5	44,4	0
General Legal Administration & Rel. Professionals, Permanent	7	6	14,3	4
Health Sciences Related, Permanent	1 745	1202	31,1	1
Health Sciences Related, Temporary	1	1	0	0
Household and Laundry Workers, Permanent	1 009	723	28,3	146
Household Food and Laundry Services Related, Permanent	5	5	0	0
Housekeepers Laundry and Related Workers, Permanent	15	14	6,7	2
Human Resources & Organisat Developm & Relate Prof, Permanent	66	44	33,3	0
Human Resources Clerks, Permanent	252	176	30,2	0
Human Resources Related, Permanent	21	11	47,6	0
Information Technology Related, Permanent	5	5	0	3
Inspectors of Apprentices Works and Vehicles, Permanent	9	3	66,7	0
Language Practitioners Interpreters & Other Commun, Permanent	8	4	50,0	0
Librarians and Related Professionals, Permanent	2	1	50,0	0
Library Mail and Related Clerks, Permanent	57	29	49,1	0
Light Vehicle Drivers, Permanent	108	59	45,4	0
Logistical Support Personnel, Permanent	106	74	30,2	0
Material-Recording and Transport Clerks, Permanent	367	274	25,3	1
Medical Practitioners, Permanent	949	779	17,9	367
Medical Practitioners, Temporary	105	105	0	0
Medical Specialists, Permanent	667	339	49,2	134
Medical Specialists, Temporary	41	41	0	0

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate (includes frozen posts)	Number of employees additional to the establishment
Medical Technicians/Technologists, Permanent	349	36	89,7	0
Medical Technicians/Technologists, Temporary	1	1	0	0
Messengers Porters and Deliverers, Permanent	322	216	32,9	37
Natural Sciences Related, Permanent	3	1	66,7	0
Nursing Assistants, Permanent	2 772	2 210	20,3	316
Occupational Therapy, Permanent	95	69	27,4	23
Occupational Therapy, Temporary	2	2	0	0
Optometrists and Opticians, Permanent	12	8	33,3	0
Oral Hygiene, Permanent	10	5	50,0	0
Other Administrat & Related Clerks and Organisers, Permanent	1 579	1 310	17,0	257
Other Administrative Policy and Related Officers, Permanent	145	98	32,4	0
Other Information Technology Personnel., Permanent	111	96	13,5	31
Other Occupations, Permanent	4	4	0	0
Pharmaceutical Assistants, Permanent	5	5	0	0
Pharmacists, Permanent	586	454	22,5	93
Pharmacists, Temporary	1	1	0	0
Pharmacologists Pathologists & Related Professional, Permanent	1	1	0	0
Physicists, Permanent	8	8	0	1
Physiotherapy, Permanent	105	82	21,9	35
Production Advisers: Factories, Permanent	1	1	0	0
Professional Nurse, Permanent	3 572	2 742	23,2	685
Professional Nurse, Temporary	2	2	0	0

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate (includes frozen posts)	Number of employees additional to the establishment
Psychologists and Vocational Counsellors, Permanent	50	33	34,0	18
Psychologists and Vocational Counsellors, Temporary	1	1	0	0
Quantity Surveyors & Rela Prof Not Class Elsewhere, Permanent	5	2	60,0	1
Radiography, Permanent	234	164	29,9	20
Regulatory Inspectors, Permanent	19	12	36,8	0
Road Workers, Permanent	1	1	0	0
Secretaries & Other Keyboard Operating Clerks, Permanent	209	157	24,9	34
Security Guards, Permanent	5	3	40,0	0
Security Officers, Permanent	1 753	1281	26,9	4
Senior Managers, Permanent	52	39	25,0	0
Social Sciences Related, Permanent	5	4	20,0	0
Social Work and Related Professionals, Permanent	89	66	25,8	12
Speech Therapy and Audiology, Permanent	36	19	47,2	11
Staff Nurses and Pupil Nurses, Permanent	1 588	1 134	28,6	114
Statisticians and Related Professionals, Permanent	9	8	11,1	0
Supplementary Diagnostic Radiographers, Permanent	16	15	6,3	0
Trade Labourers, Permanent	471	313	33,5	4
Trade Related, Permanent	1	1	0	1
Total	26 313	19 451	26,1	2 608

Notes

- Critical occupations are defined as occupations or sub-categories within an occupation –

- (a) in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available or they are available but do not meet the applicable employment criteria;
- (b) for which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction;
- (c) where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and
- (d) in respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees.

3.3 Filling of SMS Posts

The tables in this section provide information on employment and vacancies as it relates to members of the Senior Management Service by salary level. It also provides information on advertising and filling of SMS posts, reasons for not complying with prescribed timeframes and disciplinary steps taken.

Table 3.3.1 SMS post information as on 31 March 2022

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	1	100%	0	0
Salary Level 16	1	1	100%	0	0
Salary Level 15	5	1	20%	4	80%
Salary Level 14	9	6	66.6%	3	33.3%
Salary Level 13	48	34	70.8%	14	29.2%
Total	64	43	67.2%	21	32.8%

Table 3.3.2 SMS post information as on 30 September 2022

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	1	100%	0	0
Salary Level 16	2	2	100%	0	0
Salary Level 15	5	3	60%	2	40%
Salary Level 14	9	6	66.6%	3	33.3%
Salary Level 13	46	33	71.7%	13	28.3%
Total	63	45	71.4%	18	28.6%

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2022 and 31 March 2023

SMS Level	Number of vacancies per level advertised in 6 months of becoming vacant	Filling of Posts	
		Number of vacancies per level filled in 6 months of becoming vacant	Number of vacancies per level not filled in 6 months but filled in 12 months
Director-General/ Head of Department	0	0	0
Salary Level 16	0	0	0
Salary Level 15	0	0	3
Salary Level 14	0	0	1
Salary Level 13	0	0	4
Total	0	0	8

Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2022 and 31 March 2023

Reasons for vacancies not advertised within six months
Financial constraints delays prioritization that seeks determine critical and funded vacancies, thereby contributing to delays to routing submissions
At the time the submission is routed, there might be over projections identified by CFO and or evaluation at Provincial Treasury, the request will be returned for management to appropriate funds to justify earmarked expenditure.
The delegation of powers to approve non-clinical posts is with the Premier It takes longer to obtain signatures owing to quality assurance above

Approval that are obtained lapses with a financial years and management is then forced to request an extension of those approvals as they overlap to another financial year

Reasons for vacancies not filled within twelve months
Some posts are NOT initially prioritised. Some later prioritised but are re-advertised, delaying the filling of posts
Approval obtained from Premier lapses with a financial year if the posts is not filled
Management is then forced to request an extension at that time cannot be able to proceed.

Notes

- In terms of the Public Service Regulations Chapter 1, Part VII C.1A.3, departments must indicate good cause or reason for not having complied with the filling of SMS posts within the prescribed timeframes.

Table 3.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2022 and 31 March 2023

Reasons for vacancies not advertised within six months

Reasons for vacancies not filled within six months

Notes

- In terms of the Public Service Regulations Chapter 1, Part VII C.1A.2, departments must indicate good cause or reason for not having complied with the filling of SMS posts within the prescribed timeframes. In the event of non-compliance with this regulation, the relevant executive authority or head of department must take appropriate disciplinary steps in terms of section 16A(1) or (2) of the Public Service Act.

3.4 Job Evaluation

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. The following table 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 3.4.1 Job Evaluation by Salary band for the period 1 April 2022 and 31 March 2023

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
01 Lower Skilled (Levels 1-2)	2 450	0	0	0	0	0	0
02 Skilled (Levels 3-5)	11 784	0	0	0	0	0	0
03 Highly Skilled Production (Levels 6-8)	4 531	0	0	0	0	0	0
04 Highly Skilled Supervision (Levels 9-12)	4 667	0	0	0	0	0	0
05 Senior Management Service Band A	45	0	0	0	0	0	0
06 Senior Management Service Band B	9	0	0	0	0	0	0
07 Senior Management Service Band C	5	0	0	0	0	0	0
08 Senior Management Service Band D	2	0	0	0	0	0	0
09 Other	166	0	0	0	0	0	0
10 Contract (Levels 1-2)	238	0	0	0	0	0	0
11 Contract (Levels 3-5)	851	0	0	0	0	0	0
12 Contract (Levels 6-8)	859	0	0	0	0	0	0
13 Contract (Levels 9-12)	705	0	0	0	0	0	0
14 Contract Band A	1	0	0	0	0	0	0
TOTAL	26 313	0	0	0	0	0	0

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

Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2022 and 31 March 2023

Gender	African	Asian	Coloured	White	Total
Female	-	-	-	-	-
Male	-	-	-	-	-
Total	-	-	-	-	-

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

Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2022 and 31 March 2023

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
N/A	N/A	N/A	N/A	N/A
Total number of employees whose salaries exceeded the level determined by job evaluation				
Percentage of total employed				
				N/A

Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2022 and 31 March 2023

Total number of Employees whose salaries exceeded the grades determine by job evaluation	None
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3.5 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 and critical occupations (see definition in notes below).

Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2022 and 31 March 2023

Salary band	Number of employees at beginning of period-1 April 2022	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
01 Lower Skilled (Levels 1-2) Permanent	1632	42	39	2,4
02 Skilled (Levels 3-5) Permanent	8918	240	266	3,0
03 Highly Skilled Production (Levels 6-8) Permanent	3371	135	216	6,4
03 Highly Skilled Production (Levels 6-8) Temporary	1	0	0	0,0
04 Highly Skilled Supervision (Levels 9-12) Permanent	2958	185	208	7,0
04 Highly Skilled Supervision (Levels 9-12) Temporary	8	0	2	25,0
05 Senior Management Service Band A Permanent	33	0	0	0,0
06 Senior Management Service Band B Permanent	6	1	0	0,0
07 Senior Management Service Band C Permanent	1	0	0	0,0
08 Senior Management Service Band D Permanent	2	1	1	50,0
09 Other Permanent	29	0	0	0,0
09 Other Temporary	63	142	10	15,9

Salary band	Number of employees at beginning of period-1 April 2022	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
10 Contract (Levels 1-2) Permanent	259	86	90	34,7
11 Contract (Levels 3-5) Permanent	842	495	547	65,0
12 Contract (Levels 6-8) Permanent	947	745	800	84,5
13 Contract (Levels 9-12) Permanent	775	435	452	58,3
14 Contract Band A Permanent	1	0	0	0,0
TOTAL	19,846	2,507	2,631	13,3

Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2022 and 31 March 2023

Critical occupation	Number of employees at beginning of period-April 2022	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Administrative Related Permanent	116	8	11	9,5
All Artisans in The Building Metal Machinery Etc. Permanent	74	5	4	5,4
Ambulance and Related Workers Permanent	1740	8	47	2,7
Architects Town and Traffic Planners Permanent	4	1	1	25,0
Artisan Project and Related Superintendents Permanent	2	0	0	0
Auxiliary and Related Workers Permanent	312	11	11	3,5
Biochemistry Pharmacol. Zoology & Life Scie. Techni Permanent	2	6	0	0
Biochemistry Pharmacol. Zoology & Life Scie. Techni Temporary	1	0	1	100,0
Building and Other Property Caretakers Permanent	44	0	2	4,5
Bus and Heavy Vehicle Drivers Permanent	56	6	6	10,7
Chemical and Physical Science Technicians Permanent	8	2	2	25,0
Cleaners in Offices Workshops Hospitals Etc. Permanent	1509	102	116	7,7
Client Inform Clerks (Switchb Recept Inform Clerks) Permanent	34	5	0	0
Communication and Information Related Permanent	2	0	0	0

Critical occupation	Number of employees at beginning of period- April 2022	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Community Development Workers Permanent	17	0	1	5,9
Computer System Designers and Analysts. Permanent	5	1	0	0
Dental Practitioners Permanent	70	30	30	42,9
Dental Specialists Permanent	1	0	0	0
Dental Specialists Temporary	0	1	1	0
Dental Technicians Permanent	1	0	0	0
Dental Therapy Permanent	1	0	0	0
Dieticians and Nutritionists Permanent	70	26	21	30,0
Dieticians and Nutritionists Temporary	1	0	0	0
Emergency Services Related Permanent	27	0	1	3,7
Engineering Sciences Related Permanent	1	1	0	0
Engineers and Related Professionals Permanent	14	1	1	7,1
Environmental Health Permanent	110	30	37	33,6
Finance and Economics Related Permanent	48	2	0	0
Financial and Related Professionals Permanent	75	0	5	6,7
Financial Clerks and Credit Controllers Permanent	143	0	4	2,8
Fire Fighting and Related Workers Permanent	1	0	0	0
Food Services Aids and Waiters Permanent	560	11	24	4,3
Food Services Workers Permanent	3	0	0	0
General Legal Administration & Rel. Professionals Permanent	3	4	1	33,3
Health Sciences Related Permanent	1225	22	68	5,6
Health Sciences Related Temporary	1	0	0	0
Household and Laundry Workers Permanent	772	16	60	7,8
Household Food and Laundry Services Related Permanent	4	1	0	0
Housekeepers Laundry and Related Workers Permanent	15	0	1	6,7
Human Resources & Organisat Developm & Relate Prof Permanent	44	1	2	4,5
Human Resources Clerks Permanent	183	0	6	3,3
Human Resources Related Permanent	14	0	1	7,1
Information Technology Related Permanent	5	3	3	60,0

Critical occupation	Number of employees at beginning of period-April 2022	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Inspectors of Apprentices Works and Vehicles Permanent	1	2	0	0
Language Practitioners Interpreters & Other Commun Permanent	4	0	0	0
Librarians and Related Professionals Permanent	1	0	0	0
Library Mail and Related Clerks Permanent	32	0	3	9,4
Light Vehicle Drivers Permanent	61	1	1	1,6
Logistical Support Personnel Permanent	76	0	6	7,9
Material-Recording and Transport Clerks Permanent	290	0	17	5,9
Medical Practitioners Permanent	783	355	308	39,3
Medical Practitioners Temporary	52	97	5	9,6
Medical Specialists Permanent	337	64	46	13,6
Medical Specialists Temporary	11	42	4	36,4
Medical Technicians/Technologists Permanent	38	2	4	10,5
Medical Technicians/Technologists Temporary	0	1	0	0
Messengers Porters and Deliverers Permanent	221	24	15	6,8
Natural Sciences Related Permanent	1	1	0	0
Nursing Assistants Permanent	2223	286	332	14,9
Occupational Therapy Permanent	80	25	34	42,5
Occupational Therapy Temporary	2	0	0	0
Optometrists and Opticians Permanent	6	2	0	0
Oral Hygiene Permanent	6	0	1	16,7
Other Administrat & Related Clerks and Organisers Permanent	1332	171	181	13,6
Other Administrative Policy and Related Officers Permanent	97	0	3	3,1
Other Information Technology Personnel. Permanent	99	31	34	34,3
Other Occupations Permanent	4	1	1	25,0
Pharmaceutical Assistants Permanent	5	0	0	0
Pharmacists Permanent	482	110	132	27,4
Pharmacists Temporary	1	0	0	0
Pharmacologists Pathologists & Related Professional Permanent	1	0	0	0
Physicists Permanent	7	1	0	0

Critical occupation	Number of employees at beginning of period-April 2022	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Physiotherapy Permanent	75	35	28	37,3
Production Advisers: Factories Permanent	1	0	0	0
Professional Nurse Permanent	2827	698	750	26,5
Professional Nurse Temporary	3	0	1	33,3
Psychologists and Vocational Counsellors Permanent	32	16	15	46,9
Psychologists and Vocational Counsellors Temporary	0	1	0	0
Quantity Surveyors & Rela Prof Not Class Elsewhere Permanent	2	0	0	0
Radiography Permanent	176	25	29	16,5
Regulatory Inspectors Permanent	12	0	0	0
Road Workers Permanent	1	0	0	0
Secretaries & Other Keyboard Operating Clerks Permanent	141	34	8	5,7
Security Guards Permanent	4	0	1	25,0
Security Officers Permanent	1279	39	32	2,5
Senior Managers Permanent	35	1	0	0
Social Sciences Related Permanent	4	0	0	0
Social Work and Related Professionals Permanent	70	9	12	17,1
Speech Therapy and Audiology Permanent	26	13	19	73,1
Staff Nurses and Pupil Nurses Permanent	1219	113	123	10,1
Statisticians and Related Professionals Permanent	8	0	0	0
Supplementary Diagnostic Radiographers Permanent	17	0	2	11,8
Trade Labourers Permanent	342	3	16	4,7
Trade Related Permanent	1	0	0	0
TOTAL	19846	2507	2631	13,3

Notes

- Critical occupations are defined as occupations or sub-categories within an occupation –
 - (a) in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available or they are available but do not meet the applicable employment criteria;

- (b) for which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction;
- (c) where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and
- (d) in respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees.

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

Table 3.5.3 Reasons why staff left the department for the period 1 April 2022 and 31 March 2023

Termination Type	Number	% of Total Resignations	% of Total Employment
01 Death, Permanent	63	2	0
02 Resignation, Permanent	430	16	2
02 Resignation, Temporary	7	0	0
03 Expiry of contract, Permanent	1810	69	9
03 Expiry of contract, Temporary	3	0	0
06 Discharged due to ill health, Permanent	12	1	0
06 Discharged due to ill health, Temporary	1	0	0
07 Dismissal-misconduct, Permanent	28	1	0
09 Retirement, Permanent	276	11	1
10 Other, Temporary	1	0	0
TOTAL	2 631	100	14

Table 3.5.4 Promotions by critical occupation for the period 1 April 2022 and 31 March 2023

Occupation	Employees 1 April 2022	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Administrative Related	116	4	3	7	6,0
All Artisans in The Building Metal Machinery Etc.	74	2	3	0	0
Ambulance and Related Workers	1740	8	1	1	0,1
Architects Town and Traffic Planners	4	1	25	1	25,0

Occupation	Employees 1 April 2022	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Artisan Project and Related Superintendents	2	0	0	0	0
Auxiliary and Related Workers	312	0	0	0	0
Biochemistry Pharmacol. Zoology & Life Scie. Techni	3	0	0	0	0
Building and Other Property Caretakers	44	0	0	0	0
Bus and Heavy Vehicle Drivers	56	3	5	0	0
Chemical and Physical Science Technicians	8	1	13	0	0
Cleaners in Offices Workshops Hospitals Etc.	1509	0	0	0	0
Client Inform Clerks (Switchb Recept Inform Clerks)	34	0	0	0	0
Communication and Information Related	2	0	0	0	0
Community Development Workers	17	0	0	0	0
Computer System Designers and Analysts.	5	0	0	0	0
Dental Practitioners	70	0	0	9	12,9
Dental Specialists	1	0	0	0	0
Dental Technicians	1	0	0	0	0
Dental Therapy	1	0	0	0	0
Dieticians and Nutritionists	71	1	1	0	0
Emergency Services Related	27	0	0	0	0
Engineering Sciences Related	1	0	0	0	0
Engineers and Related Professionals	14	0	0	1	7,1
Environmental Health	110	0	0	0	0
Finance and Economics Related	48	2	4	9	18,8
Financial and Related Professionals	75	7	9	0	0
Financial Clerks and Credit Controllers	143	0	0	0	0
Fire Fighting and Related Workers	1	0	0	0	0

Occupation	Employees 1 April 2022	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Food Services Aids and Waiters	560	5	1	0	0
Food Services Workers	3	2	67	0	0
General Legal Administration & Rel. Professionals	3	0	0	0	0
Health Sciences Related	1226	52	4	14	1,1
Household and Laundry Workers	772	5	1	0	0
Household Food and Laundry Services Related	4	0	0	0	0
Housekeepers Laundry and Related Workers	15	0	0	0	0
Human Resources & Organisat Developm & Relate Prof	44	1	2	0	0
Human Resources Clerks	183	0	0	0	0
Human Resources Related	14	0	0	1	7,1
Information Technology Related	5	0	0	0	0
Inspectors of Apprentices Works and Vehicles	1	0	0	0	0
Language Practitioners Interpreters & Other Commun	4	0	0	0	0
Librarians and Related Professionals	1	0	0	0	0,0
Library Mail and Related Clerks	32	0	0	0	0,0
Light Vehicle Drivers	61	0	0	0	0,0
Logistical Support Personnel	76	1	1	0	0,0
Material-Recording and Transport Clerks	290	0	0	0	0,0
Medical Practitioners	835	5	1	63	7,5
Medical Specialists	348	7	2	83	23,9
Medical Technicians/Technologists	38	0	0	0	0,0
Messengers Porters and Deliverers	221	0	0	0	0,0
Natural Sciences Related	1	0	0	0	0,0
Nursing Assistants	2223	0	0	0	0,0

Occupation	Employees 1 April 2022	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Occupational Therapy	82	3	4	0	0,0
Optometrists and Opticians	6	0	0	0	0,0
Oral Hygiene	6	0	0	0	0,0
Other Administration & Related Clerks and Organisers	1332	1	0	0	0,0
Other Administrative Policy and Related Officers	97	2	2	0	0,0
Other Information Technology Personnel.	99	0	0	0	0,0
Other Occupations	4	0	0	0	0,0
Pharmaceutical Assistants	5	0	0	0	0,0
Pharmacists	483	0	0	22	4,6
Pharmacologists Pathologists & Related Professional	1	1	100	0	0,0
Physicists	7	0	0	4	57,1
Physiotherapy	75	0	0	0	0,0
Production Advisers: Factories	1	0	0	0	0,0
Professional Nurse	2830	83	3	0	0,0
Psychologists and Vocational Counsellors	32	0	0	2	6,3
Quantity Surveyors & Rela Prof Not Class Elsewhere	2	0	0	0	0,0
Radiography	176	1	1	1	0,6
Regulatory Inspectors	12	0	0	0	0,0
Road Workers	1	0	0	0	0
Secretaries & Other Keyboard Operating Clerks	141	0	0	0	0
Security Guards	4	0	0	0	0
Security Officers	1279	1	0	0	0
Senior Managers	35	4	11	0	0
Social Sciences Related	4	0	0	2	50,0

Occupation	Employees 1 April 2022	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Social Work and Related Professionals	70	0	0	0	0
Speech Therapy and Audiology	26	0	0	0	0
Staff Nurses and Pupil Nurses	1219	0	0	0	0
Statisticians and Related Professionals	8	0	0	0	0
Supplementary Diagnostic Radiographers	17	0	0	0	0
Trade Labourers	342	1	0	0	0
Trade Related	1	0	0	0	0
Total	19846	204	1	220	1,1

Table 3.5.5 Promotions by salary band for the period 1 April 2022 and 31 March 2023

Salary Band	Employees 1 April 2022	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
01 Lower Skilled (Levels 1-2), Permanent	1632	0	0	0	0
02 Skilled (Levels 3-5), Permanent	8918	16	0,2	0	0
03 Highly Skilled Production (Levels 6-8), Permanent	3371	76	2,3	0	0
03 Highly Skilled Production (Levels 6-8), Temporary	1	0	0	0	0
04 Highly Skilled Supervision (Levels 9-12), Permanent	2958	104	3,5	157	5,3
04 Highly Skilled Supervision (Levels 9-12), Temporary	8	0	0	0	0
05 Senior Management (Levels >= 13), Permanent	42	7	16,7	0	0
09 Other, Permanent	29	0	0	0	0

Salary Band	Employees 1 April 2022	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
09 Other, Temporary	63	0	0	0	0
10 Contract (Levels 1-2), Permanent	259	0	0	0	0
11 Contract (Levels 3-5), Permanent	842	0	0	0	0
12 Contract (Levels 6-8), Permanent	947	1	0,1	0	0
13 Contract (Levels 9-12), Permanent	775	0	0	63	8,1
14 Contract (Levels >= 13), Permanent	1	0	0	0	0
TOTAL	19846	204	1,0	220	1,1

3.6 Employment Equity

Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2023

Occupational Category	Male					Female				
	African	Coloured	Indian	Total Blacks	White	African	Coloured	Indian	Total Blacks	
01 - Senior Officials and Managers	24	0	0	24	1	15	0	0	15	
02 - Professionals	933	46	40	1019	280	1610	94	52	1756	
03 - Technicians and Associate Professionals	761	21	1	783	35	2618	117	10	2745	
04 - Clerks	652	21	1	674	24	1244	62	3	1309	
05 - Service Shop and Market Sales Workers	1927	38	1	1966	32	4238	83	0	4321	
07 - Craft and Related Trade Workers	53	4	0	57	16	8	0	0	8	
08 - Plant and Machine Operators and Assemblers	106	2	0	108	2	6	0	0	6	
09 - Labourers and Related Workers	829	43	0	872	23	2348	53	0	2401	
99 - Unknown	5	1	0	6	0	10	0	0	10	
Total	5290	176	43	5509	413	12097	409	65	12571	

Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2023

Occupational Category	Male					Female				
	African	Coloured	Indian	Total Blacks	White	African	Coloured	Indian	Total Blacks	
01 - Senior Officials and Managers	24	0	0	24	1	15	0	0	15	
02 - Professionals	933	46	40	1019	280	1610	94	52	1756	
03 - Technicians and Associate Professionals	761	21	1	783	35	2618	117	10	2745	
04 - Clerks	652	21	1	674	24	1244	62	3	1309	
05 - Service Shop and Market Sales Workers	1927	38	1	1966	32	4238	83	0	4321	
07 - Craft and Related Trade Workers	53	4	0	57	16	8	0	0	8	
08 - Plant and Machine Operators and Assemblers	106	2	0	108	2	6	0	0	6	
09 - Labourers and Related Workers	829	43	0	872	23	2348	53	0	2401	
99 - Unknown	5	1	0	6	0	10	0	0	10	
Total	5 290	176	43	5 509	413	12 097	409	65	12 571	

Table 3.6.3 Recruitment for the period 1 April 2022 to 31 March 2023

Occupational Band	Male				Female				Total		
	African	Coloured	Indian	Total Blacks	White	African	Coloured	Indian		Total Blacks	White
01. Top Management, Permanent	0	0	0	0	0	1	0	0	1	0	1
02. Senior Management, Permanent	0	0	0	0	0	1	0	0	1	0	1
03. Professionally qualified and experienced specialists and mid-management, Permanent	65	4	2	71	9	83	5	5	93	12	185
04. Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	24	0	0	24	0	96	5	1	102	9	135

Occupational Band	Male					Female				
	African	Coloured	Indian	Total Blacks	White	African	Coloured	Indian	Total Blacks	White
05. Semi-skilled and discretionary decision-making, Permanent	73	1	0	74	1	157	4	0	161	4
06. Unskilled and defined decision making, Permanent	14	0	0	14	0	28	0	0	28	0
07. Not Available, Temporary	63	1	0	64	43	16	1	0	17	18
10. Contract (Professionally qualified), Permanent	115	8	16	139	53	123	8	27	158	85
11. Contract (Skilled technical), Permanent	122	1	0	123	3	537	17	6	560	59
12. Contract (Semi-skilled), Permanent	110	0	0	110	0	379	5	0	384	1
13. Contract (Unskilled), Permanent	19	2	0	21	0	64	0	0	64	1
TOTAL	605	17	18	640	109	1 485	45	39	1 569	189

TABLE 6.3B - Recruitment (Employees with disabilities)

Occupational band	Male					Female				
	African	Coloured	Indian	Total Blacks	White	African	Coloured	Indian	Total Blacks	White
Employees with disabilities	4	0	0	4	0	1	0	0	1	0
TOTAL	4	0	0	4	0	1	0	0	1	0

Table 3.6.4 Promotions for the period 1 April 2022 to 31 March 2023

Occupational Band	Male					female				
	African	Coloured	Indian	Total Blacks	White	African	Coloured	Indian	Total Blacks	White
01 Top Management, Permanent	3	0	0	3	0	0	0	0	0	0
02 Senior Management, Permanent	2	0	0	2	0	2	0	0	2	0
03 Professionally qualified and experienced specialists and mid-management, Permanent	66	3	1	70	27	109	9	0	118	46
TOTAL	71	3	1	75	27	119	9	0	120	46

Occupational Band	Male					female					Total
	African	Coloured	Indian	Total Blacks	White	African	Coloured	Indian	Total Blacks	White	
04 Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	14	0	0	14	0	58	4	0	62	0	76
05 Semi-skilled and discretionary decision making, Permanent	9	0	0	9	0	7	0	0	7	0	16
10 Contract (Professionally qualified), Permanent	8	5	4	17	19	13	2	3	18	9	63
11 Contract (Skilled technical), Permanent	0	0	0	0	0	1	0	0	1	0	1
12 Contract (Semi-skilled), Permanent	0	0	0	0	0	0	0	0	0	0	0
TOTAL	102	8	5	115	46	190	15	3	208	55	424

Table 3.6.5 Terminations for the period 1 April 2022 to 31 March 2023

Occupational Band	Male					Female					Total
	African	Coloured	Indian	Total Blacks	White	African	Coloured	Indian	Total Blacks	White	
01 Top Management, Permanent	0	0	0	0	0	1	0	0	1	0	1
03 Professionally qualified and experienced specialists and mid-management, Permanent	49	1	1	51	19	98	6	0	104	34	208
03 Professionally qualified and experienced specialists and mid-management, Temporary	0	0	0	0	0	0	0	0	0	2	2
04 Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	51	3	0	54	4	115	13	1	129	29	216
05 Semi-skilled and discretionary decision making, Permanent	101	5	1	107	2	143	10	0	153	4	266
06 Unskilled and defined decision making, Permanent	12	1	0	13	0	25	0	0	25	1	39

Occupational Band	Male					Female					Total
	African	Coloured	Indian	Total Blacks	White	African	Coloured	Indian	Total Blacks	White	
07 Not Available, Temporary	1	0	0	1	5	2	0	0	2	2	10
10 Contract (Professionally qualified), Permanent	121	6	24	151	57	127	7	20	154	90	452
11 Contract (Skilled technical), Permanent	127	3	2	132	2	567	17	3	587	79	800
12 Contract (Semi-skilled), Permanent	101	0	0	101	0	440	5	0	445	1	547
13 Contract (Unskilled), Permanent	25	2	0	27	0	62	0	0	62	1	90
TOTAL	588	21	28	637	89	1 580	58	24	1 662	243	2 631

TABLE 3.6.5B – Terminations (Employees with disabilities)

Occupational	Male				Female				Total
	African	Coloured	Indian	Total Blacks	White	African	Coloured	Total Blacks	
Employees with disabilities	0	0	0	0	0	3	0	3	1
									4

Table 3.6.7 Skills Development for the period 1 April 2022 to 31 March 2023

Occupational Category	Male					Female					Total
	African	Coloured	Indian	Total Blacks	White	African	Coloured	Indian	Total Blacks	White	
Legislators, Senior Officials and Managers	15	0	0	0	1	18	0	0	0	4	38
Professionals	58	0	3	3	10	235	3	0	235	25	334
Technicians and Associate Professionals	23	4	0	0	0	94	4	0	0	3	128
Clerks	78	2	0	0	0	126	2	0	0	8	216
Service and Sales Workers	39	0	0	0	0	36	0	0	0	0	75

Occupational Category	Male					Female					Total
	African	Coloured	Indian	Total Blacks	White	African	Coloured	Indian	Total Blacks	White	
Elementary Occupations	7	0	0	0	0	7	0	0	0	0	14
Employees with disabilities	0	0	0	0	0	0	0	0	0	0	0
TOTAL	221	6	3	221	11	518	9	0	235	40	797

3.7 Signing of Performance Agreements by SMS Members

Information regarding the signing of performance agreements by SMS members, the reasons for not complying within the prescribed timeframes and disciplinary steps taken is presented here.

Table 3.7.1 Signing of Performance Agreements by SMS members as on 31 May 2022

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General/ Head of Department	1	1	1	100%
Salary Level 16	1	1	0	0
Salary Level 15	4	4	2	50%
Salary Level 14	6	6	3	50%
Salary Level 13	34	34	23	67,6%
Total	46	46	29	63%

Notes

- In the event of a National or Provincial election occurring within the first three months of a financial year all members of the SMS must conclude and sign their performance agreements for that financial year within three months following the month in which the elections took place. For example, if elections took place in April, the reporting date in the heading of the table above should change to 31 July 2022.

Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2023

Reasons
Non-compliance to policy
Failure of Internal control

Notes

- The reporting date in the heading of this table should be aligned with that of Table 3.7.1.

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2023

Reasons
Non-compliant SMS member will be submitted to Labour Relations for further disciplinary measures.

Notes

- The reporting date in the heading of this table should be aligned with that of Table 3.7.1.

3.8 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, disability, salary bands and critical occupations (see definition in notes below).

