ANNUAL REPORT

2022/23

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SUBMITTING THE 2022/23 ANNUAL REPORT (VOTE 7) TO THE EXECUTIVE AUTHORITY

MEC for Health

KwaZulu-Natal Department of Health

In accordance with section 40(1)(d) of the Public Finance Management Act, 1999; the Public Service Act, 1994 (as amended); and the National Treasury Regulations, I have the honour of submitting the KwaZulu-Natal Department of Health Annual Report for the period 1 April 2022 to 31 March 2023.

Dr S C Tshabalala

Accounting Officer

KwaZulu-Natal department of Health

PART A: GENERAL INFORMATION

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DEPARTMENT'S GENERAL INFORMATION

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Telephone: 033 – 395 2111 (switchboard)

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Physical Address: 310 Jabu Ndlovu Street
Pietermaritzburg
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Pietermaritzburg
3201

Postal Address: As above

Telephone: 033 940 2400

ABBREVIATIONS

Abbreviation	Description
	A
AGL	Adherence Guidelines
AGSA	Auditor-General of South Africa
AIDS	Acquired Immune Deficiency Syndrome
AIP	Annual Implementation Plan
AIP	Audit Improvement Plan
ALS	Advanced Life Support
ANC	Antenatal Care
App	Application
APP	Annual Performance Plan
ART	Anti-Retroviral Therapy
ARV	Antiretroviral
	B
BAA	Basic Ambulance Assistant
BAS	Basic Accounting System
BBBEE	Broad-Based Black economic Empowerment
BOD	Burden of Disease
BUR	Bed Utilisation Rate
	C
CARC	Cluster Audit and Risk Committee
CCG(s)	Community Care Giver(s)
CCMDD	Centralised Chronic Medicine Dispensing and Distribution
CDC	Centres for Disease Prevention and Control
CEO(s)	Chief Executive Officer(s)
CFO	Chief Financial Officer
CFR	Case Fatality Rate
CG	Conditional Grant
CHC(s)	Community Health Centre(s)
CHE	Council for Higher Education
CHW	Community Health Worker
CIDB	Construction Industry Development Board
COE	Compensation of Employees
COEC	College of Emergency Care
COS	Community Outreach Services
CPAP	Continuous Positive Airway Pressure
CPIX	Consumer Price Index

Abbreviation	Description
CSD	Central Supplier Database
D	
DCST	District Clinical Specialist Team
DDT	Defensive Driver Techniques
DHIS	District Health Information System
DOH	Department of Health
DPSA	Department of Public Service and Administration
DORA	Division of Revenue Act
DR-TB	Drug Resistant TB
E	
ECD	Early Child Development
EDRWEB	Electronic Drug Resistant Web Based
EHW	Employee Health and Wellness
EMS	Emergency Medical Services
EPWP	Expanded Public Works Programme
ERRP	Economic Reconstruction and Recovery Plan
ESMOE	Essential Steps in Managing Obstetric Emergencies
F, G, H	
FIO	Facility Information Officer
GESF	Gender Equality Strategic Framework
GBVFNSP	Gender Based Violence and Femicide National Strategic Plan
GRN	Goods Receipt Notebook
HAI	Hospital Care Associated Infections
HAST	Human Immunodeficiency Virus, Acquired Immunodeficiency Syndrome, Sexually Transmitted Infections and Tuberculosis
HFNC	High Flow Nasal Canula
HIAC	Health Infrastructure Approval Committee
HIV	Human Immunodeficiency Virus
HOD	Head of Department
HR	Human Resources
HRD	Human Resources Development
HRMS	Human Resources Management Services
HTS	Health Technology System
HTA	High Transmission Area
HWSETA	Health and Welfare Sector Education and Training Authority
I	
IALCH	Inkosi Albert Luthuli Central Hospital
ICD	International Classification of Diseases

Abbreviation	Description
ICT	Information Communication Technology
ICU	Intensive Care Unit
ILS	Intermediate Life Support
IMAM	Integrated Management of Acute Malnutrition
IMCI	Integrated Management of Childhood Illnesses
IM&T	Information Management and Technology
IPC	Infection Prevention and Control
IPT	Isoniazid Preventive Therapy
IRM	Infrastructure Reporting Module
IUCD	Intrauterine Contraceptive Device
K, L	
KMC	Kangaroo Mother Care
KZN	KwaZulu-Natal
LARC	Long-Acting Contraceptive Devices
LOGIS	Logistical Information System
LTE	Long Term Evolution
LTF	Lost to follow up
M	
MAM	Moderate Acute Malnutrition
MBFI	Mother and Baby-Friendly Initiative
MCWH	Maternal Child and Women's Health
MCS	Modified Cash Standard
MDR	Multi Drug Resistant
MDR-TB	Multi Drug Resistant Tuberculosis
MEC	Member of the Executive Council
MMC	Medical Male Circumcision
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
MUAC	Mid-Upper Arm Circumference
N	
NACH	National Anti-corruption Hotline
NCD	Non-Communicable Diseases
nCPAP	Nasal Continuous Positive Airway Pressure
NDP	National Development Plan
NDOH	National Department of Health
NGO(s)	Non-Governmental Organisation(s)
NGR	Nursing Grand Rounds

Abbreviation	Description
NHA	National Health Act
NHI	National Health Insurance
NHLS	National Health Laboratory Services
NSNP	National Schools Nutrition Programme
NSP	National Strategic Plan
NTD	Neglected Tropical Diseases
NTSG	National Tertiary Services Grant
O	
OES	Organisational Efficiency Services
OHS	Occupational Health and Safety
OHSC	Office of the Health Standards Compliance
OMBU	On-site Midwife-led Birth Unit
OPD	Out-Patient Department
ORWOPS	Other remunerated Work Outside Public Service
OSS	Operation Sukuma Sakhe
OTP	Office of the Premier
P	
PCR	Polymerase Chain Reaction
PDE	Patient Day Equivalent
PEP	Post-Exposure Prophylaxis
PERSAL	Personnel and Salaries System
PFMA	Public Finance Management Act
PGDS	Provincial Growth and Development Strategy
PHC	Primary Health Care
PIAS	Provincial Internal Audit Service
PILIR	Policy and Procedure on Incapacity Leave and Ill-Health Retirement
PLHIV	People Living with HIV
PMIS	Project Management Information System
PPE	Personal Protective Equipment
PPP	Public Private Partnership
PPSD	Provincial Pharmaceutical Supply Depot
PreP	Pre-Exposure Prophylaxis
PSETA	Public Service Education and Training Authority
PSI	Patient safety Incident
PSR	Public Service Regulations
PTS	Patient Transport Services
Q, R, S	

Abbreviation	Description
RAF	Road Accident Fund
RSA	Republic of South Africa
RMC	Risk Management Committee
RPL	Recognition of Prior Learning
RTC	Regional Training Centre
SAC	Severity Assessment Code
SAHR	South African Health Review
SAM	Severe Acute Malnutrition
SANC	South African Nursing Council
SARS	South African Revenue Services
SBD	Supplier Business Declaration
SBR	Still Birth Rate
SCM	Supply Chain Management
SCOPA	Standing Committee on Public Accounts
SHP	Strategic Health Programmes
SITA	State Information Technology Agency
SIU	Special Investigating Unit
SMS	Senior Management Service
SO	Strategic Objective
SOP(s)	Standard Operating Procedure(s)
Stats SA	Statistics South Africa
STI(s)	Sexually Transmitted Infection(s)
T	
TB	Tuberculosis
TLD	Tenofovir Disoproxil, Lamivudine, Dolutegravir
TROA	Total Patients Remaining on ART
U, V, W, X	
U-AMP	User Asset Management Plan
UHC	Universal Health Coverage
UKZN	University of KwaZulu-Natal
ULAM	Urine Lipoarabinomannan
USA	United States of America
WAN	Wide Area Network
WASH	Water, Sanitation and Hygiene
WHO	World Health Organisation
XDR-TB	Extreme Drug Resistant Tuberculosis

FOREWORD BY THE MEC FOR HEALTH

It is with a great sense of joy and pride that I present the 2022/23 Annual Report of the KwaZulu-Natal Department of Health. This past year has been an extraordinary journey. It has been filled with both achievements and challenges, as we continue to march forth in our quest to improve the health and well-being of every person in our province.

I am delighted to announce that we have reached a momentous milestone – our first unqualified audit in many years. This achievement demonstrates our commitment to transparency, accountability, and responsible management of public resources.

It also reaffirms our dedication to providing quality healthcare services that meet the needs of our diverse and vibrant community.

As we celebrate this milestone, we are nevertheless humbled by the knowledge that our work is far from over. There are still many audit improvements to be made, and we must embrace this opportunity to refine our practices and ensure more efficient use of public funds.

Our central goal as the KwaZulu-Natal Department of Health remains steadfast – "Increased Life Expectancy."

To achieve this, we have focused on three key outcomes:

a) Universal Health Coverage

b) Improved Client Experience of Care

c) Reduced Morbidity and Mortality

NATIONAL HEALTH INSURANCE:

The 12th of June 2023 should go down as one of the important dates in South African public life. It is the day on which the NHI Bill was passed, marking an important milestone towards the ultimate implementation of National Health Insurance (NHI).

Through this Bill, our caring and visionary Government seeks to provide for universal access to health care services in the country, in accordance with the National Health Insurance White Paper and the Constitution of South Africa.

The Bill envisages the establishment of a National Health Insurance Fund and sets out its powers, functions, and governance structures. The Fund will purchase health care services for all users who are registered with it.

It aims to provide universal health coverage, ensuring equitable access to healthcare services for all citizens, regardless of their financial status.

By offering financial protection, NHI can reduce the burden of out-of-pocket expenses and catastrophic healthcare costs.

NHI emphasizes and promotes preventive care and primary healthcare and seeks to improve overall population health and reduce the burden of chronic diseases.

Centralized planning and management of NHI will lead to better co-ordination and resource allocation, ultimately enhancing the quality of care provided. By integrating various healthcare services, NHI will streamline the healthcare system and improve patient outcomes.

It will contribute to the development of a better-trained healthcare workforce and strengthen the health system. Through collective risk pooling, NHI ensures that everyone contributes to the

healthcare system and benefits when needed. Moreover, NHI has the potential to ease the strain on public hospitals by expanding access to primary healthcare services and preventive measures. Overall, NHI has the potential to radically transform South Africa's healthcare system and improve the health and well-being of its citizens. We will continue to strongly advocate for the implementation of NHI and will watch developments pertaining to it very closely.

EMBRACING THE FOURTH INDUSTRIAL REVOLUTION:

We are cognisant of the realities and challenges faced by healthcare users and healthcare workers at the facility level. We are committed to being responsive to these challenges, by making decisions that are informed and driven by data, while promoting a culture of continuous improvement.

Another key highlight from the current financial year, which demonstrates our Government's seriousness about embracing the Fourth Industrial Revolution, was the going "live" of our "Bika Sikusize" mobile application (App).

This mobile app bears further testimony to our commitment to "Improved Client Experience of Care."

Loosely translated, *Bika Sikusize* means "Notify Us, So We Can Help You."

This mobile app serves as a one-stop platform for citizens to access accurate and up-to-date health information, including details about health facilities, services offered, operating hours, and relevant contact information.

This ensures that citizens have easy access to essential information and can make informed decisions about their healthcare.

It also ensures that if citizens are aggrieved or dissatisfied with any aspect of their healthcare experience, the app provides a formal channel for lodging complaints and grievances.

This ensures that their concerns are acknowledged and addressed promptly by the appropriate authorities.

It also has the ability to enable the public to report health-related issues, such as sanitation problems, disease outbreaks, or substandard healthcare services. This will then allow us as the Department to respond quickly and address these concerns in a timely manner.

FIGHTING DISEASES: REDUCING MORBIDITY AND MORTALITY

Furthermore, we recognize that tackling health issues requires a united effort. Parents, community leaders, civil society, and the education department must come together to fight teenage pregnancy and reduce morbidity and mortality due to non-communicable diseases and sexually transmitted infections. By working as a collective force, we can create an environment that fosters good health and well-being from the grassroots level.

IMPROVEMENTS OVER THE 2022/23 FINANCIAL YEAR:

We have noted a number of improvements in various critical areas over the past financial year, which we are very pleased about. These include:

- The initiation of a high number of clients on Tenofovir disoproxil, lamivudine and dolutegravir (TLD) transition, which has played an important part in achieving viral load suppression in adults.

- We have also noted a decrease in the HIV incidence and positivity rate among 15-24 year olds. This is mainly thanks to the implementation of HIV/AIDS prevention programmes such as Pre-Exposure Prophylaxis (PrEP), provision of condoms, and education through mass media. We have also benefitted from increased community mobilisation, which is aimed at behavioural modification and reducing HIV and TB infections, and encouraging positive sexual behaviour by individuals.
- We have also noted a reduction in the number of maternal deaths from COVID-19, with the implementation of the COVID-19 vaccination programme.
- We have also established the Onsite Midwife-led Birth Units (OMBUs) at Newcastle and Prince Mshiyeni Memorial Hospitals, which are conducting 100+ deliveries per month.
- Critically, we have also managed to reduce neonatal and under 1-year deaths as a result of:
    a) Increased coverage of key interventions such as Kangaroo Mother Care (KMC) and therapeutic hypothermia; ventilation; continuous positive airways pressure (CPAP) support
    b) Improved specialist support, a functional referral system, and improved capacity to provide respiratory support.
    c) Provision of paediatric respiratory support in all hospitals.
- We managed to achieve a target of 160 Professional Nurses per 100 000 population. This came as a result of the absorption of 1 016 professional nurses, who were initially employed on contract during the COVID-19 pandemic.
- We reached our target of 33.7 Medical Officers per 100 000 population, as the Department had an increased allocation of Community Service Medical Practitioners (282) and Medical Interns (1 117).
- We are also happy that 95.9% of supplier invoices were paid within 30 days. This was as a result of training on "Accruals" and "Payables Not Recognised", which was conducted in August and September 2022 and the District Financial Roadshows conducted in March 2023.
- Through the implementation of the quality improvement plans, 93.4% (565/605) clinics obtained Ideal Clinic Status.
- We also welcome the fact that the Primary Health Care Utilisation rate gradually increased, thanks to the implementation of the full package of services post-pandemic. Our districts also continued conducting community screening activities and referring clients to clinics for investigations.
- We intensified our screening for mental disorders.
- The number of clients accessing rehabilitation services has also increased due to high demand from existing clients who are seen for review, and continuation of rehabilitation services, and newly referred clients.

As we move forward, we must be inspired by our successes, but also remain mindful of the road ahead.

We must continue to combat preventable diseases and improve health outcomes. We must continue to effectively address the quadruple burden of disease, which is made up of HIV, AIDS and TB; maternal, newborn and child health; incidents of personal injury and trauma; and non-communicable diseases (such as cancer, diabetes, obesity, hypertension and stroke).

We must continue addressing these diseases while empowering communities with knowledge and resources to make healthier choices, including internalizing and practicing a culture of disease prevention, regular screening and testing, and seeking help early.

We believe no woman should die from diseases such as breast cancer and cervical cancer, because these diseases are curable through early detection and early intervention.

Similarly, no man should die of prostate cancer because it is fairly easy to treat – if it's diagnosed early. So, in this regard, the importance of public health education, awareness, regular testing and screening cannot be over-emphasized.

I also want to commend the Head of Department Dr Sandile Tshabalala and dedicated management teams at different levels for the leadership they provided to steer this ship safely, over the past financial year.

I extend my heartfelt gratitude to every healthcare worker, support staff, and stakeholder who has worked tirelessly and contributed to our progress.

Your dedication and resilience have been the foundation of our achievements.

Together, let us march forward with renewed vigor and a shared vision of a healthier and brighter future for KwaZulu-Natal.

I am confident that, with the support of the kind and warm-hearted people of KwaZulu-Natal, we can overcome any obstacle and achieve our central goal of Increased Life Expectancy.

ENDS

Ms Nomagugu Simelane

MEC for Health: KwaZulu-Natal Department of Health

REPORT OF THE ACCOUNTING OFFICER

DEPARTMENTAL OVERVIEW

The 2022/23 financial year marks the third year of 5-year strategic planning cycle. The 2020-2025 Strategic Plan is aligned with the National Development Plan, the Medium-Term Strategic Framework, the Provincial Growth and Development Plan, as well as legislative and policy mandates and the burden of disease that determines needs and demands for health care in the province.

The Department of Health remained committed to develop and implement a sustainable, coordinated, integrated and comprehensive health care system through the primary health care approach, which is based on accessibility, equity, community participation, use of appropriate technology and inter-sectorial collaboration.

In 2022/23, the policy priorities set out in the Annual Performance Plan (APP) were in line with the three over-arching outcomes that seek to achieve the IMPACT of "Increased Life Expectancy". The outcomes are "Universal Health Coverage", "Improved Client Experience of Care" and "Reduced Morbidity and Mortality".