Table 3.8.1 Performance Rewards by race, gender and disability for the period 1 April 2022 to 31 March 2023

Race and Gender	Number of Beneficiaries	Number of Employees	% of Total within Group	Total Cost (R'000)	Average Cost per Employee (R)
African, Female	0	12 074	0	0	0
African, Male	0	5274	0	0	0
Asian, Female	0	65	0	0	0

Race and Gender	Number of Beneficiaries	Number of Employees	% of Total within Group	Total Cost (R'000)	Average Cost per Employee (R)
Asian, Male	0	43	0	0	0
Coloured, Female	0	408	0	0	0
Coloured, Male	0	175	0	0	0
Total Blacks, Female	0	12 547	0	0	0
Total Blacks, Male	0	5 492	0	0	0
White, Female	0	951	0	0	0
White, Male	0	407	0	0	0
Employees with a disability	0	54	0	0	0
TOTAL	0	19 451	0	0	0

Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2022 to 31 March 2023

Salary band	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee
01 Lower Skilled (Levels 1-2)	0	1 599	0	0	0
02 Skilled (Levels 3-5)	0	8 732	0	0	0
03 Highly Skilled Production (Levels 6-8)	0	3 274	0	0	0
04 Highly Skilled Supervision (Levels 9-12)	0	2 978	0	0	0
09 Other	0	166	0	0	0
10 Contract (Levels 1-2)	0	238	0	0	0
11 Contract (Levels 3-5)	0	851	0	0	0
12 Contract (Levels 6-8)	0	859	0	0	0
13 Contract (Levels 9-12)	0	705	0	0	0
TOTAL	0	19 402	0	0	0

Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2022 to 31 March 2023

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost employee
Financial clerks and credit controllers	0	136	0	0	0
Household food and laundry services related	0	5	0	0	0
Production advisers: factories	0	1	0	0	0
Human resources clerks	0	176	0	0	0
Security officers	0	1 281	0	0	0
Household and laundry workers	0	723	0	0	0
Oral hygiene	0	5	0	0	0
Human resources & organisat development & relate prof	0	44	0	0	0
All artisans in the building metal machinery etc.	0	74	0	0	0
Messengers porters and deliverers	0	216	0	0	0
Dental specialists	0	1	0	0	0
Biochemistry pharmacol. Zoology & life scie. techni	0	8	0	0	0
Social sciences related	0	4	0	0	0
Logistical support personnel	0	74	0	0	0
Finance and economics related	0	50	0	0	0
Food services workers	0	5	0	0	0
Natural sciences related	0	1	0	0	0
Optometrists and opticians	0	8	0	0	0
Other administrat & related clerks and organisers	0	1 310	0	0	0
Housekeepers laundry and related workers	0	14	0	0	0
Auxiliary and related workers	0	310	0	0	0
Other occupations	0	4	0	0	0
Financial and related professionals	0	73	0	0	0
Building and other property caretakers	0	39	0	0	0

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost employee
Occupational therapy	0	71	0	0	0
Medical technicians/technologists	0	37	0	0	0
Emergency services related	0	28	0	0	0
Radiography	0	164	0	0	0
Architects town and traffic planners	0	4	0	0	0
Administrative related	0	116	0	0	0
Communication and information related	0	2	0	0	0
Physicists	0	8	0	0	0
Secretaries & other keyboard operating clerks	0	157	0	0	0
Cleaners in offices workshops hospitals etc.	0	1 487	0	0	0
Library mail and related clerks	0	29	0	0	0
Human resources related	0	11	0	0	0
Dental practitioners	0	68	0	0	0
Ambulance and related workers	0	1 683	0	0	0
Pharmaceutical assistants	0	5	0	0	0
Chemical and physical science technicians	0	8	0	0	0
Trade labourers	0	313	0	0	0
Physiotherapy	0	82	0	0	0
Environmental health	0	104	0	0	0
Language practitioners' interpreters & other communication	0	4	0	0	0
Medical practitioners	0	884	0	0	0
Social work and related professionals	0	66	0	0	0
Regulatory inspectors	0	12	0	0	0
General legal administration & rel. Professionals	0	6	0	0	0
Road workers	0	1	0	0	0

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost employee
Material-recording and transport clerks	0	274	0	0	0
Psychologists and vocational counsellors	0	34	0	0	0
Dieticians and nutritionists	0	77	0	0	0
Other administrative policy and related officers	0	98	0	0	0
Artisan project and related superintendents	0	2	0	0	0
Firefighting and related workers	0	1	0	0	0
Inspectors of apprentices works and vehicles	0	3	0	0	0
Professional nurse	0	2744	0	0	0
Statisticians and related professionals	0	8	0	0	0
Bus and heavy vehicle drivers	0	57	0	0	0
Senior managers	0	39	0	0	0
Client inform clerks (switchb receipt inform clerks)	0	38	0	0	0
Speech therapy and audiology	0	19	0	0	0
Computer system designers and analysts.	0	6	0	0	0
Pharmacists	0	455	0	0	0
Engineers and related professionals	0	15	0	0	0
Trade related	0	1	0	0	0
Other information technology personnel.	0	96	0	0	0
Dental therapy	0	1	0	0	0
Light vehicle drivers	0	59	0	0	0
Engineering sciences related	0	1	0	0	0
Medical specialists	0	380	0	0	0
Dental technicians	0	1	0	0	0
Security guards	0	3	0	0	0
Health sciences related	0	1 203	0	0	0

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost employee
Food services aids and waiters	0	541	0	0	0
Nursing assistants	0	2 210	0	0	0
Quantity surveyors & rela prof not class elsewhere	0	2	0	0	0
Pharmacologists pathologists & related professional	0	1	0	0	0
Community development workers	0	15	0	0	0
Supplementary diagnostic radiographers	0	15	0	0	0
Information technology related	0	5	0	0	0
Librarians and related professionals	0	1	0	0	0
Staff nurses and pupil nurses	0	1 134	0	0	0
Total	0	19 451	0	0	0

Notes

- Critical occupations are defined as occupations or sub-categories within an occupation –

- (a) in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available or they are available but do not meet the applicable employment criteria;
- (b) for which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction;
- (c) where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and
- (d) in respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees;

Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2022 to 31 March 2023

Salary band	Beneficiary Profile		Cost		Total cost as a % of the total personnel expenditure	
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Band A	0	36	0	0	0	43 162,67
Band B	0	7	0	0	0	9 518,71
Band C	0	4	0	0	0	4 946,66
Band D	0	2	0	0	0	4 782,22
TOTAL	0	49	0	0	0	62 410,25

3.9 Foreign Workers

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

Table 3.9.1 Foreign workers by salary band for the period 1 April 2022 and 31 March 2023

Salary Band	Beginning of period – 1/04/2022		End of period – 31/03/2023		Change in Employment	Percentage of Total	Total employment		Total Change in Employment
	Employment	Percentage of Total	Employment	Percentage of Total			at Beginning of Period	at End of Period	
Highly skilled production (Levels 6-8)	2	4	2	3	0	0	57	59	2
Highly skilled supervision (Levels 9-12)	54	95	54	92	0	0	57	59	2
Lower skilled (Levels 1-2)	0	0	0	0	0	0	57	59	2
Other	1	2	2	3	1	50	57	59	2
Senior management (Levels 13-16)	0	0	0	0	0	0	57	59	2
Skilled (Levels 3-5)	0	0	1	2	1	50	57	59	2
TOTAL	57	100	59	100	2	100	57	59	2

Table 3.9.2 Foreign workers by major occupation for the period 1 April 2022 and 31 March 2023

Salary Band	Beginning of period – 1/04/2022		End of period – 31/03/2023		Change in Employment		Total employment		Total Change in Employment
	Employment	Percentage of Total	Employment	Percentage of Total	Number	%	Beginning of period	End of period	
Administrative office workers	0	0	0	0	0	0	57	59	2
Elementary occupations	0	0	0	0	0	0	57	59	2
Professionals and managers	54	95	54	92	0	0	57	59	2
Service workers	0	0	0	0	0	0	57	59	2
Social natural technical and medical sciences + supp	0	0	1	2	1	50	57	59	2
Technicians and associated professionals	3	5	4	7	1	50	57	59	2
TOTAL	57	100	59	100	2	100	57	59	2

3.10 Leave utilisation

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

Table 3.10.1 Sick leave for the period 1 January 2022 to 31 December 2022

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)	Total number of Employees using Sick Leave	Total number of days with medical certification
Contract (Levels 1-2)	1 068	89,6	182	1,2	6	587,00	1 4562	957
Contract (Levels 3-5)	3 154	85,8	594	4,1	5	2 532,00	1 4562	2 707

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)	Total number of Employees using Sick Leave	Total number of days with medical certification
Contract (Levels 6-8)	3 456	83,9	718	4,9	5	4 601,00	1 4562	2 900
Contract (Levels 9-12)	1 520	81,4	306	2,1	5	4 165,00	1 4562	1 237
Highly skilled production (Levels 6-8)	23 888	89,3	2652	18,2	9	34 960,00	1 4562	21 343
Highly skilled supervision (Levels 9-12)	18 304	89,7	2107	14,5	9	51 544,00	1 4562	16 418
Lower skilled (Levels 1-2)	12 644	93,6	1245	8,5	10	7 337,00	1 4562	11 839
Other	41	82,9	5	0,0	8	76,00	1 4562	34
Senior management (Levels 13-16)	203	86,7	26	0,2	8	969,00	1 4562	176
Skilled (Levels 3-5)	62 556	91,9	6727	46,2	9	52 305,00	1 4562	57 491
TOTAL	126 832	90,8	14562	100	9	159 076,00	1 4562	115 102

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2022 to 31 December 2022

Salary band	Total days	% Days with Medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)	Total number of days with medical certification	Total number of Employees using Disability Leave
Contract (Levels 1-2)	65	100	4	1,7	16	36,00	65	241
Contract (Levels 3-5)	110	100	10	4,1	11	89,00	110	241
Contract (Levels 6-8)	219	100	10	4,1	22	296,00	219	241
Contract (Levels 9-12)	50	100	4	1,7	13	140,00	50	241
Highly skilled production (Levels 6-8)	2033	100	50	20,7	41	2 925,00	2033	241
Highly skilled supervision (Levels 9-12)	1905	100	41	17,0	46	4 983,00	1905	241
Lower skilled (Levels 1-2)	774	100	28	11,6	28	450,00	774	241
Skilled (Levels 3-5)	4254	100	94	39,0	45	3 466,00	4254	241
TOTAL	9410	100	241	100	39	12 385,00	9410	241

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

Table 3.10.3 Annual Leave for the period 1 January 2022 to 31 December 2022

Salary band	Total days taken	Average per employee	Number of Employees using annual leave
Contract (Levels 1-2)	4 740,84	19	250
Contract (Levels 13-16)	20,00	20	1
Contract (Levels 3-5)	13 804,92	16	856
Contract (Levels 6-8)	13 789,92	14	986
Contract (Levels 9-12)	10 579,00	15	725
Contract Other	3,00	3	1
Highly skilled production (Levels 6-8)	79 007,42	23	3 368
Highly skilled supervision (Levels 9-12)	72 609,25	24	2 976
Lower skilled (Levels 1-2)	36 096,53	23	1 584
Other	147,00	29	5
Senior management (Levels 13-16)	997,00	21	47
Skilled (Levels 3-5)	191 832,51	22	8 604
TOTAL	423 627,39	22	19 403

Table 3.10.4 Capped leave for the period 1 January 2022 to 31 December 2022

Salary band	Total days of capped leave taken	Number of Employees using capped leave	Average number of days taken per employee	Average capped leave per employee as on 31 March 2023
Contract (Levels 1-2)	0	0	0	0
Contract (Levels 13-16)	0	0	0	0
Contract (Levels 3-5)	0	0	0	0
Contract (Levels 6-8)	0	0	0	0

Salary band	Total days of capped leave taken	Number of Employees using capped leave	Average number of days taken per employee	Average capped leave per employee as on 31 March 2023
Contract (Levels 13-16)	0	0	0	0
Contract (Levels 3-5)	0	0	0	0
Contract (Levels 6-8)	0	0	0	0
Contract (Levels 9-12)	0	0	20	0
Highly skilled production (Levels 6-8)	145,00	4	30	33
Highly skilled supervision (Levels 9-12)	195,00	5	30	39
Lower skilled (Levels 1-2)	0	0	0	0
Other	0	0	14	0
Senior management (Levels 13-16)	0	0	33	0
Skilled (Levels 3-5)	37,08	2	23	17
TOTAL	377,08	4	28	89

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

Table 3.10.5 Leave pay-outs for the period 1 April 2022 and 31 March 2023

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Annual - discounting with resignation (work days)	3 608,00	153	23 582,00
Annual - discounting: unused vacation credits (work days)	263,00	8	32 875,00
Annual - gratuity: death/retirement/medical retirement (work)	8 155,00	246	33 150,00
Capped - gratuity: death/retirement/medical retirement (work)	9 847,00	168	58 613,00
TOTAL	21 873,00	575	148 220,00

3.11 HIV/AIDS & Health Promotion Programmes

Table 3.11.1 Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
HIV wards; EMS; Forensic Services; Casualty; Theatre; ICU	Information or awareness, Provision PPC and Availability of PEP

Table 3.11.2 Details of Health Promotion and HIV/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.	Yes		Mrs MA Mofubelu
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.	Yes		Two employees, currently. No dedicated Budget
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.	Yes		Physical Wellness, individual and group counselling
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.	Not yet		
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.	Yes		HIV/AIDS workplace Policy
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	Yes		Providing education to both employer and employees about Policy and Departmental Grievance Procedure

Question	Yes	No	Details, if yes
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	Yes		Department embarked on Voluntary Testing campaigns but less than 10% of employees tested.
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	Yes		Operational plan and monitoring tool by DPSA

3.12 Labour Relations

Table 3.12.1 Collective agreements for the period 1 April 2022 and 31 March 2023

Subject matter	Date
PSCBC Resolution 2 of 2023 – Agreement on the Payment of a Salary Adjustment in the Public Service for Financial Years 2023/2024 and 2024/2025	31 March 2023
PHSDSBC Resolution 3 of 2022 – Extension of Resolution 1 of 2021 – Agreement on Standardisation of Remuneration of Community Health Workers in the Department of Health	21 July 2022
PSCBC Resolution 1 of 2022 – Adoption of the declaration on the Public Service Co-ordination Bargaining Council Summit on Collective Bargaining held on 28-31 March 2022 at Emperors Palace Conference Centre, Gauteng	22 June 2022
PSCBC Resolution 1 of 2023 – Agreement on the Transfer and Integration of Staff into the Border Management Authority	07 March 2023

Notes

- If there were no agreements, keep the heading and replace the table with the following:

Total number of Collective agreements	04
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The following table summarises the outcome of disciplinary hearings conducted within the department for the year under review.

Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2022 and 31 March 2023

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	0	-
Verbal warning	0	-
Written warning	01	0.32%
Final written warning	146	47.55%
Suspended without pay	40	13.02%
Fine	0	-
Demotion	0	-
Dismissal	23	7.49%
Not guilty	05	1.64%
Case withdrawn	07	2.28%
Total	222	

Notes

- If there were no agreements, keep the heading and replace the table with the following:

Total number of Disciplinary hearings finalised	222
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Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2022 and 31 March 2023

Type of misconduct	Number	% of total
Sexual Harassment	02	0.65%
Cause irregular expenditure	34	11.07%
Contravenes any Prescribed Code of Conduct for Public Service	202	65.79%
Incitement	06	1.95%
Assault	18	5.86%
Absenteeism	14	4.56%
Insubordination	20	6.51%
While on duty conduct himself or herself in an Improper, disgraceful and unacceptable manner	11	3.58%
Total	307	

Table 3.12.4 Grievances logged for the period 1 April 2022 and 31 March 2023

Grievances	Number	% of Total
Number of grievances resolved	364	66.18%
Number of grievances not resolved	186	33.81%
Total number of grievances lodged	550	

Table 3.12.5 Disputes logged with Councils for the period 1 April 2022 and 31 March 2023

Disputes	Number	% of Total
Number of disputes upheld	03	10.3%
Number of disputes dismissed	17	58.6%
Total number of disputes lodged	29	

Table 3.12.6 Strike actions for the period 1 April 2022 and 31 March 2023

Total number of persons working days lost	1 393
Total costs working days lost	Not yet verified
Amount recovered as a result of no work no pay (R'000)	Not yet verified

Table 3.12.7 Precautionary suspensions for the period 1 April 2022 and 31 March 2023

Number of people suspended	19
Number of people whose suspension exceeded 30 days	10
Average number of days suspended	89 days
Cost of suspension(R'000)	R 1 758 489.70

3.13 Utilisation of Consultants

The following tables relates information on the utilisation of consultants in the department. In terms of the Public Service Regulations “consultant” means a natural or juristic person or a partnership who or which provides in terms of a specific contract on an ad hoc basis any of the following professional services to a department against remuneration received from any source:

- (a) The rendering of expert advice;
- (b) The drafting of proposals for the execution of specific tasks; and
- (c) The execution of a specific task which is of a technical or intellectual nature, but excludes an employee of a department.

Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2022 and 31 March 2023

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
Transaction advisors to perform feasibility study for the intend Public Private Partnership Parys	1	36 Months	R 20 000 000.00
Transaction advisors to perform feasibility study for the intend Public Private Partnership for the processes containing Phase III as Treasury Regulations 15 for Universitas Academic Hospital and Pelonomi Tertiary Hospital co-location	1	12 Months (Extended for further 12 Months)	R 9 394 114.61 (Variation amount R 1 205 380.83)
Administer, Process and Recover Claims in Respect of Medical Supplier Claims in Terms of Section 17 (5) Of the Road Accident Fund Act, 56 Of 1996	1	60 Months	Revenue (25% commission)
Qualified service supply provider for the collection of outstanding H2 and H3 patients	1	36 days	Revenue (7.5% commission)

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
Not applicable			

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2022 and 31 March 2023

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
Transaction advisors to perform feasibility study for the intend Public Private Partnership Parys	100%	100%	1
Transaction advisors to perform feasibility study for the intend Public Private Partnership for the processes containing Phase III as Treasury Regulations 15 for Universitas Academic Hospital and Pelonomi Tertiary Hospital co-location	100%	100%	1
Administer, Process and Recover Claims in Respect of Medical Supplier Claims in Terms of Section 17 (5) Of the Road Accident Fund Act, 56 Of 1996	82,9%	82,9%	1
Qualified service supply provider for the collection of outstanding H2 and H3 patients	100%	100%	1

Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2022 and 31 March 2023

Project title	Total Number of consultants that worked on project	Duration (Work Months)	Donor and contract value in Rand Health Facility Revitalization Grant (HFRG)
Pelonomi Waiting area for upgrading and refurbishment.	6	18 months	R 18 Million (Estimate)
EMS College: Phase 2 for upgrading and refurbishment	6	36 months	R 177 Million (Estimate)
Bongani Hospital (Civil Works) for upgrading and refurbishment	1	36 months	R 137 Million (Estimate)
Bloemfontein Forensic Mortuary for upgrading and refurbishment	6		
National Hospital (Various Projects) for upgrading and refurbishment	7	36 months	R 250 Million (Estimate)
Thusanong Hospital for upgrading and refurbishment	8	36 Months	R 308 Million (Estimate)
Pelonomi Hospital (Civil Works) for upgrading and refurbishment	1	36 Months	R 135 Million (Estimate)
Manapo Hospital (Civil works) for upgrading and refurbishment	1		
Pelonomi Maternity for upgrading and refurbishment	6	24 Months	R 36 Million (Estimate)
Free State Psychiatric for upgrading and refurbishment	6	36 Months	R 52 Million (Estimate)
Barken Park for upgrading and refurbishment	8		
Fezi Ngubentombi Hospital for upgrading and refurbishment	1		
Riemland Clinic for upgrading and refurbishment	1		

Project title	Total Number of consultants that worked on project	Duration (Work Months)	Donor and contract value in Rand Health Facility Revitalization Grant (HFRG)
Parys Clinic for upgrading and refurbishment	1		
Phahameng (Frankfort) Clinic for upgrading and refurbishment	1		
Phedisoeng Clinic for upgrading and refurbishment	1		
Phokolong (Cornelia) Clinic for upgrading and refurbishment	1		
Qalabotjha Clinic for upgrading and refurbishment	1		
Manapo Hospital for upgrading and refurbishment	1		
Borwa Clinic for upgrading and refurbishment	1		
Clocolan Clinic for upgrading and refurbishment	1		
Dikwena Clinic for upgrading and refurbishment	1		
Eva Mota Clinic for upgrading and refurbishment	1		
Excelsior Clinic for upgrading and refurbishment	1		
Fateng Ntse Ntsho for upgrading and refurbishment	1		
JD Newberry Hospital for upgrading and refurbishment	1		
Makoane Clinic for upgrading and refurbishment	1		
Malesaona Clinic for upgrading and refurbishment	1		
Manyatseng Clinic for upgrading and refurbishment	1		
Marakong Clinic for upgrading and refurbishment	1		
Matsieng Clinic for upgrading and refurbishment	1		
Mohau Hospital for upgrading and refurbishment	1		
Kgotsoeng (Bothaville) Clinic for upgrading and refurbishment	1		
Kgotsoeng (Welkom) Clinic for upgrading and refurbishment	1		
Khotalong Clinic for upgrading and refurbishment	1		
Leratong Clinic for upgrading and refurbishment	1		
Lusaka Clinic for upgrading and refurbishment	1		
Marantha Clinic for upgrading and refurbishment	1		
Mafube Hospital for upgrading and refurbishment	1		
Sandersville Clinic for upgrading and refurbishment	1		
Sasolburg Clinic for upgrading and refurbishment	1		
Schonkenville Clinic for upgrading and refurbishment	1		
Sedibeng sa Bophelo Clinic for upgrading and refurbishment	1		

Project title	Total Number of consultants that worked on project	Duration (Work Months)	Donor and contract value in Rand Health Facility Revitalization Grant (HFRG)
Siyathokoza Clinic (Parys) for upgrading and refurbishment	1		
National District Hospital for upgrading and refurbishment	1		
Karabo Clinic for upgrading and refurbishment	1		
Klipfontein Clinic upgrading and refurbishment	1		
Langenhovenpark Clinic for upgrading and refurbishment	1		
Lebohlang Clinic for upgrading and refurbishment	1		
Itemoheng Hospital for upgrading and refurbishment	1		
Free State Psychiatric Complex for upgrading and refurbishment	1		
Kgalala Clinic for upgrading and refurbishment	1		
Leratswana Clinic for upgrading and refurbishment	1		
Lindley Clinic for upgrading and refurbishment	1		
Makeneng Clinic for upgrading and refurbishment	1		
Botshabelo District Hospital for upgrading and refurbishment	1		
Mokwena Clinic for upgrading and refurbishment	1		
Molefi Tau Clinic for upgrading and refurbishment	1		
Molemo Healthcare Clinic for upgrading and refurbishment	1		
National District Hospital Gateway Clinic for upgrading and refurbishment	1		
Opkoms Clinic for upgrading and refurbishment	1		
Phetogo Clinic for upgrading and refurbishment	1		
Phumelela Hospital for upgrading and refurbishment	1		
Qholaqhwe Clinic for upgrading and refurbishment	1		
Rearabetswe Clinic for upgrading and refurbishment	1		
Reitumetse Clinic for upgrading and refurbishment	1		
Reitz Clinic for upgrading and refurbishment	1		
Relebohile Rosendal Clinic for upgrading and refurbishment	1		
Riverside Clinic for upgrading and refurbishment	1		

Project title	Total Number of consultants that worked on project	Duration (Work Months)	Donor and contract value in Rand Health Facility Revitalization Grant (HFRG)
Phekolong Hospital for upgrading and refurbishment	1		
Nthabiseng Clinic for upgrading and refurbishment	1		
OR Tambo (Senekal) Clinic for upgrading and refurbishment	1		
Paballong Clinic for upgrading and refurbishment	1		
Paul Roux Clinic for upgrading and refurbishment	1		
Petsana Clinic for upgrading and refurbishment	1		
Universitas Academic Hospital for upgrading and refurbishment	1		
Bainsvlei Clinic for upgrading and refurbishment	1		
Batho Clinic for upgrading and refurbishment	1		
Bayswater Clinic for upgrading and refurbishment	1		
Bophelong (Botshabelo) Clinic for upgrading and refurbishment	1		
Botshabelo Industrial Clinic for upgrading and refurbishment	1		
Bren Healthcare Clinic for upgrading and refurbishment	1		
Nketoana Hospital for upgrading and refurbishment	1		
Mauersnek Clinic for upgrading and refurbishment	1		
Meqheleng Clinic for upgrading and refurbishment	1		
Monontsha Clinic for upgrading and refurbishment	1		
Mphatlalatsane Clinic for upgrading and refurbishment	1		
Mphohadi Clinic for upgrading and refurbishment	1		
Namahali Clinic for upgrading and refurbishment	1		
Pelonomi Academic Hospital for upgrading and refurbishment	1		
Dr. Pedro Memorial Clinic for upgrading and refurbishment	1		
Fichardtspark Clinic for upgrading and refurbishment	1		
Freedom Square Clinic for upgrading and refurbishment	1		
Gabriel Dichabe Clinic for upgrading and refurbishment	1		
Gaongalelwe Clinic for upgrading and refurbishment	1		
Dr. JS Moroka District Hospital for upgrading and refurbishment	1		
Sediba Clinic for upgrading and refurbishment	1		
Thaba Nchu Clinic for upgrading and refurbishment	1		
Thusanong Clinic for upgrading and refurbishment	1		

Project title	Total Number of consultants that worked on project	Duration (Work Months)	Donor and contract value in Rand Health Facility Revitalization Grant (HFRG)
Tiger River Clinic for upgrading and refurbishment	1		
Twefontein Clinic for upgrading and refurbishment	1		
Fezi Ngubentombi Hospital for upgrading and refurbishment	1		
Riemland Clinic for upgrading and refurbishment	1		
Parys Clinic for upgrading and refurbishment	1		
Phahameng Clinic (Frankfort) for upgrading and refurbishment	1		
Phedisong Clinic for upgrading and refurbishment	1		
Phekolong Clinic (Cornelia) for upgrading and refurbishment	1		
Qalabotjha Clinic for upgrading and refurbishment	1		
Thusanong Hospital for upgrading and refurbishment	1		
Windburg Hospital for upgrading and refurbishment	1		
Tshepong Clinic (Verkeerdelei) for upgrading and refurbishment	1		
Tshepong Clinic (Welkom) for upgrading and refurbishment	1		
Tshwaraganang Clinic (Hertzogville) for upgrading and refurbishment	1		
Vaal Rock Clinic for upgrading and refurbishment	1		
Katlehong Hospital for upgrading and refurbishment	1		
Bronville Clinic for upgrading and refurbishment	1		
DA Maleho Clinic for upgrading and refurbishment	1		
Dealesville Clinic for upgrading and refurbishment	1		
Geneva Clinic for upgrading and refurbishment	1		
Hani Park Clinic for upgrading and refurbishment	1		
Hennenman Clinic for upgrading and refurbishment	1		
Dihlabeng Hospital for upgrading and refurbishment	1		
Tshwaraganang (Dealesville) for upgrading and refurbishment	1		
Barken Park Clinic for upgrading and refurbishment	1		
Bethlehem Clinic for upgrading and refurbishment	1		
Bohlokong Clinic for upgrading and refurbishment	1		
Boiketlo Clinic for upgrading and refurbishment	1		

Project title	Total Number of consultants that worked on project	Duration (Work Months)	Donor and contract value in Rand Health Facility Revitalization Grant (HFRG)
Bolata Clinic for upgrading and refurbishment	1		
Boitumelo Hospital for upgrading and refurbishment	1		
Ango Maseola (Marikana) Clinic	1		
Bophelong (Kroonstad) Clinic for upgrading and refurbishment	1		
Brentpark Clinic for upgrading and refurbishment	1		
Deneysville Clinic for upgrading and refurbishment	1		
Dr Che Guevara Clinic for upgrading and refurbishment	1		
Frankfort Clinic for upgrading and refurbishment	1		
Nala Hospital for upgrading and refurbishment	1		
OR Tambo Clinic for upgrading and refurbishment (QS)	1		
OR Tambo Clinic for upgrading and refurbishment (Mechanical)	1		
Phahameng (Bultfontein) Clinic for upgrading and refurbishment	1		
Phedisanaang Clinic for upgrading and refurbishment	1		
Phomolong (Hennenman) Clinic for upgrading and refurbishment	1		
Albert Nzula Hospital for upgrading and refurbishment	1		
Diamond Hospital for upgrading and refurbishment	1		
Dewetsdorp One Stop Clinic	1		
Ethembeni Clinic for upgrading and refurbishment	1		
Fauresmith Clinic for upgrading and refurbishment	1		
Itumeleng (Jagersfontein) Clinic for upgrading and refurbishment	1		
Phuthuloha Hospital for upgrading and refurbishment	1		
Tebang Clinic for upgrading and refurbishment	1		
Thaba Bosiu Clinic for upgrading and refurbishment	1		
Thaba Phatswa Clinic for upgrading and refurbishment	1		
Thabang Clinic for upgrading and refurbishment	1		
Thembalethu Clinic for upgrading and refurbishment	1		
Tweespruit Clinic for upgrading and refurbishment	1		
Senorita Ntlabathi Hospital for upgrading and refurbishment	1		
Thebe Hospital for upgrading and refurbishment	1		

Project title	Total Number of consultants that worked on project	Duration (Work Months)	Donor and contract value in Rand Health Facility Revitalization Grant (HFRG)
Tina Moloi Clinic for upgrading and refurbishment	1		
Tseki Clinic for upgrading and refurbishment	1		
Tshiame B Clinic for upgrading and refurbishment	1		
Tshirela Clinic for upgrading and refurbishment	1		
Elizabeth Ross Hospital for upgrading and refurbishment	1		
Hlohlolwane Clinic for upgrading and refurbishment	1		
Hobhouse Clinic for upgrading and refurbishment	1		
Ikaheng Clinic for upgrading and refurbishment	1		
Intabazwe Clinic for upgrading and refurbishment	1		
Itumeleng (Clarens) Clinic for upgrading and refurbishment	1		
Kokelong Clinic for upgrading and refurbishment	1		

Note: The consultants for 159 infrastructure related projects were appointed in February 2023. The duration and cost value of the consultants utilized and highlighted in grey, was not available during the compilation of the report, due to the conditional assessment which is underway and that will be used for determination of the duration and estimated costs for these projects.

3.14 Severance Packages

Table 3.16.1 Granting of employee-initiated severance packages for the period 1 April 2022 and 31 March 2023

Salary band	Number of applications received	Number of applications referred to the MPSA	Number of applications supported by MPSA	Number of packages approved by department
Lower skilled (Levels 1-2)				
Skilled Levels 3-5				
Highly skilled production (Levels 6-8)				
Highly skilled supervision (Levels 9-12)				
Senior management (Levels 13-16)				
Total				

MEDPAS

HUMAN RESOURCE MANAGEMENT (X4)



Table 3.1.1 Personnel expenditure by programme for the period 1 April 2022 and 31 March 2023

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and special services expenditure (R'000)	Personnel expenditure as a % of total expenditure	Average personnel cost per employee (R'000)
ASSETS & LIABILITIES	3 158.00	0	0	0	0	0
FS: MEDPAS	788 428.00	45 756.00	0	0	5.8	401.00
Total as on Financial Systems (BAS)	791 586.00	45 756.00	0	0	5.8	401.00

Table 3.1.2 Personnel costs by salary band for the period 1 April 2022 and 31 March 2023

Salary band	Personnel expenditure including Transfers (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Lower skilled (Levels 1-2)	874.00	1.9	4	218 500
Skilled (level 3-5)	20 909.00	45.3	72	290 403
Highly skilled production (levels 6-8)	11 978.00	25.9	25	479 120
Highly skilled supervision (levels 9-12)	12 381.00	26.8	13	952 385
Total	46 142.00	100	114	404 754

Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2022 and 31 March 2023

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
FS MEDPAS	35 427.00	76.7	834.00	1.8	1 932.00	4.2	3 807.00	8.20
Total	35 427.00	76.7	834.00	1.8	1 932.00	4.2	3 807.00	8.20

Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2022 and 31 March 2023

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Skilled (level 1-2)	581.00	66.5	18.00	2.1	75.00	8.6	136.00	15.6
Skilled (level 3-5)	14 790.00	70.7	442.00	2.1	1 309.00	6.3	2 548.00	12.2
Highly skilled production (levels 6-8)	9 053.00	75.6	290.00	2.4	492.00	4.1	1 005.00	8.4
Highly skilled supervision (levels 9-12)	11 004.00	88.7	84.00	0.7	56.00	0.5	117.00	0.9
Total	35 427.00	76.7	834.00	1.8	1 932.00	4.2	3 807.00	8.2

3.15 Employment and Vacancies

Table 3.2.1 Employment and vacancies by programme as on 31 March 2023

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
FS MEDPAS, Permanent	130	114	12.3	0
Total	130	114	12.3	0

Table 3.2.2 Employment and vacancies by salary band as on 31 March 2023

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Lower skilled (1-2)	4	4	0	0
Skilled (3-5)	82	72	12.2	0
Highly skilled production (6-8)	27	25	7.4	0
Highly skilled supervision (9-12)	17	13	23.5	0
Total	130	114	12.3	0

Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2023

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administrative related, Permanent	3	2	33.3	0
Auxiliary and related workers, Permanent	2	2	0	0
Cleaners in offices workshops hospitals etc., permanent	5	5	0	0
Client inform clerks (switchboard reception inform clerks), Permanent	2	1	50	0
Finance and economics related, Permanent	2	1	50	0
Financial and related professionals, Permanent	5	5	0	0
Financial clerks and credit controllers, Permanent	11	11	0	0
Human resources clerks, Permanent	2	2	0	0
Light vehicle drivers, Permanent	1	0	100	0
Logistical support personnel, Permanent	9	8	11.1	0
Material-recording and transport clerks, Permanent	23	20	13.0	0
Messengers porters and deliverers, Permanent	1	1	0	0
Other administrative & related clerks and organisers, Permanent	3	3	0	0
Pharmacists, Permanent	27	25	7.4	0
Professional nurse, Permanent	1	1	0	0
Security officers, Permanent	24	18	25.0	0
Trade labourers, Permanent	9	9	0	0
Total	130	114	12.3	0

Notes

- Critical occupations are defined as occupations or sub-categories within an occupation –
 - (e) in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available or they are available but do not meet the applicable employment criteria;
 - (f) for which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course of study and/or specialised instruction;

- (g) where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and
- (h) in respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees.

3.16 Job Evaluation

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. The following table 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 3.4.1 Job Evaluation by Salary band for the period 1 April 2022 and 31 March 2023

Salary band	Number of posts on approved establishment	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	0	0	0	0	0	0
Skilled (Levels 3-5)	82	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	27	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	17	0	0	0	0	0	0
Total	130	0	0	0	0	0	0

3.17 Employment Changes

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

Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2022 and 31 March 2023

Salary band	Number of employees at beginning of period-1 April 2022	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2) Permanent	4	0	0	0
Skilled (Levels 3-5) Permanent	67	5	0	0
Highly skilled production (Levels 6-8) Permanent	27	0	2	7.4
Highly skilled supervision (Levels 9-12) Permanent	13	1	0	0
Other Permanent	3	0	0	0
Total	114	6	2	1.8

Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2022 and 31 March 2023

Critical occupation	Number of employees at beginning of period-April 2022	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Administrative Related Permanent	2	0	0	0
Auxiliary and Related Workers Permanent	2	0	0	0
Cleaners in Offices Workshops Hospitals Etc. Permanent	5	0	0	0
Client Inform Clerks (Switchb Recept Inform Clerks) Permanent	1	0	0	0
Finance and Economics Related Permanent	1	0	0	0
Financial and Related Professionals Permanent	5	0	0	0
Financial Clerks and Credit Controllers Permanent	11	0	0	0
Human Resources Clerks Permanent	2	0	0	0
Logistical Support Personnel Permanent	9	0	1	11.1
Material-Recording and Transport Clerks Permanent	21	3	1	4.8
Messengers Porters and Deliverers Permanent	1	0	0	0
Other Administrat & Related Clerks and Organisers Permanent	3	0	0	0
Pharmacists Permanent	25	1	0	0
Professional Nurse Permanent	1	0	0	0
Security Officers Permanent	18	0	0	0
Trade Labourers Permanent	7	2	0	0
Total	114	6	2	1.8

Table 3.5.4 Promotions by critical occupation for the period 1 April 2022 and 31 March 2023

Occupation	Employees 1 April 2022	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Administrative Related	2	0	0	0	0
Auxiliary and Related Workers	2	0	0	0	0
Cleaners in Offices Workshops Hospitals Etc.	5	0	0	0	0
Client Inform Clerks (Switchb Recept Inform Clerks)	1	0	0	0	0
Finance and Economics Related	1	0	0	0	0

Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2022 and 31 March 2023

Critical occupation	Number of employees at beginning of period-April 2022	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Administrative Related Permanent	2	0	0	0
Auxiliary and Related Workers Permanent	2	0	0	0
Cleaners in Offices Workshops Hospitals Etc. Permanent	5	0	0	0
Client Inform Clerks (Switchb Recept Inform Clerks) Permanent	1	0	0	0
Finance and Economics Related Permanent	1	0	0	0
Financial and Related Professionals Permanent	5	0	0	0
Financial Clerks and Credit Controllers Permanent	11	0	0	0
Human Resources Clerks Permanent	2	0	0	0
Logistical Support Personnel Permanent	9	0	1	11.1
Material-Recording and Transport Clerks Permanent	21	3	1	4.8
Messengers Porters and Deliverers Permanent	1	0	0	0
Other Administrat & Related Clerks and Organisers Permanent	3	0	0	0
Pharmacists Permanent	25	1	0	0
Professional Nurse Permanent	1	0	0	0
Security Officers Permanent	18	0	0	0
Trade Labourers Permanent	7	2	0	0
Total	114	6	2	1.8

Table 3.5.4 Promotions by critical occupation for the period 1 April 2022 and 31 March 2023

Occupation	Employees 1 April 2022	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Administrative Related	2	0	0	0	0
Auxiliary and Related Workers	2	0	0	0	0
Cleaners in Offices Workshops Hospitals Etc.	5	0	0	0	0
Client Inform Clerks (Switchb Recept Inform Clerks)	1	0	0	0	0
Finance and Economics Related	1	0	0	0	0

Occupation	Employees 1 April 2022	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Financial and Related Professionals	5	0	0	0	0
Financial Clerks and Credit Controllers	11	0	0	0	0
Human Resources Clerks	2	0	0	0	0
Logistical Support Personnel	9	0	0	0	0
Material-Recording and Transport Clerks	21	0	0	0	0
Messengers Porters and Deliverers	1	0	0	0	0
Other Administrat & Related Clerks and Organisers	3	0	0	0	0
Pharmacists	25	0	0	0	0
Professional Nurse	1	0	0	0	0
Security Officers	18	0	0	0	0
Trade Labourers	7	0	0	0	0
TOTAL	114	0	0	0	0

Table 3.5.5 Promotions by salary band for the period 1 April 2022 and 31 March 2023

Salary Band	Employees 1 April 2022	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Lower skilled (Levels 1-2), Permanent	4	0	0	0	0
Skilled (Levels 3-5), Permanent	67	0	0	0	0
Highly skilled production (Levels 6-8), Permanent	27	0	0	0	0
Highly skilled supervision (Levels 9-12), Permanent	13	0	0	0	0
Total	3	0	0	0	0

3.18 Employment Equity

Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2023

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
02 - Professionals	15	1	0	2	10	2	0	1	31

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
03 - Technicians and Associate Professionals	4	1	0	2	5	0	0	1	13
04 - Clerks	19	1	0	0	14	1	0	2	37
05 - Service Shop and Market Sales Workers	7	0	0	0	11	0	0	0	18
09 - Labourers and Related Workers	6	1	0	0	8	0	0	0	15
Total	51	4	0	4	48	3	0	4	114
Employees with disabilities									

Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2023

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
03 Professionally qualified and experienced specialists and mid-management, Permanent	6	0	0	2	4	0	0	1	13
04 Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	10	1	0	1	10	1	0	2	25
05 Semi-skilled and discretionary decision-making, Permanent	35	3	0	1	30	2	0	1	72
06 Unskilled and defined decision making, Permanent	0	0	0	0	4	0	0	0	4
TOTAL	51	4	0	4	48	3	0	4	114

Table 3.6.3 Recruitment for the period 1 April 2022 to 31 March 2023

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
03 Professionally qualified and experienced specialists and mid-management, Permanent	6	0	0	2	4	0	0	1	13
04 Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	10	1	0	1	10	1	0	2	25
05 Semi-skilled and discretionary decision making, Permanent	35	3	0	1	30	2	0	1	72
06 Unskilled and defined decision making, Permanent	0	0	0	0	4	0	0	0	4
TOTAL	51	4	0	4	48	3	0	4	114
Employees with disabilities									

Table 3.6.5 Terminations for the period 1 April 2022 to 31 March 2023

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
O4 Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	1	1	0	0	0	0	0	0	2
Total	1	1	0	0	0	0	0	0	2
Employees with Disabilities									

3.19 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, disability, salary bands and critical occupations (see definition in notes below).