Details of the actual performance of the Department during 2022/23 are included in the Annual Report, highlighting the achievements and challenges. During this financial year, the Department:

- Managed 24 714 031patients at Primary Health Care (PHC)
- Screened 13 964 514 people for mental disorders
- The mother to child HIV transmission rate at 0.35%[1].
- The number of severe acute malnutrition deaths under 5 years increased from 185 to 206, pneumonia deaths under 5 years increased from 185 to 220 and the Diarrhoea deaths under 5 years increased from 138 to 184
- Diarrhoea incidence increased from 6.5/1 000 to 7.1/1 000; pneumonia incidence increased from 17.5/1 000 to 19.7/1000; and severe acute malnutrition incidence increased from 1.6/1000 to 1.9/1 000
- The number of children under 1 year fully immunised decreased from 242 394 to 234 249
- A total of 4 027 596 people were tested for HIV and a total of 1 561 281 patients remained on ART at the end of March 2023
- The maternal mortality in facility rate decreased from 100.6 per 100 000 live births to 81.5 per 100 000 live births

[1] Infant PCR test positive around 10 weeks rate

Enabling Systems

Human Resources

The Department had 68 637 filled posts with a vacancy rate of 11, 70 % as at 31st March 2023. It has been very difficult to reduce the vacancy rate in the Department due to an inadequate funding allocation received. On a year-on-year basis, the average human resource strength decreased by a further 1 564 employees from 70 201 in financial year 2021/22 to 68 637 in financial year 2022/2023 and this is consistent with the budget cuts being experienced.

It is unclear whether the trajectory will continue in the medium term, given the prescribed cumbersome appointment processes to fill vacancies, particularly non-exempt posts. The Medium-Term Expenditure Framework allocation demonstrated the adverse impact of the continued reduction of the Compensation of Employees annual baselines, which will more likely persist over the medium-term, placing evermore pressure on the Department to fund its Human Resource capacity requirements within its own allocation.

The Department has a Nursing College being the KwaZulu-Natal College of Nursing, which offers nurse training. The total number of students currently on training is 612, of which 87 are enrolled in Legacy nursing programmes accredited by the South African Nursing Council. It must be noted that 525 students are registered for the Diploma in Nursing, which forms part of the New Nursing Qualifications being offered in the Country and requires accreditation with the Council for Higher Education (CHE) and the South African Nursing Council (SANC). The accreditation processes with the above-mentioned accreditation bodies are currently underway for the remaining programmes to be offered by the Department's College. The Advanced Diploma in Midwifery (undergraduate) has been accredited by CHE with conditions including a CHE visit to the College, which will pave the way for implementation of this programme. Four Post Graduate Diploma programmes namely Mental Health, Perioperative, Nephrology and Primary Care have been accredited by SANC. Post Graduate Diploma in Mental Health Nursing awaits CHE accreditation.

Eight more new programmes have been submitted for accreditation and are being evaluated by accreditation bodies include: Two undergraduate programmes - Bachelor of Nursing and Higher Certificate in Nursing and Six Post Graduate Diploma programmes - Critical Care Nursing (Adult), Midwifery, Child Nursing, Emergency Care Nursing, Orthopaedic Nursing, and Ophthalmic Nursing. The Post Graduate Diploma in Oncology and Palliative Care Nursing is currently being processed for submission to accreditation bodies. Conceptualisation and curriculum development groundwork for the Post Graduate Diploma in Forensic Nursing has commenced. This brings the total number of new nurse training programmes currently

implemented and at different stages of development and accreditation to fifteen (four Undergraduate and eleven Post Graduate Diploma programmes). The projected enrolment numbers of both Undergraduate and Post Graduate students will increase in the next two years, in line with accreditation results and budget allocations.

To address the skills shortage in the medical Professionals, the Department has placed 199 bursary holders who trained in Cuba and 56 medical bursary holders who trained in South Africa. There are 46 bursary holders doing their 18 months integration programme in local universities. It must be noted that 100 bursary holders who trained in Cuba are doing their community service, 10 students are currently still in Cuba continuing with their studies at various levels of medical training and 8 are expected to return from Cuba in July 2023 to do their 18 months local studies. Within the same medical profession, 33 bursary holders who studied in the RSA programme are doing their community services, 54 bursary holders are currently doing their internship, and 69 bursary holders are currently at universities completing their studies. The total of 220 bursary holders inclusive of medical, pharmacy and allied professionals are currently in training at various universities.

The Department provided bursaries to in-service employees to address critical skills shortage and improve employees' qualifications which is necessary to improve performance or compliance with professional bodies' requirements, 462 employees have been awarded new bursaries from this training initiative.

The Department implemented various training and development initiatives, which were reported in the Annual Training Report submitted to the Public Service Sector Education and Training Authority (PSETA) and Health and Welfare Sector Education and Training Authority (HWSETA).

The total number of employees trained was 21 048 out of 23 259 planned beneficiaries. This variance was due to most training being implemented out of the reporting cycle as there were delays in procuring service providers and the accreditation of our colleges.

Infrastructure

Project progress has been measured using the approve Annual Implementation Plan (AIP) and the end of year AIP Infrastructure Reporting Module (IRM) 2022/2023 based report extracted from the Project Management Information System (PMIS). The AIP originally had 1 108 projects but at the end of the financial year had 1 225 projects. The increase in projects is mainly due to the early loading of projects in preparation for 2023/24 as well as to the re-evaluation of project progress, expenditure trends and re-prioritising of maintenance type projects such as

roof replacements, generators, and so on. A number of packages were also unbundled such as some fencing and Emergency Medical Services (EMS) Wash bays mainly because the Implementing Agent, KwaZulu-Natal (KZN) Department of Public Works, does not manage packages.

The following evaluation is noted (excluding maintenance, Health Technology (HT), leases and non-infrastructure):

- 24 Projects in planning had limited movement and no expenditure
- 1 Projects in design had limited movement and no expenditure
- 8 Projects remain in tender stage
- 109 projects remain in construction stage
- 2 projects remain in retention stage
- 24 Projects were closed.

Critical Engineering Assets maintained

The 2022/2023 Infrastructure Development Annual Implementation Plan on the side of Engineering and Technical Services was developed to facilitate an increased investment to projects that address statutory compliance, safety and restoration of services that improve the reliability of state facilities. The emphasis was on Primary Health Care Facilities driven by the need to accelerate ideal clinic realization and maintenance. This is evidenced by the amount of budget allocations that address this critical area of infrastructure asset management.

1. Generators Installation Programme

   The programme continues in 2022/23 until all healthcare facilities are equipped with standby electricity generating units.

2. Asbestos Eradication Programme

   A total of 76 institutions were identified for this purpose with a total budget estimate of R225.5million. A total of 32 facilities have been successfully completed to a value of R18.7 million, 22 are on Planning stage with an estimated value of R152million, 16 are on various stages of Construction to a value of R31million. Only 6 are on various stages of tender stage to a value of R24million.

2. In addition, Mosvold Hospital asbestos eradication has a budget of R30million. The construction commencement and expenditure will take place in 2024/2025 R15million and 2025/2026 R 15 million. Ceza Hospital asbestos eradication has a budget amount of

R 15 million. The construction commencement and expenditure will take place in 2024/2025 for R 7.5 million and 2025/2026 for R 7.5 million

3. Perimeter Fencing Replacement Programme

A total of 47 institutions with a total budget allocation to the value of R 28.9million was allocated for the programme across the province for 2022/23. A total of 25 completed facilities to the value of R 14.4 million. A total of 18 are on various stages of Construction to a value of R 12.5 million. Only 4 are on various stages of tender stage to a value of R 1.9 million

4. A 72 HR Standby Water Tank Installation Programme

Additional pressure mounted for the Department to accelerate installation of back up water supply following lessons learned during the prolonged drought conditions in the province in the past few years. A total of 139 Water tanks with an estimated value of R 62.8 million was placed on the plan for 2021/22 and 2022/23. A total of 66 Water tanks have been completed to the value of R 24.1 million. A total of 2 Water tanks are in planning stage to a value of R 2 million, 39 are on various stages of construction to a value of R 17.3 million, 32 are on various stages of tender stage to the value of R 19.5 million.

5. Lift Replacement Programme

Installation of 16 Lifts at Addington Hospital was awarded in May 2020 and all 16 lifts are completed to the value of R 23.4million spent in 2022/23. The project for the installation of 9 lifts in various facilities in EThekwini Districts was also awarded December 2020, all 9 lifts are completed to the value of R10.1million spent in 2022/23. The refurbishment of 4 lifts at RK Khan Hospital was awarded in August 2021 and has been completed to the value of R2.3million spent in 2021/2023. The installation of 8 lifts at King Edward Hospital was awarded in August 2022 to the value of R11.3 million and the installation is in progress. The installation of two lifts at Harry Gwala Hospital nurses home was awarded in August 2022 to the value of R2.6million and the installation is in progress.

6. Autoclaves Replacement Programme

A total of 8 steam autoclaves were installed and commissioned in 2021/22 at R2million, works completion has been taken. A further 33 were put on the 2022 User Asset Management Plan (U-AMP) for implementation over 3 years as from the 2023/24 financial year. The project brief has been approved for the 3 year plan. Tender document for year 1 (2023/24) will be concluded in Q2 of 2023/24. No concept and design Health

Infrastructure Approval Committee (HIAC) approval is required since there is a standard autoclave replacement specification in place.

Revenue

The Department did not reach its revenue collection target for 2022/23, this was mainly due to the COVID-19 pandemic, high unemployment rate and the challenges the Road Accident Fund is experiencing. While progress has been made in rolling out patient revenue systems in hospitals, the IT infrastructure and connectivity still poses a challenge.

The process to revive the efficiency within the Supply Chain Management (SCM) component of the Department is ongoing and progress is beginning to be evident. The time that is taken to process bids has been significantly reduced. The decentralization of delegations to institutions is yielding the desired results in that service delivery lead times have been greatly reduced. The system is now more responsive to end-user requests. Head Office SCM, as a result, is now better able to respond and process the bids quicker than previously. A total of 106 bids was advertised during the financial year, which excludes numerous quotations under R1million.

Financial Management Improvements

In order to further increase the efficiencies in the system, the Department has embarked on a process of implementing the Logistical Information System (LOGIS) system, which will assist in automating some critical aspects of the SCM system and thus allow for better monitoring and management. It is envisaged that implementation of the system will take up to two years due to the stringent requirements by National Treasury.

Financial Performance

TABLE 1: DEPARTMENTAL RECEIPTS

Departmental receipts	2022/2023			2021/2022		
	Estimate	Actual Amount Collected	(Over)/ Under Collection	Estimate	Actual Amount Collected	(Over)/ Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Sale of goods and services other than capital assets	328 503	255 760	72 743	245 094	211 498	33 596
Fines, penalties and forfeits	80	27	53	24	22	2
Interest, dividends and rent on land	183	377	(194)	249	329	(80)
Sale of capital assets	9 432	20 909	(11 477)	17 798	18 916	(1118)
Financial transactions in assets and liabilities	20 488	20 723	(235)	22 732	22 535	197
Total	358 686	297 796	60 890	285 897	253 300	32 597

Financial Performance

The Department generates its revenue mainly from patients' fees, which includes claims medical aid for service rendered, Road Accident Fund (RAF) for treatment of patients injured on public roads and other health services rendered by hospitals to patients and other departments. It also generates revenue from use of Department facilities and accommodation by the staff which includes boarding fees, non-residents and parking fees.

During the last three previous financial years, the Department has seen substantial under collection against the sale of goods and services, due to the COVID-19 Pandemic, unemployment, and RAF. This is or was mainly due to the challenges RAF has experienced on their IT portal, which hampered the uploading and finalisation of claims, hence revenue collection, was decreased during the financial year. The set revenue target was under collected by R68 890 million, the budget revenue collection for 2022/23 was R358 656 million and the actual revenue collected was R297 796 million.

Tariff policy

The main source of revenue for the Department, over and above its voted amount, is patient fees, which are charged using Uniform Patient Fee Schedule as prescribed by the National Department of Health and is reviewed annually. Boarding fee are treated as part of housing allowance, which is negotiated at Bargaining Council.

Free Services

Free services rendered by the Department are in line with the Uniform Patient Fee Schedule and it includes primary health care services at all the Clinics and Community Health Centre's, old age pensioners, children under six years and pregnant women who are not members of medical aid.

TABLE 2: PROGRAMME EXPENDITURE

Programme Name	2022/2023			2021/2022			Reasons for Variance
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	
Administration							Refer notes to the Appropriation Statement
Current payment	1 037 028	1 037 028	0	924 989	924 989	0	
Transfers and subsidies	27 660	27 660	0	23 049	23 049	0	
Payment for capital assets	55 503	55 503	0	91 840	91 840	0	
Payment for financial assets	6 022	127	5 895	123	123	0	
Total	1 126 213	1 120 318	5 895	1 040 001	1 040 001	0	
District Health Services							
Current payment	26 491 649	26 571 638	(79 989)	26 375 798	26 455 979	(80 181)	
Transfers and subsidies	467 179	466 758	421	472 842	469 946	2 896	
Payment for capital assets	220 971	141 403	79 568	420 719	343 434	77 285	
Payment for financial assets	347	347	0	512	512	0	
Total	27 180 146	27 180 146	0	27 269 871	27 269 871	0	
Emergency Medical Services							
Current payment	1 568 514	1 568 514	0	1 512 031	1 512 031	0	
Transfers and subsidies	16 657	16 657	0	13 920	13 920	0	
Payment for capital assets	82 683	82 683	0	70 815	70 815	0	
Payment for financial assets	12	12	0	0	0	0	
Total	1 667 866	1 667 866	0	1 596 766	1 596 766	0	
Provincial Hospital Services							
Current payment	12 139 182	12 175 507	(36 325)	11 386 381	11 386 381	0	

Programme Name	2022/2023			2021/2022			Reasons for Variance
	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	
Transfers and subsidies	118 498	118 498	0	211 951	211 951	0	
Payment for capital assets	76 348	40 023	36 325	147 400	147 400	0	
Payment for financial assets	499	499	0	24	24	0	
Total	12 334 527	12 334 527	499	11 745 756	11 745 756	0	Refer notes to the appropriation Statement
Central Hospital Services							
Current payment	5 556 295	5 604 929	(48 634)	5 283 641	5 283 641	0	
Transfers and subsidies	44 175	24 457	19 718	27 517	27 517	0	
Payment for capital assets	62 560	33 644	28 916	43 997	43 997	0	
Payment for financial assets	55	55	55	0	0	0	
Total	5 663 085	5 663 085	0	5 355 155	5 355 155	0	
Health Science and Training							
Current payment	1 277 569	1 277 569	0	1 267 526	1 267 526	0	
Transfers and subsidies	59 295	59 295	0	92 096	92 096	0	
Payment for capital assets	2 042	2 042	0	2 564	2 564	0	
Payment for financial assets	0	0	0	1	1	0	
Total	1 338 906	1 338 906	0	1 362 187	1 362 187	0	
Health Care Support Services							
Current payment	307 649	307 649	0	309 839	309 839	0	Refer notes to the appropriation Statement
Transfers and subsidies	782	782	0	803	803	0	
Payment for capital assets	1 905	1905	0	7 516	7 516	0	

Programme Name	2022/2023			2021/2022			Reasons for Variance
	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	
Payment for financial assets	0	0	0	1	1	0	
Total	310 336	310 336	0	318 159	318 159	0	
Health Facilities Management							
Current payment	810 229	810 229	0	753 619	753 619	0	
Transfers and subsidies	0	0	0	0	0	0	
Payment for capital assets	1 102 447	1 102 447	0	1 188 463	1 188 463	0	
Total	1 912 676	1 912 676	0	1 942 082	1 942 082	0	
Departmental Total	51 533 755	51 527 860	5 895	50 629 977	50 629 977	0	

UNAUTHORISED EXPENDITURE

The Department did not incur any unauthorised expenditure for the financial year. However the balance of R93 825 million is for the prior year's which is awaiting approval from the relevant Committees.

Unauthorised Expenditure Approved

Unauthorised Expenditure Act that approves and authorises the Unauthorised Expenditure incurred in the 2018 / 2019. The KwaZulu-Natal Unauthorised Expenditure Authorisation Act 2022 (Act 1 of 2022) dated 31st March 2022 was gazette to the value of R14 248 million. The funds were transferred on the 31st May 2022 to the Department's bank account and the required transactions were processed on 2nd June 2022.

PUBLIC PRIVATE PARTNERSHIP

The Department has in place a Public Private Partnership (PPP) agreement with Cowslip Investments (Pty) Ltd and Impilo Consortium for the delivery of non-clinical services to the Inkosi Albert Luthuli Central Hospital. Details of the PPP and the transactions relating thereto are disclosed under notes of the financial statements. The PPP agreement was extended with expiry being July 2023.

GIFTS AND DONATIONS

Donations to value of R 63 440 million were received and are reflected in the annexure to the Financial Statement and were utilised in accordance with the donor request. Aid assistance to the value of R8 525 million was received from Centres for Disease Control and Prevention (CDC) of the United States of America (USA).

EVENTS AFTER REPORTING DATE

No event subsequent to balance sheet date occurred.

EXEMPTIONS AND DEVIATIONS RECEIVED FROM THE NATIONAL TREASURY

The following exemptions have been obtained from the Provincial Treasury:

Basic Accounting System (BAS)/Personnel and Salaries System (Persal) reconciliation

The Provincial Treasury had approved a practice note on the compilation of the reconciliation. The Department was thereafter given approval to deviate from the practice note and utilize the original approach, which had been accepted by the Auditor-General.

OTHER MATTERS

The dispute between the Department and the National Health Laboratory Services (NHLS) over the outstanding debt owed by the Department for laboratory services has not been finalised. The contingent liability has been disclosed under Contingent Liabilities Annexure.