Table 3.8.1 Performance Rewards by race, gender and disability for the period 1 April 2022 to 31 March 2023

Race and Gender	Beneficiary Profile		Cost	
	Number of beneficiaries	Number of employees	% of total within group	Average cost per employee
African				
Male	0	51	0	0
Female	0	48	0	0
Asian				
Male	0	0	0	0
Female	0	0	0	0
Coloured				
Male	0	4	0	0
Female	0	3	0	0
White				
Male	0	4	0	0
Female	0	4	0	0
Total	0	220	0	0

Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2022 to 31 March 2023

Salary band	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee
Lower Skilled (Levels 1-2)	0	4	0	0	0

Salary band	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee
Skilled (level 3-5)	0	72	0	0	0
Highly skilled production (level 6-8)	0	25	0	0	0
Highly skilled supervision (level 9-12)	0	13	0	0	0
Total	0	114	0	0	0

Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2022 to 31 March 2023

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Financial Clerks and Credit Controllers	0	11	0	0	0
Human Resources Clerks	0	2	0	0	0
Security Officers	0	18	0	0	0
Messengers Porters and Deliverers	0	1	0	0	0
Logistical Support Personnel	0	8	0	0	0
Finance and Economics Related	0	1	0	0	0
Other Administrat & Related Clerks and Organisers	0	3	0	0	0
Auxiliary and Related Workers	0	2	0	0	0
Financial and Related Professionals	0	5	0	0	0
Administrative Related	0	2	0	0	0
Cleaners in Offices Workshops Hospitals Etc.	0	5	0	0	0
Trade Labourers	0	9	0	0	0
Material-Recording and Transport Clerks	0	20	0	0	0
Professional Nurse	0	1	0	0	0
Client Inform Clerks (Switchb Receipt Inform Clerks)	0	1	0	0	0
Pharmacists	0	25	0	0	0
TOTAL	0	114	0	0	0

Notes

Critical occupations are defined as occupations or sub-categories within an occupation –

- (e) in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available or they are available but do not meet the applicable employment criteria;
- (f) for which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction;
- (g) where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and
- (h) in respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees;

3.20 Foreign Workers

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

Table 3.9.1 Foreign workers by salary band for the period 1 April 2022 and 31 March 2023

Salary band	01 April 2022		31 March 2022		Change	
	Number	% of total	Number	% of total	Number	% Change
Highly skilled supervision (Levels 9-12)	0	0	0	0	0	0
Total	0	0	0	0	0	0

Table 3.9.2 Foreign workers by major occupation for the period 1 April 2022 and 31 March 2023

Major occupation	01 April 2022		31 March 2023		Change	
	Number	% of total	Number	% of total	Number	% Change
Professionals and managers	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

3.21 Leave utilisation

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

Table 3.10.1 Sick leave for the period 1 January 2022 to 31 December 2022

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)
Highly skilled production (levels 6-8)	291	79.7	24	23.1	12	425.00
Highly skilled supervision (levels 9 -12)	107	80.4	12	11.5	9	364.00
Lower skilled (Levels 1-2)	25	76	4	3.8	6	15.00

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)
Skilled (Levels 3-5)	861	82	64	61.5	13	797.00
Total	1 284	81.2	104	100	12	1 602.00

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2022 to 31 December 2022

Salary band	Total days	% Days with Medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Highly skilled production (Levels 6-8)	10	100	1	50	10.00	17.00
Skilled (Levels 3-5)	12	100	1	50	12.00	13.00
Total	22	100	2	100	11.00	30.00

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

Table 3.10.3 Annual Leave for the period 1 January 2022 to 31 December 2022

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Highly skilled production (Levels 6-8)	788	28	28
Highly skilled supervision (Levels 9-12)	369	15	25
Lower skilled (Levels 1-2)	94	4	24
Skilled (Levels 3-5)	1 766	70	25
TOTAL	3 017	117	26

Table 3.10.4 Capped leave for the period 1 January 2022 to 31 December 2022

Salary band	Total days of capped leave taken	Number of Employees using capped leave	Average number of days taken per employee	Average capped leave per employee as on 31 March 2023
Highly skilled production (Levels 6-8)	0	0	0	41
Highly skilled supervision (Levels 9-12)	24	1	24	78
Lower skilled (Levels 1-2)	0	0	0	0
Skilled (Levels 3-5)	0	0	0	37
TOTAL	24	1	24	42

3.22 Skills development

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

Table 3.13.2 Training provided for the period 1 April 2022 and 31 March 2023

Occupational category	Gender	Number of employees as at 1 April 2022	Training provided within the reporting period			Total
			Learnerships	Skills Programmes & other short courses	Other forms of training	
Legislators, senior officials and managers	Female	3	0	3	0	3
	Male	2	0	2	0	2
Professionals	Female	1	0	1	0	1
	Male	5	0	5	0	5
Technicians and associate professionals	Female	0	0	0	0	0
	Male	0	0	0	0	0
Clerks	Female	0	0	0	0	0
	Male	0	0	0	0	0
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	0	0	0	0	0
	Male	0	0	0	0	0
Sub Total	Female	0	0	0	0	0
	Male	0	0	0	0	0
Total		11	0	11	0	11

PART E

PFMA COMPLIANCE REPORT

1. IRREGULAR, FRUITLESS AND WASTEFUL, UNAUTHORISED EXPENDITURE AND MATERIAL LOSSES

1.1. Irregular expenditure

a) Reconciliation of irregular expenditure

Description	2022/2023 R'000	2021/2022 R'000
Opening balance	4 540 344	4 489 493
Restatement of prior balance	-	42 173
Opening balance as restated	4 540 344	4 531 666
Add: Irregular expenditure relating to the current year	24 560	8 678
Closing balance	4 564 904	4 540 344

The irregular expenditure reported are mainly due to non-compliance to SCM processes when goods and services were sourced from the service provider and the use of expired contracts. In 2016 the Department recorded an irregular expenditure of about **R2 241 208 606.48**. The irregular expenditure recorded from 2009 to 2020 is about **R4 458 155 439.83**. Majority of these cases were not subjected to assessments and determination tests, in some cases proper records were not kept in the files to enable for the proper assessments, determinations and investigations to be conducted. The irregular expenditure will be subjected to the processes as required by the framework.

Reconciling notes

Description	2022/2023 R'000	2021/2022 ¹ R'000
Irregular expenditure that was under assessment in 2022/23	-	-
Irregular expenditure that relates to 2021/22 and identified in 2022/23	-	1 138
Irregular expenditure for the current year	24 560	7 540
Total	24 560	8 678

b) Details of current and previous year irregular expenditure (under assessment, determination, and investigation)

Description ²	2022/2023 R'000	2021/2022 R'000
Irregular expenditure under assessment	4 564 904	4 540 344
Irregular expenditure under determination	-	-
Total³	4 564 904	4 540 344

¹ Record amounts in the year in which it was incurred

² Group similar items

³ Total unconfirmed irregular expenditure (assessment), losses (determination), and criminal conduct (investigation)

c) Details of current and previous year irregular expenditure condoned

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure condoned	-	-
Total	-	-

d) Details of current and previous year irregular expenditure removed - (not condoned)

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure NOT condoned and removed	-	-
Total	-	-

e) Details of current and previous year irregular expenditure recovered

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure recovered	-	-
Total	-	-

f) Details of current and previous year irregular expenditure written off (irrecoverable)

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure written off	-	-
Total	-	-

Additional disclosure relating to Inter-Institutional Arrangements

- g) Details of non-compliance cases where an institution is involved in an inter-institutional arrangement (where such institution is not responsible for the non-compliance)

Description	
Total	

- h) Details of non-compliance cases where an institution is involved in an inter-institutional arrangement (where such institution is responsible for the non-compliance)

Description	2022/2023	2021/2022
	R'000	R'000
Total		

- i) Details of current and previous year disciplinary or criminal steps taken as a result of irregular expenditure

Disciplinary steps taken	
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1.2. Fruitless and wasteful expenditure

- a) Reconciliation of fruitless and wasteful expenditure

Description	2022/2023	2021/2022
	R'000	R'000
Restatement of prior balance	228 367	90 962
Prior period errors	-	136 506
Opening balance as restated	228 367	227 468
Add: Fruitless and wasteful expenditure relating to current year	3 020	899
Closing balance	231 387	228 367

The prior period error of about R136 506 031. The department recorded about R137 404 806 in 2021-2022 financial year, which was mainly due to the expenditure relating to capital projects from the previous financial years. About 99% of fruitless and wasteful expenditure identified during the performance audit on capital projects, and some were later confirmed by the department quantity surveyor.

Reconciling notes

Description	2022/2023	2021/2022 ⁴
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment in 2022/23	-	-
Fruitless and wasteful expenditure that relates to 2020/22 and identified in 2022/23	-	-
Fruitless and wasteful expenditure for the current year	3 020	899
Total	3 020	899

b) Details of current and previous year fruitless and wasteful expenditure (under assessment, determination, and investigation)

Description ⁵	2022/2023	2021/2022
	R'000	R'000
Fruitless and wasteful expenditure under assessment	231 387	228 367
Fruitless and wasteful expenditure under determination	-	-
Fruitless and wasteful expenditure under investigation	-	-
Total⁶	231 387	228 367

Include discussion here where deemed relevant.

⁴ Record amounts in the year in which it was incurred

⁵ Group similar items

⁶ Total unconfirmed fruitless and wasteful expenditure (assessment), losses (determination), and criminal conduct (investigation)

c) Details of current and previous year fruitless and wasteful expenditure recovered

Description	2022/2023	2021/2022
	R'000	R'000
Fruitless and wasteful expenditure recovered		
Total		

d) Details of current and previous year fruitless and wasteful expenditure not recovered and written off

Description	2022/2023	2021/2022
	R'000	R'000
Fruitless and wasteful expenditure written off	-	-
Total	-	-

e) Details of current and previous year disciplinary or criminal steps taken as a result of fruitless and wasteful expenditure

Disciplinary steps taken	
Total	

1.3. Unauthorised expenditure

a) Reconciliation of unauthorised expenditure

Description	2022/2023	2021/2022
	R'000	R'000
Opening balance	679 743	679 743
Add: unauthorised expenditure confirmed	153 014	-
Less: unauthorised expenditure approved with funding	-	-
Less: unauthorised expenditure approved without funding	-	-
Less: unauthorised expenditure recoverable	-	-
Closing balance	832 757	679 743

Reconciling notes

Description	2022/2023	2021/2022 ⁷
	R'000	R'000
Unauthorised expenditure that was under assessment in 2021/22	-	-
Unauthorised expenditure that relates to 2021/22 and identified in 2022/23	-	-
Unauthorised expenditure for the current year	153 014	-
Total	153 014	-

b) Details of current and previous year unauthorised expenditure (under assessment, determination, and investigation)

Description ⁸	2022/2023	2021/2022
	R'000	R'000
Unauthorised expenditure under assessment	<i>The department is conducting assessments on 2019/2021 unauthorised expenditure</i>	
Unauthorised expenditure under determination	-	-
Unauthorised expenditure under investigation	-	-
Total⁹	-	-

1.4. Additional disclosure relating to material losses in terms of PFMA Section 40(3)(b)(i) &(iii))**a) Details of current and previous year material losses through criminal conduct**

Material losses through criminal conduct	2022/2023	2021/2022
	R'000	R'000
Vandalism of the state property	534	-
Other material losses	-	-
Less: Recovered	-	-
Less: Not recovered and written off	-	-
Total	534	-

⁷ Record amounts in the year in which it was incurred⁸ Group similar items⁹ Total unconfirmed unauthorised expenditure (assessment), losses (determination), and criminal conduct (investigation)

The Mantsopa MDR Hospital which is situated in Ladybrand which falls in the Thabo Mofutsanyane district has been vandalised. The estimated costs to repair the damages was estimated to an amount of R533 779.40.

b) Details of other material losses

Nature of other material losses	2022/2023	2021/2022
	R'000	R'000
(Group major categories, but list material items)	-	-
Total	-	-

Include discussion here where deemed relevant and criminal or disciplinary steps taken by the institution.

c) Other material losses recovered

Nature of losses	2022/2023	2021/2022
	R'000	R'000
(Group major categories, but list material items)	-	-
Total	-	-

d) Other material losses written off

Nature of losses	2022/2023	2021/2022
	R'000	R'000
(Group major categories, but list material items)	-	-
Total	-	-

Include discussion here where deemed relevant.

2. LATE AND/OR NON-PAYMENT OF SUPPLIERS

Description	Number of invoices	Consolidated Value
		R'000
Valid invoices received	-	-
Invoices paid within 30 days or agreed period	-	-

Description	Number of invoices	Consolidated Value R'000
Invoices paid after 30 days or agreed period	-	-
Invoices older than 30 days or agreed period (<i>unpaid and without dispute</i>)	-	-
Invoices older than 30 days or agreed period (<i>unpaid and in dispute</i>)	-	-

Include reasons for the late and or non-payment of invoices, including reasons that the invoices are in dispute, where applicable.

3. SUPPLY CHAIN MANAGEMENT

3.1. Procurement by other means

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
For the Server Hardware Maintenance, Software License and Software Services – Meditech System	Meditech SA	Deviation	DEV43B/2223	R8 308 642.15
For the Upgrade, Maintenance and Support of the EMS Call Taking and Dispatch System	ESRI South Africa	Deviation	DE47B/22/23	R7 715 768.54
Total				R9 080 210.69

3.2. Contract variations and expansions

No variations exceeded 20% or R20 million/ 15% or R15 million were executed in the year under review.

4. IRREGULAR, FRUITLESS AND WASTEFUL, UNAUTHORISED EXPENDITURE AND MATERIAL LOSSES – CENTRAL MEDICAL TRADING ACCOUNT

4.2. Irregular expenditure

j) Reconciliation of irregular expenditure

Description	2022/2023 R'000	2021/2022 R'000
Opening balance	38 720	38 720
Add: Irregular expenditure relating to the current year	-	-
Closing balance	38 720	38 720

The irregular expenditure in reported was incurred in the financial years of 2017/2018 to 2019/2020.

Reconciling notes

Description	2022/2023 R'000	2021/2022 ¹⁰ R'000
Irregular expenditure that was under assessment in 2022/23	-	-
Irregular expenditure that relates to 2021/22 and identified in 2022/23	-	-
Irregular expenditure for the current year	-	-
Total	-	-

k) Details of current and previous year irregular expenditure (under assessment, determination, and investigation)

Description ¹¹	2022/2023 R'000	2021/2022 R'000
Irregular expenditure under assessment	38 720	38 720
Irregular expenditure under determination	-	-
Irregular expenditure under investigation	-	-
Total¹²	38 720	38 720

¹⁰ Record amounts in the year in which it was incurred

¹¹ Group similar items

¹² Total unconfirmed irregular expenditure (assessment), losses (determination), and criminal conduct (investigation)

l) Details of current and previous year irregular expenditure condoned

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure condoned	-	-
Total	-	-

m) Details of current and previous year irregular expenditure removed - (not condoned)

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure NOT condoned and removed	-	-
Total	-	-

n) Details of current and previous year irregular expenditure recovered

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure recovered	-	-
Total	-	-

o) Details of current and previous year irregular expenditure written off (irrecoverable)

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure written off	-	-
Total	-	-

*Additional disclosure relating to Inter-Institutional Arrangements*p) Details of non-compliance cases where an institution is involved in an inter-institutional arrangement (where such institution is not responsible for the non-compliance)

Description
Total

q) Details of non-compliance cases where an institution is involved in an inter-institutional arrangement (where such institution *is* responsible for the non-compliance)

Description	2022/2023	2021/2022
	R'000	R'000
Total		

r) Details of current and previous year disciplinary or criminal steps taken as a result of irregular expenditure

Disciplinary steps taken

4.3. Fruitless and wasteful expenditure

f) Reconciliation of fruitless and wasteful expenditure

Description	2022/2023	2021/2022
	R'000	R'000
Opening balance	55	55
Add: Fruitless and wasteful expenditure relating to current year	-	-
Closing balance	55	55

The fruitless and wasteful expenditure was incurred in the previous financial years.

Reconciling notes

Description	2022/2023	2021/2022 ¹³
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment in 2022/23	-	-
Fruitless and wasteful expenditure that relates to 2021/22 and identified in 2022/23	-	-

¹³ Record amounts in the year in which it was incurred

Description	2022/2023	2021/2022 ¹³
	R'000	R'000
Fruitless and wasteful expenditure for the current year	-	-
Total	-	-

g) Details of current and previous year fruitless and wasteful expenditure (under assessment, determination, and investigation)

Description ¹⁴	2022/2023	2021/2022
	R'000	R'000
Fruitless and wasteful expenditure under assessment	55	55
Fruitless and wasteful expenditure under determination	-	-
Fruitless and wasteful expenditure under investigation	-	-
Total¹⁵	55	55

Include discussion here where deemed relevant.

h) Details of current and previous year fruitless and wasteful expenditure recovered

Description	2022/2023	2021/2022
	R'000	R'000
Fruitless and wasteful expenditure recovered		
Total		

i) Details of current and previous year fruitless and wasteful expenditure not recovered and written off

Description	2022/2023	2021/2022
	R'000	R'000
Fruitless and wasteful expenditure written off	-	-

¹⁴ Group similar items

¹⁵ Total unconfirmed fruitless and wasteful expenditure (assessment), losses (determination), and criminal conduct (investigation)

Total			
j) Details of current and previous year disciplinary or criminal steps taken as a result of fruitless and wasteful expenditure			
Disciplinary steps taken			
Total			

PART F

FINANCIAL INFORMATION

Report of the auditor-general to the Free State Provincial Legislature on vote no. 5: Department of Health

Report on the audit of the financial statements

Qualified opinion

1. I have audited the financial statements of the Department of Health set out on pages 231 to 331, which comprise the appropriation statement, statement of financial position as at 31 March 2023, statement of financial performance, statement of changes in net assets, and cash flow statement for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, except for the effects and possible effects of the matters described in the basis for qualified opinion section of this auditor's report, the financial statements present fairly, in all material respects, the financial position of the Department of Health as at 31 March 2023, and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard (MCS) prescribed by the National Treasury and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the Division of Revenue Act 5 of 2022 (Dora).

Basis for qualified opinion

Immovable tangible capital assets

3. I was unable to obtain sufficient appropriate audit evidence for the prior year's additions to immovable tangible capital assets due to the status of the accounting records. I was unable to confirm the immovable tangible capital assets by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the immovable tangible capital assets stated at R4 794 422 000 (2022: R4 289 846 000) in note 31 to the financial statements.
4. In addition, the department did not account for additions to immovable tangible capital assets in accordance with MCS Chapter 11, *Capital assets*, as the department incorrectly capitalised some immovable tangible capital assets, which should have been expensed. Consequently, this resulted in an overstatement of immovable tangible capital assets by R297 390 011. Additionally, there was an overstatement of expenditure for capital assets and an understatement of goods and services by the same amount.

Goods and services

5. I was unable to obtain sufficient appropriate audit evidence for expenditure relating to the inventories sub-line item stated in note 5 to the financial statements, as the department did not maintain an adequate record-keeping system to confirm that inventories delivered by third

parties on behalf of the department were actually received. I was unable to confirm the inventories by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to inventories stated at R1 742 761 000 in note 5 to the financial statements.

Context for opinion

6. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.
7. I am independent of the department in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
8. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Material uncertainty relating to going concern

9. I draw attention to the matter below. My opinion is not modified in respect of this matter.
10. As disclosed in note 34 to the financial statements, the department reported significant accruals and payables not recognised amounting to R682 362 000, employee benefits of R644 135 000, capital commitments of R578 179 000 and a bank overdraft of R742 769 000 as at 31 March 2023. These events or conditions, along with other matters as set forth in note 34, indicate that a material uncertainty exists that may cast significant doubt on the department's ability to continue as a going concern.

Emphasis of matters

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

Material uncertainty relating to claims against the department

12. We draw attention to note 18 to the financial statements, the department is the defendant in alleged medical negligence legal claims against the department. The department is opposing these claims. The ultimate outcome of the matter could not be determined and no provision for any liability that may result was made in the financial statements.

Payables not recognised

13. As disclosed in note 20.2 to the financial statements, payables of R291 424 000 exceeded the payment term of 30 days, as required by treasury regulation 8.2.3. This amount, in turn, exceeded the R191 662 000 of voted funds, and the departmental revenue and NRF receipts to be surrendered to the Revenue Fund by R99 762 000 as per the statement of financial position.

The amount of R99 762 000 would therefore have constituted unauthorised expenditure had the amounts due been paid in time.

Material impairments

14. As disclosed in note 23.3 to the financial statements, accrued departmental revenue was impaired by R306 997 000 (2022: R283 397 000).

Irregular expenditure

15. As disclosed in note 24 to the financial statements, the department incurred irregular expenditure of R24 560 000 (2022: R8 678 000), due to non-compliance with supply chain management (SCM) requirements. In addition, the full extent of irregular expenditure is still in the process of being determined.

Unauthorised expenditure

16. As disclosed in note 24 to the financial statements, the department incurred unauthorised expenditure of R153 014 000, due to the overspending of the vote.

Restatement of corresponding figures

17. As disclosed in note 33 to the financial statements, the corresponding figures for 31 March 2022 were restated as a result of errors in the financial statements of the department at, and for the year ended, 31 March 2023.

Other matter

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

National Treasury Instruction Note 4 of 2022-2023: PFMA Compliance and Reporting Framework

19. On 23 December 2022, the National Treasury issued Instruction Note 4 of 2022-23, which came into effect on 3 January 2023, in terms of section 76(1)(b), (e) and (f), 2(e) and (4)(a) and (c) of the PFMA. The instruction note deals with the PFMA compliance and reporting framework and addresses, amongst others, the disclosure of unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure. Irregular expenditure and fruitless and wasteful expenditure incurred in prior financial years and not yet addressed no longer need to be disclosed in the disclosure notes to the annual financial statements. Only the current year and prior year figures are disclosed in note 24 to the financial statements of the department. Movements in respect of irregular expenditure and fruitless and wasteful expenditure also no longer need to be disclosed in the notes to the annual financial statements. The disclosure of these movements (e.g. condoned, recoverable, removed, written off, under assessment, under determination and under investigation) is now included as part of the other information in the annual report of the department. I do not express an opinion on the disclosure of irregular expenditure and fruitless and wasteful expenditure in the annual report.

Responsibilities of the accounting officer for the financial statements

20. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the MCS and the requirements of the PFMA and Dora; and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
21. In preparing the financial statements, the accounting officer is responsible for assessing the department's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the department or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the auditor-general for the audit of the financial statements

22. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
23. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

24. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected programmes presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.
25. I selected the following programmes presented in the annual performance report for the year ended 31 March 2023 for auditing. I selected programmes that measure the department's performance on its primary mandated functions and that are of significant national, community or public interest.

Programmes	Page numbers	Purpose
District health services	41	To render primary health care services and district hospital services

Provincial hospital services	60	Delivery of hospital services, which are accessible, appropriate, effective and provide general specialist services, including a specialized rehabilitation service, as well as a platform for training health professionals and research
Health care support services	80	To render support services required by the department to realise its outcomes.

26. I evaluated the reported performance information for the selected programmes against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the department's planning and delivery on its mandate and objectives.

27. I performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the department's mandate and the achievement of its planned objectives
- the indicators are well defined and verifiable to ensure that they are easy to understand and apply consistently and that I can confirm the methods and processes to be used for measuring achievements
- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
- the indicators and targets reported on in the annual performance report are the same as what was committed to in the approved initial or revised planning documents
- the reported performance information is presented in the annual performance report in the prescribed manner
- there are adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.

28. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion.

29. I did not identify any material findings on the reported performance information for selected programmes.

Other matter:

30. I draw attention to the matters below.

Achievement of planned targets

31. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- and under-achievements. This information should be considered in the context of the material findings on the reported performance information.
32. The department plays a key role in delivering services to South Africans. The annual performance report includes the following service delivery achievements against planned targets:

Key service delivery indicators not achieved	Planned targets	Reported achievements
District health services		
<i>Targets achieved: 41,3%</i>		
<i>Budget spent: 102%</i>		
District management		
1.1 Ideal status obtained rate	89%	70,8%
2.1 Patient experience of care satisfaction rate (PHC)	85%	67,9%
3.1 Number of GPs contracted to render PHC services	65	38
4.1 Percentage availability of medication	95%	90,5%
District hospitals		
1.1 Ideal hospital status obtained rate	72%	8%
2.1 Patient experience of care satisfaction rate	85%	70,7%
3.3 Morbidity and mortality review rate	100%	86,3%
5.3 Child under 5 years severe acute malnutrition case fatality rate	1,8%	5,6%
HIV & AIDS, STI & TB control (HAST)		
7.1 All DS-TB client treatment success rate	80%	73%
8.1 All DS-TB client death rate	10,2%	12,9%
Maternal, child and women's health and nutrition (MCWH&N)		
3.1 Antenatal 1 st visit before 20 weeks rate	65%	62,1%
6.1 Neonatal death in facility rate (rate per 1k)	16/1 000	17,3/1 000
8.2 Measles 2 nd dose coverage	90%	80%
Disease prevention and control (DPC)		
1.2 Hypertension client treatment new 45 years and older	8 428	6 826
1.4 Diabetes client treatment new 18 - 44 years	2 317	1 942
1.5 Diabetes client treatment new 45 years and older	3 331	2 294

Key service delivery indicators not achieved	Planned targets	Reported achievements
Forensic pathology services (FPS)		
1.1 Percentage medico-legal cases attended to where cause of death remained unknown	10%	2,1%
General (regional) hospitals <i>Targets achieved: 50%</i> <i>Budget spent: 100%</i>		
1.1 Ideal hospital status obtained rate	100%	0%
2.1 Patient experience of care satisfaction rate	85%	68,8%
3.3 Morbidity and mortality review rate	100%	97,9%
5.3 Child under 5 years severe acute malnutrition case fatality rate	11,3%	21,8%
5.4 Death under 5 years against live birth rate	3,8%	4,5%
5.5 Death under 5 years against live birth	473	559
Specialised psychiatric hospital services (FSPC)		
1.1 Ideal hospital status obtained rate	100%	0%
2.1 Patient experience of care satisfaction rate	85%	82,4%
4.1 Severity assessment code 1 incident reported within 24 hours rate	100%	66,7%
Health care support services (HCSS) <i>Targets achieved: 57,1%</i> <i>Budget spent: 95,6%</i>		
Laundries		
1.1 Percentage availability of clean linen in health facilities	87%	66%
MEDPAS (Medicine trading account)		
1.2 Service level for normal orders	78%	70,7%
1.4 Lead time for emergency orders	15 Hours	0

33. Reasons for the underachievement of targets are included in the annual performance report on pages 33 to 85.

Material misstatements

34. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of district health services and health care support services (HCSS). Management subsequently corrected all the misstatements and I did not include any material findings in this report.

Report on compliance with legislation

35. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the department's compliance with legislation.
36. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
37. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the department, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
38. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Annual financial statements

39. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework as required by section 40(1)(b) of the PFMA. Material misstatements identified by the auditors in the submitted financial statements were not adequately corrected, which resulted in the financial statements receiving a qualified opinion. I was also unable to obtain sufficient appropriate audit evidence that the financial statements were supported by full and proper records, as required by section 40(1)(a) of the PFMA.

Expenditure management

40. Payments were not made within 30 days or an agreed period after receipt of an invoice, as required by treasury regulation 8.2.3.
41. Effective and appropriate steps were not taken to prevent irregular expenditure, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1. The value, as disclosed in note 24 to the financial statements, is not complete as management was still in the process of quantifying the full extent of the irregular expenditure. The majority of the irregular expenditure disclosed in the financial statements was caused by non-compliance with SCM regulations.
42. Effective steps were not taken to prevent fruitless and wasteful expenditure, as disclosed in note 24 to the annual financial statements, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1. The majority of the fruitless and wasteful expenditure was caused by late payments on overdue accounts which in turn resulted in interest being charged.

Revenue management

43. Effective and appropriate steps were not taken to collect all money due, as required by section 38(1)(c)(i) of the PFMA.

Procurement and contract management

44. Some of the quotations were not awarded in an economical manner and the prices of the goods or services were not reasonable as required by sections 38(1)(b) and 45(b) of the PFMA.

Consequence management

45. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred irregular expenditure as required by section 38(1)(h)(iii) of the PFMA. This was because investigations into irregular expenditure were not performed.
46. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred fruitless and wasteful expenditure as required by section 38(1)(h)(iii) of the PFMA. This was because investigations into fruitless and wasteful expenditure were not performed.

Other information in the annual report

47. The accounting officer is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported on in this auditor's report.
48. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation, do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
49. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
50. The other information I obtained prior to the date of this auditor's report is the disclosures included in the annual report for unauthorised, irregular, fruitless and wasteful expenditure, and the other information outstanding in the annual report is expected to be made available to us after 31 July 2023.
51. If, based on the work I have performed on the other information that I obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact.

52. When I do receive and read the annual report of outstanding information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

53. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
54. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion and the material findings on compliance with legislation included in this report.
55. Management did not prepare proper reconciliation of key accounts and ensure timely and consistent monitoring of key business processes. Unreliable registers were submitted on immovable capital assets. This resulted in material misstatements being identified in the financial statements.
56. There was a slow response by leadership in addressing the internal control deficiencies and ensuring that disclosure notes were correctly compiled and that policies and procedures were properly implemented. This resulted in several findings being reported during the year, which were caused by the lack of proper reviews and inadequate record-keeping processes.
57. Financial management processes and leadership's monitoring thereof were not effective to prevent unauthorised, irregular expenditure. For the year under review, management also did not investigate the irregular expenditure identified in previous financial years, resulting in non-compliance with legislation.
58. Management did not design and implement adequate internal controls to ensure that proper planning and cost-effective procurement processes were functioning during the year, resulting in continued amounts of irregular expenditure being incurred.
59. Leadership did not in all cases establish adequate mechanisms to hold individuals accountable where internal controls relating to financial reporting, and compliance were not adhered to.

Material irregularities

60. In accordance with the PAA and the Material Irregularity Regulations, I have a responsibility to report on material irregularities identified during the audit and on the status of material irregularities as previously reported in the auditor's report.

Status of previously reported material irregularities

Payments made for work not performed at the National Hospital for repairs and renovations of doctor's residents and outpatient building

61. The department entered into a contract on 17 November 2016 for renovations and repairs to doctors' residents and the outpatient building at the National Hospital. The project was funded by the health facility revitalisation grant. The contractor submitted invoices to the department, and even though all the work claimed on the invoices had not been completed, a delegated official from the department certified the invoices for payment. The official therefore failed to ensure that the department's system of financial management and internal controls was carried out within the area of responsibility of the official, as required by section 45(a) of the PFMA. A valuation report by the department's internal quantity surveyor (dated 18 August 2020) estimated the value of the work done on site at R12 492 110 whilst the total payments made to the contractor amounted to R42 988 618. The quantity surveyor estimated that an overpayment of R30 496 508 was made to the contractor and R6 512 377 to the implementing agent (consultants). The overpayments are likely to result in a material financial loss for the department, as disclosed in note 19.2 to the 2021-22 financial statements, as the department paid for work not performed.
62. The accounting officer was notified of this material irregularity on 15 December 2021. The following actions have been taken to resolve the material irregularity:
- The accounting officer instructed the contractor to go back on site to complete the project and address the discrepancies between the work done and the payments made. During the 2022-23 audit, it was confirmed through inspection of the works onsite and review of the final valuations and progress report submitted by the department that the project was completed and the discrepancies addressed.
 - The staff complement of the infrastructure unit has been augmented to ensure that one staff member can manage and oversee a manageable number of projects.
 - The contract with the principal agent has been terminated and the department has commenced with legal action against the principal agent.
 - The accounting officer reported the matter to the South African Police Service for investigation on 18 February 2022 and the investigation is in progress. The accounting officer also requested the assistance of the Special Investigation Unit (SIU) on 14 April 2022 to recover undue payments from whomever may have benefitted and the SIU is assessing the request.
63. Therefore, the material irregularity has been resolved.

Payments made for work not performed at the National Hospital for repairs and renovations of workshops, garages, laundry, mortuary, pharmacy and kitchen

64. The department entered into a contract on 17 November 2016 for repairs and renovations to workshops and garages as well as the laundry, mortuary, pharmacy and kitchen at the National Hospital. The project was funded by the health facility revitalisation grant. The contractor

submitted invoices to the department, and even though all the work claimed on the invoices had not been completed, a delegated official from the department certified the invoices for payment. The official therefore failed to ensure that the department's system of financial management and internal controls was carried out within the area of responsibility of the official, as required by section 45(a) of the PFMA. A valuation report from the department's internal quantity surveyor (dated 18 August 2020) estimated the value of the work done on site at R19 233 593 whilst the total payments made to the contractor amounted to R45 790 456. The quantity surveyor estimated that an overpayment of R26 556 863 was made to the contractor and R6 868 149 to the implementing agent (consultants). The overpayments are likely to result in a material financial loss for the department, as disclosed in note 19.2 to the 2021-22 financial statements, as the department paid for work not performed.

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67. Therefore, the material irregularity has been resolved.

Other reports

68. In addition to the investigations relating to material irregularities, I draw attention to the following engagements conducted by various parties. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.

69. The SIU commenced with an investigation in the 2021 year regarding officials conducting business with the state. The investigation was completed and a report was issued on 28 October 2022.

70. The SIU commenced with an investigation in the 2021 year regarding government officials receiving unemployment insurance fund benefits and performing remunerative work outside of

public service without permission. The investigation was still in progress by year-end and an interim report was issued on 28 October 2022.

71. An SIU investigation was proclaimed on 3 September 2020 for investigations of two alleged improper procurement processes followed for aero-medical and patient transport services. The investigation was still in progress at year-end.
72. An SIU investigation was proclaimed on 22 July 2022 to investigate alleged maladministration of medical negligence claims made between 1 January 2013 and 22 April 2022 or prior to 01 January 2013 or after 22 April 2022 at provincial health departments. The investigation was still in progress at year-end.
73. The Public Service Commission completed an investigation on 21 October 2022 into allegations of the irregular appointment of a senior manager who did not hold the necessary qualifications based on a complaint received on 8 April 2022.

Auditor - General

Bloemfontein

31 July 2023



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

1. The annexure includes the following:
 - the auditor-general's responsibility for the audit
 - the selected legislative requirements for compliance testing.

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

2. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected programmes and on the department's compliance with selected requirements in key legislation.