APPROVAL

The Annual Performance Information set out on pages 52 to 175 and Annual Financial Statements set out on pages 357 to 438 are hereby approved by the Accounting Officer of the Department of Health: KwaZulu-Natal.

Dr S C Tshabalala

Accounting Officer

KwaZulu-Natal department of Health

ACCOUNTING OFFICER STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY OF THE ANNUAL REPORT

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

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

The Annual Report is complete, accurate and is free from any 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,

Dr S C Tshabalala

Accounting Officer

KwaZulu-Natal Department of Health

STRATEGIC OVERVIEW

Vision

Optimal health for all persons in KwaZulu-Natal

Mission

To develop and implement a sustainable, coordinated, integrated and comprehensive health system at all levels, based on the Primary Health Care approach through the District Health System, to ensure universal access to health care

Core Values

- Trustworthiness, honesty and integrity
- Open communication, transparency and consultation
- Professionalism, accountability and commitment to excellence
- Loyalty and compassion
- Continuous learning, amenable to change and innovation
- Respect

Legislative and Other Mandates

In terms of the Constitutional provisions, the Department is guided by the following sections and schedules, among others:

The Constitution of the Republic of South Africa, 1996, places obligations on the state to progressively realise socio-economic rights, including access to *(affordable and quality)* health care.

Schedule 4 of the Constitution reflects health services as a concurrent national and provincial legislative competence

Section 9 of the Constitution states that everyone has the right to equality, including access to health care services. This means that individuals should not be unfairly excluded in the provision of health care.

● People also have the right to access information if it is required for the exercise or protection of a right.

● This may arise in relation to accessing one's own medical records from a health facility for the purposes of lodging a complaint or for giving consent for medical treatment; and

● This right also enables people to exercise their autonomy in decisions related to their own health, an important part of the right to human dignity and bodily integrity in terms of sections 9 and 12 of the Constitutions respectively.

Section 27 of the Constitution states as follows: with regards to health care, food, water, and social security:

(1) Everyone has the right to have access to:

(a) Health care services, including reproductive health care.

(b) Sufficient food and water; and

(c) Social security, including, if they are unable to support themselves and their dependents, appropriate social assistance.

(2) The state must take reasonable legislative and other measures, within its available resources, to achieve the progressive realisation of each of these rights; and

(3) No one may be refused emergency medical treatment.

Section 28 of the Constitution provides that every child has the right to 'basic nutrition, shelter, basic health care services and social services.

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.

In Chapter 1 of the NHA, the objects of the Act are to regulate national health and to provide uniformity in respect of health services across the nation by protecting, respecting, promoting and fulfilling the rights of (among other groups) vulnerable groups such as women, children, older persons and persons with disabilities.

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 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, 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 and for the establishment of a council to regulate these professionals including community service by these professionals.

Higher Education Act (Act No. 101 of 1997) as amended: Provides for the regulation of Higher

Education Institutions and its registration, including the formation of governance structures guiding education and training of students.

National Qualifications Act (Act No. 67 of 2008): Provides for a single integrated system comprising three co-ordinated qualifications Sub-Frameworks

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.

KwaZulu-Natal Health Act (Act No. 1 of 2009) and Regulations: Provides for a transformed

Provincial Health System within framework of the National Health Act of 2003.

Public Service Act No. 64 of 1994: To provide for the organisation and administration of the public service of the Republic, the regulation of the conditions of employment, terms of office, discipline, retirement and discharge of members of the public service, and matters connected therewith.

Disaster Management Act: Classification of a National Disaster: COVID-19 (coronavirus).

Notice on the classification of the COVID-19 pandemic as a National Disaster based on the potential magnitude and severity of the COVID -19 pandemic on 15 March 2020.

South Africa's National Strategic Plan for HIV, TB and STI's (2017-2022): The fourth National

Strategic Plan (NSP) that South Africa has adopted to guide its response to HIV, Tuberculosis and sexually transmitted infections

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)

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

Public Service Act, 1994, as amended

To provide for the organisation and administration of the public service of the Republic, the regulation of the conditions of employment, terms of office, discipline, retirement and discharge of members of the public service, and matters connected therewith.

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.

Military Veterans Act, 2011 (Act No. 18 of 2011) - Provides for principles recognised by the State as governing the affairs of military veterans and for policy objectives in this regard

National Strategic Plan on Gender-Based Violence and Femicide: The Gender-Based Violence and Femicide National Strategic Plan (GBVF NSP) sets out to provide a cohesive strategic framework to guide the national response to the hyper endemic GBVF crisis in South Africa.

South Africa's National Policy Framework for Women's Empowerment and Gender Equality:

Outlines South Africa's vision for gender equality and for how it intends to realise this ideal

Note: The National Schools Nutrition Programme (NSNP)is the government programme that provides one nutritious meal to all learners in Primary and Secondary Schools that falls under the mandate of the Department of Education. The NSNP implementation falls outside the mandate for the Department of Health

Policy Mandates

National Health Insurance (NHI) Bill

South Africa is at the brink of effecting significant and much needed changes to its health system financing mechanisms. The changes are based on the principles of ensuring the right to health for all, entrenching equity, social solidarity, and efficiency and effectiveness in the health system in order to realise Universal Health Coverage (UHC).

To achieve Universal Health Coverage, institutional and organisational reforms are required to address structural inefficiencies; ensure accountability for the quality of the health services rendered and ultimately to improve health outcomes particularly focusing on the poor, vulnerable and disadvantaged groups.

In many countries, effective Universal Health Coverage has been shown to contribute to improvements in key indicators such as life expectancy through reductions in morbidity, premature mortality (especially maternal and child mortality) and disability. An increasing life expectancy is both an indicator and a proxy outcome of any country's progress towards Universal Health Coverage.

The phased implementation of NHI is intended to ensure integrated health financing mechanisms that draw on the capacity of the public and private sectors to the benefit of all South Africans. The policy objective of NHI is to ensure that everyone has access to appropriate, efficient, affordable and quality health services.

An external evaluation of the first phase of National Health Insurance was published in July

2019. Phase 2 of the NHI Programme commenced during 2017, with official gazetting of the

National Health Insurance as the Policy of South Africa. The National Department of Health drafted and published the National Health Insurance Bill for public comments on 21 June 2018. During August 2019, the National Department of Health sent the National Health Insurance Bill to Parliament for public consultation.

The 2020 South African Health Review discussed health legislation and policy with a focus on disability. Chapter 4 of the 2020 South African Health Review (SAHR) states that Universal health coverage (UHC) implies that all people and communities are able to access the promotive, preventive, curative, rehabilitative and palliative health services they need. This should be achieved in ways that are equitable and of a high quality of service while protecting communities from financial harm. The resources required to align to the Framework and Strategy for Disability and Rehabilitation Services in South Africa 2015-2020 must be mobilised and equitably applied. Disability services and beneficiaries will need to be explicitly

referenced in the benefit package to be delivered under National Health Insurance (2020 SAHR).

The following National and Provincial Policies, Frameworks and Strategies are relevant to 2020-2025:

- National Health Insurance (NHI) Bill
- National Development Plan (NDP): Vision 2030
- Sustainable Development Goals (SDGs) 2030
- Revised Medium Term Strategic Framework (MTSF) and NDP Implementation Plan 2019-
- 2024 Provincial Growth and Development Strategy/plan (PGDS/P) 2020
- Plan of Action to Mitigate a COVID-19 Resurgence in South Africa
- KZN Economic Recovery Plan for COVID-19
- Public Service Regulations
- Health Compact Pillars

The changes to the institutional policies and strategies as per the Revised Strategic Plan (2020-2025) impacting upon and supplementing Departmental policies and plans. These are summarised below:

- Annual Budget Prioritisation Framework: Towards Budget 2022 – makes provision to ensure that the budget allocations are aligned with the MTSF priorities and development goals.
- Final Revised Medium Term Strategic Framework 2019-2024*; 1 October 2021*- included new interventions and associated targets adopted by the Cabinet Lekgotla in September 2021. The MTSF relates to priorities and interventions pertaining to the COVID 19 pandemic and related budget adjustments as well as priorities from the Economic Reconstruction and Recovery Plan (ERRP) that sets out a reconstruction and recovery plan for the South African economy that is aimed at stimulating equitable and inclusive growth, following COVID-19.
- **The Department of Planning, Monitoring and Evaluation's, National Annual Strategic** Plan; 2022/2023 – The plan sets out government's priorities and targets for a year, to guide the development of Annual Performance and Annual Operations Plans for a particular year.
- **The Presidency's Ministerial Circular 1 of 2021** – provides guidance on the implementation of the 2019-2024 Medium Term Strategic Framework (MTSF) for the planning cycle and extends to planning priorities for the remaining MTSF period. This includes planning imperatives in respect of budgeting.

- The Provincial Growth and Development Strategy (PGDS); 2021 – is an update of the 2011and 2016 PGDS documents. This document sets out strategies to support the growth and development of the province.

Strategic Outcome Orientated Goals

The table below illustrates the alignment between the Department's Strategic Goals and other macro frameworks and plans.

TABLE 3: (A1) ALIGNMENT OF MACRO PLANS

KZN DOH Impact and Outcome 2020-2025	Revised MTSF Outcomes 2019-2024	National Development Plan: Vision 2030 goals	Sustainable Development Goals	Provincial MTSF Implementation Plan	**Health sector's strategy 2019-2024**
Impact: Increased Life Expectancy	Outcome: Progressive improvement in total life expectancy of South Africans	Goal 1: Life expectancy at birth increases to 70 years		Goal Indicator: Life expectancy at birth. Strategic Objective 3.2: Enhance the health of communities and citizens	Goal 1: Increase Life Expectancy improve Health and Prevent Disease *Inter sectoral collaboration to address social determinants of health*
Outcome: Universal Health Coverage	Outcome: Universal health coverage for all South Africans achieved by 2030	Goal 6: Complete Health Systems reforms Goal 8: NHI-Universal health care coverage achieved. Goal 6a: Strengthen the district health system Goal 7: Primary Health care teams provide care to families and communities	3.8 - Achieve universal health coverage (UHC)	3.2(a) Scale up implementation of strategic interventions to fast-track transformation of public health services towards universal health coverage. 3.2(e) Facilitate health research and knowledge management to inform evidence-based and responsive planning and decision-making.	Goal 2: Achieve UHC by Implementing NHI Strategic Objective (SO): *Progressively achieve Universal Health Coverage through NHI* *SO: Improve quality and safety of care* SO: *Provide leadership and enhance governance in the health sector for improved quality of care*

KZN DOH Impact and Outcome 2020-2025	Revised MTSF Outcomes 2019-2024	National Development Plan: Vision 2030 goals	Sustainable Development Goals	Provincial MTSF Implementation Plan	**Health sector's strategy 2019-2024**
		Goal 9: Fill posts with skilled, committed and competent individuals			*SO: Improve community engagement and reorient the system towards Primary Health Care through Community based health Programmes to promote health* *SO: Improve equity, training and enhance management of Human Resources for Health* *SO: Improving availability to medical products, and equipment* *SO: Robust and effective health information systems to automate business processes and improve evidence-based decision making* *SO: Execute the infrastructure plan to ensure adequate, appropriately distributed and well-maintained health facilities*

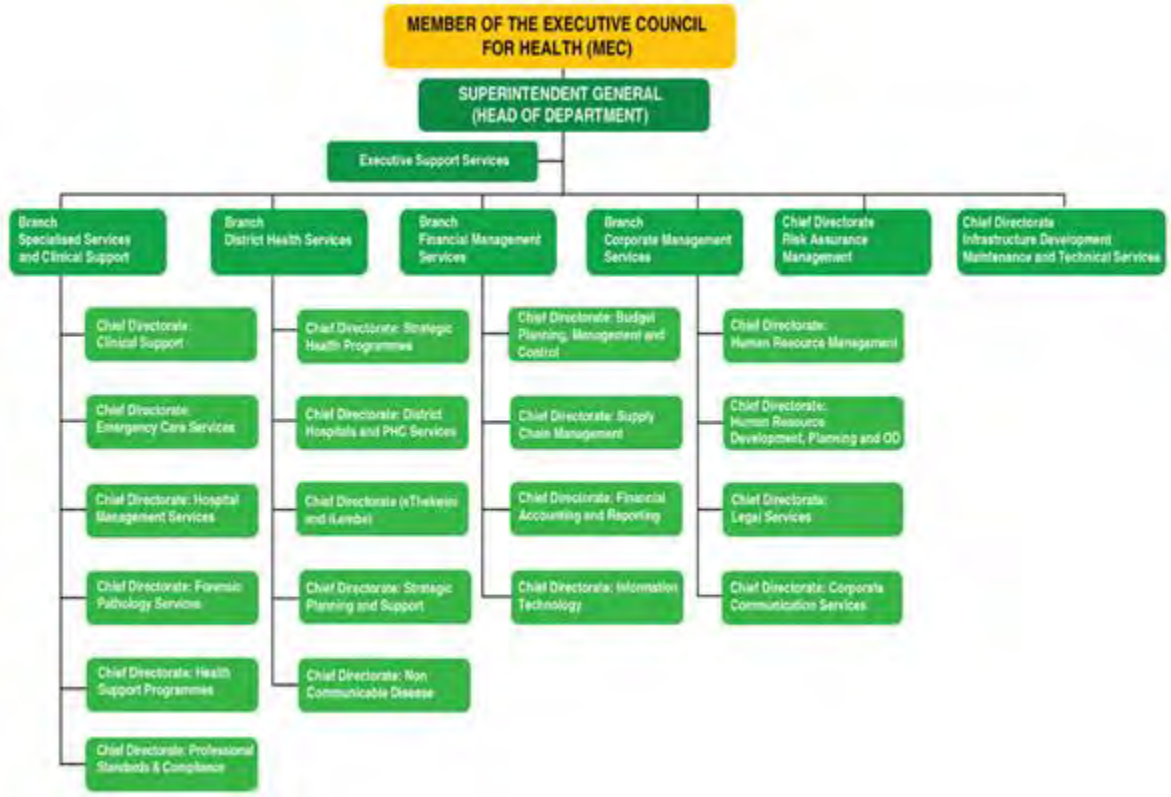
KZN DOH Impact and Outcome 2020-2025	Revised MTSF Outcomes 2019-2024	National Development Plan: Vision 2030 goals	Sustainable Development Goals	Provincial MTSF Implementation Plan	**Health sector's strategy 2019-2024**
Improved Client Experience of Care	Outcome: Reduce maternal and child mortality Outcome: Improved educational and health outcomes and skills development for all women, girls, youth and persons with disabilities	Goal 9: Fill posts with skilled, committed and competent individuals		Strategic Objective 3.2: Enhance the health of communities and citizens	SO: *Improve community engagement and reorient the system towards Primary Health Care through Community based health Programmes to promote health*
Reduced Morbidity and Mortality	Priority 3: Education Skills and Health	Goal 1a: Improvement in evidence-based preventative and therapeutic intervention for HIV. Goal 2: Progressively improve TB prevention and cure Goal 3: Maternal Mortality <100 per 100 000 live births, Infant mortality < 20 per 1000 live births. Goal 4: Reduce prevalence on non-communicable chronic diseases by 28%	"2.2 End all forms of malnutrition 3.1 - By 2030, reduce the global maternal mortality ratio to less than 70 per 100,000 live births 3.2 - By 2030, end preventable deaths of new-borns and children under 5 years of age 3.3 - By 2030, end the epidemics of AIDS, tuberculosis, malaria and neglected tropical diseases (NTDs) 3.4 - By 2030, reduce by one third premature mortality	3.2(b) Implement the KZN 2017-2022 Multi-Sectoral Response Plan for HIV, TB and STIs to reduce the burden of communicable diseases. 3.2(c) Accelerate implementation of comprehensive integrated community- and facility-based services/ interventions to improve maternal, neonatal and child health. 3.2(d) Accelerate implementation of comprehensive and integrated community- and facility-based services/ interventions to reduce the burden of non-communicable diseases.	Goal 1: Increase Life Expectancy improve Health and Prevent Disease SO: *Improve health outcomes by responding to the quadruple burden of disease of South Africa*

KZN DOH Impact and Outcome 2020-2025	Revised MTSF Outcomes 2019-2024	National Development Plan: Vision 2030 goals	Sustainable Development Goals	Provincial MTSF Implementation Plan	**Health sector's strategy 2019**-2024
		Goal 5: Reduce Injury, accidents and violence by 50 percent from 2010 levels.	from non-communicable diseases 3.5 - Strengthen the prevention and treatment of substance abuse, 3.6 - By 2020, halve the number of global deaths and injuries from road traffic accidents 3.7 Ensure universal access to sexual and reproductive health-care services, 3.9 - Reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination		

Source: Strategic Plan 2015-2019

Organisational Structure

FIGURE 1: MACRO ORGANISATIONAL STRUCTURE



The Macro Organisational Structure was approved in 2017. The reporting lines of the KZN Department of health as at 6 July 2023 is reflected below:

REPORTING LINES

Cluster/Unit name	Programmes under the unit/cluster
OFFICE OF THE HOD	• Infrastructure ✓ Information Communication and Technology (ICT) ✓ Laundry Services ✓ Health Technology Systems (HTS) • Executive Support Services • Special Projects and Intergovernmental Relations (IGR) • Security • Risk Assurance Management • Health Service Delivery Planning, Monitoring and Evaluation • Ombudsperson • Central Hospitals

Cluster/Unit name	Programmes under the unit/cluster
OFFICE OF THE CHIEF FINANCIAL OFFICER	• Supply Chain Management • Budget • Tax, Expenditure Management and Voucher Control • Banking and Reporting • Monitoring & Evaluation
CORPORATE MANAGEMENT SERVICES	• Labour Relations, Organisational Efficiency Services and Employee Health and Wellness • Human Resource Management Services, Service Conditions, HR Planning Practices, Human Resource Development, College of Emergency Care and KwaZulu-Natal Nursing College • Corporate Communications • Legal Services • Fleet Management Services • Corporate Services
NATIONAL HEALTH INSURANCE, FACILITY ACCREDITATION & COMPLIANCE DIRECTORATE	• National Health Insurance (NHI) Directorate • Emergency Medical Services (EMS) Licensing & Inspectorate Unit • Private and State Aided Institutions • Quality Assurance • Infection Prevention & Control • Private Licensing
CLINICAL SERVICES	• District Health Service (Community Health Workers/Primary Health Care/ Central Chronic Medicines Dispensing and Distribution/Health Promotion and School Health) • Hospital Management Services • Paediatrics & Child Health –Specialised • Obstetrics and Gynaecology – Specialised • Nursing • Traditional Medicine • District Clinical Specialist Teams (DCST)
CLINICAL SUPPORT SERVICES	• Clinical Support Services (Emergency Medical Services/Forensic pathology Services (Laboratory/Blood/Pharmacy/ • Strategic Programmes (Tuberculosis/Human Immunodeficiency Virus/Maternal Child & Women's Health/Sexually Transmitted Infections including Nutrition &Food Service, Male Medical Circumcision (MMC), Advocacy, etc) • Non-Communicable Diseases (NCDs) (Ortho/Chronics/Oral Health/Disability/Rehab/Mental Health/Substance Abuse • Environmental Health & Communicable Diseases Control (CDC) • Youth, Gender & transformation

Entities Reporting to the MEC for Health

Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
N/A	N/A	N/A	N/A

PART B: PERFORMANCE INFORMATION

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Auditor General Report on Predetermined Objectives

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

Refer to page 339 of the Report of the Auditor General, published as Part F: Financial Information.

Overview of Departmental Performance

Service Delivery Environment

Overview

The KwaZulu-Natal (KZN) population increased from 11 563 185 in 2021/22 to 11 683 165 due to changes in the 2022/23 mid-year estimates from Statistics South Africa (Stats SA). The main beneficiaries for public health services remained the uninsured population with only 9.8% of the population on medical aid (2020 General Household survey: 13th November 2021 StatsSA).

South Africa is classified as an upper-middle-income country with a per capita income of R55 258. Despite the perceived wealth, most of the country's households are plagued by poverty. Although significant progress was made prior to the economic crisis in addressing poverty, many South African households have fallen back or still remain in the trap of poverty through inadequate access to clean water, proper health care facilities and household infrastructure (Provincial Treasury, 2019).

Health is influenced by the environment in which people live and work as well as societal risk conditions such as polluted environments, inadequate housing, poor sanitation, unemployment, poverty, racial and gender discrimination, destruction and violence (National Department of Health, 2019). Globally, it is recognized that health and health outcomes are not only affected by healthcare or access to health services. They result from multidimensional and complex factors linked to the social determinants of health, which include a range of social, political, economic, environmental, and cultural factors, including human rights and gender equality (National Department of Health, 2019).

Comparing 2011 and 2016 data, there is a decline in people living in informal dwelling and an increase in traditional dwellings. The province has made gains in the access to piped water and electricity but uMkhanyakude remains at unacceptably high percentages of households with no access to piped water and electricity for lighting, food preparation and storage.

Epidemiologically, South Africa is confronted with a quadruple burden of disease (BOD) because of HIV and Tuberculosis (TB) TB, high maternal and child morbidity and mortality, rising non-communicable diseases and high levels of violence and trauma (National Department of Health, 2019). This is also the case in KZN.

The mortality data source in South Africa is Statistics SA (Stats SA) which uses data obtained from death notification administrative forms (Form BI-1663 and Form DHA-1663), filed by the

Department of Home Affairs. Furthermore, death notifications by Stats SA are compiled using the International Classification of Diseases (ICD). KwaZulu-Natal faces a convergence of infectious and chronic disease of lifestyle from which years of life are lost. In 2017, 76 60517 (17.2%) of deaths were reported in KZN, the second highest number of deaths after Gauteng province in South Africa.

According to the latest mortality report by Statistics South Africa, KwaZulu-Natal (KZN) has the second highest number of deaths in the country, contributing to 18.7% of the country's deaths. Other forms of heart disease was the leading cause of death accountable for 8.2% of deaths in the province. Overall, eThekwini and uMgungundlovu districts contributed to the highest numbers of deaths in the province. This can be attributed to their large populaion sizes relative to the other districts.

The ten leading causes of mortality in KwaZulu-Natal are discussed below. A staggering 27.7% of deaths are due to cardio- and cerebrovascular diseases and their risk factors, i.e., "other forms of heart disease", diabetes mellitus, cerebrovascular disease, hypertension, and ischemic heart disease. "Other forms of heart disease" includes congestive heart failure, myocardial infarction, cardiomyopathy etc. The risk factors for these diseases are linked. For example, congestive heart failure often occurs as a result of coronary heart disease, and coronary heart disease is directly linked to hypertension and diabetes. In addition to contributing to cardio- and cerebrovascular deaths, hypertension and diabetes are listed below as causes of death on their own.

Increasing prevalence of high blood pressure is connected to rising levels of obesity, which affects 68% and 31% in women and men in South Africa respectively (National Department of Health Statistics South Africa, 2016). Similarly, obesity is also a major risk factor for the development of diabetes. To reduce mortality in adults in KZN, the major areas of focus need to be cardio- and cerebrovascular diseases and their risk factors - hypertension and type 2 diabetes mellitus. The best strategies to reduce mortality from these conditions are firstly to prevent them from occurring by implementing programmes that reduce obesity. Secondly, the health services provided at primary health care level should focus more on detection and treatment of early disease.

Communicable diseases remain an important cause of death in KZN. The related infections of HIV and TB caused 5.4% and 6.8% of deaths respectively. KZN has one of the highest prevalence's of HIV in the world, and this drives the TB epidemic and may also impact on the incidence and outcomes of other infectious diseases such as pneumonia. It is essential that efforts to detect and treat HIV infection continue. In addition, the contribution of poverty to HIV, TB and other infectious diseases should not be underestimated. Poor nutrition, overcrowding in homes, and lack of water and sanitation facilities continue to contribute to the incidence of infectious diseases in KZN. Vaccination against all infectious diseases remains the most important health systems intervention to reduce mortality due to these pathogens.

Services Provided

Community-based services

Non-acute health services are provided at community and household level through Ward Based Outreach teams (WBOTs), School Health Teams, TB Surveillance and Multi Drug Resistant Tuberculosis (MDR-TB) Teams and Community Care Givers/Health Workers (CHWs/CCGs).

Services include health promotion/ education; screening for health conditions; appropriate referral to health facilities; follow-up and support of patients on treatment; home-based care; school health services including implementation of health promoting schools; the management of MDR-TB patients at household level; mental health and chronic care.

Phila Mntwana Centres, linked to Operation Sukuma Sakhe (OSS) War Rooms, provide promotive and preventive health services targeting children. OSS is used as vehicle for inter-government service integration at community level including addressing the social determinants of health e.g. poverty eradication, provision of sanitation, water, electricity and waste removal.

The Centralised Chronic Medication Dispensing and Distribution (CCMDD) Programme makes chronic medication available to patients at community level, close to where they reside. This decongests facilities, saves cost and travelling times to facilities and decreases waiting times at health facilities.

Services at truck stops, taxi ranks, and other high-risk areas increase access to basic and essential services e.g. testing for HIV, TB and other chronic conditions. Services offered at these easily accessible sites increases the possibility of timeous referral for appropriate clinical management of conditions at fixed facilities.

Primary Health Care (PHC) services

Nurse driven services are provided at fixed (clinics and CHCs) and mobile clinics covering a comprehensive range of curative, preventative, rehabilitative and palliative services. Included are services for minor ailments; maternal, child and women's health; communicable and non-communicable diseases and conditions; oral and dental health; environmental health and nutrition. Mobile services are used to improve access in sparsely populated areas or areas with poor access to fixed facilities. Outreach services from District Hospitals and services rendered by Private Practitioners increases access to clinical services at entry point.

Hospital Services

In and out-patient services are rendered at District, Regional, Specialised, Tertiary and Central Hospitals. District Hospitals form part of the District Health System and include services at General Practitioner level with varying degrees of General Specialist services to improve access in especially rural areas.

Regional Hospitals render services at General Specialist level and serve as referral for District Hospitals. All Regional Hospitals render a significant proportion of level-one services mainly due to demographic distribution of households and location of hospitals. Queen Nandi and Newcastle Hospitals provide mother and child services. McCord's Hospital is the Provincial Eye Care Hospital.

Specialised TB and Psychiatric hospitals provide acute and sub-acute services for the two clinical disciplines.

The Step Down/ Sub-Acute Hospitals provide stepdown care.

Tertiary Hospitals and one Central Hospital provide highly specialised tertiary and quaternary services.

Outreach services are provided by level 2 and 3 hospitals to improve access to quality clinical management at lower levels of care. District hospitals provide outreach services to PHC clinics.

Emergency Medical Services (EMS) and Patient Transport Services (PTS)

Services include emergency response, special operations, communication, aeromedical services and patient transport services. Aeromedical services are provided by the use of all available aeromedical services in KZN, namely Air Mercy Services, Netcare and Black Eagle. These are dispatched as and when required.

Forensic Pathology Services

Specialised Forensic Pathology Services are provided at Medico-Legal Mortuaries throughout the Province.

Clinical Forensic Medicine

Crisis Centres have been established in all District and Regional Hospitals within the Province to strengthen clinical medico-legal services focusing on the management of survivors of violence (including rape and sexual assault).

Service Delivery Challenges

The COVID – 19 pandemic resulted in an increased demand for Emergency Medical Services (EMS), particularly in urban areas, this resulted in a negative impact on response times to priority 1 emergency cases. The majority of the COVID – 19 related cases were in urban areas. The COVID – 19 pandemic further resulted in an increase in inter facility transfer which have a longer turnaround time and thereby reduces the number of cases each ambulance can attend within a 12 hour shift and delayed response times.

Should Emergency Medical Services (EMS) attain the National norm of 1 ambulance per 10 000 population, there are some cases that will still not be responded to within 30 minutes in urban areas and 60 minutes in rural areas due to distance, road infrastructure and terrain of the Province.

Service Delivery Improvement Plan

The Department did not have a Service Delivery Improvement Plan that covered the 2022/23 financial year, as per the Department of Public Service and Administration's (DPSA) directive.

Organisational Environment

A total number of 2 506 persons working days were lost as a result of strike action resulting from the non-agreement of the general salary adjustments for public servants. As is associated with strike action, service delivery at certain health facilities was compromised. The recoveries as part of the no work no pay principle are being done over 4 months effective from April 2023. The facilitation process to end the strike action was concluded on 14 March 2023, with the Employer and the Labour Unions that were not participating in the negotiations, signing a

settlement agreement that sought to end the strike and to have all Parties to the PSCBC participate in the 2023/24 wage negotiations.

The CEO posts for Benedictine, Catherine Booth, Clairwood, Fort Napier, GJ Crookes, Greytown, Nkandla, Nkonjeni, St Apollinaris and Wentworth Hospitals were filled during the reporting period whilst the CEO posts for Charles Johnson, Church of Scotland, Montebello, Ngwelezana, Rietvlei, and UMzimkhulu Hospitals and KwaMashu CHC were vacated during the same period for various reasons. The other senior appointments made in the Department for the reporting period were for the posts of Chief Financial Officer, Chief Director: Risk Assurance Services, Director: Strategic Health Programmes, Director: Security Management Services, Director: Employee Health and Wellness, District Directors: Umzinyathi and Uthukela District Offices whilst the posts of Chief Director: Human Resource Management, Director: Labour Relations, Director: Revenue and Debt Management were vacated in the same period.

267 employees demised whilst 49 employees were discharged as a result of ill-health and 843 employees retired. 57 691 employees made use of their sick leave at an average of 9 days per employee over the reporting period whilst a total of 35 146 days were taken as incapacity leave. (NB. HR Data for deaths are not captured as "COVID"). Disciplinary cases are delayed due to various reasons including, but limited to, unavailability of witnesses, illnesses of employee or the employee or employer representatives.

The implementation of National Health Insurance (NHI) Initiative ensured compliance with norms and standards of all 85 private hospitals. Accreditation and licensing of 8 228 private hospital beds was done in order to meet international norm of 1.5 beds for 1 000 population. In KwaZulu-Natal, there is now a total of 5 884 approved hospital beds. In order to provide qualitative health services, grant funding support was made available to the following community-based health services, at a total of R62.04 Million:

X6:	Disability and Rehabilitation-	R4:84 Million
X3:	Step-Down Care-	R12.9 Million
X26:	Mental Health Care Services	R1.3 Million
X7:	Primary Health Care	R5.5 Million
X13:	Palliative Care	R7.59 Million

Improved access to accredited Emergency Medical Services (EMS) was done by ensuring the following:

	Public Intermediate Life Support	Private Intermediate Life Support	Public Advanced Life Support	Private Advanced Life Support	Total
Ambulance Services licensed to operate in KwaZulu-Natal	241	222	13	18	494
Medical Response licensed to operate in KwaZulu-Natal:	36	22	24	58	140

Also, a total of seven (7) Medical Rescue vehicles and four (4) EMS air ambulances were licensed to operate in KwaZulu-Natal.

The implementation of the National Health Insurance (NHI) Reforms Initiative resulted to the following achievements:

- Improved patient experience of care from 69.9% to 82.1%, Primary Health Care (PHC) 72.2% to 84.5%, Districts hospitals 79.5% to 93%, Regional hospitals 85.1% to 94%, and Tertiary hospitals 83.7% to 77%.
- Contracting of General Practitioners in eleven (11) health districts.
- The department has invested in leadership development in order to have fit –for-purpose managers to ensure that client experience of care is improved. In the 2022/23 financial year, 186 departmental managers were enrolled on leadership capacity development programmes.

Key policy developments and legislative changes

The following policies have been reviewed or approved within the 22/23 financial year:

Directorate	Policy Title	Purpose	Status	Last Review/Approval Date
Supply Chain Management	SCM Policy and Delegation of Authority [2]	To ensure compliance with audit and legislative requirements.	Approved	Apr-22
Financing	Provision of Funding to State Aided Institutions	To provide standard and uniform framework for the provision of funding to state aided institutions; To provide regulatory framework for the utilisation of funding by state aided institutions;	Approved	Jan-23
Nursing	Nursing Grounds	To provide guidance on managing and conducting nursing grand rounds (NGRs).	Review	Mar-23
College of Emergency Care	Development of learning programmes	To provide clear guidelines for the development of learning programmes in order to meet the outcomes of the relevant course curriculum so that learning programmes are developed and aligned to the standards set by the National regulatory institutions.	Review	Sep-22
College of Emergency Care	Recognition of prior learning	To ensure clear guidelines for the implementation of Recognition of Prior Learning (RPL) at the College of Emergency Care (COEC).	Review	Sep-22
College of Emergency Care	Staff training and development	To ensure that transparent and consistent processes are in place to guide employees who are required to participate in personal training and development.	Review	Nov-22

[2] Implementation resulted in delays in drafting of Infrastructure Specification and Evaluations being drastically reduced. Also, the delays in procuring emergency items or service has been significantly reduced.

Directorate	Policy Title	Purpose	Status	Last Review/Approval Date
College of Emergency Care	Student academic grievance	To provide guidance on the processes to be followed when resolving complaints and grievances.	Review	Sep-22
College of Emergency Care	Student recruitment, selection and admission	To ensure clear guidelines regarding the recruitment, selection and admission of prospective students of KwaZulu-Natal College of Emergency Care (COEC).	Review	Jan-23
College of Emergency Care	Student support	To provide clear guidelines for Student support	Review	Sep-22
College of Emergency Care	Teaching and learning	To provide clear guidelines for teaching and learning in order to meet the objectives and outcomes of the relevant course curriculum.	Review	Sept 22
IT	Shadow ICT policy	This policy provides guidelines for the appropriate use of shadow IT, explains the restrictions that will apply to it, and defines elements pertaining to employee and IT department responsibilities.	Review	Oct-22
Human Resource Management	Counteroffer Policy	The purpose of this policy is to provide the Department with a strategy for the retention of employees who have been offered employment within and outside the Department.	Review	May-22
Human Resource Management	Employment of Retired Public Servants	The purpose of this policy is to provide guidelines for the Department on the employment of retired public servants.	Review	May-22
HR	Employment Of Sessional Medical Personnel (Reviewed Version)	The purpose of this policy is to provide guidelines for the employment of sessional medical personnel.	Review	May-22

Directorate	Policy Title	Purpose	Status	Last Review/Approval Date
HR	Negotiating A Higher Salary	The purpose of this policy is to guide the Department when negotiating with employees and prospective employees seeking higher salaries on appointment into advertised posts.	Review	May-22
HR	Mediation Policy	To regulate the process of mediation	Review	May-22
Traditional Medicine	Traditional Medicine Policy[3]	This policy document is aimed at the institutionalisation of African Traditional Medicine of SA	Review	Sept 22
HR	Normal Sick Leave	To Regulate the utilization of normal sick leave by employees within the framework of the applicable legislative & policy prescripts.	Review	Jun-22
HR	Paternity Leave	To Regulate an employee's use of paternity leave	Review	Jun-22
HR	Sabbatical Leave	The purpose of this policy is to: Identify those employees who qualify for sabbatical leave; specify the conditions under which sabbatical leave will be granted and prescribe the process of applying for sabbatical leave.	Review	Jun-22
HR	Attendance Registers	To regulate and control employee attendance	Review	Jun-22
IT	ICT Hardware Policy	The purpose is to document standards and guidelines for KZN: Department of Health Information Communications & Technology (ICT) environment to ensure the confidentiality, integrity and availability of departmental computing resources	Review	Jul-22
IT	Bring Your Own Device (BYOD) Policy	This policy provides guidelines with regards to private (non-Departmental) ICT equipment and explains the restrictions that	Review	Oct-22

[3] Policy has not been implemented, is under review and in the process of approval.