Financial statements

3. In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:
 - identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
 - obtain an understanding of internal control relevant to the audit 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 department's internal control
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made
 - conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the department to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a department to cease operating as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

4. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
5. I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Compliance with legislation – selected legislative requirements

6. The selected legislative requirements are as follows:

Legislation and regulations	Sections or regulations
Public Finance Management Act 1 of 1999	Sections 1; 38(1)(a)(iv); 38(1)(b); 38(1)(c); 38(1)(c)(i); 38(1)(c)(ii) Sections 38(1)(d); 38(1)(h)(iii); 39(1)(a); 39(2)(a); 40(1)(a); 40(1)(b) Sections 40(1)(c)(i); 43(4); 44; 44(1) & (2); 45(b); 50(3); 50(3)(a)
Treasury Regulations	Regulations 4.1.1; 4.1.3; 5.1.1; 5.2.1; 5.2.3(a); 5.2.3(d); 5.3.1 Regulations 6.3.1(a); 6.3.1(b); 6.3.1(c); 6.3.1(d); 6.4.1(b); 7.2.1 Regulations 8.1.1; 8.2.1; 8.2.2; 8.2.3; 8.4.1; 9.1.1; 9.1.4; 10.1.1(a) Regulations 10.1.2; 11.4.1; 11.4.2; 11.5.1; 12.5.1; 15.10.1.2(c) Regulations 16A 6.1; 16A 6.2(a), (b) & (e); 16A 6.3(a) Regulations 16A 6.3(b); 16A 6.3(c); 16A 6.3(d); 16A 6.3(e) Regulations 16A 6.4; 16A 6.5; 16A 6.6; 16A 7.1 Regulations 16A 7.3; 16A 7.6; 16A 7.7; 16A 8.2(1) & (2) Regulations 16A 8.3; 16A 8.3(d); 16A 8.4; 16A 9; 16A 9.1 Regulations 16A 9.1(b)(ii); 16A 9.1(c); 16A 9.1(d); 16A 9.1(e) Regulations 16A 9.2; 16A 9.2(a)(ii) & (iii); 16A 9.1(f) Regulations 17.1.1; 18.2; 19.8.4
Division of Revenue Act 5 of 2022	Sections 11(6)(a); 12(5); 16(1); 16(3); 16(3)(a)(i); 16(3)(a)(ii)(bb)
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)
Public Service Regulations	Regulations 18; 18(1); 18(2); 25(1)(e)(i); 25(1)(e)(iii)
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations	Regulations 17; 25(7A)
Preferential Procurement Policy Framework Act 5 of 2000	Sections 2.1(a); 2.1(b); 2.1(f)
Preferential Procurement Regulations of 2017	Regulations 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; 6.1; 6.2; 6.3; 6.5; 6.6 Regulations 7.1; 7.2; 7.3; 7.5; 7.6; 8.2; 8.5; 9.1; 9.2; 12.1; 12.2
Preferential Procurement Regulations of 2022	Regulations 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
State Information Technology Agency Act 88 of 1998	Section 7(3)
National Treasury Instruction Note 1 of 2015-16	Paragraphs 3.1; 4.1; 4.2
National Treasury Instruction Note 4 of 2015-16	Paragraph 3.4
National Treasury Instruction Note 1 of 2021-22	Paragraph 4.1
Second amendment to National Treasury Instruction Note 5 of 2020-21	Paragraphs 4.8; 4.9; 5.1; 5.3
Erratum to National Treasury Instruction Note 5 of 2020-21	Paragraphs 1; 2
National Treasury PFMA SCM Instruction 3 of 2021-22	Paragraphs 4.3; 4.4; 4.4(a); 4.4(c) & (d)
National Treasury PFMA SCM Instruction 11 of 2020-21	Paragraphs 3.1; 3.4(b); 3.9
National Treasury PFMA SCM Instruction 2 of 2021-22	Paragraphs 3.2.1; 3.2.4(a); 3.3.1
National Treasury Practice Note 7 of 2009-10	Paragraph 4.1.2

**FREE STATE DEPARTMENT OF HEALTH
VOTE 5**

***ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023***

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**FREE STATE DEPARTMENT HEALTH
VOTE 5**

**APPROPRIATION STATEMENT
for the year ended 31 March 2023**

Appropriation per programme									
Programme	2022/23						2021/22		
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Administration	319,161	-	-	319,161	324,410	(5,249)	101.6%	331,259	324,335
2. District health services	5,892,290	-	-	5,892,290	6,005,464	(113,174)	101.9%	5,853,088	5,833,705
3. Emergency medical services	896,297	-	73,471	969,768	1,004,356	(34,588)	103.6%	960,262	960,226
4. Provincial hospital services	1,679,573	-	8,154	1,687,727	1,687,731	(4)	100.0%	1,678,140	1,664,711
5. Central hospital services	2,990,852	-	(43,311)	2,947,541	2,892,871	54,670	98.1%	2,565,025	2,477,250
6. Health science & training	329,453	-	(8,030)	321,423	321,422	1	100.0%	292,150	249,251
7. Health care support services	181,029	-	(14,482)	166,547	159,283	7,264	95.6%	163,261	157,157
8. Health facilities management	893,409	-	(15,802)	877,607	790,957	86,650	90.1%	755,949	534,251
Subtotal	13,182,064	-	-	13,182,064	13,186,494	(4,430)	100.0%	12,599,134	12,200,886

**FREE STATE DEPARTMENT HEALTH
VOTE 5**

**APPROPRIATION STATEMENT
for the year ended 31 March 2023**

	2022/23		2021/22	
	Final Budget	Actual Expenditure	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000
TOTAL (brought forward)	13,182,064	13,186,494	12,599,134	12,200,886
Reconciliation with statement of financial performance				
ADD				
Departmental receipts	24,568			
NRF Receipts				
Aid assistance	709		11,669	
Actual amounts per statement of financial performance (total revenue)	13,207,341		12,610,803	
ADD				
Aid assistance		2,927		12,079
Prior year unauthorised expenditure approved without funding				
Actual amounts per statement of financial performance (total expenditure)		13,189,421		12,212,965

FREE STATE DEPARTMENT HEALTH
VOTE 5

APPROPRIATION STATEMENT
for the year ended 31 March 2023

Appropriation per economic classification									
	2022/23						2021/22		
	Approved Budget R'000	Shifting of Funds R'000	Virement R'000	Final Budget R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final budget %	Final Budget R'000	Actual expenditure R'000
Economic classification									
Current payments	11,958,106	(824)	(15,055)	11,942,227	11,981,604	(39,377)	100.3%	11,558,631	11,431,975
Compensation of employees	8,635,678	-	(125,428)	8,510,250	8,663,674	(153,424)	101.8%	8,387,385	8,387,307
Goods and services	3,318,752	(824)	110,373	3,428,301	3,314,910	113,391	96.7%	3,171,100	3,043,773
Interest and rent on land	3,676	-	-	3,676	3,020	656	82.2%	146	895
Transfers and subsidies	143,222	-	12,555	155,777	205,317	(49,540)	131.8%	156,509	156,506
Provinces and municipalities	-	-	-	-	-	-	-	-	3
Departmental agencies and accounts	58,218	-	-	58,218	57,000	1,218	97.9%	62,155	61,000
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	11,025	(11,025)	-	6,454	6,463
Non-profit institutions	12,411	-	-	12,411	11,253	1,158	90.7%	4,310	2,353
Households	72,593	-	12,555	85,148	126,039	(40,891)	148.0%	83,590	86,687
Payments for capital assets	1,080,736	824	2,500	1,084,060	999,573	84,487	92.2%	883,994	612,405
Buildings and other fixed structures	692,903	9,571	-	702,474	641,113	61,361	91.3%	602,031	432,335
Machinery and equipment	386,579	(8,437)	2,500	380,642	358,460	22,182	94.2%	280,784	179,870
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-

FREE STATE DEPARTMENT HEALTH
VOTE 5

APPROPRIATION STATEMENT
for the year ended 31 March 2023

Appropriation per economic classification							
	2022/23					2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget
	R'000	R'000	R'000	R'000	R'000	R'000	%
Biological assets	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-
Intangible assets	1,254	(310)	-	944	-	944	-
Payments for financial assets	-	-	-	-	-	-	-
Total	13,182,064	-	-	13,182,064	13,186,494	(4,430)	100.0%
						12,599,134	12,200,886

Programme 1: ADMINISTRATION							
	2022/23					2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget
	R'000	R'000	R'000	R'000	R'000	R'000	%
Sub programme							
1. Office of the MEC	13,435	-	-	13,435	9,126	4,309	67.9%
2. Management	305,726	-	-	305,726	315,284	(9,558)	103.1%
Total for sub programmes	319,161	-	-	319,161	324,410	(5,249)	101.6%
Economic classification							
Current payments	311,763	-	-	311,763	312,043	(280)	100.1%
Compensation of employees	248,135	-	-	248,135	244,586	3,549	98.6%
Goods and services	63,590	-	-	63,590	67,418	(3,828)	106.0%
Interest and rent on land	38	-	-	38	39	(1)	102.6%
						113	1

FREE STATE DEPARTMENT HEALTH
VOTE 5

APPROPRIATION STATEMENT
for the year ended 31 March 2023

Programme 1: ADMINISTRATION									
2022/23							2021/22		
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers and subsidies	956	-	-	956	2,674	(1,718)	279.7%	6,580	8,968
Provinces and municipalities	-	-	-	-	-	-	-	-	3
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	1,405	(1,405)	-	6,454	6,463
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	956	-	-	956	1,269	(313)	132.7%	126	2,502
Payments for capital assets	6,442	-	-	6,442	9,693	(3,251)	150.5%	8,961	9,056
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	6,442	-	-	6,442	9,693	(3,251)	150.5%	8,961	9,056
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	319,161	-	-	319,161	324,410	(5,249)	101.6%	331,259	324,335

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APPROPRIATION STATEMENT
for the year ended 31 March 2023

Programme 2: DISTRICT HEALTH SERVICES									
2022/23							2021/22		
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. District management	119,243	(170)	-	119,073	160,828	(41,755)	135.1%	143,587	152,242
2. Community health clinics	1,113,603	-	-	1,113,603	1,116,498	(2,895)	100.3%	1,064,402	1,065,120
3. Community health centre	162,254	-	-	162,254	164,529	(2,275)	101.4%	160,958	149,807
4. Community based services	718,045	170	-	718,215	704,574	13,641	98.1%	529,219	531,022
5. HIV/Aids	1,920,848	-	-	1,920,848	1,995,969	(75,121)	103.9%	2,234,844	2,228,399
6. Nutrition	15,786	-	-	15,786	14,784	1,002	93.7%	12,819	12,403
7. Coroner services	46,998	-	-	46,998	47,927	(929)	102.0%	45,429	40,631
8. District hospitals	1,701,830	-	-	1,701,830	1,706,729	(4,899)	100.3%	1,661,830	1,654,081
9. Other community services	93,683	-	-	93,683	93,626	57	99.9%	-	-
Total for sub programmes	5,892,290	-	-	5,892,290	6,005,464	(113,174)	101.9%	5,853,088	5,833,705
Economic classification									
Current payments	5,831,111	(824)	(2,500)	5,827,787	5,939,670	(111,883)	101.9%	5,781,626	5,759,875
Compensation of employees	4,091,550	-	(125,428)	3,966,122	4,171,387	(205,265)	105.2%	4,049,176	4,101,440
Goods and services	1,735,929	(824)	122,928	1,858,033	1,766,009	92,024	95.0%	1,732,433	1,657,979
Interest and rent on land	3,632	-	-	3,632	2,274	1,358	62.6%	17	456
Transfers and subsidies	9,028	-	-	9,028	15,529	(6,501)	172.0%	8,673	17,158
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-

**FREE STATE DEPARTMENT HEALTH
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**APPROPRIATION STATEMENT
for the year ended 31 March 2023**

Programme 2: DISTRICT HEALTH SERVICES									
2022/23								2021/22	
	Approved Budget R'000	Shifting of Funds R'000	Virement R'000	Final Budget R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final budget %	Final Budget R'000	Actual expenditure R'000
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	1,290	(1,290)	-	-	-
Non-profit institutions	2,200	-	-	2,200	1,480	720	67.3%	2,200	653
Households	6,828	-	-	6,828	12,759	(5,931)	186.9%	6,473	16,505
Payments for capital assets	52,151	824	2,500	55,475	50,265	5,210	90.6%	62,789	56,672
Buildings and other fixed structures	157	-	-	157	-	157	-	406	185
Machinery and equipment	50,740	1,134	2,500	54,374	50,265	4,109	92.4%	61,204	56,289
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	1,254	(310)	-	944	-	944	-	1,179	198
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	5,892,290	-	-	5,892,290	6,005,464	(113,174)	101.9%	5,853,088	5,833,705

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**APPROPRIATION STATEMENT
for the year ended 31 March 2023**

Programme 3: EMERGENCY MEDICAL SERVICES									
2022/23							2021/22		
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. Emergency transport	879,088	-	73,471	952,559	990,229	(37,670)	104.0%	942,266	946,026
2. Planned patient transport	17,209	-	-	17,209	14,127	3,082	82.1%	17,996	14,200
Total for sub programmes	896,297	-	73,471	969,768	1,004,356	(34,588)	103.6%	960,262	960,226
Economic classification									
Current payments	868,962	-	73,471	942,433	977,217	(34,784)	103.7%	929,409	932,201
Compensation of employees	610,678	-	-	610,678	619,043	(8,365)	101.4%	604,759	604,758
Goods and services	258,284	-	73,471	331,755	358,174	(26,419)	108.0%	324,650	327,443
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	594	-	-	594	1,678	(1,084)	282.5%	594	643
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	60	(60)	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	594	-	-	594	1,618	(1,024)	272.4%	594	643
Payments for capital assets	26,741	-	-	26,741	25,461	1,280	95.2%	30,259	27,382

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**APPROPRIATION STATEMENT
for the year ended 31 March 2023**

Programme 3: EMERGENCY MEDICAL SERVICES									
2022/23							2021/22		
Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure	
R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Buildings and other fixed structures				4,720	(4720)		-	-	-
Machinery and equipment	26,741	-	26,741	20,741	6000	77.6%	30,259	27,382	
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	896,297	-	969,768	1,004,356	(34,588)	103.6%	960,262	960,226	
Programme 4: PROVINCIAL HOSPITAL SERVICES									
2022/23							2021/22		
Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure	
R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Sub programme									
1. General hospitals	1,289,301	-	1,297,455	1,312,002	(14,547)	101.1%	1,313,125	1,299,829	
2. Psychiatric/mental hospital	390,272	-	390,272	375,729	14,543	96.3%	365,015	364,882	
Total for sub programmes	1,679,573	-	1,687,727	1,687,731	(4)	100.0%	1,678,140	1,664,711	
Economic classification									

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for the year ended 31 March 2023

Programme 3: EMERGENCY MEDICAL SERVICES									
	2022/23						2021/22		
	Approved Budget R'000	Shifting of Funds R'000	Virement R'000	Final Budget R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final budget %	Final Budget R'000	Actual expenditure R'000
Current payments	1,659,115	-	8,154	1,667,269	1,660,265	7,004	99.6%	1,662,983	1,648,417
Compensation of employees	1,314,102	-	8,154	1,322,256	1,327,233	(4,977)	100.4%	1,377,348	1,363,514
Goods and services	345,013	-	-	345,013	332,790	12,223	96.5%	285,634	284,755
Interest and rent on land	-	-	-	-	242	(242)	-	1	148
Transfers and subsidies	6,293	-	-	6,293	15,248	(8,955)	242.3%	6,276	8,292
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	8,270	(8,270)	-	-	-
Non-profit institutions	2,211	-	-	2,211	2,179	32	98.6%	2,110	1,700
Households	4,082	-	-	4,082	4,799	(717)	117.6%	4,166	6,592
Payments for capital assets	14,165	-	-	14,165	12,218	1,947	86.3%	8,881	8,002
Buildings and other fixed structures	-	-	-	-	110	(110)	-	590	-
Machinery and equipment	14,165	-	-	14,165	12,108	2,057	85.5%	8,291	8,000
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-

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VOTE 5**

**APPROPRIATION STATEMENT
for the year ended 31 March 2023**

Programme 3: EMERGENCY MEDICAL SERVICES							
2022/23						2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget
	R'000	R'000	R'000	R'000	R'000	R'000	%
Land and subsoil assets	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-
Total	1,679,573	-	8,154	1,687,727	1,687,731	(4)	100.0%
						1,678,140	1,664,711

Programme 5: CENTRAL HOSPITAL SERVICES							
2022/23						2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget
	R'000	R'000	R'000	R'000	R'000	R'000	%
Sub programme							
1. Central hospital services	1,875,444	-	(2,653)	1,872,791	1,869,760	3,031	99.8%
2. Public-private partnership	12,783	-	(73)	12,710	12,715	(5)	100.0%
3. Provincial tertiary hospital services	1,102,625	-	(40,585)	1,062,040	1,010,396	51,644	95.1%
Total for sub programmes	2,990,852	-	(43,311)	2,947,541	2,892,871	54,670	98.1%
						2,565,025	2,477,250
Economic classification							
Current payments	2,786,946	-	(43,311)	2,743,635	2,694,400	49,235	98.2%
Compensation of employees	2,064,400	-	-	2,064,400	2,024,449	39,951	98.1%
Goods and services	722,546	-	(43,311)	679,235	669,486	9,749	98.6%
Interest and rent on land	-	-	-	-	465	(465)	-
						-	286

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**APPROPRIATION STATEMENT
for the year ended 31 March 2023**

Programme 5: CENTRAL HOSPITAL SERVICES									
2022/23							2021/22		
	Approved Budget R'000	Shifting of Funds R'000	Virement R'000	Final Budget R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final budget %	Final Budget R'000	Actual expenditure R'000
Transfers and subsidies	7,460	-	-	7,460	8,828	(1,368)	118.3%	7,541	10,766
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	7,460	-	-	7,460	8,828	(1,368)	118.3%	7,541	10,766
Payments for capital assets	196,446	-	-	196,446	189,643	6,803	96.5%	131,468	60,776
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	196,446	-	-	196,446	189,643	6,803	96.5%	131,468	60,776
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	2,990,852	-	(43,311)	2,947,541	2,892,871	54,670	98.1%	2,565,025	2,477,250

**FREE STATE DEPARTMENT HEALTH
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**APPROPRIATION STATEMENT
for the year ended 31 March 2023**

Programme 6: HEALTH SCIENCE & TRAINING									
2022/23									
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	2021/22
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. Nurse training colleges	142,586	1,150	-	143,736	143,447	289	99.8%	140,814	129,799
2. Ems training colleges	31,123	250	-	31,373	23,712	7,661	75.6%	25,424	22,409
3. Primary health care training	32,195	-	-	32,195	21,319	10,876	66.2%	21,483	16,543
4. Training other	123,549	(1,400)	(8,030)	114,119	132,944	(18,825)	116.5%	104,429	80,500
Total for sub programmes	329,453	-	(8,030)	321,423	321,422	1	100.0%	292,150	249,251
Economic classification									
Current payments	246,517	-	(20,585)	225,932	198,132	27,800	87.7%	199,790	175,433
Compensation of employees	182,641	-	-	182,641	161,600	21,041	88.5%	170,968	151,630
Goods and services	63,870	-	(20,585)	43,285	36,532	6,753	84.4%	28,816	23,802
Interest and rent on land	6	-	-	6	-	6	-	6	1
Transfers and subsidies	75,613	-	12,555	88,168	118,265	(30,097)	134.1%	86,367	69,614
Provinces and municipalities									
Departmental agencies and accounts	23,218	-	-	23,218	22,000	1,218	94.8%	22,155	21,000
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-

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**APPROPRIATION STATEMENT
for the year ended 31 March 2023**

Programme 6: HEALTH SCIENCE & TRAINING									
	2022/23						2021/22		
	Approved Budget R'000	Shifting of Funds R'000	Virement R'000	Final Budget R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final budget %	Final Budget R'000	Actual expenditure R'000
Households	52,395	-	12,555	64,950	96,265	(31,315)	148.2%	64,212	48,614
Payments for capital assets	7,323	-	-	7,323	5,025	2,298	68.6%	5,993	4,204
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	7,323	-	-	7,323	5,025	2,298	68.6%	5,993	4,204
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	329,453	-	(8,030)	321,423	321,422	1	100.0%	292,150	249,251

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**APPROPRIATION STATEMENT
for the year ended 31 March 2023**

Programme 7: HEALTH CARE SUPPORT SERVICES									
	2022/23						2021/22		
	Approved Budget R'000	Shifting of Funds R'000	Virement R'000	Final Budget R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final budget %	Final Budget R'000	Actual expenditure R'000
Sub programme									
1. Laundry services	119,363	-	(14,155)	105,208	100,123	5,085	95.2%	97,431	95,162
2. Orthotic and prosthetic services	26,666	-	(327)	26,339	24,160	2,179	91.7%	25,830	21,995
3. Medicine (medpas) trading account	35,000	-	-	35,000	35,000	-	100.0%	40,000	40,000
Total for sub programmes	181,029	-	(14,482)	166,547	159,283	7,264	95.6%	163,261	157,157
Economic classification									
Current payments	142,639	-	(14,482)	128,157	121,694	6,463	95.0%	120,067	115,575
Compensation of employees	100,635	-	(8,154)	92,481	90,650	1,831	98.0%	91,970	90,929
Goods and services	42,004	-	(6,328)	35,676	31,044	4,632	87.0%	28,088	24,643
Interest and rent on land	-	-	-	-	-	-	-	9	3
Transfers and subsidies	35,278	-	-	35,278	35,501	(223)	100.6%	40,478	41,039
Provinces and municipalities									
Departmental agencies and accounts	35,000	-	-	35,000	35,000	-	100.0%	40,000	40,000
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	278	-	-	278	501	(223)	180.2%	478	1,039

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**APPROPRIATION STATEMENT
for the year ended 31 March 2023**

Programme 7: HEALTH CARE SUPPORT SERVICES									
2022/23							2021/22		
	Approved Budget R'000	Shifting of Funds R'000	Virement R'000	Final Budget R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final budget %	Final Budget R'000	Actual expenditure R'000
Payments for capital assets	3,112	-	-	3,112	2,088	1,024	67.1%	2,716	543
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	3,112	-	-	3,112	2,088	1,024	67.1%	2,716	543
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	181,029	-	(14,482)	166,547	159,283	7,264	95.6%	163,261	157,157

Programme 8: HEALTH FACILITIES MANAGEMENT									
2022/23							2021/22		
	Approved Budget R'000	Shifting of Funds R'000	Virement R'000	Final Budget R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final budget %	Final Budget R'000	Actual expenditure R'000
Sub programme									
1. Community health facilities	165,066	(31,549)	-	133,517	121,962	11,555	91.3%	129,395	100,024
2. District hospital services	356,665	38,267	-	394,932	336,941	57,991	85.3%	233,689	187,206
3. Provincial hospital services	212,151	(258)	-	211,893	190,065	21,828	89.7%	199,524	103,851

**FREE STATE DEPARTMENT HEALTH
VOTE 5**

**APPROPRIATION STATEMENT
for the year ended 31 March 2023**

Programme 8: HEALTH FACILITIES MANAGEMENT									
2022/23							2021/22		
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
4. Emergency medical rescue services	11,846	(4,470)	-	7,376	4,438	2,938	60.2%	2,372	-
5. Central hospital services	88,307	4,304	-	92,611	105,090	(12,479)	113.5%	125,782	89,684
6. Other facilities	59,374	(6,294)	(15,802)	37,278	32,461	4,817	87.1%	65,187	53,486
Total for sub programmes	893,409	-	(15,802)	877,607	790,957	86,650	90.1%	755,949	534,251
Economic classification									
Current payments	111,053	-	(15,802)	95,251	78,183	17,068	82.1%	123,022	88,455
Compensation of employees	23,537	-	-	23,537	24,726	(1,189)	105.1%	27,368	25,330
Goods and services	87,516	-	(15,802)	71,714	53,457	18,257	74.5%	95,654	63,125
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	8,000	-	-	8,000	7,594	406	94.9%	-	26
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	8,000	-	-	8,000	7,594	406	94.9%	-	-
Households	-	-	-	-	-	-	-	-	26
Payments for capital assets	774,356	-	-	774,356	705,180	69,176	91.1%	632,927	445,770

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**APPROPRIATION STATEMENT
for the year ended 31 March 2023**

Programme 8: HEALTH FACILITIES MANAGEMENT									
2022/23							2021/22		
	Approved Budget R'000	Shifting of Funds R'000	Virement R'000	Final Budget R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final budget %	Final Budget R'000	Actual expenditure R'000
Buildings and other fixed structures	692,746	9,571	-	702,317	636,283	66,034	90.6%	601,035	432,150
Machinery and equipment	81,610	(9,571)	-	72,039	68,897	3,142	95.6%	31,892	13,620
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	893,409	-	(15,802)	877,607	790,957	86,650	90.1%	755,949	534,251

**FREE STATE DEPARTMENT OF HEALTH
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**NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2023**

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

Detail of these transactions can be viewed in the note on Transfers and Subsidies, and Annexure 1A-H of the Annual Financial Statements.

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

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

3. Detail on payments for financial assets

Detail of these transactions can be viewed in the note on Payments for financial assets to the Annual Financial Statements.

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

4.1 Per programme

	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
Programme	R'000	R'000	R'000	%
Administration	319,161	324,410	(5,249)	(2%)
District health services	5,892,290	6,005,464	(113,174)	(2%)
Emergency medical services	969,768	1,004,356	(34,588)	(4%)
Provincial hospital services	1,687,727	1,687,731	(4)	0%
Central hospital services	2,947,541	2,892,871	54,670	2%
Health science & training	321,423	321,422	1	0%
Health care support services	166,547	159,283	7,264	4%
Health facilities management	877,607	790,957	86,650	10%
Total	13,182,064	13,186,494	(4,430)	

- **Administration:** The overspending is mainly attributable to the payment of legal fees on medical litigations, fleet services and leases on motor vehicles.
- **District health services:** The overspending is largely caused by the covid 19 compensation of employees and the following items under goods and services, fleet services, laboratory services and operating leases.
- **Emergency medical services:** The overspending is mainly attributable to the payment of fleet services and operating leases.
- **Provincial hospital services:** The expenditure is breaking even after the application of final virements.
- **Central hospital services:** The underspending is caused by the delay in filling funded vacant posts, payments of NHLS and maintenance of equipment invoices.
- **Health science & training:** The underspending is caused by the delay in filling funded vacant posts and training and development not conducted.
- **Health care support services:** The underspending is caused by the non-filling of laundry aide vacancies and procurement of linen.

**FREE STATE DEPARTMENT OF HEALTH
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**NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2023**

- **Health facilities management:** The underspending is mainly caused by productive hours lost during loadshedding. Non-complaint invoices that must be returned to contractors and implementing agents for rectification prior to being processed. Negative impact of the industrial action on productivity.

4.2 Per economic classification

	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
Economic classification	R'000	R'000	R'000	%
Current payments				
Compensation of employees	8,510,250	8,663,674	(153,424)	(2%)
Goods and services	3,428,301	3,314,910	113,391	3%
Interest and rent on land	3,676	3,020	656	18%
Transfers and subsidies				
Provinces and municipalities	-	-	-	-
Departmental agencies and accounts	58,218	57,000	1,218	2%
Higher education institutions	-	-	-	-
Public corporations and private enterprises		11,025	(11,025)	0%
Foreign governments and international organisations	-	-	-	-
Non-profit institutions	12,411	11,253	1,158	9%
Households	85,148	126,039	(40,891)	(48%)
Payments for capital assets				
Buildings and other fixed structures	702,474	641,113	61,361	9%
Machinery and equipment	380,642	358,460	22,182	6%
Heritage assets	-	-	-	-
Specialised military assets	-	-	-	-
Biological assets	-	-	-	-
Land and subsoil assets	-	-	-	-
Intangible assets	944	-	944	100%
Payments for financial assets				
Total	13,182,064	13,186,494	(4,430)	

**FREE STATE DEPARTMENT OF HEALTH
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**NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2023**

Compensation of employees: The overspending is due to payments of non -pensionable salary incentive.

Goods and services: The underspending is caused by delays in delivery of ordered goods and services invoices.

Transfers and subsidies: The overspending is caused by medical legal claims against the state which were not budgeted.

Payments for capital assets: The underspending is mainly caused by productive hours lost during loadshedding. Non-complaint invoices that must be returned to contractors and implementing agents for rectification prior to being processed.

4.3 Per conditional grant

	Final Budget	Actual Expenditure	Variance	Variance as a percentage of Final Budget
Conditional grant	R'000	R'000	R'000	%
Statutory Human Resources Component	129,247	129,247	-	0%
HIV, TB, Malaria & Comm Outreach Grant	1,479,325	1,478,852	473	0%
Health Facility Revitalization Grant	853,702	769,490	84,212	10%
National Tertiary Services Grant	1,285,202	1,285,005	197	0%
EPWP Inter Grnt Prov	-	-	-	
Social Sector Expanded Public Works Programme	10,884	10,865	19	0%
Health Prof Training and Dev Grant	-	-	-	
Training and Development Component	134,757	134,789	(32)	0%
Human Resource Capacitation Grant	-	-	-	
NHI (Health Professionals Contracting)	28,023	27,920	103	0%
Provincial Disaster Relief grant for Covid 19	-	-	-	
District Health Component	244,981	244,930	51	0%
Total	4,166,121	4,081,099	85,022	10%

Health Facility Revitalization Grant: The underspending is mainly caused by productive hours lost during load shedding and strike of employees.

National Tertiary Services Grant: The underspending is attributed to the non-delivery of equipment under capital items.

NHI (Health Professionals Contracting): The underspending was caused by delay in finalizing travelling claims.

**FREE STATE DEPARTMENT OF HEALTH
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**STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2023**

	<i>Note</i>	2022/23 R'000	2021/22 R'000
REVENUE			
Annual appropriation	1	13,182,064	12,599,134
Statutory appropriation		-	-
Departmental revenue	2	24,568	-
NRF Receipts		-	-
Aid assistance		709	11,669
TOTAL REVENUE		13,207,341	12,610,803
EXPENDITURE			
Current expenditure			
Compensation of employees	4	8,663,674	8,387,307
Goods and services	5	3,314,910	3,043,773
Interest and rent on land	6	3,020	895
Aid assistance	3	2,927	12,079
Transfers and subsidies			
Transfers and subsidies	7	205,317	156,506
Aid assistance	3	-	-
Expenditure for capital assets			
Tangible assets	8	999,573	612,205
Intangible assets	8	-	200
Unauthorised expenditure approved without funding		-	-
Payments for financial assets		-	-
TOTAL EXPENDITURE		13,189,421	12,212,965
SURPLUS/(DEFICIT) FOR THE YEAR		17,920	397,838
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds		(4,430)	398,248
Annual appropriation		(89,452)	118,185
Statutory appropriation		-	-
Conditional grants		85,022	280,063
Departmental revenue and NRF receipts	13	24,568	-
Aid assistance	3	(2,218)	(410)
SURPLUS/(DEFICIT) FOR THE YEAR		17,920	397,838

**FREE STATE DEPARTMENT OF HEALTH
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**STATEMENT OF FINANCIAL POSITION
as at 31 March 2023**

	<i>Note</i>	2022/23 R'000	2021/22 R'000
ASSETS			
Current assets		21,673	67,880
Cash and cash equivalents	9	131	128
Other financial assets		-	-
Prepayments and advances	10	-	-
Receivables	11	21,542	67,752
Loans		-	-
Aid assistance prepayments	3	-	-
Aid assistance receivable	3	-	-
Non-current assets		170,895	112,780
Investments		-	-
Prepayments and advances	10	1,334	1,334
Receivables	11	169,561	111,446
Loans		-	-
Other financial assets		-	-
TOTAL ASSETS		192,568	180,660
LIABILITIES			
Current liabilities		943,630	783,152
Voted funds to be surrendered to the Revenue Fund	12	148,584	398,248
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	13	43,078	17,877
Bank overdraft	14	742,769	356,251
Payables	15	6,912	6,271
Aid assistance repayable	3	-	-
Aid assistance unutilised	3	2,287	4,505
Non-current liabilities			
Payables		-	-
TOTAL LIABILITIES		943,630	783,152
NET ASSETS		(751,062)	(602,492)

**FREE STATE DEPARTMENT OF HEALTH
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STATEMENT OF FINANCIAL POSITION
as at 31 March 2023

	<i>Note</i>	2022/23 R'000	2021/22 R'000
Represented by:			
Capitalisation reserve		-	-
Recoverable revenue		81,695	77,251
Retained funds		-	-
Revaluation reserves		-	-
Unauthorised expenditure		(832,757)	(679,743)
TOTAL		(751,062)	(602,492)

**FREE STATE DEPARTMENT OF HEALTH
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**STATEMENT OF CHANGES IN NET ASSETS
as at 31 March 2023**

	<i>Note</i>	2022/23 R'000	2021/22 R'000
Capitalisation reserves			
Opening balance		-	-
Transfers		-	-
Movement in equity		-	-
Movement in operational funds		-	-
Other movements		-	-
Closing balance		-	-
Recoverable revenue			
Opening balance		77,251	75,101
Transfers:		4,444	2,150
Irrecoverable amounts written off		-	-
Debts revised		(857)	(420)
Debts recovered (included in departmental revenue)		(2,089)	(2,094)
Debts raised		7,390	4,664
Closing balance		81,695	77,251
Retained funds			
Opening balance		-	-
Transfer from voted funds to be surrendered (Parliament/Legislatures ONLY)		-	-
Utilised during the year		-	-
Other transfers		-	-
Closing balance		-	-
Revaluation reserve			
Opening balance		-	-
Revaluation adjustment (Human Settlements departments)		-	-
Transfers		-	-
Other		-	-
Closing balance		-	-
Unauthorised expenditure			
Opening balance		(679,743)	(679,743)
Unauthorised expenditure - current year		(153,014)	-
Less: Amounts approved by Parliament/Legislature with funding		-	-
Less: Amounts approved by Parliament/Legislature without funding and derecognised		-	-
Current		-	-
Capital		-	-
Transfers and subsidies		-	-
Less: Amounts recoverable		-	-
Less: Amounts written off		-	-
Closing Balance		(832,757)	(679,743)
TOTAL		(751,062)	(602,492)

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**CASH FLOW STATEMENT
for the year ended 31 March 2023**

	Note	2022/23 R'000	2021/22 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		13,396,934	12,757,181
Annual appropriation funds received	1.1	13,182,064	12,599,134
Statutory appropriation funds received		-	-
Departmental revenue received	2	213,529	145,648
Interest received	2.3	632	730
NRF receipts		-	-
Aid assistance received	3	709	11,669
Net (increase)/decrease in net working capital		46,851	(17,878)
Surrendered to Revenue Fund		(587,208)	(420,898)
Surrendered to RDP Fund/Donor		-	-
Current payments		(11,981,511)	(11,443,159)
Interest paid	6	(3,020)	(895)
Payments for financial assets		-	-
Transfers and subsidies paid		(205,317)	(156,506)
Net cash flow available from operating activities	16	666,729	717,845
CASH FLOWS FROM INVESTING ACTIVITIES			
Distribution/dividend received		-	-
Payments for capital assets	8	(999,573)	(612,405)
Proceeds from sale of capital assets		-	-
(Increase)/decrease in loans		-	-
(Increase)/decrease in investments		-	-
(Increase)/decrease in other financial assets		-	-
(Increase)/decrease in non-current receivables	11	(58,115)	(4,917)
Net cash flow available from investing activities		(1,057,688)	(617,322)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		4,444	2,150
Increase/(decrease) in non-current payables		-	-
Net cash flows from financing activities		4,444	2,150
Net increase/(decrease) in cash and cash equivalents		(386,515)	102,673
Cash and cash equivalents at beginning of period		(356,123)	(458,796)
Unrealised gains and losses within cash and cash equivalents		-	-
Cash and cash equivalents at end of period	17	(742,638)	(356,123)

**FREE STATE DEPARTMENT OF HEALTH
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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023**

PART A: ACCOUNTING POLICIES

Summary of significant accounting policies

The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. Management has concluded that the financial statements present fairly the department's primary and secondary information.

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

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 (PFMA), Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the PFMA and the annual Division of Revenue Act.

1	Basis of preparation The financial statements have been prepared in accordance with the Modified Cash Standard.
2	Going concern The financial statements have been prepared on a going concern basis.
3	Presentation currency Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.
4	Rounding Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).
5	Foreign currency translation Cash flows arising from foreign currency transactions are translated into South African Rands using the spot exchange rates prevailing at the date of payment / receipt.
6	Comparative information
6.1	Prior period comparative information 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.
6.2	Current year comparison with budget A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.
7	Revenue
7.1	Appropriated funds Appropriated funds comprise of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation). Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective. Appropriated funds are measured at the amount receivable.

**FREE STATE DEPARTMENT OF HEALTH
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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023**

	The net amount of any appropriated funds due to / from the relevant revenue fund at the reporting date is recognised as a payable / receivable in the statement of financial position.
7.2	Departmental revenue Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise. Departmental revenue is measured at the cash amount received. In-kind donations received are recorded in the notes to the financial statements on the date of receipt and are measured at fair value. Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.
7.3	Accrued departmental revenue Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when: • it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and • the amount of revenue can be measured reliably. The accrued revenue is measured at the fair value of the consideration receivable. Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents. Write-offs are made according to the department's debt write-off policy.
8	Expenditure
8.1	Compensation of employees
8.1.1	Salaries and wages Salaries and wages are recognised in the statement of financial performance on the date of payment.
8.1.2	Social contributions Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment. Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.
8.2	Other expenditure Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold. Donations made in kind are recorded in the notes to the financial statements on the date of transfer and are measured at cost or fair value.
8.3	Accruals and payables not recognised Accruals and payables not recognised are recorded in the notes to the financial statements at cost or fair value at the reporting date.

**FREE STATE DEPARTMENT OF HEALTH
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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023**

8.4	Leases
8.4.1	Operating leases Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment. Operating lease payments received are recognised as departmental revenue. The operating lease commitments are recorded in the notes to the financial statements.
8.4.2	Finance leases Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment. Finance lease payments received are recognised as departmental revenue. The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions. Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of: • cost, being the fair value of the asset; or • the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.
9	Aid Assistance
9.1	Aid assistance received Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value. Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position.
9.2	Aid assistance paid Aid assistance paid is recognised in the statement of financial performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the statement of financial position.
10	Cash and cash equivalents Cash and cash equivalents are stated at cost in the statement of financial position. Bank overdrafts are shown separately on the face of the statement of financial position as a current liability. 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.
11	Prepayments and advances Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash. Prepayments and advances are initially and subsequently measured at cost. Prepayments and Advances are expensed under following items: T & S Advances: Accommodation expenditure related to expenditure in respect of lodging meals (including non-alcoholic beverages with meals) by officials for official work-related purposes to perform their duties away from Headquarters.

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023**

	Standing T&S Advance: Money provided to qualifying officials whose work compels them to travel extensively on a regular monthly basis to perform their duties away from their Headquarters. Prepayments Advance payments or prepayments to suppliers shall be avoided unless required by the contractual arrangements. It is prudent public financial management practice not to pay for goods or services until they have been received in order or rendered satisfactorily. Advance payments or prepayments may in the following exceptional cases be made: • Procuring of books, periodicals and special magazines and professional publications (normally applicable for education centres, legal services and health professionals and students); • Paying for membership dues; • Paying for seminar, symposium and colloquia registration fees; • Procuring performing artists and personal / professional services (e.g. speakers) when contract requires payment before performance begins; or In the case of bidding process and where the accounting officer deems it may not be feasible for suppliers to provide the goods or services without a reasonable advance payment, at the discretion of the accounting officer. <i>[N.B. In this regard, the accounting officer shall ensure that the nature and extent / amount / of such contractual provisions are specified and included in the bidding documents prior to invitation of suppliers to make offers].</i>
12	Receivables Receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off. Write-offs are made according to the department's write-off policy.
13	Investments Investments are recognised in the statement of financial position at cost.
14	Financial assets
14.1	Financial assets (not covered elsewhere) A financial asset is recognised initially at its cost-plus transaction costs that are directly attributable to the acquisition or issue of the financial asset. At the reporting date, a department shall measure its financial assets at cost, less amounts already settled or written-off, except for recognised loans and receivables, which are measured at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.
14.2	Impairment of financial assets Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.
15	Payables Payables recognised in the statement of financial position are recognised at cost.

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023**

16	Capital Assets
16.1	Immovable capital assets Immovable assets reflected in the asset register of the department are recorded in the notes to the financial statements at cost or fair value where the cost cannot be determined reliably. Immovable assets acquired in a non-exchange transaction are recorded at fair value at the date of acquisition. Immovable assets are subsequently carried in the asset register at cost and are not currently subject to depreciation or impairment. Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use. Additional information on immovable assets not reflected in the assets register is provided in the notes to financial statements.
16.2	Movable capital assets Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition. Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1. All assets acquired prior to 1 April 2006 may be recorded at R1. Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment. Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.
16.3	Intangible assets Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition. Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project. Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1. All assets acquired prior to 1 April 2006 may be recorded at R1. Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment. Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.
16.4	Project Costs: Work-in-progress Expenditure of a capital nature is initially recognised in the statement of financial performance at cost when paid. Amounts paid towards capital projects are separated from the amounts recognised and accumulated in work-in-progress until the underlying asset is ready for use. Once ready for use, the total accumulated payments are recorded in an asset register. Subsequent payments to complete the project are added to the capital asset in the asset register.

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	Where the department is not the custodian of the completed project asset, the asset is transferred to the custodian subsequent to completion.
17	Provisions and Contingents
17.1	Provisions Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.
17.2	Contingent liabilities Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.
17.3	Contingent assets Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department.
17.4	Capital commitments Capital commitments are recorded at cost in the notes to the financial statements.
18	Unauthorised expenditure Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure. Unauthorised expenditure is recognised in the statement of changes in net assets until such time as the expenditure is either: • approved by the Provincial Legislature with funding and the related funds are received; or • approved by the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or • transferred to receivables for recovery. Unauthorised expenditure recorded in the notes to the financial statements comprise of: • unauthorised expenditure that was under assessment in the previous financial year; • unauthorised expenditure relating to previous financial year and identified in the current year; and • Unauthorised incurred in the current year.

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19	Fruitless and wasteful expenditure Fruitless and wasteful expenditure receivables are recognised in the statement of financial position when recoverable. The receivable is measured at the amount that is expected to be recovered and is de-recognised when settled or subsequently written-off as irrecoverable. Fruitless and wasteful expenditure is recorded in the notes to the financial statements when and at amounts confirmed, and comprises of: • fruitless and wasteful expenditure that was under assessment in the previous financial year; • fruitless and wasteful expenditure relating to previous financial year and identified in the current year; and • fruitless and wasteful expenditure incurred in the current year.
20	Irregular expenditure Losses emanating from irregular expenditure are recognised as a receivable in the statement of financial position when recoverable. The receivable is measured at the amount that is expected to be recovered and is de-recognised when settled or subsequently written-off as irrecoverable. Irregular expenditure is recorded in the notes to the financial statements when and at amounts confirmed and comprises of: • irregular expenditure that was under assessment in the previous financial year; • irregular expenditure relating to previous financial year and identified in the current year; and • irregular expenditure incurred in the current year.
21	Changes in accounting estimates and errors Changes in accounting estimates are applied prospectively in accordance with MCS requirements. Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.
22	Events after the reporting date Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.
23	Principal-Agent arrangements The department is party to a principal-agent arrangement in terms of which it has appointed the Department of Public Works and Infrastructure for the purpose of Implementing the infrastructure programme. The Department as a principal is responsible for determining procurement strategies allocation of programme budget and execution of payments. All related revenues, expenditures, assets and liabilities have been recognised or recorded in terms of the relevant policies listed herein. Additional disclosures have been provided in the notes to the financial statements where appropriate.

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24	Departures from the MCS requirements The Department did not depart from the Modified Cash Standards requirements. Management has concluded that the Financial Statements present fairly the department's primary and secondary information and that the department complied with the Standard.
25	Capitalisation reserve The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the Provincial Revenue Fund when the underlying asset is disposed and the related funds are received.
26	Recoverable revenue Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.
27	Related party transactions Related party transactions within the MEC's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length. The full compensation of key management personnel is recorded in the notes to the financial statements.
28	Inventories (<i>Effective from date determined in a Treasury Instruction</i>) At the date of acquisition, inventories are recognised at cost in the statement of financial performance. Where inventories are acquired as part of a non-exchange transaction, the inventories are measured at fair value as at the date of acquisition. Inventories are subsequently measured at the lower of cost and net realisable value or where intended for distribution (or consumed in the production of goods for distribution) at no or a nominal charge, the lower of cost and current replacement value. The cost of inventories is assigned by using the weighted average cost basis.
29	Public-Private Partnerships Public Private Partnerships are accounted for based on the nature and or the substance of the partnership. The transaction is accounted for in accordance with the relevant accounting policies. A summary of the significant terms of the PPP agreement, the parties to the agreement, and the date of commencement thereof together with the description and nature of the concession fees received, the unitary fees paid, rights and obligations of the department are recorded in the notes to the financial statements.
30	Employee benefits The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is recorded in the Employee benefits note. Accruals and payables not recognised for employee benefits are measured at cost or fair value at the reporting date.

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	The provision for employee benefits is measured at the best estimate of funds required to settle the present obligation at the reporting date.
31	Transfer of functions Transfer of functions are accounted for by the acquirer by recognising or recording assets acquired and liabilities assumed at their carrying amounts at the date of transfer. Transfer of functions are accounted for by the transferor by derecognising or removing assets and liabilities at their carrying amounts at the date of transfer.
32	Mergers Mergers are accounted for by the combined department by recognising or recording assets acquired and liabilities assumed at their carrying amounts at the date of the merger. Mergers are accounted for by the combining departments by derecognising or removing assets and liabilities at their carrying amounts at the date of the merger.

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PART B: EXPLANATORY NOTES

1. Annual Appropriation

1.1. Annual Appropriation

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

	2022/23			2021/22		
	Final Budget	Actual Funds Received	Funds not requested / not received	Final Budget	Appropriation Received	Funds not requested / not received
Programmes	R'000	R'000	R'000	R'000	R'000	R'000
Administration	319,161	319,161	-	331,259	331,259	-
District Health Services	5,892,290	5,892,290	-	5,853,088	5,853,088	-
Emergency Medical Services	969,768	969,768	-	960,262	960,262	-
Provincial Hospital Services	1,687,727	1,687,727	-	1,678,140	1,678,140	-
Central Hospital Services	2,947,541	2,947,541	-	2,565,025	2,565,025	-
Health Science & Training	321,423	321,423	-	292,150	292,150	-
Health Care Support Services	166,547	166,547	-	163,261	163,261	-
Health Facilities Management	877,607	877,607	-	755,949	755,949	-
Total	13,182,064	13,182,064	-	12,599,134	12,599,134	-

1.2. Conditional grants

	Note	2022/23 R'000	2021/22 R'000
Total grants received	35	4,166,121	3,778,445
Provincial grants included in total grants received			-

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2. Departmental revenue

	Note	2022/23 R'000	2021/22 R'000
Tax revenue			-
Sales of goods and services other than capital assets	2.1	203,559	135,253
Fines, penalties and forfeits	2.2	1	2
Interest, dividends and rent on land	2.3	632	730
Sales of capital assets		-	-
Transactions in financial assets and liabilities	2.4	9,969	10,393
Transfer received		-	-
Total revenue collected		214,161	146,378
Less: Own revenue included in appropriation	13	189,593	146,378
Total		24,568	-

2.1. Sales of goods and services other than capital assets

	Note	2022/23 R'000	2021/22 R'000
Sales of goods and services produced by the department		203,396	135,123
Sales by market establishment		12	13
Administrative fees		3,315	2,866
Other sales		200,069	132,244
Sales of scrap, waste and other used current goods		163	130
Total	3	203,559	135,253

2.2. Fines, penalties and forfeits

	Note	2022/23 R'000	2021/22 R'000
Fines		1	2
Penalties		-	-
Forfeits		-	-
Total	2	1	2

2.3. Interest, dividends and rent on land

	Note	2022/23 R'000	2021/22 R'000
Interest		632	730
Dividends		-	-
Rent on land		-	-
Total	2	632	730

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2.4. Transactions in financial assets and liabilities

	Note	2022/23 R'000	2021/22 R'000
Loans and advances		-	-
Receivables		1,476	1,388
Forex gain		-	-
Other receipts including Recoverable Revenue		8,493	9,005
Gains on GFECRA		-	-
Total	2	9,969	10,393

2.4.1. Donations received in-kind (not included in the main note or sub note)

	Note	2022/23 R'000	2021/22 R'000
<i>List in-kind donations received</i>			
Various Organisations		96,137	48,286
Total		96,137	48,286

3. Aid assistance

	Note	2022/23 R'000	2021/22 R'000
Opening balance		4,505	4,915
Prior period error		-	-
As restated		4,505	4,915
Transferred from statement of financial performance		(2,218)	(410)
Transfers to or from retained funds		-	-
Paid during the year		-	-
Closing balance		2,287	4,505

The Department received aid assistance from the Health and Welfare SETA

3.1. Analysis of balance by source

	Note	2022/23 R'000	2021/22 R'000
Aid assistance from RDP		-	-
Aid assistance from other sources		2,287	4,505
CARA Funds		-	-
Closing balance	3	2,287	4,505

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3.2. Analysis of balance

	Note	2022/23 R'000	2021/22 R'000
Aid assistance receivable		-	-
Aid assistance prepayments (not expensed)		-	-
Aid assistance unutilised		2,287	4,505
Aid assistance repayable		-	-
Closing balance	3	2,287	4,505
Aid assistance not requested/not received		-	-

3.3. Aid assistance expenditure per economic classification

	Note	2022/23 R'000	2021/22 R'000
Current		2,927	12,079
Capital	8	-	-
Transfers and subsidies		-	-
Total aid assistance expenditure		2,927	12,079

4. Compensation of employees

4.1. Analysis of balance

	Note	2022/23 R'000	2021/22 R'000
Basic salary		5,252,169	5,124,823
Performance award		1,712	5,905
Service based		11,592	5,403
Compensative/circumstantial		813,766	767,816
Periodic payments		29,490	31,727
Other non-pensionable allowances		1,470,744	1,422,414
Total		7,579,473	7,358,088

Included under Compensative/circumstantial is the overtime paid during the year that amount to R503 159' (R484 717' in 2022/2023). The amount reported under Other non-pensionable allowances include an amount of R870 373' (R1 422' in 2022/2023) for Non-Pensionable Cash Allowance, which represent the non-structured portion of the cost to company, as well as an amount of R247 983' (R235 831' in 2022/2023) for housing allowances.

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4.2. Social contributions

Employer contributions	<i>Note</i>	2022/23 R'000	2021/22 R'000
Pension		584,470	571,285
Medical		498,076	456,082
UIF		105	304
Bargaining council		1,482	1,489
Official unions and associations		-	-
Insurance		68	59
Total		1,084,201	1,029,219
Total compensation of employees		8,663,674	8,387,307
Average number of employees		22,158	22,376

5. Goods and services

	<i>Note</i>	2022/23 R'000	2021/22 R'000
Administrative fees		1,865	2,907
Advertising		1,138	6,094
Minor assets	5.1	21,616	26,542
Bursaries (employees)		5,084	2,921
Catering		7,967	6,203
Communication		33,479	36,715
Computer services	5.2	60,297	65,979
Consultants: Business and advisory services	5.9	2,368	5,180
Infrastructure and planning services		602	144
Laboratory services		510,135	551,288
Scientific and technological services		-	-
Legal services		14,007	12,681
Contractors		58,621	79,853
Agency and support / outsourced services		94,623	89,915
Entertainment		-	-
Audit cost - external	5.3	20,598	23,132
Fleet services		120,118	98,248
Inventories	5.4	1,742,761	1,464,582
Consumables	5.5	108,830	106,088
Housing		-	-
Operating leases		361,890	307,720
Property payments	5.6	93,693	109,065
Rental and hiring		139	3,080
Transport provided as part of the departmental activities		27	60
Travel and subsistence	5.7	36,288	28,579

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	<i>Note</i>	2022/23 R'000	2021/22 R'000
Venues and facilities		6,004	3,207
Training and development		6,240	7,929
Other operating expenditure	5.8	6,520	5,661
Total		3,314,910	3,043,773

5.1. Minor assets

	<i>Note</i>	2022/23 R'000	2021/22 R'000
Tangible capital assets		21,616	26,542
Buildings and other fixed structures		-	-
Machinery and equipment		21,616	26,542
Heritage assets		-	-
Specialised military assets		-	-
Land and subsoil assets		-	-
Biological assets		-	-
Intangible capital assets			-
Software		-	-
Mastheads and publishing titles		-	-
Patents, licences, copyright, brand names and trademarks		-	-
Recipes, formulae, prototypes, designs, models		-	-
Services and operating rights		-	-
Total	5	21,616	26,542

5.2. Computer services

	<i>Note</i>	2022/23 R'000	2021/22 R'000
SITA computer services		18,835	21,711
External computer service providers		41,462	44,268
Total	5	60,297	65,979

5.3. Audit cost - external

	<i>Note</i>	2022/23 R'000	2021/22 R'000
Regularity audits		20,598	23,132
Performance audits		-	-
Investigations		-	-
Environmental audits		-	-
Computer audits		-	-
Total	5	20,598	23,132

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5.4. Inventories

	Note	2022/23 R'000	2021/22 R'000
Clothing material and accessories		16,019	14,077
Farming supplies		32	-
Food and food supplies		75,190	71,178
Fuel, oil and gas		98,589	78,126
Learning, teaching and support material		-	-
Materials and supplies		11,687	13,053
Medical supplies		545,451	459,938
Medicine		986,078	812,029
Medsas inventory interface		-	-
Other supplies	5.4.1	9,715	16,181
Total	5	1,742,761	1,464,582

5.4.1. Other supplies

	Note	2022/23 R'000	2021/22 R'000
Ammunition and security supplies		-	-
Assets for distribution		-	-
Machinery and equipment		-	-
School furniture		-	-
Sports and recreation		-	-
Library material		-	-
Other assets for distribution		-	-
Other		9,715	16,181
Total	5.4	9,715	16,181

5.5. Consumables

	Note	2022/23 R'000	2021/22 R'000
Consumable supplies		68,923	69,899
Uniform and clothing		26,859	32,345
Household supplies		34,535	36,486
Building material and supplies		-	-
Communication accessories		-	-
IT consumables		211	169
Other consumables		7,318	899
Stationery, printing and office supplies		39,907	36,189
Total	5	108,830	106,088

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5.6. Property payments

	Note	2022/23 R'000	2021/22 R'000
Municipal services		195	191
Property management fees		14,401	19,371
Property maintenance and repairs		63,499	70,976
Other		15,598	18,527
Total	5	93,693	109,065

5.7. Travel and subsistence

	Note	2022/23 R'000	2021/22 R'000
Local		35,438	27,958
Foreign		850	621
Total	5	36,288	28,579

5.8. Other operating expenditure

	Note	2022/23 R'000	2021/22 R'000
Professional bodies, membership and subscription fees		659	911
Resettlement costs		184	200
Other		5,677	4,550
Total	5	6,520	5,661

5.9. Remuneration of members of a commission or committee of inquiry (Included in Consultants: Business and advisory services)

Name of Commission / Committee of Inquiry	Note	2022/23 R'000	2021/22 R'000
	5		
Risk Management Committee		20	2,630
Audit Committee		359	307
Mental Health Review Board & Hospital Committee		1,930	2,234
Public Service Co-ordinating Bargaining Council		-	9
Total		2,309	5,180

6. Interest and rent on land

	Note	2022/23 R'000	2021/22 R'000
Interest paid		3,020	895
Rent on land		-	-
Total		3,020	895

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7. Transfers and subsidies

		2022/23	2021/22
	Note	R'000	R'000
Provinces and municipalities	36	-	3
Departmental agencies and accounts	Annex 1B	57,000	61,000
Public corporations and private enterprises	Annex 1C	11,025	6,463
Non-profit institutions	Annex 1D	11,253	2,353
Households	Annex 1E	126,039	86,687
Total		205,317	156,506

8. Expenditure for capital assets

		2022/23	2021/22
	Note	R'000	R'000
Tangible capital assets		999,573	612,205
Buildings and other fixed structures	31	641,113	432,335
Heritage assets	29,31	-	-
Machinery and equipment	29	358,460	179,870
Specialised military assets	29	-	-
Land and subsoil assets	31	-	-
Biological assets	29	-	-
Intangible capital assets		-	200
Software	30	-	200
Mastheads and publishing titles	30	-	-
Patents, licences, copyright, brand names and trademarks	30	-	-
Recipes, formulae, prototypes, designs, models	30	-	-
Services and operating rights	30	-	-
Total		999,573	612,405

The following amounts have been included as project costs in Expenditure for capital assets

Compensation of employees	-	-
Goods and services	-	-
Total	-	-

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8.1. Analysis of funds utilised to acquire capital assets - Current year.

Name of entity	2022/23		
	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible capital assets	999,573		999,573
Buildings and other fixed structures	641,113	-	641,113
Heritage assets	-	-	-
Machinery and equipment	358,460	-	358,460
Specialised military assets	-	-	-
Land and subsoil assets	-	-	-
Biological assets	-	-	-
Intangible capital assets	-	-	-
Software	-	-	-
Mastheads and publishing titles	-	-	-
Patents, licences, copyright, brand names and trademarks	-	-	-
Recipes, formulae, prototypes, designs, models	-	-	-
Services and operating rights	-	-	-
Total	999,573	-	999,573

8.2. Analysis of funds utilised to acquire capital assets - Prior year.

Name of entity	2021/22		
	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible capital assets	612,205	-	612,205
Buildings and other fixed structures	432,335	-	432,335
Heritage assets	-	-	-
Machinery and equipment	179,870	-	179,870
Specialised military assets	-	-	-
Land and subsoil assets	-	-	-
Biological assets	-	-	-
Intangible capital assets	200	-	200
Software	200	-	200
Mastheads and publishing titles	-	-	-
Patents, licences, copyright, brand names and trademarks	-	-	-
Services and operating rights	-	-	-
Total	612,405	-	612,405

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8.3. Finance lease expenditure included in Expenditure for capital assets

	<i>Note</i>	2022/23 R'000	2021/22 R'000
Tangible capital assets		-	-
Buildings and other fixed structures		-	-
Heritage assets		-	-
Machinery and equipment		139,729	89,986
Specialised military assets		-	-
Land and subsoil assets		-	-
Biological assets		-	-
Total		139,729	89,986

9. Cash and cash equivalents

	<i>Note</i>	2022/23 R'000	2021/22 R'000
Consolidated Paymaster General Account		-	-
Cash receipts		-	-
Disbursements		-	2
Cash on hand		131	126
Investments (Domestic)		-	-
Investments (Foreign)		-	-
Total		131	128

10. Prepayments and advances

	<i>Note</i>	2022/23 R'000	2021/22 R'000
Staff advances		-	-
Travel and subsistence		-	-
Prepayments (Not expensed)		-	-
Advances paid (Not expensed)	10.1	1,334	1,334
SOCPEN advances		-	-
Total		1,334	1,334

	<i>Note</i>	2022/23 R'000	2021/22 R'000
Analysis of Total Prepayments and advances		-	-
Current Prepayments and advances		-	-
Non-current Prepayments and advances		1,334	1,334
Total		1,334	1,334

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10.1. Advances paid (Not expensed)

		2022/23				
		Amount as at 1 April 2022	Less: Amounts expensed in current year	Add / Less: Other	Add Current year advances	Amount as at 31 March 2023
	Note	R'000	R'000	R'000	R'000	R'000
National departments		-	-	-	-	-
Provincial departments		-	-	-	-	-
Public entities		-	-	-	-	-
Other entities		1,334	-	-	-	1,334
Total	10	1,334	-	-	-	1,334

		2021/22				
		Amount as at 1 April 2021	Less: Amounts expensed in current year	Add / Less: Other	Add Current year advances	Amount as at 31 March 2022
	Note	R'000	R'000	R'000	R'000	R'000
National departments		-	-	-	-	-
Provincial departments		-	-	-	-	-
Public entities		-	-	-	-	-
Other entities		1,334	-	-	-	1,334
Total	10	1,334	-	-	-	1,334

11. Receivables

		2022/23			2021/22		
		Current	Non- current	Total	Current	Non- current	Total
	Note	R'000	R'000	R'000	R'000	R'000	R'000
Claims recoverable	11.1	18,641	58,898	77,539	63,688	8,321	72,009
Trade receivables		-	-	-	-	-	-
Recoverable expenditure	11.2	1,302	276	1,578	1,797	276	2,073
Staff debt	11.3	1,322	61,368	62,690	1,985	53,497	55,482
Other receivables	11.4	277	49,019	49,296	282	49,352	49,634
Total		21,542	169,561	191,103	67,752	111,446	179,198

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11.1. Claims recoverable.

	Note	2022/23 R'000	2021/22 R'000
National departments	11	72,614	64,071
Provincial departments		4,925	4,933
Public entities		-	5
Private enterprises		-	3,000
Total		77,539	72,009

11.2. Recoverable expenditure

	Note	2022/23 R'000	2021/22 R'000
<i>Group major categories, but list material items</i>			
Disallowances Account – Damages and Losses Account		276	276
Pension Fund Account		-	51
Salaries Reversals Account		1,274	1,576
Deductions Disallowances Account		5	12
Tax Debt Account		23	158
Total	11	1,578	2,073

11.3. Staff debt

	Note	2022/23 R'000	2021/22 R'000
<i>Group major categories, but list material items</i>			
Breach of contract		5,996	4,156
Ex-employee Debt		52,432	47,902
Salary Overpayment		4,160	3,323
State Guarantee		102	101
Total	11	62,690	55,482

11.4. Other receivables

	Note	2022/23 R'000	2021/22 R'000
<i>Group major categories, but list material items</i>			
Statutory Appropriation receivables		-	-
Unauthorised expenditure		-	-
Irregular expenditure		-	-
Fruitless and wasteful expenditure		-	-
Breach of contract (non-employee bursaries)		49,000	49,346
Losses/Damages Non- Employee		296	288
Total	11	49,296	49,634

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11.5. Impairment of receivables

	<i>Note</i>	2022/23 R'000	2021/22 R'000
Estimate of impairment of receivables		48,620	40,824
Total		48,620	40,824

12. Voted funds to be surrendered to the Revenue Fund

	<i>Note</i>	2022/23 R'000	2021/22 R'000
Opening balance		398,248	238,880
Prior period error			-
As restated		398,248	238,880
Transferred from statement of financial performance (as restated)		(4,430)	398,248
Add: Unauthorised expenditure for the current year		153,014	-
Voted funds not requested/not received	1.1	-	-
Transferred to retained revenue to defray excess expenditure (Parliament/Legislatures)	12.1	-	-
Conditional grants surrendered by the provincial department		-	-
Paid during the year		(398,248)	(238,880)
Closing balance		148,584	398,248

12.1. Reconciliation of unspent conditional grants

Nature of prior period error	<i>Note</i>	2022/23 R'000	2021/22 R'000
Total conditional grants received		4,166,121	3,778,445
Total conditional grants spent		(4,081,099)	(3,498,382)
Unspent conditional grants to be surrendered		85,022	280,063
Less: Paid to the Provincial Revenue Fund by Provincial department		-	-
Approved for rollover		-	-
Not approved for rollover		-	-
Add: Received from provincial revenue fund by national department		-	-
Due by the Provincial Revenue Fund		85,022	280,063

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13. Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund

	Note	2022/23 R'000	2021/22 R'000
Opening balance		17,877	53,517
Prior period error			-
As restated		17,877	53,517
Transferred from statement of financial performance (as restated)		24,568	-
Own revenue included in appropriation		189,593	146,378
Transfer from aid assistance	3	-	-
Transferred to voted funds to defray excess expenditure (Parliament/Legislatures)		-	-
Paid during the year		(188,960)	(182,018)
Closing balance		43,078	17,877

14. Bank overdraft

	Note	2022/23 R'000	2021/22 R'000
Consolidated Paymaster General account		742,769	356,251
Fund requisition account		-	-
Overdraft with commercial banks (Local)		-	-
Overdraft with commercial banks (Foreign)		-	-
Total		742,769	356,251

The Department incurred an actual overdraft of R51 301' The reported R742 769' (R356 251' in prior year) is due to transactions processed towards the end of the financial year but could not be disbursed. The reported amount does not represent the bank account balance at the end of the financial year.

15. Payables - current

	Note	2022/23 R'000	2021/22 R'000
Amounts owing to other entities		-	-
Advances received		-	-
Clearing accounts	15.1	6,912	6,271
Other payables		-	-
Total		6,912	6,271

15.1. Clearing accounts

Description	Note	2022/23 R'000	2021/22 R'000
<i>Identify major categories, but list material items</i>			
Salary Income tax: CL		2,888	2,754
Salary Housing Clearing Account		79	61
Sal: Medical AID: CL		13	55

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Description	Note	2022/23 R'000	2021/22 R'000
Sal: Garnishee Order:CL		-	5
Sal: Finance Other Institution:CL		10	8
Sal: GEHS Refund Control Acc: CL		3,922	3,388
Total	15	6,912	6,271

16. Net cash flow available from operating activities

	Note	2022/23 R'000	2021/22 R'000
Net surplus/(deficit) as per Statement of Financial Performance		17,920	397,838
Add back non-cash/cash movements not deemed operating activities		648,809	320,007
(Increase)/decrease in receivables		46,210	(16,660)
(Increase)/decrease in prepayments and advances		-	-
(Increase)/decrease in other current assets		-	-
Increase/(decrease) in payables - current		641	(1,218)
Proceeds from sale of capital assets		-	-
Proceeds from sale of investments		-	-
(Increase)/decrease in other financial assets		-	-
Expenditure on capital assets		999,573	612,405
Surrenders to Revenue Fund		(587,208)	(420,898)
Surrenders to RDP Fund/Donors		-	-
Voted funds not requested/not received		-	-
Own revenue included in appropriation		189,593	146,378
Other non-cash items		-	-
Net cash flow generating		669,729	717,845

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

	Note	2022/23 R'000	2021/22 R'000
Consolidated Paymaster General account		(742,769)	(356,251)
Disbursements		-	2
Cash on hand		131	126
Cash with commercial banks (Local)		-	-
Cash with commercial banks (Foreign)		-	-
Total		(742,638)	(356,123)

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18. Contingent liabilities and contingent assets

18.1. Contingent liabilities

Liable to	Nature	Note	2022/23 R'000	2021/22 R'000
Motor vehicle guarantees	Employees		-	-
Housing loan guarantees	Employees		-	-
Other guarantees			-	-
Claims against the department		Annex 2A	5,130,112	4,663,463
Intergovernmental payables		Annex 4	1,001	-
Other		Annex 2A	-	-
Total			5,131,113	4,663,463

The contingent liabilities have been increasing significantly on yearly basis for the past five years, and currently the balance is R5 131 112'. The high increasing contingent liabilities relates to medico-legal claims, and this matter indicate material uncertainty related to events and conditions that may cast significant doubt on the Department's ability to meet its financial obligation as they may fall due. Legal cost relating to the medico-legal claim could not be reliably estimated, and therefore it could not be included in the valuation of contingent liabilities disclosed.

Contingent liabilities where settlement could be concluded are reported under provision or accrual depending on the stage at which the amount and timing could reliably be estimated.

Some matters could not be estimated for the following reasons:

- Unable to estimate, as letter of demand is not specific, it speaks of damages to the womb of the Plaintiff during labour.*
- Unable to estimate, child suffered the loss of sensory functions of the foot.*

An estimation of R15 000' was calculated for claims i.r.o cerebral palsy with no specific claim amount, based on payments made during past years for similar claims.

The Department has a possible obligation due to leave with salary implications, overtime, and shift work, that are awaiting authorisation. The amount could not be measured reliably.

18.2. Contingent assets

Nature of contingent asset	Note	2022/23 R'000	2021/22 R'000
Third party claims		8,635	803
Overpayment on projects		15,568	19,703
Incapacity leaves not yet assessed or approved		10,289	15,569
Total		34,492	36,075

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19. Capital commitments.

	<i>Note</i>	2022/23 R'000	2021/22 R'000
Buildings and other fixed structures		416,832	594,501
Heritage assets		-	-
Machinery and equipment		161,347	56,259
Specialised military assets		-	-
Land and subsoil assets		-	-
Intangible assets		-	-
Total		578,179	650,760

20. Accruals and payables not recognised.

20.1. Accruals

	<i>Note</i>	2022/23			2021/22
		30 Days R'000	30+ Days R'000	Total R'000	Total R'000
Listed by economic classification					
Goods and services		119,561	17,138	136,699	154,773
Interest and rent on land		-	-	-	-
Transfers and subsidies		-	-	-	-
Capital assets		10,567	4,036	14,603	11,229
Other		-	-	-	-
Total		130,128	21,174	151,302	166,002

	<i>Note</i>	2022/23 R'000	2021/22 R'000
Listed by programme level			
Administration		44,246	5,701
District Health Services		10,260	49,515
Emergency Medical Services		1,255	657
Provincial Hospital Management		11,168	6,444
Central Hospital Services		30,779	15,228
Health Science and Training		17	691
Health Care Support Services		2,408	110
Health Facilities Management		7,510	8,619
Support Central Trading Account		43,659	79,037
Total		151,302	166,002

The accruals have decreased by 8% from R166 002' in the prior year to R151 302'.

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20.2. Payables not recognised

Listed by economic classification	Note	2022/23			2021/22
		30 Days	30+ Days	Total	Total
		R'000	R'000	R'000	R'000
Goods and services		213,900	252,148	466,048	405,856
Interest and rent on land		-	-	-	-
Transfers and subsidies		-	-	-	-
Capital assets		25,736	39,276	65,012	90,558
Other		-	-	-	-
Total		239,636	291,424	531,060	496,414

Listed by programme level	Note	2022/23	2021/22
		R'000	R'000
Administration		42,343	22,949
District Health Services		16,285	33,816
Emergency Medical Services		727	9,032
Provincial Hospital Management		9,803	13,629
Central Hospital Services		26,020	21,119
Health Science and Training		21	96
Health Care Support Services		40	45
Health Facilities Management		62,155	102,307
Support Central Trading Account		373,666	293,421
Total		531,060	496,414

Included in the above totals are the following:	Note	2022/23	2021/22
		R'000	R'000
Confirmed balances with other departments	Annex 5	2,867	1,586
Confirmed balances with other government entities	Annex 5	31,704	-
Total		34,571	1,586

The accruals have increased by 7% from R496 414 000 in the prior year to R531 060 000.

21. Employee benefits

	Note	2022/23	2021/22
		R'000	R'000
Leave entitlement		363,347	369,278
Service bonus		185,856	180,792
Performance awards		-	-

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	Note	2022/23 R'000	2021/22 R'000
Capped leave		84,676	95,258
Other		10,256	20,069
Total		644,135	665,397

The Department was not able to reliably measure the long-term portion of the long service awards. The long-term portion of the provision would likely be R10 2557' (2022/2023).

Included in the leave entitlement are negative leave balances amounting to R5 882' and (R6 304' 2021/2022). The negative leave mainly arises due to the pro-rata calculation of the leave entitlement in the calendar year versus the number of leave already taken in the last quarter of the financial year, which is the second quarter of the leave cycle calendar year.

For the provision of performance rewards, the department has implemented DPSA Circular no 01. of 2019 which requires a provision of 0% remuneration budget for financial year 2021/22, the circular further states that post 2022 the % remuneration of performance rewards will be determined based on the comprehensive review of all PMDS for all categories of employees. Therefore, the department does not have an obligation for 2021/22 and 2022/23 Financial Years.

Furthermore, the department has an estimated possible obligation on performance bonus amounting to R4 069' and R3 980' relating to the 2019/20 and 2020/21 performance cycle respectively which might result in future payments.

22. Lease commitments

22.1. Operating leases

	2022/23				
	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	-	218,859	218,859
Later than 1 year and not later than 5 years	-	-	-	153,342	153,563
Later than 5 years	-	-	-	2,827	2,827
Total lease commitments	-	-	-	375,028	375,028

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	2021/22				
	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	-	247,203	247,203
Later than 1 year and not later than 5 years	-	-	-	234,948	234,948
Later than 5 years	-	-	-	2,654	2,654
Total lease commitments	-	-	-	484,805	484,805

Fleet Management Trading Entity

- The service level agreement between Department of Health and Free State Fleet Management Trading Entity (FME) commenced on the date of signature of the last party signing the agreement and will remain effective until either party gives notice of termination (three months).
- Ownership of the vehicles shall remain vested in FME at all times. Any fitments or alterations to vehicles are subject to the approval of FME.
- Upon expiry or cancellation of this agreement, the vehicles will be restored to FME in the same condition as received initially on delivery, fair wear and tear excluded. The client will be charged based on the kilometre readings of a specific month, provided by the client. In instances of non-submission, readings will be extracted by FME from the Westbank/First National Bank/Driver Management System records.
- All the readings should be submitted on or before 3rd of the next month. Since the Free State Fleet Management Trading Entity (FME) is part of Government, the lease has been treated as an operating lease in the books of the department.

22.2. Finance leases **

	2022/23				
	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	35	45,150	45,185
Later than 1 year and not later than 5 years	-	-	12	1,666	1,678
Later than 5 years	-	-	-	-	-
Total lease commitments	-	-	47	46,816	46,863

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	2021/22				
	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	18	77,923	77,941
Later than 1 year and not later than 5 years	-	-	-	103,498	103,498
Later than 5 years	-	-	-	-	-
Total lease commitments	-	-	18	181,421	181,439

** This note excludes leases relating to public private partnerships as they are separately disclosed in the note on *Public Private Partnerships*.

Department has the following Finance lease contract

Mobile communication services - Free State Provincial Treasury Contract RT15 - 2021

Duration of Agreement

The contract for the provision of mobile communication services for the period from November 2021 to March 2026.

The contract provides for the supply of various packages of mobile communication services which include among others, the data and voice services.

Clinipro (pty) Ltd - Free State Provincial contract DOH(FS) 15/17/18

Duration of contract

The contract for provision of supply, delivery, installation, commissioning and maintenance of hygiene, delivery of control infection, prevention, and consumables for all facilities in the free state department of health from period 01 November 2018 to 31 October 2021. Contract was extended till 31 May 2023.

Fee structure and Payment

The fee structure for service is set at a flat rate which could be increased on annual basis as requested by the service provider to the Department in line with the contract.

Free State Health Departmental contract - Supplier name: Mampudi Kgwebong (Pty) Ltd

Contract Number: DOH (FS) 15/2017/2018

Duration of Agreement: Three Years. Contract was extended till 31 May 2023.

Contract Description: Supply, Delivery, Installation, Commissioning and Maintenance of Hygiene, Delivery of Control Infection, Prevention and Consumable for all Health Facilities in the Free state department of Health

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Free State Health Departmental contract - Supplier name: Khalienyane Trading

Contract Number: DOH (FS) 15/2017/2018

Duration of Agreement: Three Years: Contract was extended till 31 May 2023.

Contract Description: Supply, Delivery, Installation, Commissioning and Maintenance of Hygiene, Delivery of Control Infection, Prevention and Consumable for all Health Facilities in the Free state department of Health.

National Treasury Transversal contract - Supplier name: Afrox

Contract Number: RT50-2017

Duration of Agreement: Five Years: The contract is extended till 30 September 2023.

Contract Description: Supply and delivery of Medical and industrial gases to the State.

Free State Health Departmental contract - Supplier name: Ubuntu Technology

Procurement Order Numbers: B-037022 / B-036970 / HS-504595 / HS-504624 / RD-116575 / RD-116923 / HA-022245 / HA-021906 / HA-021920 / HA-021692 (Q08/21/100B) /

Duration of Agreement: 36 months

Contract Description: Install, remove, repair Telephone lines service: move.

Free State Health Departmental contract - Supplier name: CLS I Connect Services

Procurement Order Numbers: HO-025320 / HO-025297 / HO-025282

23. Accrued departmental revenue.

	Note	2022/23 R'000	2021/22 R'000
Tax revenue		-	-
Sales of goods and services other than capital assets		768,878	657,513
Total		768,878	657,513

23.1. Analysis of accrued departmental revenue.

	Note	2022/23 R'000	2021/22 R'000
Opening balance		657,513	543,287
Less: amounts received		166,844	116,994
Less: services received in lieu of cash		-	-
Add: amounts recorded		292,083	239,194
Less: amounts written off/reversed as irrecoverable		13,874	7,974
Less: amounts transferred to receivables for recovery		-	-
Other (<i>Specify</i>)		-	-
Closing balance		768,878	657,513

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The amount recognised as accrued departmental revenue is related to the patient fees that is captured on the main system (BAS).

The difference on payments received on BAS and patient administration systems is due to payments received but still to be allocated.

The accrued revenue is recorded on the two patient administration systems which are PADS and Meditech.

23.2. Accrued departmental revenue written off.

Nature of losses	Note	2022/23 R'000	2021/22 R'000
Irrecoverable Patient Debts		13,874	7,974
Total		13,874	7,974

Patient fees are written off where the cost to recover the outstanding debt exceeds the debt owed. These write offs are performed in accordance with the departmental policy.

23.3. Impairment of accrued departmental revenue.

	Note	2022/23 R'000	2021/22 R'000
Estimate of impairment of accrued departmental revenue		306,997	283,397
Total		306,997	283,397

The impairment is a result of Patient Fees owed to the Department which are considered to be irrecoverable.

This amount was determined by considering the age of the debt. This is determined as follows:

Debt Older than 150 days = R82 869'

Debt Older than 3 years = R7 878'

Debt Older than 5 years = R216 250'

24. Unauthorised, Irregular and Fruitless and wasteful expenditure

	Note	2022/23 R'000	2021/22 R'000
Unauthorised expenditure - current year		153,014	-
Irregular expenditure - current year		24,560	8,678
Fruitless and wasteful expenditure - current year		3,020	899
Total		180,594	9,577

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Fruitless and wasteful

Fruitless and wasteful expenditure amount of R3 020' (2022: R899') is due to interest charged on overdue accounts. Prior year Fruitless and wasteful expenditure increased due to interest relating to March 2022, reported in September 2022.

Irregular expenditure

The department incurred irregular expenditure of R24 560' (2022: R8 678'), due to non-compliance with supply chain management (SCM) requirements. In addition, the full extent of irregular expenditure is still in the process of being determined.

25. Related party transactions

Revenue received	<i>Note</i>	2022/23 R'000	2021/22 R'000
Tax revenue		-	-
Sales of goods and services other than capital assets		-	-
Fines, penalties and forfeits		-	-
Interest, dividends and rent on land		-	-
Sales of capital assets		-	-
Transactions in assets and liabilities		-	-
Transfers received		-	-
Total		-	-

Payments made	<i>Note</i>	2022/23 R'000	2021/22 R'000
Compensation of employees		-	-
Goods and services		1,006,713	966,500
Interest and rent on land		-	-
Expenditure for capital assets		-	-
Payments for financial assets		-	-
Transfers and subsidies		35,000	40,000
Total		1,041,713	1,006,500

Year end balances arising from revenue/payments	<i>Note</i>	2022/23 R'000	2021/22 R'000
Receivables from related parties		17,469	17,469
Payables to related parties		419,833	448,011
Total		437,302	465,480

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Loans to/from related parties	<i>Note</i>	2022/23 R'000	2021/22 R'000
Non-interest-bearing loans to/(from)		-	-
Interest bearing loans to/(from)		-	-
Total		<u>-</u>	<u>-</u>

Other	<i>Note</i>	2022/23 R'000	2021/22 R'000
Guarantees issued/received		-	-
List other contingent liabilities between the department and related party		-	-
		-	-
Total		<u>-</u>	<u>-</u>

In-kind goods and services provided/received	<i>Note</i>	2022/23 R'000	2021/22 R'000
List in goods and services between the department and related party		-	-
		-	-
Total		<u>-</u>	<u>-</u>

Central Medical Trading Account (Medical Depot) is a departmental Entity of the department, it is considered a related party to the Free State Department of Health due to the fact that the Department of Health has the ability to control the Entity and exercise significant influence over it.

During the current financial an amount of R35 000' relating to transfer payments was made Medical Depot to assist with their working capital. The transfer payment did not have any conditions to limit the use of the funds.