Directorate	Policy Title	Purpose	Status	Last Review/Approval Date
		will apply and defines elements pertaining to employee and IT department responsibilities.		
Risk Management	Risk Management Policy	The purpose of this Policy is to articulate the Department's risk management philosophy. The Department recognises that risk management is a systematic and formalized process to identify, assess, manage and monitor risks and therefore adopts a comprehensive approach to the management of risk	Review	Dec-22
Communications	Communications Policy	The purpose of this Policy is to articulate the Department's risk management philosophy. The Department recognises that risk management is a systematic and formalized process to identify, assess, manage and monitor risks and therefore adopts a comprehensive approach to the management of risk	Approved	Nov-22
Risk Management	Whistleblowing	The purpose of this policy is to create an enabling environment for the employees in all Institutions of the Department to exercise their right, as per provisions of the act and to promote other departmental and public service avenues to reporting criminal and irregular behaviour.	Review	Mar-22
Corporate Services	ORWOPS	Provide a comprehensive framework and guideline for the performance of ORWOPS as per the Directive on Other Remunerative Work outside the Employee's employment as issued by the Department of Public Service and Administration (DPSA) on 1 November 2016 and the National Department of Health.	Review	Jun-23
Risk Management	Fraud Prevention Policy	The Fraud Prevention Policy outlines the Departments focus and commitment to the reduction and possible eradication of incidences of fraud and corruption.	Review	01-Jun

Achievement of Institutional Impacts and Outcomes

Outcome: Universal health coverage

The UHC service index is low at 59%, compared to the five-year target of 73.3%, and this is due to targets in the tracer indicators not being met. The high volume of medical claims and the backlog on court proceedings resulted in an increase in contingent liability of medico-legal cases to R 27.8 billion, pushing the performance further away from the 2024/25 target of R18 billion. The non-compliance to the non-negotiable vital elements in certain sub-domains resulted in the 28.2% actual performance on the percentage of facilities certified by the Office of Health Standards Compliance (OHSC), which is 153% lower than the 71.4% to be achieved by the end of 2024/25 financial year. The percentages of PHC facilities with functional clinic committees and hospitals with functional hospital boards decreased from the baselines due to expired membership and are at 22.7% and 50% respectively against the 100% targets. There were increases in the Professional Nurses per 100 000 and Medical Officers per 100 000 which is attributed to employment of additional nurses for COVID-19 purposes and allocation of additional Community Service Practitioners and Medical Interns.

The average emergency medical services response for both urban and rural areas has been decreasing from 51.7% in 2020/21 to 45.1% in 2022/23. The factors leading to the decline include insufficient base infrastructure, limited operational ambulances, inadequate staff complement especially intermediate and advanced life support paramedics, and increased demand for inter-facility transfers.

The number of bursaries awarded to first year nursing students and internal employees increased from 520 in 2021/22 to 622 in 2022/23. The change from a 4-year to 3-year programme and the redirection of funds from the Republic of South Africa (RSA)-Cuban Medical Programme allowed for the increase. Improvement of linen services is one of the outputs that the department is focusing on in the current strategic plan period. Despite the increase in the 2021/22 financial year, the percentage of facilities reporting clean linen stock outs has decreased by 9.6% compared to 2020/21 financial year. The tracer medicine stock out rate for facilities increased from 0.2% in 2020/21 to 1.7% 2021/22 and showed improvement in the reporting period by decreasing to 1.4%. The increase in the tracer medicine stock outs is attributed to supply constraints. There has been a steady increase in the number of new and replacement infrastructure projects completed, from 7 in 2020/21 to 45 in 2022/23. The percentage of preventative maintenance expenditure improved from 30% in 2020/21 to 49.9% in 2022/23.

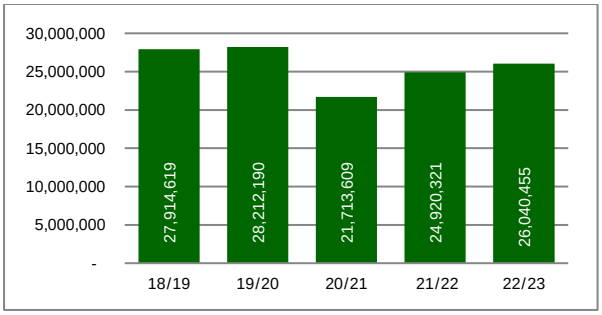
Outcome: Improved patient experience of care.

There has been a gradual decrease in the Patient Experience of Care Satisfaction rate from 86.5% in 2020/21 to 84.4% in 2022/23. This is ascribed to limited access to care and negative staff attitudes, among other factors. On the other hand, the percentage of Severity Assessment Code 1 (SAC 1) incidents reported within 24 hours has been steadily increasing between 2020/21 (63.9%) and 2022/23 (74.5%). The increase in the SAC 1 incident reporting is due to adherence by Districts to timelines stipulated on guidelines for reporting Patient Safety Incidents.

Outcome: Reduced morbidity and mortality

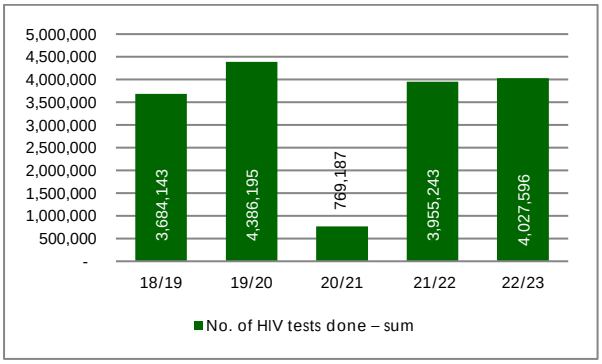
The lack of a standardized tick registers in hospitals negatively influenced data recording. Requests for printing have been submitted and tools will be distributed upon receipt. The Programme will continue to conduct desktop analysis and engage districts on gaps. During 23/24 105% (26 040 456 / 24 714 031) of the PHC headcount was screened for TB symptoms.

GRAPH 1: NO. OF PATIENTS SCREENED FOR TB SYMPTOMS



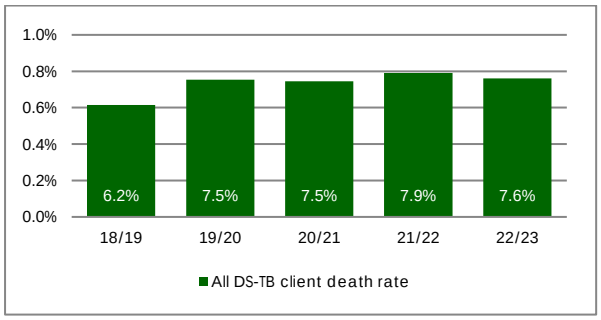
Implementation of the targeted universal TB testing and the TB recovery plan post COVID-19 pandemic resulted in increased case finding.

GRAPH 2: NO. OF HIV DONE – SUM



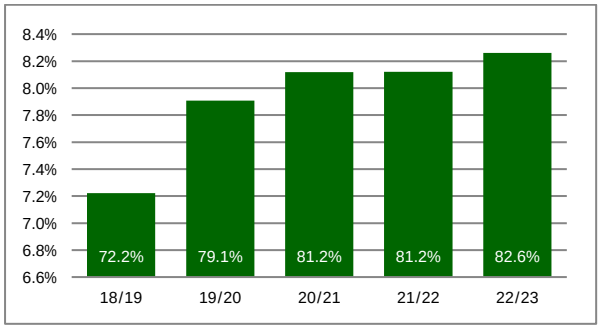
The province is still experiencing inconsistencies in the standard of care for children and adolescent with HIV within facilities and the community. This has resulted in a testing and treatment gap within the paediatric and adolescent sub-populations. Provincially, the current performance is at 80-65-71 in terms of performance against 90-90-90 in children under 15.

GRAPH 3: ALL DS-TB CLIENT DEATH RATE



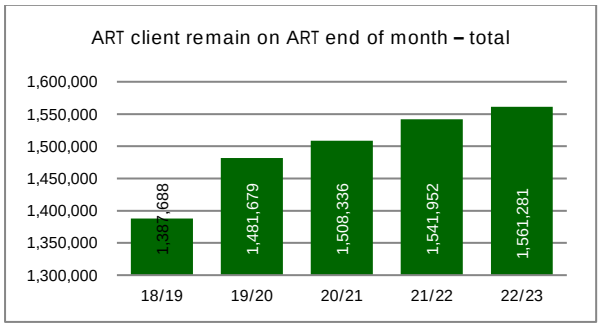
The death rate is highest amongst the HIV/TB co-infected patients who are virally unsuppressed.

GRAPH 4: ALL DS-TB CLIENT TREATMENT SUCCESS RATE



High loss to follow up (9.1%) which is fueled by duplicates, unevaluated patient outcomes and to some extent death rate (7.6%).

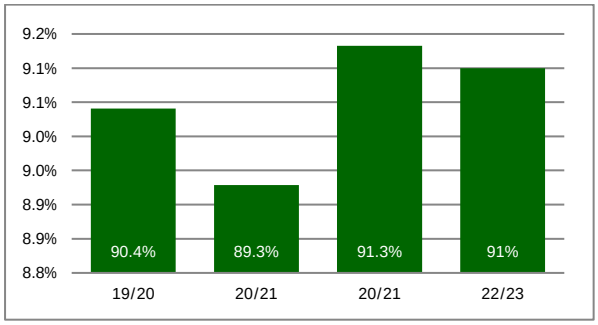
GRAPH 5: ART CLIENT REMAIN ON ART END OF MONTH – TOTAL



Steady improvement is noted year-on-year with a net gain on Total Patients remaining on ART (TROA). Net gain remains below input areas on TROA which result in disproportionate gain. Loss to Follow Up contributes mainly to failure to achieve TROA targets as it remains at 29% at 12 months. Positivity yield remains significantly low at 3% against a target of 6% which makes new initiations low despite some district efforts of targeted testing and index testing.

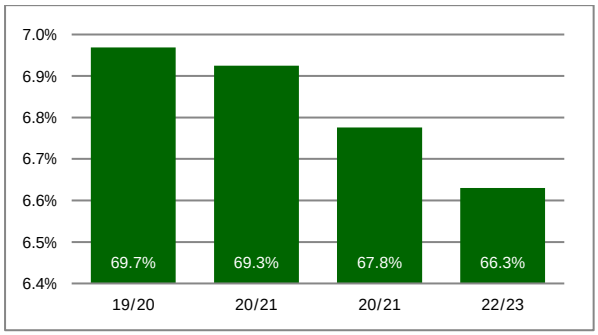
"Lost to Follow Up" mainly contributes to failure on achieving the target with eThekwini, iLembe and uMkhanyakude Districts being above 30% on "loss to follow up". 15% of loss to follow up is as a result of file and patient duplicates.

GRAPH 6: ART ADULT VIRAL LOAD SUPPRESSED RATE - (12 MONTHS)



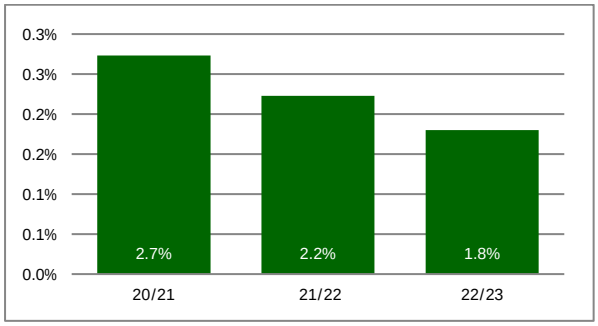
There has been significant improvement on adult suppression, especially among women which is consistently above 90%. Men sub-population remains below target. Efforts are in place to target men across treatment cascades in the form of Isibaya Samadoda/iKhosomba lamajita/ men's friendly services. Tenofovir Disoproxil, Lamivudine, Dolutegravir (TLD) an ART drug used in 1st treatment regime (which combines different types of drugs into one capsule), transition has registered benefits in terms of suppression goals.

GRAPH 7: ART CHILD VIRAL LOAD SUPPRESSED RATE - (12 MONTHS)



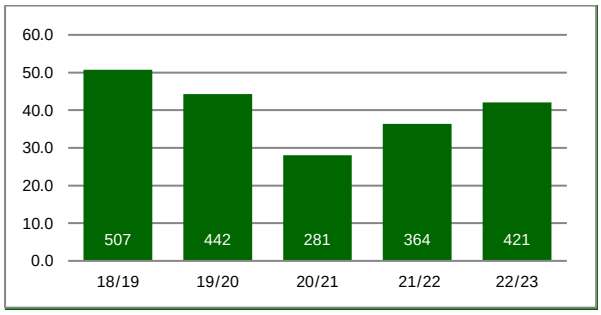
Sub-optimal viral suppression rates among HIV-infected children are attributed to issues such as adherence, disclosure, and administration of anti-retroviral medication. Dosing complexities cause under-dosing by care givers.

GRAPH 8: HIV POSITIVE 15–24-YEAR-OLDS (EXCL ANC) RATE



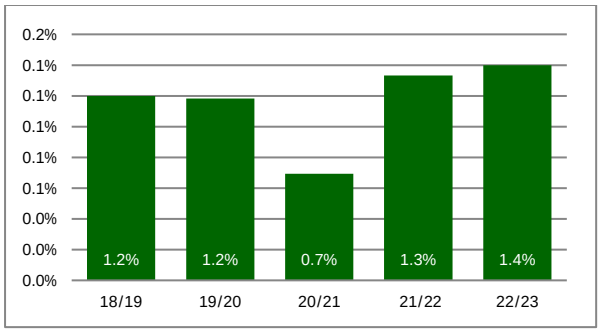
There is a delay in linking HIV patients, with opportunistic infections, to care.

GRAPH 9: TB INCIDENCE



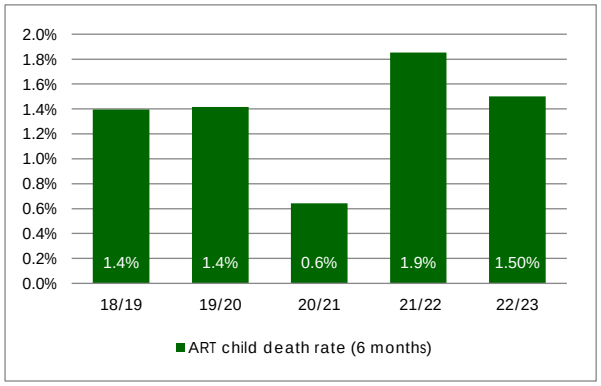
The increase in notification is attributed to positive yields on the implementation of "Finding TB Missing Cases" strategies targeting population at risk as well as the introduction of the urine test to screen for TB in HIV positive clients.

GRAPH 10: ART ADULT DEATH RATE (6 MONTHS)



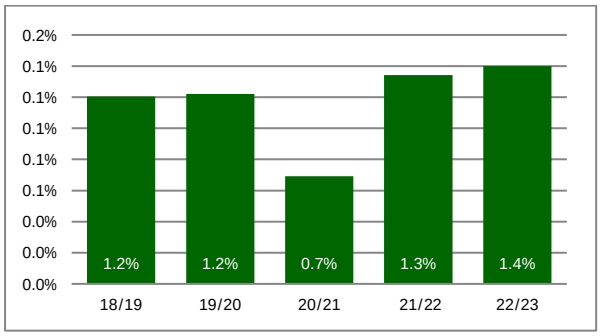
The death rate has stabilized over the years. There is a noted challenge with linking HIV deaths to other causes of death. Late presentation has improved as more clients are identified earlier. Efforts to elevate Advanced Clinical Care are underway to identify clinical issues in this regard.

GRAPH 11: ART CHILD DEATH RATE (6 MONTHS)



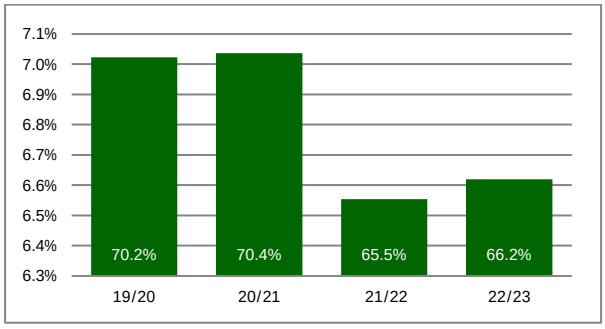
As per earlier analysis, paediatric HIV care needs special attention in the form of matrix interventions. Sub-optimal clinical management including linkage to care, dosage adjustment and unsuppressed viral loads all contribute adversely to care in this age group.

GRAPH 12: ART DEATH RATE (6 MONTHS)



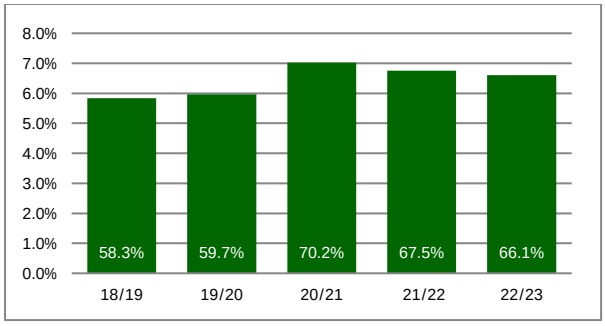
The ART death rate at six months has increased because of late presentation by patients to health facilities.

GRAPH 13: TB RIFAMPICIN RESISTANT/MDR/PRE-XDR TREATMENT SUCCESS RATE – SHORT



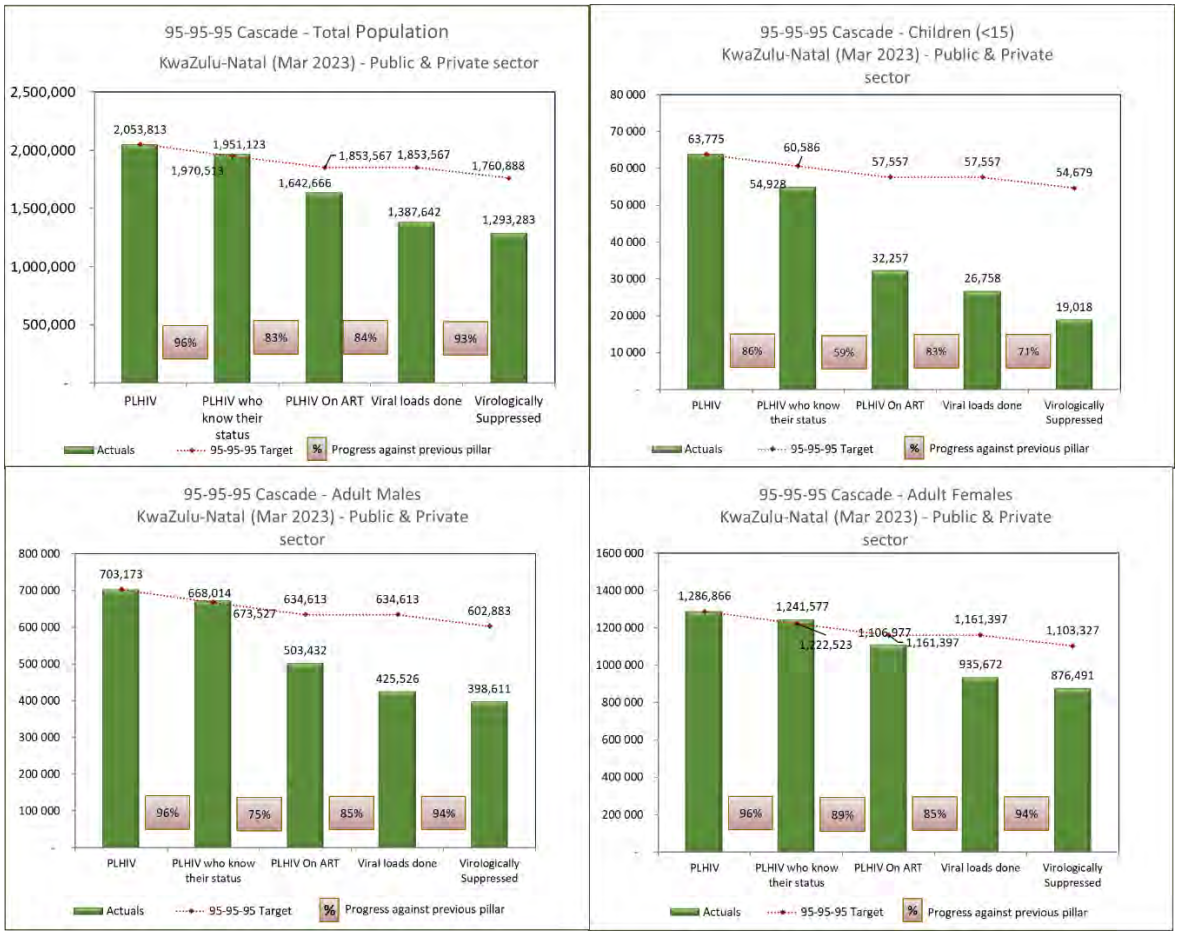
The target was missed, mainly due to high loss to follow up, as a result of limited resources to track, trace and monitor patients in the community. Deaths are highest in HIV/TB co-infected patients who are previous TB and ART Loss to follow up clients.

GRAPH 14: TB RIFAMPICIN RESISTANT/MDR/PRE-XDR TREATMENT SUCCESS RATE – LONG



There has been a for long treatment regimen treatment success rate due to high loss to follow up which increased from and high death rate Loss to follow is due to limited resources to track, trace and monitor patients in the community whereas death rate is because of late presentation more noticeable in co-infected HIV patients who are previous TB and ART loss to follow up.

GRAPH 15: 95-95-95 CASCADE – TOTAL POPULATION

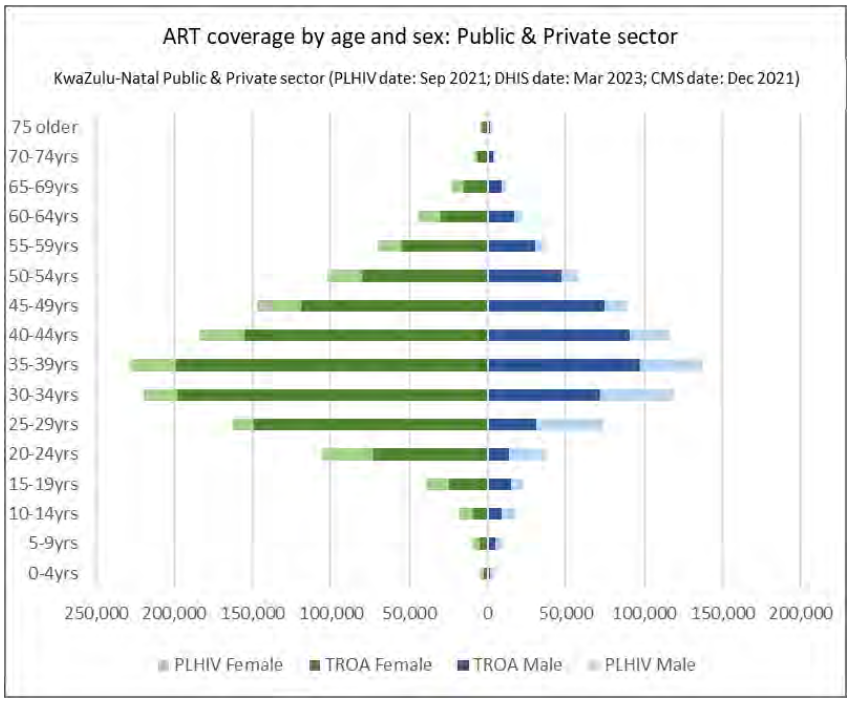


As of March 2023, KwaZulu-Natal is at 96-83-93 in terms of performance against the 95-95-95 targets across its total population using data available in the Public & Private sector. Data available from the private sector suggest that a total of 81 385 clients receive ART through private medical aid schemes in KwaZulu-Natal. For Adult Females and Adult Males this number is 51 935 and 28 582 respectively.

Results for each of the sub-populations vary, with adult females being at 96-89-94, Adult Males at 96-75-94, and children (<15) at 86-59-71. There are gaps across the cascade for adults & children. Case finding, ART initiation and retention have all underperformed and should be addressed through focused interventions in this sub-population.

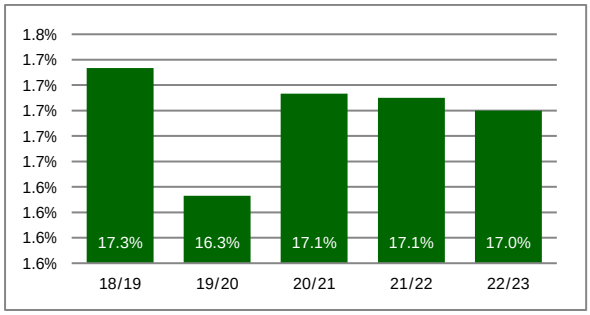
To achieve 95-95-95 targets, KwaZulu-Natal must increase the number of clients on ART by 210 900. Adult females require an increase of 54 420, whereas an increase of 131 181 adult males on ART is required.

GRAPH 16: ART COVERAGE BY AGE AND SEX: PUBLIC AND PRIVATE SECTOR



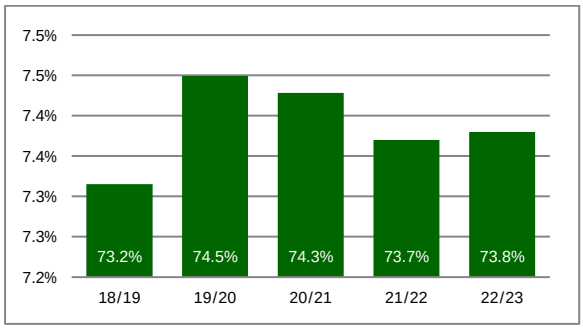
As of March 2023, KwaZulu-Natal is at 80% ART coverage of the total PLHIV population using data from both the Private and Public Sectors. Results vary between male and female populations. Among all females ART Coverage is at 85%, while the data shows an ART coverage of 71% for all males. For Females, ART coverage among adults (>15 years) is at 86% and 53% for Female Children (<15 years). For Males, ART coverage among adults (>15 years) is at 72% and 48% for Male Children (<15).

GRAPH 17: DELIVERY 10 TO 19 YEARS IN FACILITY RATE



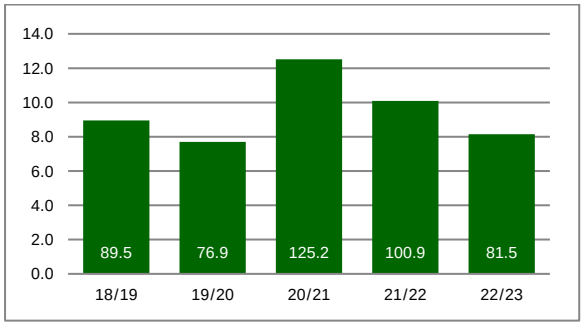
Multiple factors contributed to high teenage pregnancy including societal issues which are difficult to address. Low use of contraceptives amongst youth was also a challenge.

GRAPH 18: ANTENATAL 1ST VISIT BEFORE 20 WEEKS RATE



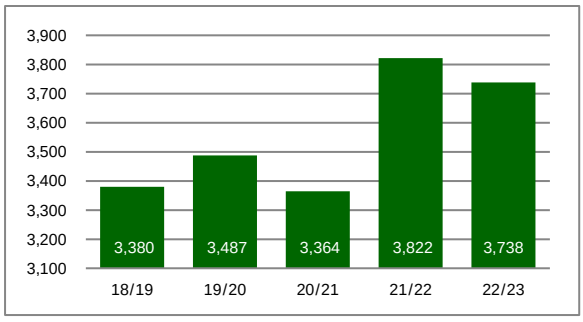
Poor linkage to care following positive testing is noted in most districts. One of the contributory factors is teenage pregnancy.

GRAPH 9: MATERNAL MORTALITY IN FACILITY RATIO – TOTAL



There has been a reduction in the number of maternal deaths from COVID-19 with the implementation of the COVID-19 vaccination programme for pregnant women. The evaluation of minimum standards has also yielded results. The establishment of Onsite Midwife-led Birth Units (OMBU's) at Prince Mshiyeni Memorial Hospital and Newcastle has also improved outcomes.

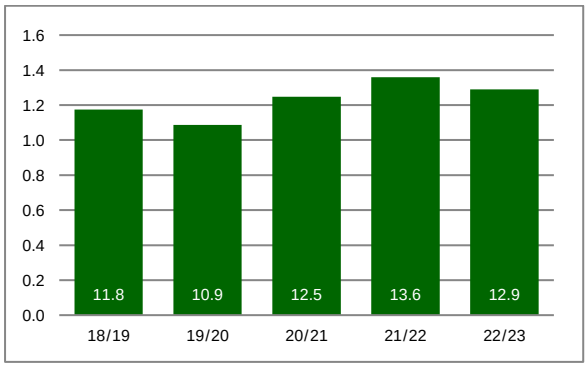
GRAPH 13: [NUMBER OF] INPATIENT DEATHS UNDER 5 YEARS – TOTAL



The majority of the under 5 deaths occurs in the Neonatal category (0 – 28 days) and this drives up the under 5 death rate. There is a correlation between neonatal death and maternal health, and therefore there is a high number of deaths at regional hospitals and District Hospitals compared to Tertiary and Central Hospital level. The number of deaths between 1 and 5 years has dropped significantly over the previous 10 years.

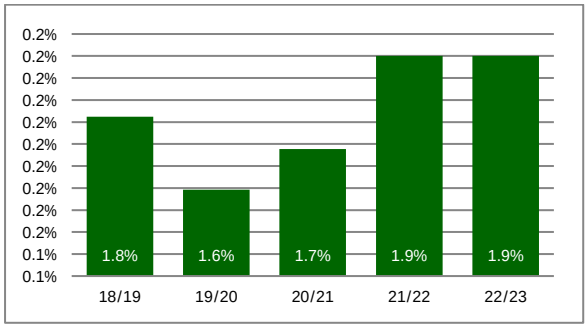
Promotion of neonatal interventions including early breastfeeding initiation and rooming-in have yielded results. Implementation of primary health care programmes has also had a positive impact at hospital level. The provision of paediatric respiratory support in all hospitals is noted.

GRAPH 14: NEONATAL DEATH IN FACILITY RATE – TOTAL



Increased coverage of key interventions such as Kangaroo Mother Care (KMC); therapeutic hypothermia; ventilation; continuous positive airways pressure (CPAP) support has yielded results.

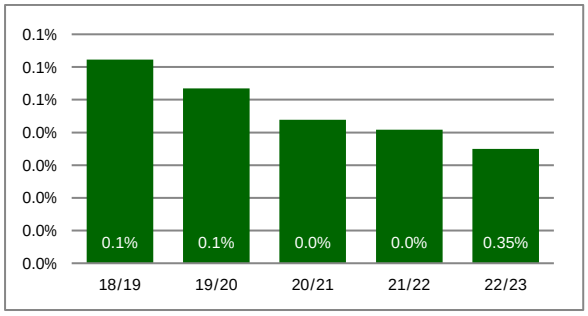
GRAPH 14: DEATH UNDER 5 YEARS AGAINST LIVE BIRTH RATE – TOTAL



Whilst the role of improved neonatal care at district hospitals is an important element in addressing under 5 deaths, this needs to be complemented by an increase in access to regional and tertiary level neonatal beds. Various strategies are being undertaken to commission more regional and Kangaroo Mother Care (KMC) beds, to strengthen the delivery of respiratory support in district hospitals and optimize use of the available beds. Unless the Department is able to increase the capacity of the neonatal services it is unlikely that the 2025 target will be met.

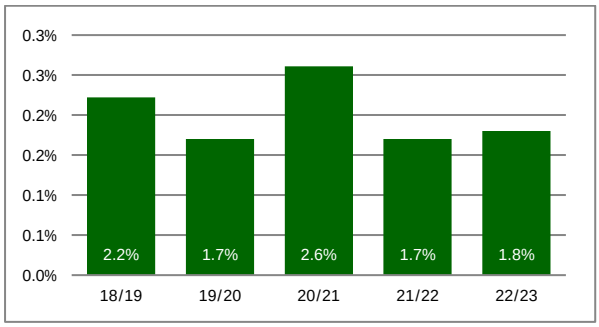
The major contribution to under 5 deaths is deaths in the neonatal period where the need for service exceeds the current capacity of the provincial neonatal services, especially at regional and tertiary level.

GRAPH 15: INFANT PCR TEST POSITIVE AROUND 10 WEEKS RATE



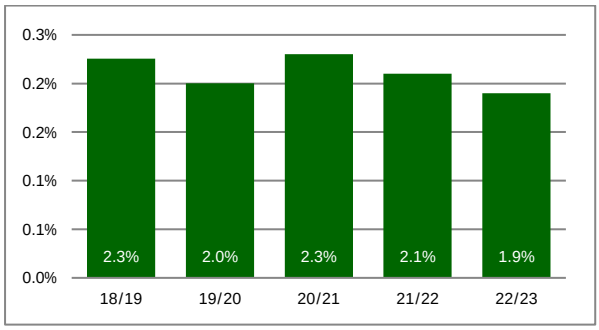
Positive performance due to the implementation of strategies to monitor Ante-Natal Care (ANC) early booking and initiation of HIV positive and breastfeeding women, to reduce high viral load.