26. Key management personnel

	2022/23 R'000	2021/22 R'000
Political office bearers (<i>provide detail below</i>)	2,096	1,999
Officials:	-	-
16	2,628	1,467
15 & 14	15,956	17,534
	-	-
Family members of key management personnel	4,023	3,707
Total	<u>24,703</u>	<u>24,707</u>

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Key management personnel (Parliament/Legislatures)	2022/23 R'000	2021/22 R'000
Speaker to Parliament/Legislature	-	-
Deputy Speaker	-	-
Secretary to Parliament/Legislature	-	-
Deputy Secretary	-	-
Chief Financial Officer	-	-
Other	-	-
Total	-	-

27. Public private partnership

	<i>Note</i>	2022/23 R'000	2021/22 R'000
Concession fee received		22,412	5,950
Base fee received		-	-
Variable fee received		-	-
Institutions		22,412	5,950
Unitary fee paid		14,400	19,371
Fixed component		-	-
Indexed component		14,400	19,371
Analysis of indexed component		14,400	19,371
Compensation of employees		-	-
Goods and services (excluding lease payments)		14,400	19,371
Operating leases		-	-
Interest		-	-
Capital / (Liabilities)			-
Tangible rights		-	-
Intangible rights		-	-
Property		-	-
Plant and equipment		-	-
Loans		-	-
Other			-
Prepayments and advances		-	-
Pre-production obligations		-	-
Other obligations		-	-

Any guarantees issued by the department are disclosed in the Note on Contingent liabilities.

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The Department has entered into a Public Private Partnership (PPP) with Community Health Management (CHM), a division of Netcare, during 2002 in order to develop Private Health Care Facilities at Universitas and Pelonomi Hospitals. This implied that the co-located public health facilities are used by the private sector in exchange for financial, infrastructure and services benefits to the FSDoH, as well as a much-needed medical facility infrastructure developed and maintained through the PPP agreement (as amended in 2012), which close/exit in November 2023.

The FSDoH current PPP agreement is 10 months away from the expiry/termination and the possibility of extension is being considered until a new PPP Agreement is in place.

The Department has decided for the new PPP for Pelonomi and Universitas Hospital. The appointed Transaction Advisor is currently completing the feasibility study in accordance with Treasury Regulation 16.

The Department has registered an intended Public Private Partnership at Parys District Hospital with National Treasury -GTAC Unit and has appointed a Transaction Advisors to perform a feasibility study for the envisaged Parys District Hospital PPP. The contract for the Transaction Advisor is for the period of 3 years.

28. Provisions

	Note	2022/23 R'000	2021/22 R'000
Claims against the state		253,946	233,770
Retention		37,203	14,751
Total		291,149	248,521

The provisions consist of nine (9) cases involving infants born with cerebral palsy to the worth of R190 133', three (5) gynae & obstetric cases worth R31 409', two (2) surgical procedures worth R4 018', three (3) general medical attention cases worth R28 071' and one (1) labour related matter worth R164'.

Included in the retention register balance of R37 203' is the opening balance of R14 751', the template of the register does not show the opening balance for retention.

28.1. Reconciliation of movement in provisions - Current year

	2022/23			
	Claims against the state	Retention	Provision 3	Total provisions
	R'000	R'000	R'000	R'000
Opening balance	233,770	14,751	-	248,521
Increase in provision	29,543	22,452	-	51,995
Settlement of provision	(9,367)	-	-	(9,367)
Reimbursement expected from third party	-	-	-	-
Change in provision due to change in estimation of inputs	-	-	-	-

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Reconciliation of movement in provisions - Prior year

	2021/22			
	Claims against the state "	Retention	Provision 3	Total provisions
	R'000	R'000	R'000	R'000
Opening balance	171,814	-	-	171,814
Increase in provision	70,526	14,751	-	85,277
Settlement of provision	(8,570)	-	-	(8,570)
Reimbursement expected from third party	-	-	-	-
Change in provision due to change in estimation of inputs	-	-	-	-
Closing balance	233,770	14,751	-	248,521

**29. Movable Tangible Capital Assets
MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR
ENDED 31 MARCH 2023**

	2022/23				
	Opening balance	Value adjustments	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
HERITAGE ASSETS	-	-	-	-	-
Heritage assets	-		-	-	-
MACHINERY AND EQUIPMENT	2,271,681		257,573	40,169	2,489,085
Transport assets	166,471		10,451	-	176,922
Computer equipment	224,079		20,289	5,486	238,882
Furniture and office equipment	126,450		18,448	1,519	143,379
Other machinery and equipment	1,754,681		208,385	33,164	1,929,902
SPECIALISED MILITARY ASSETS					
Specialised military assets	-		-	-	-
BIOLOGICAL ASSETS					
Biological assets	-	-	-	-	-
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	2,271,681	-	257,573	40,169	2,489,085

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29.1. MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022

	2021/22				
	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
HERITAGE ASSETS					
Heritage assets	-	-	-	-	-
MACHINERY AND EQUIPMENT	2,148,450	(60,910)	237,501	53,360	2,271,681
Transport assets	152,933	3,300	10,251	13	166,471
Computer equipment	243,048	(26,982)	13,657	5,644	224,079
Furniture and office equipment	103,319	9,280	15,651	1,800	126,450
Other machinery and equipment	1,649,150	(46,508)	197,942	45,903	1,754,681
SPECIALISED MILITARY ASSETS	-	-	-	-	-
Specialised military assets	-	-	-	-	-
BIOLOGICAL ASSETS	-	-	-	-	-
Biological assets	-	-	-	-	-
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	2,148,450	(60,910)	237,501	53,360	2,271,681

29.1.1. Prior period error

Nature of prior period error	Note	2021/22 R'000
		(60,910)
Machinery and Equipment relating to 2020/2021 (affecting the 2017/2018 opening balance)		(60,910)
		-
Relating to 2021/22		-
		-
Total prior period errors		(60,910)

Prior period error was differences identified between the AFS and figures as per the Assets Register for 2021/2022, adjusted to address auditor's finding number 48 of 2022.

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29.2. Minor assets

MOVEMENT IN MINOR CAPITAL ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2023

2022/23						
	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	605	-	274,298	-	274,903
Value adjustments						-
Additions	-	-	-	13,654	-	13,654
Disposals	-	-	-	6,632	-	6,632
Total Minor assets	-	605	-	281,320	-	281,925

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	11		59,348	-	59,359
Number of minor assets at cost	-	40		202,058	-	202,098
Total number of minor assets	-	51	-	261,406	-	261,457

Minor capital assets under investigation

Number

Value

Note

R'000

Included in the above total of the minor capital assets per the asset register that are under investigation:

Intangible assets

-

-

Machinery and equipment

-

-

Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022

2021/22						
	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	595	4	245,971	-	246,570
Prior period error	-	-	-	28,964	-	28,964
Additions	-	10	-	8,271	-	8,281

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2021/22						
	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Disposals	-	-	4	8,908	-	8,912
Total Minor assets	-	605	-	274,298	-	274,903

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	11	-	61,061	-	61,072
Number of minor assets at cost	-	42	-	199,498	-	199,540
Total number of minor assets	-	53	-	260,559	-	260,612

29.2.1. Prior period error

Nature of prior period error	Note	2021/22 R'000
		28,964
Machinery and Equipment relating to 2021/2022 (affecting the opening balance)		28,964
		-
Relating to 2021/22		-
		-
Total prior period errors		28,964

Prior period error was differences identified between the AFS and figures as per the Assets Register for 2021/2022, adjusted to address auditor's finding number 48 of 2022.

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30. Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2023

	2022/23			
	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
SOFTWARE	82,868	-	-	82,868
MASTHEADS AND PUBLISHING TITLES	-	-	-	-
PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS	-	-	-	-
RECIPES, FORMULAE, PROTOTYPES, DESIGNS, MODELS	-	-	-	-
SERVICES AND OPERATING RIGHTS	-	-	-	-
TOTAL INTANGIBLE CAPITAL ASSETS	82,868	-	-	82,868

Intangible Capital Assets under investigation		
	Note	Value R'000
Included in the above total of the intangible capital assets per the asset register that are under investigation:		-
Software		-
Mastheads and publishing titles		-
Patents, licences, copyright, brand names, trademarks		-
Recipes, formulae, prototypes, designs, models		-
Services and operating rights		-

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30.1. MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022

	2021/22				
	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	82,668	-	200	-	82,868
MASTHEADS AND PUBLISHING TITLES	-	-	-	-	-
RECIPES, FORMULAE, PROTOTYPES, DESIGNS, MODELS	-	-	-	-	-
SERVICES AND OPERATING RIGHTS	-	-	-	-	-
TOTAL INTANGIBLE CAPITAL ASSETS	82,668		200-		82,868

31. Immovable Tangible Capital Assets

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2023

	2022/23			
	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	4,289,846	504,576	-	4,794,422
Dwellings	-	-	-	-
Non-residential buildings	4,289,846	504,576	-	4,794,422
Other fixed structures	-	-	-	-
HERITAGE ASSETS	-	-	-	-
Heritage assets	-	-	-	-
LAND AND SUBSOIL ASSETS	-	-	-	-
Land	-	-	-	-
Mineral and similar non-regenerative resources	-	-	-	-
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	4,289,846	504,576	-	4,794,422

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Immovable Tangible Capital Assets under investigation	Number	Value
	Note	R'000
Included in the above total of the immovable tangible capital assets per the asset register that are under investigation:		
Buildings and other fixed structures	-	-
Heritage assets	-	-
Land and subsoil assets	-	-
Total	-	-

31.1. MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022

	2021/22				
	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	3,777,950	-	511,896	-	4,289,846
Dwellings	-	-	-	-	-
Non-residential buildings	3,777,950	-	511,896	-	4,289,846
Other fixed structures	-	-	-	-	-
HERITAGE ASSETS	-	-	-	-	-
Heritage assets	-	-	-	-	-
LAND AND SUBSOIL ASSETS	-	-	-	-	-
Land	-	-	-	-	-
Mineral and similar non-regenerative resources	-	-	-	-	-
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	3,777,950	-	511,896		4,289,846

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31.2. Immovable tangible capital assets: Capital Work-in-progress

CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2023

	<i>Note Annex 6</i>	2022/23			
		Opening balance 1 April 2022	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing balance 31 March 2023
		R'000	R'000	R'000	R'000
Heritage assets		-	-	-	-
Buildings and other fixed structures		825,126	641,112	504,576	961,662
Land and subsoil assets		-	-	-	-
Total		825,126	641,112	504,576	961,662

Payables not recognised relating to Capital WIP	<i>Note</i>	2022/23 R'000	2021/22 R'000
<i>Amounts relating to progress certificates received but not paid at year end and therefore not included in capital work-in-progress</i>		51,605	80,434
Total		51,605	80,434

CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2022

	<i>Note</i>	2021/22				
		Opening balance 1 April 2021	Prior period error	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing balance 31 March 2022
		R'000	R'000	R'000	R'000	R'000
Heritage assets		-	-	-	-	-
Buildings and other fixed structures		1,060,896		432,335	668,105	825,126
Land and subsoil assets		-		-	-	-
Total		1,060,896		432,335	668,105	825,126

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32. Principal-agent arrangements

32.1. Department acting as the principal.

	2022/23	2021/22
Note	R'000	R'000
Include a list of the entities acting as agents for the department, the fee paid as compensation to the agent and any other transactions undertaken	-	-
Total	-	-

The department is party to a principal-agent arrangement in terms of which it has appointed the Department of Public Works for the purpose of implementing the infrastructure programme. The Department, as a principal is responsible for determining procurement strategies, allocation of programme budget and execution of payments. All related revenue, expenditure, assets, and liabilities have been recognised in terms of the relevant policies listed herein. Additional disclosures have been provided in the notes to the financial statements where appropriate.

33. Prior period errors

33.1. Correction of prior period errors

	2021/22		
	Amount bef error correction	Prior period error	Restated
Note	R'000	R'000	R'000

**Revenue: (E.g. Annual Appropriation,
Departmental revenue, Aid assistance, etc.)**

Net effect

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		2021/22		
		Amount bef error correction	Prior period error	Restated
	Note	R'000	R'000	R'000
Expenditure: (E.g. Compensation of employees, Goods and services, Tangible capital assets, etc.)				
Laboratory services	Note 05	551,487	(199)	551,288
Interest paid	Note 06	696	199	895
		-	-	-
Net effect		552,183	-	552,183

Note 06, Note 07, Performance, Cash Flow Statement and Appropriation: Programme 2: HIV/AIDS, amendments were made due to auditor's finding 46 of 2022.

		2021/22		
		Amount bef error correction	Prior period error	Restated
	Note	R'000	R'000	R'000
Assets: (E.g. Receivables, Investments, Accrued departmental revenue, Movable tangible capital assets, etc.)				
Patient levies	Note 23.1	224,420	14,774	239,194
Intangible Capital Assets (Opening Balance)	Note 31.1	80,207	2,461	82,668
Machinery and equipment	Note 29.1	245,334	28,964	274,298
Transport assets	Note 29.1.1	152,933	3,300	156,233
Computer equipment	Note 29.1.1	243,048	(26,982)	216,066
Furniture and office equipment	Note 29.1.1	103,319	9,280	112,599
Other machinery and equipment	Note 29.1.1	1,649,150	(46,508)	1,602,642
Prepayments (non-current)	Note 10		1,334	1,334
Related parties (Receivable	Note 25	14,654	2,815	17,469
Net effect		2,713,065	(10,562)	2,702,503

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Accrued revenue.

During the 2021/22 financial year, the PADS system was not functional therefore the institutions had to admit and bill patients manually. This data was not used when reporting in the year under review. The number of Levies (billings) was therefore corrected with R14 774' that was previously not used when reporting in the year under review.

Furniture & Office Equipment.

The furniture and office equipment relate to the prior price corrections.

Machinery and equipment

Prior period errors amounting to R28 964'and (R60 910') was difference identified between the AFS and figures as per the Assets Register for 21/22. Refer to auditor's finding number 48 of 2023.

Prepayments

The disclosure requirement has changed in the current financial year. The Department is required to indicate whether pre-payments is current or non-current.

Intangible Capital Assets

The correction of prior year closing balance which was supposed to be R82 868'.

Related parties (Receivable)

Detailed reconciliation of this account was performed from 2015/16 financial year when the debt started to date. The recon revealed that there was journal that was incorrectly reversed and another one that incorrectly included.

		2021/22		
		Amount bef error correction	Prior period error	Restated
Note		R'000	R'000	R'000
Liabilities: (E.g. Payables current, Voted funds to be surrendered, Commitments, Provisions, etc.)				
Employee Benefits (Long Service Awards)	Note 21	17,338	2,731	20,069
Contingent Liability	Note 18	4,579,555	83,908	4,663,463
Accruals	Note 20	107,856	58,146	166,002
Payables	Note 20	512,115	(15,701)	496,414
Provisions (Claims against the state)	Note 28	198,354	35,416	233,770
Operating Lease (Prior year 2021.2022)	Note 22.1	289,693	(54745)	234,948
Operating Lease (Prior year 2021.2022)	Note 22.1	2,499	155	2,654
Net effect		5,707,410	109,910	5,817,320

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Employee Benefits

During the Auditor General review for the Annual Financial Statements 2021-2022, it was discovered that the Department disclosed the actual expenditure and not the amount payable within the next 12 months on the long service awards line item.

Contingent Liability

Contingent liabilities were overstated with payments i.r.o. labour cases effected during a previous reporting period but not considered and understated with labour cases that emanates from previous financial years but did not form part of the contingent liabilities. Regenesys Biotechnologies was incorrectly decreased with R87 000' and EPJ became a provision during the 2021/22 financial year.

Accruals and Payables

The financial Statements for year under review were submitted to Auditor General on the 31st May 2022, during that time the register of payments for May 2022 was not yet complete.

In this regard the Department went through the entire population (May 2022) to identify whether there are any transactions which were not raised as part of accruals and payables.

Provisions

Provision was rectified with differences in amounts not considered during previous financial year.

Operating Lease

The amount of lease commitments for 2021.2022 financial year was overstated by R54 590'.

		2021/22		
		Amount bef error correction	Prior period error	Restated
		R'000	R'000	R'000
Note				
Other: (E.g. Irregular expenditure, Fruitless and wasteful expenditure, etc.)				
Irregular expenditure	Note 24	8,931	(253)	8,678
Fruitless expenditure	Note 24	700	199	899
Net effect		9,631	(54)	9,577

Irregular Expenditure:

The irregular expenditure increased due to cases relating 2021/22 financial year that were only identified in 2022/23 financial year.

Fruitless Expenditure:

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An interest charged on overdue account was paid on sundry payment number 2580289 which was processed in March 2022, was identified, and reported in September 2022, and was not included in the reported amount of R700' in the prior financial year.

34. Material uncertainty relating to going concern

The following events and conditions exist that may cast significant doubt on the department's ability to meet its financial obligation as they fall due and to achieve service delivery objectives as outlined in the annual performance plan.

Contingent liabilities arising from claims against the department as at year end amount to R5 130 112', Accruals and Payables not recognised of R682 362', bank overdraft as at the end of the financial year had a balance of R742 769', commitments at the end of the year are R578 179' and the unpaid employee benefits of R644 135' as at 31 March 2023.

In addition to above, the impact of reducing budget allocation and an increasing cost of employees (CoE) is putting more pressure on the going concern. This is the operational budget is reducing while the needs of the community are drastically increasing.

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35. Statement of conditional grants received

Name of grant	2022/23						2021/22		
	GRANT ALLOCATION			SPENT					
	Division of Revenue Act / Provincial grants	Roll overs	DORA Adjustmen	Other Adjustments	Total Available	Amount received by department	Amount spent by department	Under- / (Overspending)	% of available funds spent by department
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
Statutory Human Resources Component	129,247	-	-	-	129,247	129,247	129,247	-	100%
HIV, TB, Malaria&Comm Outreach Grant	1,479,325	-	-	-	1,479,325	1,479,325	1,478,852	473	100%
Health Facility Revitalization Grant	642,446	211,256	-	-	853,702	853,702	769,490	84,212	90%
National Tertiary Services Grant	1,225,196	60,006	-	-	1,285,202	1,285,202	1,285,005	197	100%
EPWP Inter Grnt Prov	-	-	-	-	-	-	-	-	-
Social Sector Expanded Public Works Programme	10,884	-	-	-	10,884	10,884	10,865	19	100%
Training and Development Component	134,757	-	-	-	134,757	134,757	134,789	-32	-
NHI (Health Professionals Contracting)	28,404	-	(381)	-	28,023	28,023	27,920	103	-
District Health Component	244,981	-	-	-	244,981	244,981	244,930	51	100%
TOTAL	3,895,240	271,262	(381)	-	4,166,121	4,166,121	4,081,099	85,022	3,778,445
									3,498,382

Departments are reminded of the requirement to certify that all transfers in terms of this Act were deposited into the primary bank account of the province or, where appropriate, into the CPD account of the province.

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36. Statement of conditional grants and other transfers paid to municipalities

Name of municipality	2022/23					2021/22		
	GRANT ALLOCATION			TRANSFER				
	DORA and other transfers R'000	Roll overs R'000	Adjustments R'000	Total Available R'000	Actual transfer R'000	Funds withheld R'000	Reallocations by National Treasury / National Department %	DORA and other transfers R'000
PD: CLAIMS AGST STATE	-	-	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-	-	-
								3

National Departments are reminded of the DORA requirements to indicate any re-allocations by the National Treasury or the transferring department, certify that all transfers in terms of this Act were deposited into the primary bank account of a province or, where appropriate, into the CPD account of a province as well as indicate the funds utilised for the administration of the receiving officer.

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37. Broad Based Black Economic Empowerment performance

Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information.

38. COVID 19 Response expenditure

	<i>Note</i>	2022/23 R'000	2021/22 R'000
Compensation of employees		533,760	561,526
Goods and services		51,332	29,302
Transfers and subsidies		11	47
Expenditure for capital assets		834	25,159
Other		1,888	-
Total	<i>Annex 8</i>	587,825	616,034

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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**ANNEXURE 1A (UNAUDITED)
STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES**

Name of Municipality	2022/23												2021/22	
	GRANT ALLOCATION				TRANSFER			SPENT						
	DoRA and Other transfers	Roll overs	Adjust-ments	Total Available	Actual transfer	Funds withheld	Re-allocations by National Treasury or National depart-ment	Amount received by depart-ment	Amount spent by depart-ment	Unspent funds	% of available funds spent by depart-ment	DORA and other transfers	Actual transfers	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000	
PD: Claims against state	-	-	-	-	-	-	-	-	-	-	-	-	3	
TOTAL	-	-	-	-	-	-	-	-	-	-	-	-	3	

National Departments are reminded of the DORA requirements to indicate any re-allocations by the National Treasury or the transferring department, certify that all transfers in terms of this Act were deposited into the primary bank account of a province or, where appropriate, into the CPD account of a province as well as indicate the funds utilised for the administration of the receiving officer.

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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ANNEXURE 1B (UNAUDITED)

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

Departmental Agency or Account	2022/23				2021/22	
	TRANSFER ALLOCATION			TRANSFER	Final Budget	Actual transfer
	Adjusted Budget R'000	Roll overs R'000	Adjustments R'000	Total Available R'000		
Department Agency: Claims Against State	35,000	-	-	35,000	40,000	40,000
Health and Welfare SETA	23,218	-	-	23,218	22,155	21,000
TOTAL	58,218	-	-	58,218	62,155	61,000

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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**ANNEXURE 1C (UNAUDITED)
STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES**

Name of public corporation / private enterprise	2022/23						2021/22	
	GRANT ALLOCATION			EXPENDITURE				
	Adjusted Budget	Roll overs	Adjust-ments	Total Available	Actual transfer	% of Available funds transferre d	Capital	Current
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers								
Total								
Subsidies								
Total								
Private Enterprises								
Transfers	-	-	-	-	11,025		6,454	6,463
Claims against the state priv ent	-	-	-	-	11,025		6,454	6,463
Total	-	-	-	-	11,025		6,454	6,453
Subsidies								
Total								
TOTAL	-	-	-	-	11,025		6,454	6,453

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ANNEXURE 1D (UNAUDITED)

STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

	2022/23						2021/22	
	TRANSFER ALLOCATION			EXPENDITURE				
	Adjusted Budget	Roll overs	Adjustments	Total Available	Actual transfer	% of available funds transferred	Final Budget	Actual transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Non-profit institutions								
Transfers								
NPI: Psychiatric stepdown serv (s)	4,411	-	-	4,411	3,659	83%	4,310	2,353
NPI: District health services	8,000	-	-	8,000	7,594	95%	-	-
Total	12,411	-	-	12,411	11,253		4,310	2,353
Subsidies								
	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-
TOTAL	12,411	-	-	12,411	11,253		4,310	2,353

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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**ANNEXURE 1E (UNAUDITED)
STATEMENT OF TRANSFERS TO HOUSEHOLDS**

Household	2022/23					2021/22	
	TRANSFER ALLOCATION			EXPENDITURE		Final Budget R'000	Actual transfer R'000
	Adjusted Budget R'000	Roll overs R'000	Adjustments R'000	Total Available R'000	Actual transfer R'000		
					% of available funds transferred		
Transfers							
H/H EMPL S/BEN: Injury on duty	301	-	-	301	118	-	18
H/H EMPL S/BEN: Leave gratuity	20,380	-	-	20,380	30,762	20,512	35,008
H/H: BURSARIES(Non-employee)	51,879	-	12,555	64,434	94,911	63,044	47,843
H/H: Claims against state(cash)	33	-	-	33	248	-	1,397
H/H EMPL S/BEN:PST Retirement Benefit	-	-	-	-	-	34	-
H/H: EMPLS/BEN: Severance Package	-	-	-	-	-	-	2,421
Total	72,593	-	12,555	85,148	126,039	83,590	86,687
Subsidies							
Total							
TOTAL	72,593	-	12,555	85,148	126,039	83,590	86,687

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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ANNEXURE 1F (UNAUDITED)

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

Name of organisation	Nature of gift, donation or sponsorship	2022/23	2021/22
		R'000	R'000
Received in cash		-	-
Subtotal		-	-
Received in kind			
Beyond Zero	PPE's And Thermometers, PPE's And Thermometers, Sanitizer 25l (5), Spray Sanitizer bottle (24), Foldable table (20), Gazebo 3x3m (10), Gazebo 3x6m (10), Plastic chairs (100), Gowns (1240), Aprons (47200), Thermometers (70), 3ply masks (13000), Face shields (8840), Gloves medium (276), cooler boxes (80), Mask N95 (16300), Transportation of 35 officials to testing	-	2,523
Clinton Health Access Initiative	Flucytosine	-	107
National Department of Health	Tenofovir/Lamivudine/Dolutegravir (Tld), Pretomanid (922) Bedaquiline (207) Delamanid (739), Hba1c Devices and Kits, Glucometer and Strips, Baby Warmer Lullaby (7)	81,928	14,480
	Lullaby Resus Plus Nist (6)		
	Lullaby Led Phototherapy (6)		
	Cerascap Monitor (6), Bed Hospital Ostetric (35)		
	Bed Hospital Height Adjustable (175)		
Smile Foundation	Castroviejo Calipher, Bone Curette and Joseph Scissors	-	34
Solidarity Fund	X-ray machines, Prisma flex 8,2 CRRT machine, maternity bed trolley (2), mobile x-ray unit (1) and mobile c-arm (1), maternity beds (9) Measbio vaccine (3400 packs), measles vaccine serum (40000)	5,319	8,855
Telkom	Samsung a2 core cell phones		
USAID	12 lead portable ECG machine with stand Hp Officejet pro 8715 (2)	-	39

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Name of organisation	Nature of gift, donation or sponsorship	2022/23	2021/22
		R'000	R'000
	HP ProBook laptop (6) Lenovo laptops (8) Smart pens (2)		
World Health Organisation (WHO)	Log-Tag Temperature Monitoring Devices	-	42
DR D Long	Samsung microwave oven	-	2
Alliworth Business Solutions	Surgical mask (8000) r 10,22, Plastic aprons (1000) r 2.97, Isolation gowns (300) r 113,40, Digital thermometers (10) r2527,20,the donor did not put values, these are estimated values as appearing on the NT instruction note 05 of 2020/21	-	144
Ascendis medical	Fabian therapy CPAP machines with accessories (4), fisher & paykel humidifier with accessories (4)	-	1,389
Medhold medical	Theatre operating tables (2)	-	3,514
Southern ENT	HP Pro desktop and accessories	-	20
DG Murray Trust	Barcode Scanner (65), Samsung Tablets (35)	-	283
Skills Training Distribution	Books (31), Gifts (10)	-	21
German Government	Pulse Oximeter (500)	-	104
Wits and North Star Alliance	Container (2), Office furniture and medical equipment	-	130
Mrs Lucette Pretorius	Static Exercise Bicycle	-	1
Amtronix Diagnostics/ Lebone Medical Supplies	LE/C0017 Amtronix snap elctrodes (20 Strips of 3) (5)	-	5
Astra Zeneca	Omnron BP Machines, chargers and bags	-	2,580
Kaofela Clothing and Textile	Marking/Printing of hospital blankets	-	3
National Department of Health/German Development Agency KFW	Laptops, Tablets	-	4,444
Christ Embassy	Plasma TV and Satellite Dishes	-	14
Old Mutual	Microwave Oven and Kettle	-	1

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Name of organisation	Nature of gift, donation or sponsorship	2022/23	2021/22
		R'000	R'000
National Department of Health	Computers (229)	3,917	9,551
Interactive Research and Development South Africa	ECG machine with trolleys	811	
Respiratory Care Africa (pty) ltd	F&P 950 Humidifiers with mobile stand	158	
Old Mutual	3 Piece wall unit (1), High back chair (1), Visitors chair (2) and I shape desk (1)	36	
Mediclinic	Needles and syringes	1,757	
Dr. S.P Grobler	ERBE machine	50	
World Health Organisation	Samsung tablet (120), HP laptops (5), Logitech, Headsets (120) TP link (8)	515	
FNB Public Sector	Diesel	236	
AIDS Foundation of South Africa (AFSA)	PrEP drug (3312 packs)	193	
SASOL South Africa ltd	VW crafter	1,204	
Transport and Fleet	Hisense metallic fridge (154l)	3	
Neurodevelopment Therapy Association (SANDTA)	Gift voucher (play on)	10	
Subtotal		96,137	48,286
TOTAL		96,137	48,286

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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**ANNEXURE 1G (UNAUDITED)
STATEMENT OF AID ASSISTANCE RECEIVED**

Name of donor	Opening balance R'000	Revenue R'000	Expenditure R'000	Paid back on / by 31 March R'000	Closing balance R'000
Received in cash					
HWSETA	4,505	709	(2,927)	-	2,287
Health Covid-19 Disaster grant		3			3
Subtotal	4,505	712	(2,927)	-	2,290
Received in kind					
Subtotal					
TOTAL	4,505	712	(2,927)	-	2,290

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**ANNEXURE 2A (UNAUDITED)
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2023**

Nature of liability	Opening balance 1 April 2022	Liabilities incurred during the year	Liabilities cancelled / reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing balance 31 March 2023
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
Claims Against State Private	4,663,463	706,904	(240,255)	-	5,130,112
Subtotal	4,663,463	706,904	(240,255)		5,130,112
Environmental liability					
Subtotal	-	-	-	-	-
Other					
Subtotal	-	-	-	-	-
TOTAL	4,663,463	706,904	(240,255)	-	5,130,112

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**ANNEXURE 3 (UNAUDITED)
CLAIMS RECOVERABLE**

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash-in-transit at year end 2022/23 *				
	31/03/2023	31/03/2022	31/03/2023	31/03/2022	31/03/2023	31/03/2022	Receipt date up to six (6) working days after year end				
								R'000	R'000	R'000	R'000
Amount											
Department											
Department of International Relations and Cooperation.	-	-	13,579	9,264	13,579	9,264	-				
Government Employee Pension Fund.	-	-	171	172	171	172	-				
National Department of Health.	-	-	53,503	54,601	53,503	54,601	-				
National Department of Sport, Arts, Culture & Recreation	-	-	-	5	-	5	-				
Department of Agriculture & Rural Development	-	-	-	19	-	19	-				
Northern Cape Department of Health.	-	-	4,788	4,788	4,788	4,788	-				
Department of Justice & Constitutional Development.	-	-	5,361	29	5,361	29	-				
Kwa Zulu Natal Department of Health	-	-	-	126	-	126	-				
Department of Economic, Small Business, Development Tourism and Environments Affairs.	-	-	3	-	3	-	-				
Eastern Cape Department of Health	-	-	-	-	-	-	-				
North West Department of Health.	-	-	128	-	128	-	-				
Free State Provincial Treasury	-	-	-	-	-	-	-				

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GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash-in-transit at year end 2022/23 *	
	31/03/2023	31/03/2022	31/03/2023	31/03/2022	31/03/2023	31/03/2022	Receipt date up to six (6) working days after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
Subtotal	-	-	77,533	69,004	77,533	69,004	-	-
Other Government Entities								
Medpas	6	-		5	6	5		
BIO-Regenisis	-	-		3,000		3,000		
Subtotal	6	-		3,005	6	3,005		
TOTAL	6	-	77,533	72,009	77,539	72,009		

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ANNEXURE 4 (UNAUDITED)

INTERGOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash-in-transit at year end 2022/23	
	31/03/2023		31/03/2022		31/03/2023		31/03/2022	
	R'000	R'000	R'000	R'000	R'000	R'000	Payment date up to six (6) working days after year end	Amount R'000
DEPARTMENTS								
Current								
Free State Office of the Premier	2,289	1,344	-	-	2,289	1,344	-	-
Free State Department of Agriculture & Rural Development	249	135	-	-	249	135	-	-
Cooperative Governance & Traditional Affairs	-	2	-	-	-	2	-	-
Free State Provincial Treasury	1	84	-	-	1	84	-	-
Free State Social Development	-	1	-	-	-	1	-	-
Free State: South African Police Services	-	20	-	-	-	20	-	-
Department of Health: Northern Cape Province	296	-	-	-	296	-	-	-
Department of Health: North West Province	-	-	-	-	-	-	-	-
National Department of Water & Sanitation	-	-	-	-	-	-	-	-
Department of Public Works and Infrastructure: North West Province	32	-	-	-	32	-	-	-
Public Works and Infrastructure			1,001		1,001			
Subtotal	2,867	1,586	1,001	-	3,868	1,586	-	-
Non-current								

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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash-in-transit at year end 2022/23	
	31/03/2023	31/03/2022	31/03/2023	31/03/2022	31/03/2023	31/03/2022	Payment date up to six (6) working days after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
	-	-	-	-	-	-	-	-
Subtotal								
Total Departments	2,867	1,586	1,001	-	3,868	1,586	-	-
OTHER GOVERNMENT ENTITIES								
Current								
Fleet Management	31,704	-	-	-	31,704	-	-	-
Subtotal	31,704	-	-	-	31,704	-	-	-
Non-current								
Subtotal								
Total Other Government Entities	31,704	-	-	-	31,704	-	-	-
TOTAL INTERGOVERNMENT PAYABLES	34,571	1,586	1,001	-	35,572	1,586	-	-

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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**ANNEXURE 5 (UNAUDITED)
INVENTORIES**

	Other Inventories	Insert major category of inventory	Insert major category of inventory	Insert major category of inventory	Insert major category of inventory	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Inventories for the year ended 31 March 2023						
Opening balance	134,989	-	-	-	-	134,989
Add/(Less): Adjustments to prior year balances	3,430	-	-	-	-	3,430
Add: Additions/Purchases - Cash	520,799	-	-	-	-	520,799
Add: Additions - Non-cash	62,488	-	-	-	-	62,488
(Less): Disposals	(5,674)	-	-	-	-	(5,674)
(Less): Issues	(573,989)	-	-	-	-	(573,989)
Add/(Less): Received current, not paid; (Paid current year, received prior year)	218	-	-	-	-	218
Add/(Less): Adjustments	138,237	-	-	-	-	138,237
Add/(Less): Net internal Transfers	418	-	-	-	-	418
Add/(Less): Weighted Average Price Variance:	(34,948)	-	-	-	-	(34,948)
Closing balance	245,968	-	-	-	-	245,968

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Inventories for the year ended 31 March 2022	Other Inventories	Insert major category of inventory	Insert major category of inventory	Insert major category of inventory	Total
	R'000	R'000	R'000	R'000	R'000
Opening balance	119,202	-	-	-	119,202
Add/(Less): Adjustments to prior year balances	(318)	-	-	-	(318)
Add: Additions/Purchases - Cash	487,426	-	-	-	487,426
Add: Additions - Non-cash	30,619	-	-	-	30,619
(Less): Disposals	(13,191)	-	-	-	(13,191)
(Less): Issues	(517,366)	-	-	-	(517,366)
Add/(Less): Received current, not paid; (Paid current year, received prior year)	5,261	-	-	-	5,261
Add/(Less): Adjustments	(29)	-	-	-	(29)
Add/(Less): Net internal Transfers	(9,881)	-	-	-	(9,881)
Add/(Less): Weighted Average Price Variance:	33,266	-	-	-	33,266
Closing balance	134,989	-	-	-	134,989

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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**ANNEXURE 6 (UNAUDITED)
MOVEMENT IN CAPITAL WORK IN PROGRESS**

Movement in capital work in progress for the year ended 31 March 2023

	Opening balance	Current year CWIP	Ready for use (Asset Register) / Contract terminated	Closing balance
	R'000	R'000	R'000	R'000
HERITAGE ASSETS	-	-	-	-
Heritage assets	-	-	-	-
MACHINERY AND EQUIPMENT	-	-	-	-
Transport assets	-	-	-	-
Computer equipment	-	-	-	-
Furniture and office equipment	-	-	-	-
Other machinery and equipment	-	-	-	-
SPECIALISED MILITARY ASSETS	-	-	-	-
Specialised military assets	-	-	-	-
BIOLOGICAL ASSETS	-	-	-	-
Biological assets	-	-	-	-
BUILDINGS AND OTHER FIXED STRUCTURES	825,126	641,112	504,576	961,662
Dwellings	-	-	-	-
Non-residential buildings	825,126	641,112	504,576	961,662
Other fixed structures	-	-	-	-
LAND AND SUBSOIL ASSETS	-	-	-	-
Land	-	-	-	-
Mineral and similar non-regenerative resources	-	-	-	-
SOFTWARE	-	-	-	-
Software	-	-	-	-
MASTHEADS AND PUBLISHING TITLES	-	-	-	-
Mastheads and publishing titles	-	-	-	-
PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS	-	-	-	-
Patents, licences, copyright, brand names, trademarks	-	-	-	-

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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	Opening balance	Current year CWIP	Ready for use (Asset Register) / Contract terminated	Closing balance
	R'000	R'000	R'000	R'000
Recipes, formulae, prototypes, designs, models	-	-	-	-
SERVICES AND OPERATING RIGHTS	-	-	-	-
Services and operating rights	-	-	-	-
TOTAL	825,126	641,112	504,576	961,662

Movement in capital work in progress for the year ended 31 March 2022

	Opening balance	Prior period error	Current year CWIP	Ready for use (Asset Register) / Contract terminated	Closing balance
	R'000	R'000	R'000	R'000	R'000
HERITAGE ASSETS	-	-	-	-	-
Heritage assets	-	-	-	-	-
MACHINERY AND EQUIPMENT	-	-	-	-	-
Transport assets	-	-	-	-	-
Computer equipment	-	-	-	-	-
Furniture and office equipment	-	-	-	-	-
Other machinery and equipment	-	-	-	-	-
SPECIALISED MILITARY ASSETS	-	-	-	-	-
Specialised military assets	-	-	-	-	-
BIOLOGICAL ASSETS	-	-	-	-	-
Biological assets	-	-	-	-	-
BUILDINGS AND OTHER FIXED STRUCTURES	1,060,896		432,335	(668,105)	825,126
Dwellings	-	-	-	-	-
Non-residential buildings	1,060,896		432,335	(668,105)	825,126
Other fixed structures	-	-	-	-	-
LAND AND SUBSOIL ASSETS	-	-	-	-	-
Land	-	-	-	-	-
Mineral and similar non-regenerative resources	-	-	-	-	-
SOFTWARE	-	-	-	-	-

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	Opening balance	Prior period error	Current year CWIP	Ready for use (Asset Register) / Contract terminated	Closing balance
	R'000	R'000	R'000	R'000	R'000
Software	-	-	-	-	-
MASTHEADS AND PUBLISHING TITLES	-	-	-	-	-
Mastheads and publishing titles	-	-	-	-	-
PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS	-	-	-	-	-
Patents, licences, copyright, brand names, trademarks	-	-	-	-	-
RECIPES, FORMULAE, PROTOTYPES, DESIGNS, MODELS	-	-	-	-	-
Recipes, formulae, prototypes, designs, models	-	-	-	-	-
SERVICES AND OPERATING RIGHTS	-	-	-	-	-
Services and operating rights	-	-	-	-	-
TOTAL	1,060,896		432,335	(668,105)	825,126

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

ANNEXURE 8 (UNAUDITED)**COVID 19 RESPONSE EXPENDITURE**

Per quarter and in total

Expenditure per economic classification	2022/23					2021/22
	Q1	Q2	Q3	Q4	Total	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Compensation of employees	132,850	135,516	137,791	127,603	533,760	561,526
Goods and services	3,218	6,409	37,014	4,691	51,332	29,302
Advertising	-	-	-	-	-	4,560
Minor assets	4	-	-	-	4	1,327
Catering: departmental activities	-	-	-	-	-	2,448
Communication	-	-	-	1,206	1,206	288
Computer services	-	-	-	-	-	2,125
Laboratory services	-	497	27,334	(5,591)	22,240	(11,062)
Agency&suprt/outsourced services	-	-	-	-	-	3,011
Inv: cloth mat&accessories	-	-	-	-	-	2,337
Inv: food & food supplies	-	-	-	1,024	1,024	1,501
Inv: chems, fuel, oil, gas, wood&coal	-	-	-	-	-	618
Inv: medical supplies	1,022	5,511	9,413	2,273	18,219	9,831
Inv: other supplies	46	92	-	(23)	115	2,117
Inv: medicine	-	-	-	5,421	5,421	-
Cons supplies	2,134	307	267	28	2,736	8,149
Operating leases	-	-	-	23	23	202
Property payments	-	-	-	-	-	26
Travel and subsistence	12	2	-	330	344	631
Venues and facilities	-	-	-	-	-	-
Administrative fees: payments	-	-	-	-	-	57
Cons: sta, print & off sup	-	-	-	-	-	1,136
Transfers and subsidies	-	11	-	-	11	47
List all applicable SCOA level 4 items			-			
H/H: Employee social benefits	-	11	-	-	11	47
Expenditure for capital assets	-	834	-	-	834	25,159
List all applicable SCOA level 4 items						
Other machinery & equipment	-	834	-	-	834	25,159
Buildings & other fix struct	-	-	-	-	-	-
Machinery & equipment	-	-	-	-	-	-
Other expenditure not listed above	-	-	-	1,888	1,888	-
List all applicable SCOA level 4 items						
INTEREST	-	-	-	1,888	1,888	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

Expenditure per economic classification	2022/23					2021/22
	Q1	Q2	Q3	Q4	Total	Total
	R'000	R'000	R'000	R'000	R'000	R'000
TOTAL COVID 19 RESPONSE EXPENDITURE	136,068	142,770	174,805	134,182	587,825	616,034

MEDPAS

FINANCIAL INFORMATION

Report of the auditor-general to the Free State Provincial Legislature on the Central Medical Trading Account

Report on the audit of the financial statements

Qualified opinion

1. I have audited the financial statements of the Central Medical Trading Account set out on pages 342 to 369, which comprise the statement of financial position as at 31 March 2023, statement of financial performance, statement of changes in net assets, and cash flow statement and statement of budget comparison for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, except for the effects and possible effects of the matters described in the basis for qualified opinion section of this auditor's report, the financial statements present fairly, in all material respects, the financial position of the Central Medical Trading Account as at 31 March 2023, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

Basis for qualified opinion

Sale of goods and rendering of services

3. The trading entity did not recognise all revenue relating to the sale of goods and rendering of services in accordance with GRAP 9, *Revenue from exchange transactions*, as transactions were not recorded in the accounting system of the trading entity. Consequently, the sale of goods and rendering of services and receivables from exchange transactions were understated by R16 200 440 (2022: R236 213 149). This also has an impact on the surplus for the period and on the accumulated surplus.
4. During 2022, I was unable to obtain sufficient appropriate audit evidence that all revenue transactions from the sales of goods and rendering of services had been recognised, as the entity did not have adequate systems in place to do so. I was unable to confirm revenue from the sale of goods and rendering of services by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to the corresponding figure of sale of goods and rendering of services, stated at R1 016 618 000 in revenue from exchange transactions in note 10 to the financial statements.