GRAPH 15: CHILD UNDER 5 YEARS DIARRHOEA CASE FATALITY RATE – TOTAL



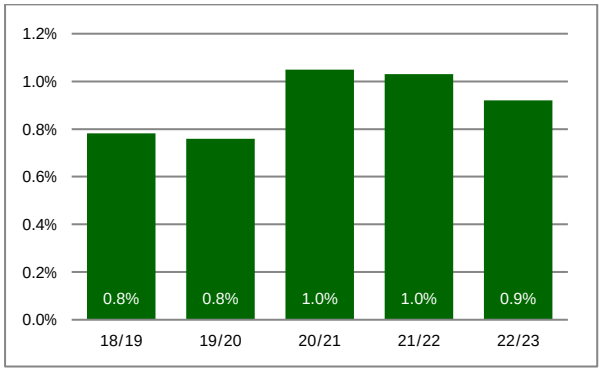
The child under 5 years diarrhoeal disease case fatality rate (CFR) has decreased to 1.8% since 2018/19 although there have been fluctuations from year to year. The lower number of deaths was associated with earlier presentation to the health service and improved assessment and treatment on admission. The Department is on track to meet the 2025 target for this indicator.

GRAPH 16: CHILD UNDER 5 YEARS PNEUMONIA CASE FATALITY RATE - TOTAL



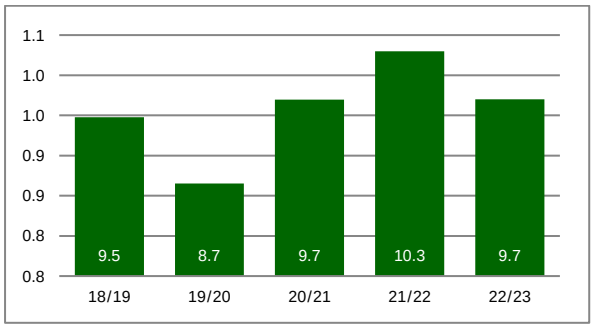
Since 2020/21 there has been a decline in the child under 5 years pneumonia case fatality rate associated with a reduction in the incidence of pneumonia as well as the number of admissions and deaths due to pneumonia.

GRAPH 17: CHILD UNDER 5 YEARS SEVERE ACUTE MALNUTRITION CASE FATALITY RATE – TOTAL

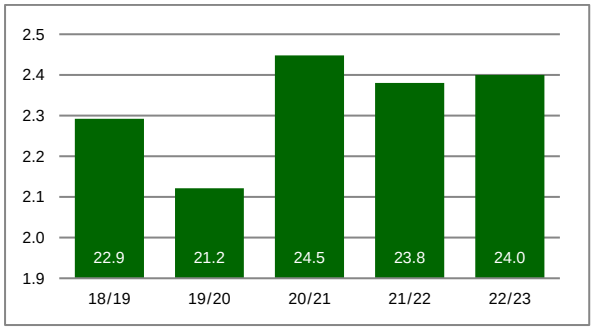


Contributing factors include a history of poor infant and young child feeding practices, social ills, co-morbid conditions such as TB and HIV and delayed diagnosis of co-morbid conditions.

GRAPH 19: EARLY NEONATAL DEATH RATE PER 1 000 – TOTAL



GRAPH 20: STILL BIRTH IN FACILITY RATE – TOTAL



The province has not succeeded in dropping still birth rate (SBR) to below 20 / 1 000 due to various factors. Continuous infections during pregnancy, coupled with existing maternal medical conditions that women present with, when they become pregnant are regarded as major contributors of still birth. Infections including syphilis are not adequately screened in Antenatal Care (ANC) clinics thus resulting in poor management and subsequently affect foetal wellbeing. Prompt treatment of positive syphilis test is mandatory to reduce foetal infections and other negative outcomes. Uncontrolled hypertensive disorders during pregnancy and unexplained intrauterine death due to silent, undetected placental dysfunction have also contributed to the negative performance.

Early neonatal deaths are primarily due to birth complications, hypothermia, unavailability of beds at higher levels of care and inadequate access to respiratory support. The majority of deaths occurred at Regional Hospitals due to inadequate bed numbers and high staff patient ratios.

Transfer Payments

Transfer Payments to all Organisations other than Public Entities.

TABLE 4: TRANSFER PAYMENTS FOR THE PERIOD 1 APRIL 2022 TO 31 MARCH 2023

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the Department comply with s38(1) (j) of the PFMA	Amount transferred R'000	Amount spent by the Entity R'000	Reasons for funds unspent by the Entity
Austerville Halfway House NGO	NGO	Mental Health Services	Yes	764 000	764 000	N/A
Azalea House NGO	NGO	Mental Health Services	Yes	705 000	705 000	N/A
Claremont Day Care Centre NGO	NGO	Mental Health Services	Yes	468 000	468 000	N/A
Ekukhanyeni Clinic NGO	NGO	HIV & AIDS: Step-Down	Yes	1 242 000	1 242 000	N/A
Happy Hour Amaoti (DMH) NGO	NGO	Mental Health Services	Yes	764 000	764 000	N/A
Happy Hour Durban North NGO	NGO	Mental Health Services	Yes	637 000	637 000	N/A
Happy Hour Kwaximba (DMH) NGO	NGO	Mental Health Services	Yes	546 000	546 000	N/A
Happy Hour Mpumalanga (DMH) NGO	NGO	Mental Health Services	Yes	83 000	83 000	N/A
Happy Hour Phoenix NGO	NGO	Mental Health Services	Yes	364 000	364 000	N/A
Highway Hospice (NGO)	NGO	Step-Down: Palliative Care	Yes	860 000	860 000	N/A
Hillcrest Aids Centre Trust	NGO	Step-Down: Palliative Care	Yes	838 000	838 000	N/A
Jona Vaughn Centre NGO	NGO	Mental Health Services	Yes	4 779 000	4 779 000	N/A

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the Department comply with s38(1) (j) of the PFMA	Amount transferred R'000	Amount spent by the Entity R'000	Reasons for funds unspent by the Entity
Madeline Manor NGO	NGO	Mental Health Services	Yes	1 234 000	1 234 000	N/A
Matikwe Oblate NGO	NGO	PHC Services	Yes	585 000	585 000	N/A
Power of God (Philakade TLC NGO)	NGO	PHC Services	Yes	1 377 000	1 377 000	N/A
Ramakrishna Umzamo Home	NGO	Mental Health services	Yes	729 000	729 000	N/A
Scadifa Centre NGO	NGO	Mental Health Services	Yes	2 041 000	2 041 000	N/A
Sparkes Estate NGO	NGO	Mental Health Services	Yes	2 348 000	2 348 000	N/A
Still a Time	NGO	Mental Health Services	Yes	206 000	206 000	N/A
The Bekimpilo Trust NGO	NGO	PHC Services	Yes	5 662 000	5 662 000	N/A
Umlazi Halfway House NGO	NGO	Mental Health Services	Yes	487 000	487 000	N/A
eThekwini Municipal Clinic	Municipal	PHC Services	Yes	263 662 000	263 662 000	N/A

TABLE 5: TRANSFER PAYMENTS BUDGETED FOR 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
Austerville Halfway House NGO (DCMH)	Mental Health Services	764 000	764 000	N/A
Azalea House NGO (DCMH)	Mental Health Services	705 000	705 000	N/A
Claremont Day Care Centre NGO (DCMH)	Mental Health Services	468 000	468 000	N/A
Ekukhanyeni Clinic NGO	Step-Down: Palliative Care	1 242 000	1 242 000	N/A
Happy Hour Amaoti (DCMH) NGO	Mental Health Services	764 000	764 000	N/A
Happy Hour Durban North (DCMH) NGO	Mental Health Services	637 000	637 000	N/A
Happy Hour KwaXimba (DCMH) NGO	Mental Health Services	546 000	546 000	N/A
Happy Hour Mpumalanga (DCMH) NGO	Mental Health Services	83 000	83 000	N/A
Happy Hour Phoenix (DCMH) NGO	Mental Health Services	364 000	364 000	N/A
Highway Hospice (NGO)	Step-Down: Palliative Care	860 000	860 000	N/A
Hillcrest AIDS Centre TRUST	Palliative Care	838 000	838 000	N/A
Jona Vaughn Centre NGO	Mental Health Services	4 779 000	4 779 000	N/A
Madeline Manor (DCMH) NGO	Mental Health Services	1 234 000	1 234 000	N/A

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
Matikwe Oblate NGO	PHC Services	585 000	585 000	N/A
Power of God (Philakade TLC NGO)	PHC Services	1 377 000	1 377 000	N/A
Ramakrishna Umzamo Home	Mental Health Services	729 000	729 000	N/A
Scadifa Centre NGO	Mental Health Services	2 041 000	2 041 000	N/A
Sparkes Estate NGO	Mental Health Services	2 348 000	2 348 000	N/A
Still a Time	Mental Health Services	206 000	206 000	N/A
The Bekimpilo Trust NGO	PHC Services	5 662 000	5 662 000	N/A
Umlazi Halfway House (DCMH) NGO	Mental Health Services	487 000	487 000	N/A
eThekwini Municipal Clinic	PHC Services	264 083 000	263 662 000	Paid according to claims submitted.

Conditional Grants

TABLE 6: COMPREHENSIVE HIV AND AIDS GRANT

Name of the Grant	Comprehensive HIV / AIDS Grant
Department who transferred the Grant	National Department of Health (NDoH)
Purpose of the Grant	• To top up on the Provincial Department of Health's Equitable Share funding • To implement and sustain HAST programmes in KZN • To contain HIV and AIDS, TB epidemic in KZN • To provide critical resources (human and physical) to drive the HIV and TB programme to reach their targets

Name of the Grant	Comprehensive HIV / AIDS Grant		
Expected outputs of the Grant and actual achievements.	Indicators	Expected Outcomes (Target)	Actual Achievements 2022/23 FY
	Number of facilities offering ART	No Set Target All KZN health facilities	680
	Number of new patients that started treatment on ART	119 981	106 476
	Number of patients on ART remaining in care	1 677 309	1 561 281 1 642 666 (Inc. private sector)
	Number of antenatal clients initiated on ART	14 264	13 447
	Number of beneficiaries served by Home-Based Carers	Not collected	
	Number active Home-Based Carers receiving stipends	Cadre No longer existing as Home Based Carers. Cadre integrated to CHW	
	Number of male condoms distributed	123 251 875	89,664,600
	Number of female condoms distributed	5,655,507	3,047,100
	Number of HTA intervention sites (cumulative)	172	101
	Number of HIV positive patients that started on IPT	12 913	81 540
	Number of active lay counsellors on stipends	1 391	1 468
	Number of clients tested for HIV (including antenatal)	2 748 692	4 028 641
	Number of health facilities offering MMC services	80	482 (Public facilities) Private Hosp = 44 NGO=5

Name of the Grant	Comprehensive HIV / AIDS Grant		
			Non-Med Site= 6 Correc Centre = 17
	Number of MMCs performed	160 815	157 724
	Number of babies PCR tested around 10 weeks	51 147	49 516
	Number of sexual assault cases offered ARV prophylaxis	1 134	5 215
	Number of Doctors trained on HIV/AIDS, STIs, TB and chronic diseases	440	257
	Number of Professional Nurses trained on HIV/AIDS, STIs, TB and chronic diseases	3 388	5 619
	Number of HIV positive clients screened for TB	365 458	126 744
Amount per amended DORA (R'000)	*R 6 396 700 (HIV&AIDS Component Conditional Grant)*		
Amount received (R'000)	*R 6 396 700*		
Reasons if amount as per DORA was not received	N/A		
Amount spent by the Department (R'000)	*R 6 396 700* *(100% spent)*		
Reasons for the funds unspent by the entity	N/A		
Reasons for deviations on performance	The Comprehensive HIV/AIDS Component Grant has spent 100%, of its allocated R6.5billion budget for financial year 2022-2023, however in Quarter 3 the province was at 62% and was projecting under expenditure of R815m. Major cost driver, ARV Medicines, was the biggest contributing factor to the projected underspending at approx. 23% (R761m), non-filling of vacant posts on the CG, delayed procurement of clinical stationery for the programmes.		
Measures taken to improve performance	- Encourage and enforce health care facilities and Pharm Managers to submit payment packs to Provincial Pharmaceutical Supply Depot (PPSD) in a timely manner (within 5 days) - Monitor ddistricts to improve the verification process for supplier support documentation/invoices to either be rectified or paid in a timely manner. - Conduct monthly and quarterly financial reviews to monitor efficiencies		

Name of the Grant	Comprehensive HIV / AIDS Grant
	The journaling of funds was done late and to avoid this the plan will include procuring all physical resources in the first quarter to allow most payment in the following quarters, so that incorrect expenditure can be analysed and journaling can be done earlier enough. Funds for all items not found in the first quarter will be reallocated on arear with more financial pressure during the Business Plan review period taking into consideration the CG prescripts.
Monitoring mechanism by the receiving Department	Monthly HAST Programme performance information is analysed and monitored on a monthly basis against set targets. Monthly Provincial nerve centre meetings are held once or twice per quarter, where Districts Deputy Director: Clinical Programmes present their performance and share remedial action plans in areas of non-performance. Districts are further requested to report progress on the implementation of remedial actions in subsequent meetings. Province has developed countdown indicator reporting template which guide districts right from the first month, to see if they are on track or not. The countdown report is presented by all districts during provincial nerve centre meeting where the actual performance is assessed percentage (%) of annual target and Gap/surplus is highlighted in the report. Quarterly The integrated Strategic Health Programme performance review meetings are held quarterly. The main focus areas that the province had prioritise are: • Paediatric HIV Cascades, Adult Male HIV Cascades, Male Urethritis Syndrome incidence, Couple Year Protection rate, teenage pregnancy, Loss to follow up (HIV and TB), and TB death rates All districts were focussing on above priority areas in 2022/23, had developed remedial actions plans to improve these focus areas. Performance was presented in the quarterly meeting by all districts. Financial reports both at provincial and district level are also reviewed during SHP quarterly meetings.

TABLE 7: NATIONAL TERTIARY SERVICES GRANT

Name of the Grant	National Tertiary Services Grant
Department who transferred the Grant	National Department of Health.
Purpose of the Grant	Development and Provision of Tertiary Health Care Services. To compensate Tertiary Facilities or the additional costs associated with the provision of these services. Modernise and transform Tertiary Services that allow for improved access and equity to address the burden of disease.
Expected outputs of the Grant	Provision of full package of Tertiary Services based on the following. ▪ Number of inpatient separations ▪ Number of day patient separations ▪ Number of outpatient first attendances ▪ Number of outpatient follow-up attendances

Name of the Grant	National Tertiary Services Grant
	▪ Number of inpatient days ▪ Average length of stay by facility (tertiary) ▪ Bed utilisation rate by facility
Actual outputs achieved	Funds are transferred by the NDoH cover the following. Full/Partial operating cost of designated NTSG Services e.g., Personnel Salaries including Occupational Specific Dispensation (OSD), and allowances. Pharmaceuticals, Laboratory services and medical consumables. An annualized amount to purchase new Medical Equipment, replace or upgrade old equipment in order to deliver tertiary services. Modernisation of Tertiary Services where applicable.
Amount per amended DORA (R'000)	R2 045 854 000
Amount received (R'000)	R2 045 854 000
Reasons if amount as per DORA was not received	Not applicable
Amount spent by the Department (R'000)	R2 045 854 000
Reasons for the funds unspent by the entity	The grant was fully spent during this financial year.
Reasons for deviations on performance	No deviation from the Division of Revenue Act (DORA).
Measures taken to improve performance	Business Plans are submitted in the beginning of the financial year with quarterly and annual targets. The Provincial Department of Health submit complete and accurate monitoring reports to the NDoH as per the agreed format and schedule for each of the designated Tertiary Services provided.
Monitoring mechanism by the receiving Department	The Tertiary Services programme is directly managed and monitored by the Chief Directorate: Hospital Management Services supported by other Chief Directorates at Head Office such as Finance, Supply Chain Management and Planning, Monitoring & Evaluation. The Chief Directorate: Hospital Management Services has a full time Deputy Director: Tertiary Services who manages the grant under the director supervision. The meetings are convened quarterly and all four benefiting Hospitals do presentation on their performance. Reports are reviewed, approved and signed off and submitted to NDoH quarterly.