Payables from exchange transactions

5. The trading entity did not recognise all payables from exchange transactions when the goods or services were received, in accordance with GRAP 1, *Presentation of financial statements*, as it did not have adequate systems in place to do so. Consequently, payables from exchange

transactions was understated by R1 135 076 (2022: R 15 445 663). Additionally, there was an impact on the surplus for the period and on the accumulated surplus. I was also unable to obtain sufficient appropriate audit evidence for payables from exchange transactions due to a lack of supporting evidence for differences identified between supplier statements and the accounting records. I was unable to confirm payables from exchange transactions by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to payables from exchange transactions, stated at R229 121 000 (2022: R334 045 000) in note 7 to the financial statements.

General expenses

6. During 2022, the trading entity did not record the cost of sales in accordance with GRAP 1, *Presentation of financial statements*, as transactions were not recorded in the accounting system of the trading entity while other transactions were not recorded in the correct period. Consequently, the corresponding figure of cost of sales included in note 13 to the financial statements was overstated by R10 741 083. Additionally, there was an impact on the surplus for the prior period and on the accumulated surplus. My audit opinion on the financial statements for the period ended 31 March 2022 was modified accordingly. My opinion on the current year financial statements is also modified because of the possible effect of this matter on the comparability of the general expenses for the current period.

Context for opinion

7. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.
8. I am independent of the trading entity in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
9. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of matter

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

Restatement of corresponding figures

11. As disclosed in note 16 to the financial statements, the corresponding figures for 31 March 2022 were restated as a result of an error in the financial statements of the trading entity at, and for the year ended, 31 March 2023.

Other matters

National Treasury Instruction Note 4 of 2022-2023: PFMA Compliance and Reporting Framework

12. On 23 December 2022, the National Treasury issued Instruction Note 4 of 2022-23, which came into effect on 3 January 2023, in terms of section 76(1)(b), (e) and (f), 2(e) and (4)(a) and (c) of the PFMA. The instruction note deals with the PFMA compliance and reporting framework and addresses, amongst others, the disclosure of unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure. Irregular expenditure and fruitless and wasteful expenditure incurred in prior financial years and not yet addressed no longer need to be disclosed in the disclosure notes to the annual financial statements. Only the current year and prior year figures are disclosed in note 18 to the financial statements of the trading entity. Movements in respect of irregular expenditure and fruitless and wasteful expenditure also no longer need to be disclosed in the notes to the annual financial statements. The disclosure of these movements (e.g. condoned, recoverable, removed, written off, under assessment, under determination and under investigation) is now included as part of the other information in the annual report of the trading entity. I do not express an opinion on the disclosure of irregular expenditure and fruitless and wasteful expenditure in the annual report.

Responsibilities of the accounting officer for the financial statements

13. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of GRAP and the requirements of the PFMA and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
14. In preparing the financial statements, the accounting officer is responsible for assessing the trading entity's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the trading entity or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the auditor-general for the audit of the financial statements

15. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
16. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

17. Section 40(3)(a) of the PFMA requires the trading entity to prepare an annual performance report. The trading entity's performance information was reported in the annual performance report of Free State Department of Health. The usefulness and reliability of the reported performance information was tested as part of the audit of Free State Department of Health and any audit findings are included in the management and auditor's reports of Free State Department of Health.

Report on compliance with legislation

18. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the trading entity's compliance with legislation.
19. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
20. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the trading entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
21. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Annual financial statements

22. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and supported by full and proper records as required by section 40(1)(a) and (b) of the PFMA. Material misstatements of current liabilities, revenue, and expenditure identified by the auditors in the submitted financial statements were corrected and the supporting records were provided subsequently, but the uncorrected material misstatements and supporting records that could not be provided resulted in the financial statements receiving a qualified opinion.

Expenditure management

23. Payments were not made within 30 days or an agreed period after receipt of an invoice, as required by treasury regulation 8.2.3.

Revenue management

24. Appropriate processes were not developed and implemented to provide for the identification and recording of information about revenue, as required by treasury regulation 7.2.1.
25. Effective and appropriate steps were not taken to collect all money due, as required by section 38(1)(c)(i) of the PFMA.

Other information in the annual report

26. The accounting officer is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, and the auditor's report.
27. My opinion on the financial statements and the report on compliance with legislation, do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
28. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
29. The other information I obtained prior to the date of this auditor's report is the disclosures included in the annual report for irregular, fruitless and wasteful expenditure, and the other information outstanding in the annual report is expected to be made available to us after 31 July 2023.
30. If, based on the work I have performed on the other information that I obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact.
31. When I do receive and read the annual report of outstanding information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

32. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
33. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion and the material findings on compliance with legislation included in this report.

34. Management did not exercise effective control over financial management, internal controls, and compliance with legislation. The implementation of the audit action plan to address the previous year's findings was not adequately monitored as the prior year's issues were not effectively addressed.
35. Management did not assign sufficient staff and implement proper record keeping in a timely manner to ensure that complete, relevant, and accurate information is available and accessible to support financial reporting as material limitations were identified during testing of payables from exchange transactions.
36. Management did not implement controls over monthly processing and reconciling transactions as reliable reconciliations were not adequately performed for payables from exchange transactions.
37. Management also did not ensure that there is an adequately resourced internal audit unit that identifies internal control deficiencies and recommends corrective action in a timely and effective manner as material misstatements and instances of non-compliance with legislation were identified in the financial statements.
38. There are inadequate controls in place to ensure the completeness of revenue and cost of sales transactions. The trading entity has challenges with regard to the receipt and recording of the direct delivery vouchers from the institutions timeously.

Auditor-General

Bloemfontein

31 July 2023



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

1. The annexure includes the following:
 - the auditor-general's responsibility for the audit
 - the selected legislative requirements for compliance testing.

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

2. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected programmes and on the trading entity's compliance with selected requirements in key legislation.

Financial statements

3. In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:
 - identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
 - obtain an understanding of internal control relevant to the audit 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 trading entity's internal control
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made
 - conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the trading entity to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a trading entity to cease operating as a going concern
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

4. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
5. I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Compliance with legislation – selected legislative requirements

6. The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act No.1 of 1999 (PFMA)	Sections 38(1)(a)(iv); 38(1)(b);38(1)(c);38(1)(c)(i); Sections 38(1)(c)(ii); 38(1)(d); 38(1)(h)(iii); 39(1)(a); Sections 39(2)(a); 40(1)(a); 40(1)(b); 40(1)(c)(i); Sections 43(4); 44; 44 (1) and (2); 45(b); 50(3); Sections 50(3)(a)
Treasury Regulations	Regulations 4.1.1; 4.1.3; 5.1.1; 5.2.1; 5.2.3(a); Regulations 5.2.3(d); 5.3.1; 7.2.1; 8.1.1; 8.2.1; 8.2.2; Regulations 8.2.3; 8.4.1; 9.1.1; 9.1.4; 10.1.1(a); Regulations 10.1.2; 11.4.1; 11.4.2; 11.5.1; 12.5.1 Regulations 15.10.1.2(c); 16A 6.1; 16A6.2(a),(b)&(e); Regulations 16A 6.3(a); 16A 6.3(b); 16A 6.3(c); Regulations 16A 6.3(e); 16A 6.4; 16A 6.5; 16A 6.6; Regulations 16A 8.3; 16A8.2 (1) & (2); 16A 8.3(d); Regulations 16A 8.4; 16A 9; 16A 9.1; 16A9.1(c); Regulations 16A9.1(b)(ii); 16A; 9.1(d); 16A 9.1(e); Regulations 16A9.1(f); 16A 9.2(a)(ii) & (iii) Regulations 17.1.1; 18.2; 19.6.1; 19.8.4
Public Service Regulations	Regulations 18; 18(1); 18(2)
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)
Construction Industry Development Board Act No.38 of 2000	Section 18(1)
Construction Industry Development Board Regulations	Regulations 17; 25(7A)
Preferential Procurement Policy Framework Act 5 of 2000	Section 2.1(a); 2.1(b); 2.1(f)
Preferential Procurement Regulations of 2017	Regulations 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; 6.1; 6.2; 6.3; Regulations 6.5; 6.6; 7.1; 7.2; 7.3; 7.5; 7.6; 8.2; 8.5; Regulations 9.1; 9.2; 11.2; 12.1; 12.2
Preferential Procurement Regulations of 2022	Regulations 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
National Treasury Instruction Note 1 of 2015-16	Paragraphs 3.1; 4.1; 4.2
National Treasury Instruction Note 4 of 2015-16	Paragraph 3.4
Erratum to National Treasury Instruction Note 5 of 2020-21	Paragraph 1; 2
Second amendment to National Treasury Instruction Note 5 of 2020-21	Paragraphs 4.8; 4.9; 5.1; 5.3
National Treasury PFMA SCM Instruction 11 of 2020-21	Paragraphs 3.1; 3.4(b); 3.9;
National Treasury Instruction Note 1 of 2021-22	Paragraph 4.1
National Treasury PFMA SCM Instruction 2 of 2021-22	Paragraphs 3.2.1; 3.2.4(a); 3.3.1;
National Treasury PFMA SCM Instruction 3 of 2021-22	Paragraphs 4.3; 4.4 (a), (c) & (d);
National Treasury Practice Note 7 of 2009-10	Paragraph 4.1.2

**CENTRAL MEDICAL TRADING ACCOUNT
AUDITED ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023**

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CENTRAL MEDICAL TRADING ACCOUNT
AUDITED ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

1. General information

Domicile	South Africa
Registered name	Central Medical Trading Account
Nature of business and principle activities	The Central Medical Trading Account (hereinafter "depot") is responsible for the supply of essential medicines and disposable surgical sundry items to provincial health care facilities in the Free State. The Depot operates as a trading depot and charges levies of 5 and 7 percent on stock issues to the provincial health care facilities.
Legal form of depot	Trading entity [as defined by the Public Finance Management Act (Act No. 1 of 1999)] as amended.
Physical address	23-25 Blignaut Street Hilton Bloemfontein 9301
Postal address	P.O Box 7622 Bloemfontein 9300
Auditors	Auditor-General of South Africa
Bankers	Standard Bank of South Africa and later Nedbank
Ultimate parent / controlling entity	Free State Department of Health

CENTRAL MEDICAL TRADING ACCOUNT
AUDITED ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

2. Statement of responsibility and approval

The accounting officer is required by the Public Finance Management Act (Act 1 of 1999), to maintain adequate accounting records and is responsible for the content and integrity of the financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the financial statements fairly present the state of affairs of the depot as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the financial statements and were given unrestricted access to all financial records and related data.

The financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board. The financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The accounting officer acknowledges that he is ultimately responsible for the system of internal financial control established by the depot and places considerable importance on maintaining a strong control environment. To enable the accounting officer to meet these responsibilities, the accounting officer sets standards for internal control aimed at reducing the risk of error or deficit in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the depot and all employees are required to maintain the highest ethical standards in ensuring the depot's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the depot is on identifying, assessing, managing and monitoring all known forms of risk across the depot. While operating risk cannot be fully eliminated, the depot endeavors to minimize it by ensuring that appropriate infrastructure, controls, systems and ethical behavior are applied and managed within predetermined procedures and constraints.

The accounting officer is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The accounting officer has reviewed the entity's cash flow forecast for the period to 31 March 2023 and, in light of this review and the current financial position, he is satisfied that the depot has or has access to adequate resources to continue in operational existence for the foreseeable future.

The depot is wholly dependent on the department for continued funding of operations. The financial statements are prepared on the basis that the depot is a going concern and that the department has neither the intention nor the need to liquidate or curtail materially the scale of the depot.

In the opinion of the accounting officer, based on the information available to date, the annual financial statements fairly present the financial position of the depot at 31 March 2023 and the financial performance and cash flow information for the year then ended.

The annual financial statements for the year ended 31 March 2023, were submitted for review on 31 May 2023 and approved by the Accounting Officer in terms of section 40(1) (c) of the PFMA, 1999 (Act No. 1 of 1999).



Accounting Officer

CENTRAL MEDICAL TRADING ACCOUNT
STATEMENT OF FINANCIAL POSITION
for the year ended 31 March 2023

	<i>NOTE</i>	2023 R'000	2022 R'000 (Restated)
ASSETS			
Non-current assets		3,379	3,964
Property, plant and equipment	2	3,379	3,964
Current assets		552,650	630,816
Inventory	3	90,181	77,144
Receivables from exchange transactions	4	454,750	520,732
Other receivables		605	753
Cash and cash equivalents	5	6,728	32,026
Prepayments	6	387	161
TOTAL ASSETS		556,029	634,780
EQUITY			
Capital and reserves		285,217	272,668
Accumulated surplus		285,217	272,668
TOTAL EQUITY		285,217	272,668
LIABILITIES			
Current liabilities		270,812	362,113
Payables from exchange transactions	7	229,121	334,045
Other payables		37,276	23,581
Provisions	8	4,416	4,487
TOTAL LIABILITIES		270,812	362,113
TOTAL EQUITY AND LIABILITIES		556,029	634,781

CENTRAL MEDICAL TRADING ACCOUNT
STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2023

	<i>NOTE</i>	2023 R'000	2022 R'000
			Restated
Revenue			
<i>Revenue from non-exchange transactions</i>		40,517	45,109
- Transfers and subsidies	9	35,000	40,000
- Donations		5,517	5,109
 <i>Revenue from exchange transactions</i>		913,269	1,020,186
- Sale of goods and rendering of services	10	909,554	1,016,618
- Interest earned – external investment	11	2,826	2,685
- Interest earned – outstanding receivable		-	-
- Other income		888	883
 Total revenue		953,786	1,065,295
 Expenditure			
 Compensation of employees	12	(45,689)	(44,244)
General Expenses	13	(893,586)	(973,712)
Finance costs	14	-	-
Repairs and maintenance	24	(547)	(1,126)
Depreciation and impairment		(1,416)	(1,429)
Total expenditure		(941,237)	(1,020,511)
 Other Gains/ (Losses)			
Gain / (Loss) on sale of assets			
 Surplus/(Deficit) for the year		12,549	44,783

**CENTRAL MEDICAL TRADING ACCOUNT
STATEMENT OF CHANGES IN NET ASSETS
For the year ended 31 March 2023**

Accumulated Surplus	R'000	R'000 Restated
Accumulated surplus		
Opening balance	229,996	229,996
Other movements (Net Restatements)	(2,111)	(2,111)
Surplus/ (Deficit) for the period	44,783	44,783
Closing balance as at 31 March 2022	272,668	272,668
Opening balance		
Opening balance as at 1 April 2022	272,668	272,668
Movement to/from accumulated surplus		
Surplus/ (Deficit) for the period	12,549	12,549
Closing balance as at 31 March 2023	285,217	285,217

CENTRAL MEDICAL TRADING ACCOUNT
STATEMENT OF CASH FLOWS
For the year ended 31 March 2023

		2023 R'000	2022(Restated) R'000
Cash flows from operating activities			
Cash receipts		1,099,655	971,822
Transfers and subsidies		35,000	40,000
Interest, Dividends and Rent on land		2,744	2,598
Other receipts		55	58
Sale of goods and rendering of services		1,061,856	929,116
 Cash payments		 (1 124 201)	 (973,760)
Compensation of employees		(45,618)	(43,636)
Suppliers/Goods and Services		(1,103,792)	(930,124)
Other payments		25,209	-
 Net cash flows from operating activities	63	 (24,546)	 (1,938)
 Cash flows from investing activities		 (753)	 (658)
Purchase of property, plant and equipment	34	(832)	(658)
Additional movements		79	-
Net cash flows from investing activities		(753)	(658)
 Net (decrease)/increase in cash and cash equivalents		 (25,299)	 (2,596)
 Cash and cash equivalents at the beginning of the year		 32,026	 34,622
Cash and cash equivalents at the end of the year	5	6,728	32,026

**STATEMENT OF BUDGET COMPARISON
SCHEDULE OF BUDGET VS EXPENDITURE**

Description	Original budget 2022/2023 R'000	Budget adjustment R'000	Virement R'000	Final budget R'000	Actual Income/Expenditure R'000	Variance R'000	%Variance	Narratives (Only more than 2% differences explained)
Transfers and subsidies	35 000			35 000	35 000	-	0%	
Sale of good and rendering of services	1 031 533			1 031 533	909 554	121 979	12%	Due to restatement of prior year revenue that was budgeted for in current year
Other income	880			880	888	-8	-1%	
Revenue in kind	5 517			5 517	5 517	-	0%	
Interest received	2 954			2 954	2 826	128	4%	Less cash was kept in the bank as priority was payment of suppliers within 30 days
Total revenue	1 075 884	-	-	1 075 884	953 785	122 099	11%	
Salaries and wages	37 902			37 902	38 000	-98	0%	
Social contributions	7 493			7 493	7 680	-187	-2%	
Post -employment benefits	100			100	9	91	91%	Less than expected employees left service
Less: Compensation of employees	45 495	-	-	45 495	45 689	-194	0%	
Administrative fee	21			21	25	-4	-18%	Slightly more bank charges due to more payments being done
Assets less capitalisation threshold	110			110	-	110	100%	Water tank was procured and installed. It was correctly treated as capital asset instead of less than R5000
Audit costs	5 600			5 600	3 900	1 700	30%	Due to ongoing audit work not yet invoiced
Bursaries (employees)	-			-	-	-		
Communication	172			172	191	-19	-11%	Increased telephone costs due to intensified efforts to clear queries with suppliers
Computer services(SITA)	2 219			2 219	2 014	205	9%	Some invoices are currently being queried
MSD	480			480	454	26	5%	Less assistance was needed from service provider due to increased knowledge of the system
Cost of sales	972 996			972 996	834 231	138 765	14%	Due to restatement of prior year cost of sales that was budgeted for in current year
Rental of buildings	5 517			5 517	5 517	-	0%	
Membership fees	37			37	26	11	31%	Due to cost containment measures implemented
Consumables	2 134			2 134	1 989	145	7%	Due to cost containment measures implemented
Fuel & oil	20			20	36	-16	-78%	Due to increase in fuel prices
Other operating expenditure	616			616	1 508	-892	-145%	Due to increase in losses for H-forms that are currently being investigated.
Owned and leasehold property expenditure	4 254			4 254	3 438	816	19%	Due to cost containment measures implemented
Depreciation on PPE	1 113			1 113	1 416	-303	-27%	More assets were procured
Training and staff development	200			200	-	200		Training needs are being consolidated and implementation will be in the next financial year
Transport costs	31 764			31 764	26 978	4 785	15%	Due to reduction in costs on the new contract
Contractors: Medical Services	-			-	13 109	-13 109		A new contract was taken over towards year end.
Travel and subsistence	211			211	169	42	20%	Due to cost containment measures implemented
Less: Goods and Services	1 027 464	-	-	1 027 464	895 000	132 464	13%	
Description	Original budget R'000	Budget adjustment R'000	Virement R'000	Final R'000	Actual Income/Expenditure R'000	variance R'000	%Variance	
Computer Equipment	2 261			2 261	614	1 647	73%	Due to cost containment measures implemented
Office equipment & Office furniture	373			373	218	155	42%	Due to cost containment measures implemented
Transport assets	-			-	-	-		
Other assets	-			-	-	-		
Total payments for Capital Assets	2 634	-	-	2 634	832	1 802	68%	
Reconciliation of statement of financial performance and budget comparison								
Surplus/(Deficit)	291			291	12 264	11 973		
add back: depreciation	1 113			1 113	1 416	303		
less: maintenance	-			-	-547	547		
Add back: Total payments for Capital Assets	2 634			2 634	832	1 802		
Surplus for the year	4 038	-	-	4 038	13 965	14 625		

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ACCOUNTING POLICIES

The financial statements of the Central Medical Trading Account for the year ended 31 March 2023 will be authorized for issue by the Accounting Officer on 31 July 2023.

1.1. Basis of Preparation

These Annual Financial Statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 40 (1) (b) of the Public Finance Management Act, (Act No 1 of 1999).

The Annual Financial Statements were prepared on the accrual basis of accounting and incorporate the historical cost conventions as the basis of measurement, except where specified otherwise.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these financial statements, is disclosed below.

1.2. Standards of GRAP issued but not yet effective

GRAP 20 on Related Party Disclosures is effective for the reporting periods beginning on or after 1 April 2019, however, trading entities are not yet required to apply this standard of GRAP. GRAP 20 identifies disclosures necessary for the users of the financial statements to consider the impact (if any) that transactions and outstanding balances with related parties have on the Central Medical Trading Account's surplus or deficit and financial position. The Central Medical Trading Account has already based its accounting policies and disclosures on this standard, and there is therefore no further impact on the financial statements when this standard becomes effective.

GRAP 32 on Service Concession Arrangements: Grantor is effective for the reporting periods beginning on or after 1 April 2019, however, trading entities are not yet required to apply this standard of GRAP. GRAP 32 prescribes the accounting for service concession arrangements by the grantor (trading entity). The Central Medical Trading Account has not entered into any service concession arrangements to date and will therefore not be immediately affected by the Standard when it is required to apply it.

GRAP 34 on Separate Financial Statements is effective for the reporting periods beginning on or after 1 April 2022. GRAP 34 prescribes the accounting and disclosure requirements for investments in controlled entities, joint ventures and associates during the preparation of financial statements. The Central Medical Trading Account has not acquired any investments to date and will therefore not be immediately affected by the Standard when it is required to apply it.

GRAP 35 on Consolidated Financial Statements is effective for the reporting periods beginning on or after 1 April 2022. GRAP 35 establishes the principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. The Central Medical Trading Account has not acquired control over any entity to date and will therefore not be immediately affected by the Standard when it is required to apply it.

GRAP 36 on Investments in Associates and Joint Ventures is effective for the reporting periods beginning on or after 1 April 2022. GRAP 36 prescribes the accounting for investments in associates and joint ventures and sets out the requirements for the application of the equity method when accounting for investment in associates and joint ventures. The Central Medical Trading Account has not acquired any investments to date and will therefore not be immediately affected by the Standard when it is required to apply it.

GRAP 37 on Joint Arrangements is effective for the reporting periods beginning on or after 1 April 2022. GRAP 37 defines the different types of joint arrangements. It also provides the disclosure requirements and extensive application guidance to assist controlling entities to consolidate their investments in joint arrangements. The Central Medical Trading Account has not acquired control over any entity to date and will therefore not be immediately affected by the Standard when it is required to apply it.

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GRAP 38 on Disclosure of interests in other entities is effective for the reporting periods beginning on or after 1 April 2022. GRAP 38 requires additional information regarding investments in controlled entities to be disclosed in order to assist users of financial statements to better understand the nature of the interest held, the risk associated with interest held and the effects of those interests on the statement of financial position, financial performance and cash-flows. The Central Medical Trading Account has not acquired any interest in any entity to date and will therefore not be immediately affected by the Standard when it is required to apply it.

GRAP 108 on Statutory Receivables is effective for the reporting periods beginning on or after 1 April 2019, however, trading entities are not yet required to apply this standard of GRAP. GRAP 108 prescribes the accounting requirements for the recognition, measurement, presentation and disclosure of receivables that arise from legislation, supporting regulation for similar means and require settlement by another entity in cash or another financial asset. The Central Medical Trading Account has already based its accounting policies and disclosures on this standard, and there is therefore no further impact on the financial statements when this standard becomes effective.

GRAP 109 on Accounting by Principals and Agents is effective for the reporting periods beginning on or after 1 April 2019, however, trading entities are not yet required to apply this standard of GRAP. GRAP 109 outlines principles to be used in assessing whether the Central Medical Trading Account is a party to a principal-agent arrangement, and whether it is a principal or an agent in undertaking transactions in terms of such arrangement. The application of this standard will require additional disclosures, as prescribed, when effective.

GRAP 110 on Living and Non-Living Resources is effective for the reporting periods beginning on or after 1 April 2022. GRAP 110 prescribes the recognition, measurement, presentation and disclosure requirements for living resources as well as disclosure requirements for non-living resources. The application of this standard will not have a material impact on the financial statement of the Central Medical Trading Account when effective.

1.3. Presentation currency

These Annual Financial Statements are presented in South African Rand, which is the functional currency of the Central Medical Trading Account and all values are rounded to the nearest thousand (R000).

1.4. Going Concern Assumption

These Annual Financial Statements were prepared based on the expectation that the trading account will continue to operate as a going concern for at least the next 12 months.

1.5. Offsetting

Financial assets and liabilities are offset and the net amount reported on the Statement of Financial Position only when there is a legally enforceable right to set off the recognised amount, and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

1.6. Comparative of actual information to budgeted information

The annual budget figures have been prepared by the Free State Department of Health in accordance with the National Treasury Regulations, as amended and all related prescripts.

The Central Medical Trading Account is consequently subject to the budgetary limits in the form of budget allocation towards the Free State Department of Health, which in turn will procure its pharmaceutical and medical consumables from this trading entity.

A comparative of actual to budget amounts are reported in a separate additional financial statement, called the Statement of Comparison of Budget and Actual amounts. Explanatory comment is provided in the notes to the Statement giving motivations for over- or under spending on line items where it is found to be material. The budgeted figures are those approved by the Legislature at the beginning of the financial period. The budget is prepared and approved on cash basis by economic classification. The approved budget covers the period from 1 April 2022 to 31 March 2023.

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In general, a difference of 10% or more is considered material, although the surrounding circumstances are considered if it could influence the decisions or assessments of the users of the financial statements in determining whether a difference between the budgeted and actual amount is material.

1.7. Current year comparatives

When the presentation or classification of items in the Financial Statements is amended, prior period comparative amounts are also reclassified and restated, unless such comparative reclassification and / or restatement is not required by a Standard of GRAP. The nature and reason for such reclassifications and restatements are also disclosed.

Where material accounting errors, which relate to prior periods, have been identified in the current year, the correction is made retrospectively as far as is practicable and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable and the prior year comparatives are restated accordingly.

The presentation and classification of items in the current year is consistent with prior periods.

1.8. Significant judgements and estimates

In the application of the Central Medical Trading Account's accounting policies, which are described below, management is required to make judgement, estimates and assumption that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. The estimates and associated assumptions are based on historical experiences and other factors that are considered to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates

These estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Significant judgments include:

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 8 - Provisions.

Useful lives of property, plant and equipment, software and development costs

The Central Medical Trading Account's management determines the estimated useful lives, residual value and related depreciation charges for property, plant and equipment, software and development costs. This estimate is based on the pattern in which an asset's future economic benefits or service potential are expected to be consumed by the entity.

1.9. Property, Plant and Equipment

Property, plant and equipment are tangible non-current assets that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the Central Medical Trading Account; and
- the cost or fair value of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Subsequently, it is stated at historical cost less accumulated depreciation and impairment. Assets with a cost higher than R5 000 are capitalised.

Where an item of property, plant and equipment is acquired at no cost, or for a nominal cost, its cost is its fair value as at date of acquisition.

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Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired non-monetary asset's fair value is not determinable, it is deemed that the cost is the carrying amount of the asset given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent to initial measurement property, plant and equipment are depreciated on a straight-line basis over their expected useful lives to their expected residual values. Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets, or where shorter, the term of the relevant lease. Depreciation commences when the asset is ready for its intended purpose. The useful lives of items of property, plant and equipment have been assessed as follows:

Transport assets:	5 years
Computer:	3 years
Furniture and office equipment:	5 years
Other machinery:	5 years

The estimated useful life, residual values and depreciation method are assessed at each reporting date on an indicator basis. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down to its recoverable amount. The reduction is an impairment loss. Impairment losses are recognised in profit or loss, unless the asset is carried at the revalue amount. Any impairment loss of the revalued asset is treated as a revaluation decrease.

Items of property, plant and equipment are de-recognised on disposal, or when no future economic benefits or service potential are expected from its use or disposal. The gain or loss arising from de-recognition of an item property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item. Such a difference is recognised as a surplus or deficit, when the item is derecognised.

1.10. Inventory

Inventories consist of pharmaceuticals, medical consumables and hospital forms. Inventories are initially measured at cost except where inventories are acquired at no cost, or for nominal consideration, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and current replacement cost where they are held for;

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

The cost of inventories is determined using the weighted average cost method. The same cost formula is used for all inventories having a similar nature and use to the entity.

The expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realizable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realizable value or current replacement cost, are recognised as a reduction in the number of inventories recognised as an expense in the period in which the reversal occurs.

1.11. Impairment

The trading account assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the trading entity estimates the recoverable service amount of the asset.

If there is any indication that an asset may be impaired, the recoverable service amount is estimated for the individual asset. If it is not possible to estimate the recoverable service amount of the individual asset, the recoverable service amount of the cash-generating unit to which the asset belongs is determined.

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The recoverable service amount is the higher of a non-cash generating asset's fair value less costs to sell and its value in use. The value in use for a non-cash generating asset is the present value of the asset's remaining service potential.

The value in use for a non-cash generating asset is the present value of the asset's remaining service potential.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable and willing parties, less the costs of disposal.

If the recoverable service amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in surplus or deficit. Any impairment loss of a revalued asset is treated as a revaluation decrease.

The Central Medical Trading Account assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable service amounts of those assets are estimated.

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in surplus or deficit. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

For the year under review no impairments were done. Assets that may not be efficiently utilized for their intended use were disposed of.

1.12. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity. Financial instruments are classified into three categories namely, financial instruments at fair value, financial instruments at amortised cost or financial instruments at cost. The trading entity determines the classification of its financial instruments at initial recognition.

Initial recognition

The Central Medical Trading Account classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial assets and financial liabilities are recognised on the Central Medical Trading Account's Statement of Financial Position when the Central Medical Trading Account becomes party to contractual provisions of the instrument.

Financial instruments recognised on the Statement of Financial Position include trade and other receivables, cash and cash equivalents and trade and other payables.

Initial measurement

Financial instruments are initially measured at fair value and plus transaction costs for financial instruments at amortised cost or cost. Fair value is usually the transaction cost at the date of recognition. For financial instruments at amortised cost, if the transaction cost is not market related i.e. no interest is charged for deferred payments or when the account is overdue, or interest charged is at below-market related rate: the trading account determines the fair value.

The fair value is the present value of the expected future cash flows, without taking into account any future losses or the possibility of default, discounted using a market related interest rate, adjusted for credit risk over the expected life of the financial instrument. For financial instruments at fair value, the fair value is determined based on quoted prices in an active market. If there is no active market, it is determined using valuation techniques. For financial instruments at cost, the financial instrument is only measured at cost if the fair value cannot be measured reliably. Where a financial instrument contains both a liability and a residual interest component, the trading account allocates the instrument into its component parts. The trading account recognises the liability at its fair value and recognises the residual interest as the difference between the carrying amount of the instrument and the fair value of the liability component. No gain or loss is recognised by separating the instrument into its components.

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Subsequent measurement

Financial assets and liabilities are subsequently measured either at fair value, or amortised cost or cost using the following categories:

- (a) Financial instruments at fair value
- (b) Financial instruments at amortised cost
- (c) Financial instruments at cost

Trade and other receivables

Trade and other receivables are measured at initial recognition at fair value and are subsequently measured at amortized cost using the effective interest rate method less any impairment. Impairment is determined on a specific basis, whereby each asset is individually assessed for impairment indicators. Appropriate allowances for estimated irrecoverable amounts are recognised in surplus or deficit when there is objective evidence that the asset is impaired.

Trade and other payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. Trade and other payables which are payable later than one year are classified and disclosed under non-current liabilities.

Cash and cash equivalents

Cash includes cash on hand (including petty cash) and cash with banks. Cash equivalents are short-term highly liquid investments, readily convertible into known amounts of cash and are subject to an insignificant risk of change in value. Cash and cash equivalents are carried at amortised cost

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand and deposits held on call with banks.

Gains and losses

A gain or loss from a change in a financial asset or financial liability is recognised as follows:

- Gains and losses on trade and other receivables and cash and cash equivalents are recognised in income when receivables are derecognised or impaired.
- Gains and losses on trade and other payables are recognised in surplus or deficit when liabilities are derecognised.

Derecognition**Financial assets**

Financial assets (or part thereof) are de-recognised when the entity realizes the rights to benefits specified in the contract, the right expires, or the Central Medical Trading Account surrenders or otherwise loses control of the contractual rights that comprise the financial asset.

The rights to receive cash flows from the asset have expired; the entity retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without any material delay to a third party under a 'pass-through' arrangement; or, the entity has transferred its rights to receive cash flows from the asset and either has transferred substantially all the risks and rewards of the asset; or has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

Financial liabilities

Financial liabilities (or part thereof) are de-recognised when the obligation specified in the contract is discharged, cancelled or expired.

Impairment of financial instruments

The entity assesses on each reporting date whether a financial asset of the entity is impaired. Impairments are made when there is objective evidence that cash flows from specific financial assets would not materialize. Cash flow values estimated not to materialize are impaired. The amount of the impairment is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition. The amount of the impairment is recognised in the Statement of financial performance.

Off-setting of financial instruments

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, an entity:

- (a) currently has a legally enforceable right to set off the recognised amounts; and
- (b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously

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Fair value measurement considerations

The best evidence of fair value is quoted prices in an active market. If the market for a financial instrument is not active, the Central Medical Trading Account establishes fair value using a valuation technique. The chosen valuation technique makes maximum use of market inputs and relies as little as possible on trading entity-specific inputs.

1.13. Provisions

Provisions are recognised when the Central Medical Trading Account has a present (legal or constructive) obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the provision can be made.

The best estimate of the expenditure required to settle the present obligation is the amount that an entity would rationally pay to settle the obligation at the reporting date or to transfer it to a third party at that time and are determined by the judgment of the management of the entity, supplemented by experience of similar transactions and, in some cases, reports from independent experts. The evidence considered includes any additional evidence provided by events after the reporting date. Uncertainties surrounding the amount to be recognised as a provision are dealt with by various means according to the circumstances, where the provision being measured involves a large population of items; the obligation is estimated by weighting all possible outcomes by their associated probabilities.

Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision. Provisions are not recognised for future operating losses. The present obligation under an onerous contract is recognised and measured as a provision. An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it - this unavoidable cost resulting from the contract is the amount of the provision to be recognised.

Provisions are reviewed at reporting date and the amount of a provision is the present value of the expenditure expected to be required to settle the obligation. When the effect of discounting is material, provisions are determined by discounting the expected future cash flows that reflect current market assessments of the time value of money. The impact of the periodic unwinding of the discount is recognised in the Statement of Financial Performance as a finance cost as it occurs.

1.14. Revenue from exchange transactions

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Interest

Interest generated from a positive bank balance is recognised when it accrues under interest earned- external investments.

Revenue from sale of goods

Revenue is recognised at fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the entity's activities. Revenue from sale of goods is recognised when:

- Significant risk and rewards of ownership associated with ownership of goods are transferred to the buyer,
- the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold,
- the amount of revenue can be measured reliably,
- it is probable that the economic benefits associated with the transaction will flow to the entity and the cost incurred or to be incurred in respect of the transaction can be measured reliably.

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1.15. Revenue from non-exchange transactions

Revenue from non-exchange transactions arises when Central Medical Trading Account receives value from another entity/department without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

Transfers and sponsorships**Unconditional Grants and/or Transfers**

Transfer from the Free State Department of Health allocation is recognised in revenue at the start of the financial year.

Conditional Grants

Conditional grants recognised as revenue to the extent that the trading account has complied with any of the criteria, conditions or obligations embodied in the agreement. Where the agreement contains a stipulation to return the asset, other future economic benefits or service potential, in the event of non-compliance to these stipulations and would be enforced by the transferor, a liability is recognised to the extent that the criteria, conditions or obligations have not been met. Where such requirements are not enforceable, or where past experience has indicated that the transferor has never enforced the requirement to return the transferred asset, other future economic benefits or service potential when breaches have occurred, the stipulation will be considered a restriction and is recognised as revenue.

Interest earned on grants received and invested is treated in accordance with grant conditions. If it is payable to the funder it is recorded as part of the creditor and if it is the trading entity's interest it is recognised as interest earned in the Statement of Financial Performance.

Public contributions and donations

Donations and funding are recognised as revenue to the extent that the Central Medical Trading Account has complied with any of the criteria, conditions or obligations embodied in the agreement. Where the agreement contains a stipulation to return the asset, other future economic benefits or service potential, in the event of non-compliance to these stipulations and would be enforced by the transferor, a liability is recognised to the extent that the criteria, conditions or obligations have not been met. Where such requirements are not enforceable, or where past experience has indicated that the transferor has never enforced the requirement to return the transferred asset, other future economic benefits or service potential when breaches have occurred, the stipulation will be considered a restriction and is recognised as revenue.

Services in-kind

Services in kind are recognised at its fair value when it is significant to the operations and/or service delivery objectives and when it is probable that the future economic benefits or service potential will flow to the entity and the fair value of the assets can be measured reliably. If the services in-kind are not significant to the operations and/or service delivery objectives and/or do not satisfy the criteria for recognition, only the nature and type of services in-kind received during the reporting period is disclosed.

Services in-kind include services provided by individuals to the Central Medical Trading Account and the right to use assets in a non-exchange transaction. These services meet the definition of an asset because the entity controls a resource from which future economic benefits or service potential is expected to flow to the entity. These assets and revenue are, in most instances, immediately consumed or used and a transaction of equal value is also recognised to reflect the consumption or usage of these services in-kind

Services in-kind significant to Central Medical Trading Account's operations and/or service delivery objectives are recognised in the statement of financial performance. Where service in-kind is/are not significant to the entity's operations and/or service delivery objectives and/or do not satisfy the criteria for recognition, the entity discloses the nature and type of service in-kind received during the period.

Services in-kind are measured at the fair value of the service rendered

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1.16. Compensation of employees

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

The cost of all short-term employee benefits is recognised during the period in which the employee renders the related service.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The Central Medical Trading Account measures the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The entity recognizes the expected cost of bonus, incentive and performance related payments when the Central Medical Trading Account has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative, but to make the payments.

Provision for employee benefits

Provisions are recognised when the Central Medical Trading Account has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the obligation. All the provisions of the Central Medical Trading Account are short-term in nature and thus ignore the effect of discounting.

Post-retirement employee benefits

The Central Medical Trading Account operates a defined contribution plan for its employees and is not liable for any actuarial loss sustained by the Government Employees Pension Fund. Accordingly, no provision has been made for any such losses and contributions paid are expensed.

Post-retirement medical benefits for retired civil servants are expensed when the payment is made to the fund.

1.17. Taxation

In terms of section 10.1 of the Income Tax Act, Act Number 59 of 1962, the Central Medical Trading Account, as a government institution, is not liable for any income taxation. Employee tax is paid over to SARS at the time when the employee benefits are payable.

1.18. Irregular Expenditure

Irregular expenditure occurs when expenditure, other than unauthorised expenditure is incurred in contravention with or that is not in accordance with a requirement of any applicable legislation including the PFMA, the State Tender Board Act, 1968 (Act 86 of 1968), or any regulations made in terms of that act, or any provincial legislation providing for procurement procedures in the province.

Irregular expenditure is recognised as such in the notes to the annual financial statements, and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.19. Fruitless and wasteful expenditure

Fruitless and wasteful expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

Fruitless and wasteful expenditure is recognised as such in the notes to the annual financial statements, and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.20. Related Parties and Related Party Transactions

Individuals as well as their close family members, and/or entities are related parties if one party has the ability, directly or indirectly, to control or jointly control the other party or exercise significant influence over the other party in making financial and/or operating decisions. Management is regarded as a related party and comprises the MEC, Accounting Officer, Chief Executive Officer and all other senior managers reporting directly to the Accounting Officer or as designated by the Accounting Officer.

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A related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party. Related party transactions within the MEC's portfolio are recorded in the notes to the annual financial statements when the transaction is not at arm's length.

1.21. Events after reporting date

Events after the reporting date that are classified as adjusting events have been accounted for in the Financial Statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the Financial Statements.

2. Property, plant and equipment

	R'000 2023			R'000 2022		
	Cost/ Valuation	Accumulated depreciation and impairment	Carrying value	Cost/ Valuation	Accumulated depreciation and impairment	Carrying value
Motor vehicles	1,145	(991)	155	1,145	(899)	246
Office equipment	4,856	(3,765)	1,092	4,639	(3,396)	1,243
Computer equipment	7,413	(5 907)	1,506	6,799	(5,160)	1,639
Other property, plant and equipment	1,852	(1,225)	627	1,852	(1,016)	836
Total	15,267	(11,887)	3,379	14,435	(10,471)	3,964

Reconciliation of property, plant and equipment – 2023

	Opening balance	Additions	Disposal	Depreciation	Total
Furniture & Fittings	-	-	-	-	-
Office equipment	1,243	218	-	(369)	1,092
Motor vehicles	247	-	-	(92)	155
Computer equipment	1,638	614	-	(747)	1,505
Other property, plant and equipment	835	-	-	(208)	627
	3,964	832	-	(1,416)	3,379

Included in the asset register are assets that are fully depreciated but still in use by the Central Medical Trading Account.

Reconciliation of property, plant and equipment – 2022

	Opening balance	Additions	Disposal	Depreciation	Total
Furniture & Fittings	-	-	-	-	-
Office equipment	1,263	481	-	(501)	1,243
Motor vehicles	374	-	-	(127)	247
Computer equipment	2,097	138	-	(596)	1,639
Other property, plant and equipment	1,022	19	-	(205)	836
	4,756	638	-	(1,429)	3,964

CENTRAL MEDICAL TRADING ACCOUNT
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2023

	NOTE	2023 R'000	2022 R'000
3. Inventory			
Pharmaceutical items		77,885	67,776
Medical consumables		6,792	3,497
Hospital forms		5,504	5,871
Inventory		90,181	77,144

The cost of inventories is determined using the weighted average cost method. There was no impairment of inventory raised at 31 March 2023.

Theft and losses	(1,508)	(685)
Stock surpluses	833	825
Net surplus	(675)	(140)

	NOTE	2023 R'000	2022 R'000
4. Receivables from exchange transactions			(Restated)
Recoveries of Staff expenses		42	42
Other receivables		563	711
Employee advance		-	-
Provincial Government		454,750	520,732
National Government		-	-
		455,355	521,486

Ageing of Trade & Other Receivables from Exchange Transactions (Net of Provision for Doubtful Debts)

Current (0 – 30 days)	128,628	321,098
31 - 60 Days	99,271	11,905
61 - 90 Days	94,449	3,040
91 - 120 Days	39 099	24,060
121 + Days	93,908	161,383
Total	455,355	521,486

Summary of Debtors by Classification

BALANCE AS AT 31 MARCH 2023

	Recoveries of Staff Expenses R'000	Other Receivables R'000	Employee Advances R'000	Provincial Government R'000	National Government R'000
Current (0-30 days)	-	83	-	128,628	-
31 – 60 Days	-	-	-	99,271	-
61 – 90 Days	-	-	-	94,449	-
91 – 120 Days	-	-	-	34,099	-
121 – 365 Days	42	480	-	93,303	-
Total Debtors before Provision for Doubtful Debts	42	563	-	454,750	-
Less: Provision for doubtful debts	-	-	-	-	-
Total Debtors by classification as at 31 March 2023	42	563	-	454,750	-

CENTRAL MEDICAL TRADING ACCOUNT
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2023

BALANCE AS AT 31 MARCH 2022

	Recoveries of Staff Expenses	Other Receivables	Employee Advances	Provincial Government	National Government
	R'000	R'000	R'000	R'000	R'000
Current (0-30 days)	-	230	-	320,344	-
31 – 60 Days	-	-	-	11,905	-
61 – 90 Days	-	-	-	3,040	-
91 – 120 Days	-	-	-	24,060	-
121 – 365 Days	42	481	-	161,383	-
Total Debtors before Provision for Doubtful Debts	42	711	-	520,732	-
Less: Provision for doubtful debts	-	-	-	-	-
Total Debtors by classification as at 31 March 2022	42	711	-	520,732	-

	NOTE	2023 R'000	2022 R'000
5. Cash and cash equivalents			
Cash on hand		10	4
Cash at bank		6,718	32,022
Total cash and cash equivalents		6,728	32,026

6. Prepayments			(Restated)
Prepaid expenses		387	161
Total prepayments		387	161

	NOTE	2023 R'000	2022 R'000 (Restated)
7. Payables from exchange transactions			
Trade payables		229,121	334,045
Other payables		37,276	23,581
Total payables from exchange transactions		266,397	357,626

	NOTE	2023 R'000	2022 R'000 (Restated)
8. Provisions			
Leave accrual		2,658	2,963
Other Provision		1,758	1,524
Total provisions		4,416	4,487

Reconciliation of provisions – 2023

	Opening balance	Additional Provision	Amounts used	Total
Leave accrual	2,963	(305)		2,658
Other Provisions	1,524	234		1,758
	4,487	(71)		4,416

CENTRAL MEDICAL TRADING ACCOUNT
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2023

Reconciliation of provisions – 2022

	Opening balance	Additional Provision	Amounts used	Total
Leave accrual	2,775	188		2,963
Other Provisions	2,580	(1,056)		1,524
	4,944	(868)		4,487

Leave pay provision represents the potential liability in respect of leave outstanding; while Other provisions represent the potential liability in respect of 13th cheques to be paid out and provision for estimated performance bonus and pay progressions based on budget guidelines from Provincial Treasury.

	2023 R'000	2022 R'000
9. Transfers and sponsorships		
Transfer payments from other departments/entities	35,000	40,000
Total transfers and sponsorships	35,000	40,000
10. Sale of goods and rendering of services		
Sales: Medsas	850,660	954,981
Sales: Medsas Levy	58,894	61,637
Total sale of goods and rendering of services	909,554	1,016,618

CMTA charges a levy of 7 per cent for depot deliveries, 5 per cent for direct deliveries and medical consumables sales.

	2023 R'000	2022 R'000
11. Interest earned – external investments		
Bank	2,826	2,685
Total interest earned	2,826	2,685
12. Compensation of employees		
12.1 Salaries and wages		
Basic salary	29,611	28,061
Performance and other bonuses	2,585	2,494
Housing allowance	1 932	1,738
Overtime payments	708	953
Long service awards		
Termination benefits	9	75
Other non-pensionable allowance	3,164	3,753
Total salaries and wages	38,009	37,074
12.2 Social contributions by employer		
Pension	3,848	3,626
Medical	3,820	3,533
Bargaining council	12	11
Total social contributions by employer	7,680	7,170
Total compensation of employees	45,689	44,244

CENTRAL MEDICAL TRADING ACCOUNT
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2023

Compensation of employees has been categorised according to salaries and wages, social contributions by employer and post-employment benefits for disclosure purposes.

	2023 R'000	2022 R'000
13. General expenses		
Administrative fees	25	19
Audit cost	3,900	5,597
Telephone cost	191	178
Consumables	1,966	1,289
Fuel & Oil	36	18
Connection charges	2,014	2,017
Cost of Sales(<i>restated</i>)	834,231	926,074
Rental of buildings	5,517	5,109
Property expenditure	3,438	3,119
Membership fees	26	18
Transport claims	26,978	28,876
Travel and subsistence – Local	171	173
Training	-	4
Consulting fees	13,563	436
Postage	-	3
Other	1,531	784
Total general expenses	893,586	973,712
14. Finance costs		
Interest on late payment of suppliers	-	-
	-	-
15. Cash/ (cash deficit) generated from operations		
Net profit	12,549	44,783
Adjusted for:	1,265	2,545
Depreciation	1,416	1,429
Contribution to provisions	(71)	1,029
Other non-cash items	(80)	87
Operating surplus before working capital changes	13,814	47,328
Movement in working capital	(38,360)	(49,266)
Decrease/(increase) in inventories	(13,037)	5,435
Decrease/(increase) in trade receivables	61,495	(87,962)
Other working capital movements	-	-
Increase/ decrease in prepayments	(224)	(111)
Increase/(decrease) in trade payables	(86,594)	33,372
Net cash flows from operating activities	(24,546)	(1,938)

CENTRAL MEDICAL TRADING ACCOUNT
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2023

	Amount before error correction R'000	Prior period error R'000	Restated amount R'000
16 Correction of Prior Period Errors			

The Net effect of prior period error(s) relating to the Statement of Financial Performance are as follows:

- Revenue from exchange transactions	943,417	73,201	1,016,618
- Cost of sales	(884,542)	(41,532)	(926,074)
Net effect on Statement of Financial Performance	58,875	31,669	90,544

The Net effect of prior period error(s) relating to the Statement of Financial Position are as follows:

- Trade and Other Receivables from Exchange Transactions	448,243	73,201	521,486
- Current Provisions	5,542	(1,055)	4,487
- Trade and Other Payables from Exchange Transactions	(312,817)	(44,809)	(357,626)
- Prepayments	50	111	161
Net effect on Statement of Financial Position	129,934	29,558	159,492

The Net effect of prior period error(s) relating to the Statement of changes in Net Assets are as follows:

- Accumulated surplus	229,996	29,558	259,554
Net Effect on Statement of changes in Net Assets	229,996	29,558	259,554

The opening balance of Trade and other Receivables, trade and other payables, current provisions and electricity prepayment transactions were restated due to significant changes to the amounts revisited in the 22/23 financial year.

16.1 Prior period error- Receivables

During the period under review it was noted, receivables due to ARV and general medicine were delivered before 31 March 2022, however, the invoices were received in the 22/23 financial year
Furthermore, increase in electricity deposit was erroneously recorded as expenditure not as an asset

Statement of financial position	
Increase in Trade & other receivables	73,201
Increase in pre-prepayments (electricity deposit)	111
Total	

16.2 Prior period error- Payables

During the period under review it was noted that payables transactions which had to be corrected in the prior period were not accounted for, this affected trade payables, as well as payables due to the DoH in respect of payments received from Department of Correctional services for the supply of ARV's.

Statement of financial position	
Increase in Trade & other payables	(44,809)

CENTRAL MEDICAL TRADING ACCOUNT
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2023

16.4 Prior period error- Provisions

During the period under review it was noted that general provisions were overstated due to calculation error.

Statement of financial position	
Decrease in Provisions	(1,055)
Statement of financial performance	
Increase in Accumulated surplus	(1,055)

16.5 Prior period error - Statement of financial performance

Increase in Revenue from exchange transactions	73,201
Increase in Cost of Sales	(41,532)
Increase in Accumulated surplus	31,670

17. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realization of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The entity still has unconfirmed invoices that will affect both payables and receivables, cost of sales and revenue, estimated at R9m due to transactions not yet uploaded by suppliers

GOING CONCERN ASSESSMENT

2022/23	2021/22
liquidity measures	liquidity measures
current assets/current liabilities	current assets/current liabilities
552 650 / 270 812 =	630 817 / 362 113 =
2,04	1,74

quick ratio	quick ratio
(current assets- inventory)/current liabilities	(current assets- inventory)/current liabilities
(552 650 - 90 181) / 270 812 =	(626 180 - 77 144) / 362 113 =
1,71	1,52

Liquidity measures

Payment of creditors depends mainly on the collection of revenue from the Department of Health. The liquidity ratio has increased slightly. The Trading account was not able to consistently settle its obligations within the legislated 30-day period, due to the Department's cash flow constraints.

Quick ratio

On comparison with the prior year there is a slight increase on the quick ratio mainly due to improved accounts managements which led to increased stock holding at year end.

Current Assets and Current Liabilities**Cash and Cash Equivalents**

The closing bank balance has decreased by R25 million compared to the prior year. The capital augmentation received by the Trading Account amounted to R35 million resulting in a decrease of R5 million compared to the past 3 years.

CENTRAL MEDICAL TRADING ACCOUNT
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2023

Trade and other receivables

Trade and other receivables decreased by R 61 million from the prior year, which is largely due to improved payment of claims by Department of Health and cash flow constraints in the last quarter of the financial year.

Trade payables

Trade and other payables decreased by R86 million, this is due to intensified efforts by the trading entity to settle suppliers within 30 days.

Inventory

Stock holding increased by R13 million, this is due to suppliers honouring their obligation to deliver per contract requirements

Based on the assessment, the CMTA will continue as a going concern foreseeable future.

18. Irregular expenditure, fruitless and wasteful expenditure	2023 R'000	2022 R'000
Irregular expenditure	-	-
Fruitless and wasteful expenditure	-	-

19. Related Party**19.1 Controlling entity – Free State Department of Health**

	2023 R'000	2022 R'000 (Restated)
Revenue Recognised		
Transfers and subsidies	35,000	40,000
Sale of goods and services	909,554	1,016,618
Total	944,544	1,056,618

The balance between the Central Medical Trading Account and the Related Parties, is as follows:

Receivable:		
from exchange transactions (Department of Health)	454,750	521,486
Total	454,750	521,486
Payables	17,468	17,468
Total	17,468	17,468

The Central Medical Trading Account provides pharmaceuticals and medical consumables to the Free State Department of Health at cost plus 7% for stock held by the depot and 5% levy is charged for direct deliveries.

20.2 Key Management Compensation

Management comprises of those persons responsible for planning, directing and controlling the activities of the entity, including those charged with the governance of the entity in accordance with legislation, in instances where they are required to perform such functions.

CENTRAL MEDICAL TRADING ACCOUNT
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2023

KEY MANAGEMENT REMUNERATION						
Mar-23						
From MEDPAS	Basic salary	Bonuses and performance related payments	Housing allowances	Pension and medical aid	Other non-pensionable remuneration	Total
Ms Molongoane (Chief executive officer)-L 13	1 098	86		134,00	149,00	1 467
Family members of key management personnel	0	0				
Mar-22						
From MEDPAS	Basic salary	Bonuses and performance related payments	Housing allowances	Pension and medical aid	Other non-pensionable remuneration	Total
Ms Molongoane (Chief executive officer)-L 13	982	82		128,00	211,00	1 403
Family members of key management personnel	0	0				
SIGN OFF: CFO						
From FS Department of Health						
Ms Tsiu (MEC): Political office bearers	Refer to DOH note 28	Refer to DOH note 28				
Ms Leeto (MEC): Political office bearers	Refer to DOH note 28	Refer to DOH note 28				
Mr Mahlatsi (Accounting Officer)-Level 16	Refer to DOH note 28	Refer to DOH note 28				
Mr Moremi (Chief Financial Officer)-Level 15	Refer to DOH note 28	Refer to DOH note 28				
Ms Phitsane (Chief Director SCM)-Level 14	Refer to DOH note 28	Refer to DOH note 28				
Ms Malebo (Chief Director) - Level 14	Refer to DOH note 28	Refer to DOH note 28				
Mr Maorohanye (DDG) - Level 15	Refer to DOH note 28	Refer to DOH note 28				
Family members of key management personnel	Refer to DOH note 28	Refer to DOH note 28				

The MEC and AO of Health can influence the decisions of the trading entity because they are part of the controlling department. Their remuneration is paid by DOH

	2023 R'000	2022 R'000
21. Revenue in-kind		
Donations	5,517	5,109
Total	5,517	5,109

The trading account is occupying the premises owned by Department of Public Works at no cost to the entity. In 2013, a professional Valuer from DDP Valuers provided a report on the market value of the premises occupied by the CMTA. The valuation report provided a market value of R230 000.00 per month, which had been considered in calculating the annual revenue in kind. In April 2016, Central Medical Trading Account received approval to suspend rental of payment from 2014; the financial implications to the approval took into account an escalation of 8% annually.

Approval was granted and a market related cost has been estimated and provided as revenue in kind, on the face of the financial statements.

22. Contingencies

There are currently no litigations against the trading account or any other event that management deemed material for disclosure.

CENTRAL MEDICAL TRADING ACCOUNT
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2023

	2023 R'000	2022 R'000
23. Other Income		
Other income	833	825
Revenue from Exchange Transactions-sundry income	19	23
Insurance commission	36	35
Total other income	888	883

	2023 R'000	2022 R'000
24. Repairs and Maintenance		
Infrastructure	-	20
Plant machinery and equipment	547	1,106
Total	547	1,126

25. Risk management

Risks associated with the financial instruments of the trading entities included in this consolidation are managed on an individual entity level in line with the requirements of the PFMA. In this note we describe the general high-level practices employed by entities in managing the risks that they are exposed to as a result of their financial instrument holdings.

Maximum credit risk exposure

The trading entity is exposed to credit risk mainly as a result of holding cash equivalents, and trade receivables. To manage the credit risk that the entities are exposed to as a result of holding these classes of financial assets the following steps are generally taken. The entity only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

2023

	Not later than one month	Later than one month and not later than 3 months	Later than three months and not later one year	Later than one year and not later than 5 years
Trade and other payables	49,124	95,137	103,770	18,261
Receivables	128,628	193,721	131,542	1,422

2022

	Not later than one month	Later than one month and not later than 3 months	Later than three months and not later one year	Later than one year and not later than 5 years
Trade and other payables	190,170	63,881	40,347	63,228
Receivables	394,948	14,945	96,110	15,441

Cash and cash equivalents

Trading entities bank with major banks with high credit standing, for the current year, Standard bank and later, Nedbank, have been the entity's service providers.

CENTRAL MEDICAL TRADING ACCOUNT
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2023

Trade receivables

Trade receivables comprises mainly of the Department of Health.

Liquidity risk

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

The table below analysis the entity's financial liabilities into relevant maturity groupings based on the remaining period at the Statement of Financial Position to the contractual maturity date. The amounts disclosed in the table are contractual undiscounted cash flows:

Interest rate risk

The Trading entities is exposed to interest rate risk as a result of interest-bearing bank accounts. At year end, the trading entity was not exposed to interest rate risk, and there is no call deposit, notice deposit or loans.

Credit risk**Financial instruments**

Financial instruments recognised on the Statement of Financial Position include trade and other receivables, cash and cash equivalents and trade and other payables at amortized cost.

FINANCIAL INSTRUMENTS AT AMORTIZED COST

	22/23	21/22
CATEGORIES OF FINANCIAL ASSETS	R'000	R'000
FINANCIAL ASSETS	456,941	553,512
CASH & CASH EQUIVALENTS	6,728	32,026
RECEIVABLES FROM EXCHANGE TRANSACTIONS	455,355	521,486
FINANCIAL LIABILITIES	266,397	357,626
PAYABLES FROM EXCHANGE TRANSACTIONS	266,397	357,626

TRUST FINANCIAL INFORMATION

Private Patient Fund Trust (UNAUDITED)

**FREE STATE DEPARTMENT OF HEALTH
PRIVATE PATIENT FUND TRUST****ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023**

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**FREE STATE DEPARTMENT OF HEALTH
PRIVATE PATIENT FUND TRUST**

DISCLOSURE OF TRUST FUND PARTICULARS

The name of the entity was registered in terms of Section 6(1) of the Trust Property Control Act 1988 (Act 57 of 1988) as PRIVATE PATIENT FUND TRUST.

These set of statements drafted for the Private Patient Fund Trust cover only an individual entity.

The Registration number of the Private Patient Fund Trust is No: IT 255/06.

The entity's domicile is the premises of the Free State Psychiatric Complex 33-49 Nico van der Merwe Street Bloemfontein; and the country of incorporation is South Africa.

The entity's address for the registered office is physically as mentioned above and postal address is Private Bag X20607 Bloemfontein 9300.

The nature of the entity's operations and its principle activities are to control donations made to patients from their relatives/friends by means of making deposits and withdrawals on their behalf.

Furthermore, Occupational Therapy Section of the Free State Psychiatric Complex run projects e.g. Kosmos and Rutanang where products and gifts are manufactured by patients and then sold.

**FREE STATE DEPARTMENT OF HEALTH
PRIVATE PATIENT FUND TRUST**

**STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2023**

	<i>Note</i>	2022/2023	2021/2022
		R	R
INCOME		900	18,023
Projects:			
Kosmos		-	15,774
Rutanang		900	2,249
 EXPENDITURE		 5,810	 30,837
Bank Charges		5,810	6,561
Projects: Kosmos		-	16,245
Rutanang		-	8,031
 SURPLUS/(DEFICIT) FOR THE YEAR		 <u>(4,910)</u>	 <u>(12,814)</u>

**FREE STATE DEPARTMENT OF HEALTH
PRIVATE PATIENT FUND TRUST**

**STATEMENT OF FINANCIAL POSITION
as at 31 March 2023**

	<i>Note</i>	2022/2023	2021/2022
		R	R
ASSETS			
Current assets		278,570	317,575
Cash and cash equivalents	2	278,570	317,575
TOTAL ASSETS		278,570	317,575
EQUITIES AND LIABILITIES			
Capital and reserves		93,544	98,454
Trust Fund Capital	3	93,544	98,454
Current liabilities		185,026	219,121
Trade and other payables	3	185,026	219,121
TOTAL EQUITY AND LIABILITIES		278,570	317,474

**FREE STATE DEPARTMENT OF HEALTH
PRIVATE PATIENT FUND TRUST**

**CASH FLOW STATEMENT
for the year ended 31 March 2023**

	<i>Note</i>	2022/2023 R	2021/2022 R
CASH FLOWS FROM OPERATING ACTIVITIES		(39,005)	12,516
Cash/ (cash deficit) generated from operations	5	(39,005)	12,516
Interest received/ (paid)		-	-
Net increase/ (decrease) in cash and cash equivalents		<u>(39,005)</u>	<u>12,516</u>
Movement in cash and cash equivalents			
Cash and cash equivalents at end of year		(278,570)	317,575
Cash and cash equivalents at beginning of year		317,575	305,059
Increase/(Decrease) in cash and cash equivalents		(39,005)	12,516

**FREE STATE DEPARTMENT OF HEALTH
PRIVATE PATIENT FUND TRUST**

**STATEMENT OF CHANGES IN NET ASSETS
for the year ended 31 March 2022**

R

Trust Fund Capital

Balance as at 1 April 2021	111,268
Surplus/(Deficit) for the year	<u>(12,814)</u>
Closing balance as at 31 March 2022	<u>98,454</u>
 Balance as at 1 April 2022	 98,454
Surplus/(Deficit) for the year	<u>(4,910)</u>
Closing balance as at 31 March 2023	<u>93,544</u>

**FREE STATE DEPARTMENT OF HEALTH
PRIVATE PATIENT FUND TRUST**

**ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2023**

1. Accounting policies

The principal accounting policies adopted in the preparation of these annual financial statements which are consistent with those of the previous year are set out below:

1.1 Basis of preparation

The financial statements are prepared in accordance with and comply with South African Statements of Generally Recognised Accounting Practice (GRAP). The financial statements are prepared under the historical cost convention as modified by the revaluation of certain property plant and equipment marketable securities and investment policies.

1.2 Financial instruments

Financial instruments carried on the balance sheet include cash and receivables. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

1.3 Inventory

Inventory is stated at the lower of cost and net realizable value making provision for obsolescence or sale ability. Cost is determined by the weighted average method. Net realizable value is the estimated selling price in the ordinary course of business less selling expenses.

1.4 Cash and cash equivalents

For the purposes of the cash flow statements cash and cash equivalents comprise of cash at bank and a current deposit held with Standard Bank.

1.5 Revenue recognition

Interest received is recognized as it accrues unless collectability is in doubt. Interest received from investment is transferred to Recreation Trust Fund as per Board decision. The arrangement was that Standard Bank should credit interest directly to the Recreation Trust Fund. The interest is therefore not reflecting on the Private Patient Trust Fund 32 days' notice deposit account.

Basis

The financial statements for the Trust Fund are drawn up on a going concern basis.

Handling of Revenue

The Revenue in this Trust Fund comprises of sales of goods produced by the patients as well as interest on investment and contributions (donations) from institutions for recreational activities of patients.

**FREE STATE DEPARTMENT OF HEALTH
PRIVATE PATIENT FUND TRUST**

**ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2023**

1.6 PFMA Requirements

Due to the fact that this Trust Fund is not ruled by predetermined objectives it is not possible to address performance comparison. The Trust Fund is only utilized for recreational activities for patients and the controlling of monies donated to the patients from relatives/friends.

1.7 Related parties

A party is related to the Private Patient Fund Trust if it is directly or indirectly through one or more intermediaries the party:

- are controlled by / or is under control with the Private Patient Fund Trust;
- has an interest in the entity that gives it an influence over the Private Patient Fund Trust.

**FREE STATE DEPARTMENT OF HEALTH
PRIVATE PATIENT FUND TRUST**

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2023**

	<i>Note</i>	2022/2023 R	2021/2022 R
2. Cash and cash equivalents		278,570	317,575
Cash at bank		44,086	83,091
Standard bank 32 days deposit		234,484	234,484
3. Trust Fund Capital		93,544	98,454
Opening balance		98,454	111,268
Net income(deficit) for the year		(4,910)	(12,814)
4. Payables		185,026	219,121
Private Patient Fund			
Opening balance		219,121	193,791
Credit to patient accounts		60,350	55,065
Debit to patient accounts		(94,445)	(29,735)
5. Cash flow information			
Cash/ (cash deficit) generated from operations		(39,005)	12,516
Net profit for the year		(4,910)	(12,814)
Adjustment for interest received		-	-
Generated from decrease in/(utilized to increase) working Capital		(34,095)	25,330
(Decrease)/increase in payables		(34,095)	25,330

TRUST FINANCIAL INFORMATION

Recreation Fund Trust (UNAUDITED)

**FREE STATE DEPARTMENT OF HEALTH
RECREATION FUND TRUST
ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023**

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**FREE STATE DEPARTMENT OF HEALTH
RECREATION FUND TRUST
ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023**

DISCLOSURE OF THE TRUST PARTICULARS

The name of the entity was registered in terms of Section 6(1) of the Trust Property Control Act, 1988 (Act 57 of 1988) as THE RECREATION FUND TRUST.

These set of statements drafted for the Recreation Fund Trust cover only an individual entity.

The Registration number of the Recreation Fund Trust is No: IT 70/06.

The entity's domicile is the premises of the Free State Psychiatric Complex, 33-49 Nico van der Merwe Street, Bloemfontein; and the country of incorporation is South Africa.

The entity's address for the registered office is physically as mentioned above and postal address is Private Bag X20607, Bloemfontein, 9300.

The nature of the entity's operations and its principle activities are to obtain donations and arrange activities raising income for example cake sales, to be utilized to organize recreational activities and functions for the patients.

**FREE STATE DEPARTMENT OF HEALTH
RECREATION FUND TRUST
STATEMENT OF FINANCIAL PERFORMANCE**

For the year ended 31 March 2023

	Note	2022/2023 R	2021/2022 R
INCOME		104,281	12,757
Interest Income	2	21,829	11,387
Kiosky Sales		12,498	1,370
Donation Income		47,495	-
Kosmos Income		12,356	-
Recreation Income		5,060	-
Rutanang Income		5,043	-
EXPENDITURE		46,315	6,686
Bank charges		5,865	1,646
Patient Recreation		-	5,040
Kiosky Expenses		500	-
Kosmos Expenses		25,800	-
Rutanang Expenses		9,500	-
Patient Salaries		4,650	-
SURPLUS/(DEFICIT) FOR THE YEAR		57,966	6,071

**FREE STATE DEPARTMENT OF HEALTH
RECREATION FUND TRUST
STATEMENT OF FINANCIAL POSITION**

For the year ended 31 March 2023

	Note	2022/2023 R	2021/2022 R
ASSETS			
Current assets		320,406	262,440
Cash and cash equivalents	3	320,406	262,440
TOTAL ASSETS		320,406	262,440
EQUITY AND LIABILITIES			
Capital and reserves		320,406	262,440
Trust Fund Capital	4	320,406	262,440
TOTAL NET ASSETS AND LIABILITIES		320,406	262,440

**FREE STATE DEPARTMENT OF HEALTH
RECREATION FUND TRUST
Cash Flow Statement**

For the year ended 31 March 2023

	Note	2022/2023 R	2021/2022 R
CASH FLOWS FROM OPERATING ACTIVITIES	5	57,966	6,071
Net Surplus/(deficit) generated from operations		36,137	(5,316)
Interest received/ (paid)		21,829	11,387
Net increase/(decrease) in cash and cash equivalents		57,966	6,071
Movement in cash and cash equivalents			
End of the year		320,406	262,440
Beginning of the year		262,440	256,369
(Decrease)/increase		57,966	6,071

**FREE STATE DEPARTMENT OF HEALTH
RECREATION FUND TRUST
STATEMENT OF CHANGES IN NET ASSETS**

For the year ended 31 March 2023

	R
Balance at 1 April 2021	256,369
Net surplus (deficit) for the year	6,071
Balance at 31 March 2022	<u>262,440</u>
 Balance at 1 April 2022	 262,440
Net surplus (deficit) for the year	57,966
Balance at 31 March 2023	<u>320,406</u>

**FREE STATE DEPARTMENT OF HEALTH
RECREATION FUND TRUST**

**NOTES OF FINANCIAL STATEMENTS
For the year ended 31 March 2023**

1. Accounting policies

The principal accounting policies adopted in the preparation of these annual financial statements, which are consistent with those of the previous year, are set out below:

1.1 Basis of preparation

The financial statements are prepared in accordance with and comply with South African Statements of Generally Recognised Accounting Practice. The financial statements are prepared under the historical cost convention as modified by the revaluation of certain property, plant and equipment, marketable securities and investment policies.

1.2 Financial instruments

Financial instruments carried on the balance sheet include cash and receivables. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

1.3 Cash and cash equivalents

For the purposes of the cash flow statements, cash and cash equivalents comprise of cash at bank and a fixed deposit. The Previous year correction indicated in note 3 indicates the correction of the amount that was incorrectly declared as Petty cash in the previous year.

1.4 Loans and receivables

Loans and receivables are recognised at fair value.

1.5 Revenue recognition

Interest received is recognized as it accrues unless collect ability is in doubt.

1.6 Basis

The financial statements for the Trust Fund are drawn up on a going concern basis.

1.7 Handling of Revenue

The Revenue in this Trust Fund comprises of sales of goods produced by the patients as well as interest on investment and contributions (donations) from institutions for recreational activities of patients.

**FREE STATE DEPARTMENT OF HEALTH
RECREATION FUND TRUST**

**NOTES OF FINANCIAL STATEMENTS
For the year ended 31 March 2023**

1.8 PFMA Requirements

Due to the fact that this Trust Fund is not ruled by predetermined objectives, it is not possible to address performance comparison. The Trust Fund is only utilized for recreational activities for patients.

1.9 Related parties

A party is related to the Recreation Fund Trust if it is directly or indirectly through one or more intermediaries, the party:

- is controlled by, or is under control with the Recreation Fund Trust;
- has an interest in the entity that gives it an influence over the Recreation Fund Trust.

	2022/2023	2021/2022
	R	R
2. Interest received		
Standard bank 32 days deposit	21,829	11,387
3. Cash and cash equivalents	320,406	262,440
Cash at bank	60,465	16,534
Standard bank 32 days deposit	259,941	245,906
4. Trust Fund Capital	320,406	262,440
Opening balance	262,440	256,369
Net surplus (deficit) for the year	57,966	6,071
5. Cash flow information		
Cash generated from operating activities	(36,137)	(5,316)
Net surplus/(deficit) for the year	57,966	6,071
Adjustment for interest received	(21,829)	(11,387)
Adjustment for depreciation	-	-
Change in working capital	-	-

NOTES

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**FREE STATE DEPARTMENT OF HEALTH
ANNUAL REPORT 2022/2023**

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