TABLE 8: SOCIAL SECTOR EPWP INCENTIVE GRANT FOR PROVINCES

Name of the Grant	Social Sector EPWP Incentive Grant for Provinces
Department who transferred the Grant	Public Works and Infrastructure (Vote 13)
Purpose of the Grant	To provide funding for job creation efforts in specific focus areas, where labour intensive delivery methods can be optimised
Expected outputs of the Grant	• To incentivise provincial departments to expand work creation efforts through the use of labour intensive • delivery methods in the following identified focus areas, in compliance with the Expanded Public Works • Programme (EPWP) guidelines: • road maintenance and the maintenance of buildings • low traffic volume roads and rural roads • other economic and social infrastructure • tourism and cultural industries • sustainable land-based livelihoods • waste management
Actual outputs achieved	EPWP achieved a total expenditure of R11 736 against R11 736 allocated budget. The percentage spent is 100%.
Amount per amended DORA (R'000)	R11 736 000
Amount received (R'000)	R11 736 000
Reasons if amount as per DORA was not received	n/a
Amount spent by the Department (R'000)	R11 736 000
Reasons for the funds unspent by the Entity	n/a
Reasons for deviations on performance	n/a
Measures taken to improve performance	• reporting on EPWP performance within the required time frames • compliant reporting on EPWP Integrated Grant funded projects • implementing their approved EPWP projects on the project list, as planned towards the agreed work opportunity targets • submitting, on a quarterly basis, non-financial reports by the timelines stipulated in the clauses of the 2022 Division of Revenue Act
Monitoring mechanism by the receiving Department	• Provincial departments must report on all projects via DPWI's EPWP reporting system • Reports must be loaded on the EPWP reporting system every month. The system closes 15 days after the end of every quarter in order for progress to be assessed • The grant cannot be used for departmental personnel costs, however a maximum of five per cent of the grant can be used to fund contract-based capacity required to manage data capturing and on-site management costs related to the use of labour intensive methods • The grant can only be utilised for EPWP purposes and for the projects approved in each eligible provincial department's EPWP project list

TABLE 9: HEALTH FACILITY REVITALISATION GRANT

Name of the Grant	Health Facility Revitalisation Grant
Department who transferred the Grant	Health (Vote 18)
Purpose of the Grant	• To help accelerate construction, maintenance, upgrading and rehabilitation of new and existing infrastructure in health including, health technology, organisational development systems and quality assurance • To enhance capacity to deliver health infrastructure • To accelerate the fulfilment of the requirements of occupational health and safety
Expected outputs of the Grant	• Improved service delivery by provincial departments as a result of an enhanced and better quality of health services

Name of the Grant	Health Facility Revitalisation Grant
	• Improved quality and quantity of well-maintained health infrastructure (backlog and preventative maintenance) • Improved rates of employment and skills development in the delivery of infrastructure • Value for money and cost-effective design of facilities in line with the framework for infrastructure procurement and delivery management
Actual outputs achieved	HFRG achieved a total expenditure of R1 389 913 against a total budget R1 389 913. The percentage spent is 100%
Amount per amended DORA (R'000)	R1 389 913 000
Amount received (R'000)	R1 389 913,000
Reasons if amount as per DORA was not received	n/a
Amount spent by the Department (R'000)	R1 389 913,000
Reasons for the funds unspent by the Entity	n/a
Reasons for deviations on performance	n/a
Measures taken to improve performance	100% budget allocated spent however, on-going improvement measures further implemented to maintain successful performance. • Ensure proper training of staff and frequently monitoring of data • Encourage Project Leaders to capture correct data and frequently update PMIS and use PMIS only as source when reporting • Prioritise existing infrastructure over the building of new infrastructure to improve condition and reliability of the existing infrastructure • Implementation of plant/equipment three year-servicing contracts has resulted to the improved spending on preventative maintenance • Work stoppages on capital projects but managed them through continuous engagements with Project steering committees • Establishment of Maintenance spokes in South, West and North areas
Monitoring mechanism by the receiving Department	• The management and procurement of all projects funded through this grant must follow the prescripts of the infrastructure delivery management system and framework for infrastructure procurement and delivery management • Provincial departments of health must enter into a service delivery agreement with their implementing agents • Appropriately qualified built environment representatives from the provincial departments' infrastructure units must assist in the procurement of professional service providers and contractors by its implementing agent, through representation as a member on the specification, evaluation and adjudication committees of the implementing agent • New facilities will only be funded from the grant if proof of operational budget that includes the approved organisational structure (stuff structure) is submitted prior to the approval of the clinical brief. Endorsement of the operational budget by the provincial treasury will have to be acquired as part of the approval process.

Donor Funds

Donor Funds Received

TABLE 10: DONOR FUNDS RECEIVED

Astra Zeneca (Astra Zeneca Pharm)	
Full amount of the funding	R 196 000
Period of the commitment	Not specified.

Purpose of the funding	Drug Trials
Expected outputs	Drug Trials
Actual outputs achieved	The project is still in progress.
Amount carried over (R'000)	R26
Amount spent by the Department (R'000)	R0
Reasons for the funds unspent	The project is still in progress.
Monitoring mechanism by the Donor	Not specified.
Conforth investments	
Full amount of the funding	R 151 000
Period of the commitment	Not specified.
Purpose of the funding	Improvement of the infection control unit in ward A4.
Expected outputs	Installation of access control doors and purchasing of furniture in the Haematology Department.
Actual outputs achieved	Installations of 2 access control doors and additional seating for patients in ward A4 west.
Amount carried over (R'000)	R 33
Amount spent by the Department (R'000)	Nil
Reasons for the funds unspent	There has been challenges in locating the Donor, however the balance of the funds will be utilised within the same department.
Monitoring mechanism by the Donor	None
Impumelelo Trust Innovation:	
Full amount of the funding	R 24 000
Period of the commitment	Not specified
Purpose of the funding	Training programmes for HIV and AIDS
Expected outputs	Prize money to be spent on HIV/AIDSA related project
Actual outputs achieved	None
Amount carried over (R'000)	R 24
Amount spent by the Department (R'000)	R 0
Reasons for the funds unspent	The project is still in progress and will be finalised in 2023/24.
Monitoring mechanism by the Donor	None.

Capital Investment

TABLE 11: CAPITAL INVESTMENT, MAINTENANCE AND ASSET MANAGEMENT PLAN

Infrastructure Projects	2022/23			2021/22		
	Financial Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Financial Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
New and replacement assets	48,570	50,885	(2,315)	278 278	359 297	(81 019)
Existing infrastructure assets	1,815,649	1,861,773	(46,124)	1 038 976	1 068 888	(29 912)
Upgrades and additions	535,467	542,434	(6,967)	458 986	461 376	(2 390)
Rehabilitation, renovations & refurbishment	299,960	255,084	44,876	192 418	187 424	4 994
Maintenance and repairs	432,265	571,753	(139,488)	387 572	420 088	(32 516)
Infrastructure transfer	-	-	-			
Current	548,047	494,877	53,170	630 812	656 888	(26 076)
Capital	883,997	848,403	35,594	929 682	1 008 097	(78 415)
Total	1,864,219	1,912,658	(48,439)	1 317 254	1 428 185	(110 931)

PROGRAMME 1 - ADMINISTRATION

Programme Description & Purpose

Conduct the strategic management and overall administration of the Department of Health.

There are no changes to the Programme 1 structure.

Sub-Programme 1.1: Office of the Member of the Executive Council (MEC)

Render advisory, secretarial and administrative support, and public relations, communication and parliamentary support

Sub-Programme 1.2: Management

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

Outcomes for the year under review

- Universal Health Coverage

Outcomes, outputs, output indicators, Targets and actual achievements

The positive performance in the Professional Nurses and Medical Officers per 100 000 population occurred as a result of the nurses employed on contract during the Coronavirus Disease of 2019 (COVID-19) pandemic and the allocation of Community Service Medical Practitioners and Medical Interns, respectively. The training on "Accruals" and "Payables Not Recognised" that was conducted in August and September 2022 and the District Financial Roadshows conducted in March 2023 resulted in the improvement in the processing of payments.

TABLE 12: OUTCOME INDICATORS (PROGRAMME 1)

APP 2022/23: Page 124 : Table 23

Outcome Indicator	Data source	Actual 2021/22	Target 2022/23	Actual 2022/23	Deviation from Planned 2022/23 Target	Comment on Deviation
OUTCOME: UNIVERSAL HEALTH COVERAGE						
Audit opinion of Provincial DoH	Annual Reports	Qualified	Unqualified	Unqualified	Achieved	No deviation
Contingent liability of medico-legal cases	Medico-legal case management system	R 27 815 450 163.36	R 28 450 000 000	R 29 444 363 341.92	(3.5%)	•No system for archiving files due to challenges at Department of Justice. •There are still delays in the finalising of cases due to various factors including investigations and delays in court proceedings.
UHC Service Index	SAHR	59%	73.3%	59%	(19.5%)	A wide variation in the range of values by province and by district is noted across the different tracers included in the index. This is an indication of the targets not met in the respective "tracers" in this indicator, largely informed by Programme 2.
Professional nurses per 100 000 population	Manual calculation	167.6/100 000	152.5/100 000	160/100 000	4.9%	Positive performance as a result of the 1 016 Nurses employed on contract during the Coronavirus Disease of 2019 (COVID-19) pandemic.
Professional Nurses	*Persal*	*19 384*	*17 816*	*18 693*		
Population	*Stats SA*	*11 563 185*	*11 683 165*	*11 683 165*		
Medical officers per 100 000 population	Manual calculation	35.1/100 000	27.4/100 000	33.7/100 000	23%	The Department had an increased allocation of Community Service Medical Practitioners (282) and Medical Interns (1 117).
Medical Officers	*Persal*	*4 058*	*3 201*	*3 938*		
Population	*Stats SA*	*11 563 185*	*11 683 165*	*11 683 165*		

TABLE 13: OUTPUT PERFORMANCE INDICATORS AND MTEF TARGETS (PROGRAMME 1)

APP 2022/23: Page 125 : Table 24

Outputs	Output Indicator	Actual 2021/22	Target 2022/23	Actual 2022/23	Deviation from Planned 2022/23 Target	Comment on Deviation
OUTCOME: UNIVERSAL HEALTH COVERAGE						
CHW's contracted into the Health system	**Number of CHW's contracted into** the Health System	10 245	10 350	10 245	(1%)	•Loss of staff due to resignations, natural attrition, and non-renewal of contracts due to poor performance. •No funding to fill posts in 2022-23.
Hospitals using the e-Health System	Percentage of hospitals using the E-Health System	2.8%	67.1%	44.3%	(34%)	Connectivity issues caused delays in the roll-out of the eHealth system.
	Total number of hospitals with an electronic system to record clinical codes	2	*47*	*31*		
	Total number of hospitals	*72*	*70*	*70*		
ICT connectivity to all health facilities as per determined broadband	Percent of PHC facilities with a stable ICT connectivity	79.9%	100%	90%	(10%)	PHC facilities are connected through Wide Area Network (WAN) which is available on the Vodacom Long Term Evolution (LTE) router system.
	Total Number of PHC with minimum 1mbps connectivity	*488*	*612*	*551*		
	Total number of PHC facilities	*611*	*612*	*612*		
ICT connectivity to all health facilities as per determined broadband	Percent of hospitals with a stable ICT connectivity	87.5%	70%	0%	(100%)	Hospitals currently operate on the State Information Technology Agency (SITA) Network which is unstable.
	Total Number of hospitals with minimum 2mbps connectivity	*63*	*49*	*0*		
	Total number of hospitals	*72*	*70*	*70*		
Suppliers paid within 30 days	Percentage of supplier invoices paid within 30 Days	95.5%	95%	95.9%	0.9%	Improvement in the processing of payments is due to training on "Accruals"

APP 2022/23: Page 125 : Table 24						
Outputs	Output Indicator	Actual 2021/22	Target 2022/23	Actual 2022/23	Deviation from Planned 2022/23 Target	Comment on Deviation
	Supplier invoices paid within 30 Days	*294 166*	*237 500*	*326 902*		and "Payables Not Recognised" that was conducted in August and September 2022 and the District Financial Roadshows conducted in March 2023.
	Supplier invoices paid	*308 084*	*250 000*	*340 875*		

Strategies to overcome areas of under-performance

- The Department embarked on a project to archive files, as a strategy to reduce the contingent liability
- Adapting the Universal Health Coverage (UHC) Service Index to allow maximal use of routine data and disaggregation will allow progress to be tracked, equity to be monitored, and the need for remedial action to be identified
- The recruitment process is underway to fill Community Health Worker (CHW) vacancies in 2023-24
- Implementation of alternative connectivity strategy at institutions, in order to address delays in the roll-out of the eHealth system, is ongoing
- The Department has a plan to utilise Mobile telephone Networks (MTN) services in those areas without Vodacom coverage

Linking performance with budget

TABLE 14: BUDGET APPROPRIATION AND EXPENDITURE

Programme per sub programme		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
1.1	Office of the MEC	26 721	26 721	-	21 243	21 243	-
1.2	Management	1 099 492	1 093 597	5 895	1 018 758	1 018 758	-
	Total	1 126 213	1 120 318	5 895	1 040 001	1 040 001	-

Source: Annual Financial Statements and BAS

PROGRAMME 2 - DISTRICT HEALTH SERVICES

Programme Description & Purpose

There are no changes to the structure of Programme 2.

Programme Purpose

To render Primary Health Care and District Hospital Services.

Sub-Programmes

Sub-Programme 2.1: District Management

Planning and administration of health services; manage personnel and financial administration; co-ordination and management of Day Hospital Organisation and Community Health Services rendered by Local Authorities and Non-Governmental Organisations within the Metro; determine working methods and procedures and exercising district control.

Sub-Programme 2.2: Community Health Clinics

Render a nurse driven Primary Health Care service at clinic level including visiting points, mobile and local authority clinics.

Sub-Programme 2.3: Community Health Centres

Render primary health services with full-time Medical Officers in respect of mother and child, health promotion, geriatrics, occupational therapy, physiotherapy, and psychiatry.

Sub-Programme 2.4: Community-Based Service

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

Sub-Programme 2.5: Other Community Services

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

Sub-Programme 2.6: HIV and AIDS

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

Sub-Programme 2.7: Nutrition

Render nutrition services aimed at specific target groups and combines nutrition specific and nutrition sensitive interventions to address malnutrition.

Sub-Programme 2.8: Coroner Services

Render forensic & medico legal services to establish the circumstances and causes of unnatural death

Sub-Programme 2.9: District Hospitals

Render hospital services at General Practitioner level.

Outcomes for the year under review

- Universal Health Coverage
- Improved Patient Experience of Care
- Reduced Morbidity and Mortality

Outcomes, outputs, output indicators, Targets and actual achievements

Primary Health Care

The implementation of the quality improvement programme yielded positive results in terms of Ideal clinic status obtained. Adherence to Patient Safety Incidents (PSI) Guidelines through monitoring, and feedback engagements with service delivery components resulted to the target being exceeded by 45%. A one % decline in the Patient Experience of Care satisfaction rate is attributed to responded negatively on access to services in particular the referral pathway, and the attitude of staff at Community Health Centres.

Positive results achieved through the implementation of the full package of services post pandemic; and Districts conducting community screening activities and referring clients to clinics for investigations, resulted to improved PHC utilization rate. Inflation on goods and services and energy costs that outperformed inflation, resulted to a higher than planned cost per headcount, even though it was still lower than the baseline. Unreliable connectivity is one of the reasons for delayed actual capturing of patient safety incidents, resulting to the underreporting of the Severity assessment code (SAC) 1 incidents .

District hospitals

Adherence by Clinical Governance Committees to the meeting schedule to address incidents timeously as well as meet on demand when the need arises resulted to a three percent increase in the Patient Safety Incident case closure rate. The number of Maternal deaths in facility was lower than the target due to reduction of COVID-19 – related deaths and the continuing evaluation of minimum caesarean standards. Clinical support and effective referral pathways contributed to the reduction in inpatient deaths under 5 years. Oral rehydration corners in every clinic and Community Health Centre contributed to the reduction in deaths.

Reduction in Child under 5 years pneumonia case fatality rate is attributed to improved referral systems and access to oxygen contributed to the reduced mortality rate. The child under 5 years severe acute malnutrition rate decreased by eight percent despite the challenges which include; poorly skilled mothers in child feeding practices, food insecurity due to poverty, co-morbid conditions (Cerebral palsy, cardiac conditions, and TB & HIV), and late diagnosis and presentation of acute malnutrition cases. Late presentation to health facilities by clients and the high rate of infections like syphilis during pregnancy and uncontrolled hypertension disorders are the factors that contributed to the target not being met.

Improved clinical management of patients, resumption of the district hospital integrated package of services and increased patient activity resulted to achievement of average length of stay, bed utilisation rate and expenditure per patient day equivalent. The non-achievement of the Out-Patient Department (OPD) headcount new cases not referred is attributed to the absence of a gateway clinic at some hospitals.

HAST

Late presentation, TB and HIV co-infection with other co-morbidity and the high loss to follow up rates remain the leading causes of the high death rate. The target for the All DS-TB client treatment success rate was not achieved despite the improvement against the baseline. The non-achievement of the All DS-TB client treatment success rate target is as a result of high loss to follow up which is fuelled by duplicates, unevaluated patients and to some extent death rate. The initiation of a high number of clients on Tenofovir disoproxil, lamivudine and dolutegravir (TLD) transition played an important part in the achievement of viral load suppression in adults.The HIV positive 15-24 year olds (excluding ANC) rate decreased due to the implementation of prevention programmes like Pre-Exposure Prophylaxis (PrEP), provision of condoms, education through mass media, increased community mobilisation aimed at reducing HIV and TB infections and increasing positive sexual behaviour by individuals. Facility and community HIV testing through outreach and community events conducted by the Department and Partners resulted to the target for the number of HIV tests done indicator being exceeded.

Maternal, Neonatal, Child & Women's Health & Nutrition

The reduction in the number of maternal deaths from COVID-19 with the implementation of the COVID-19 vaccination programme. Evaluation of minimum standards continues. Onsite Midwife-led Birth Units (OMBUs) established at Newcastle and Prince Mshiyeni Memorial Hospitals. Neonatal death in facility rate decreased due to increased coverage of key interventions such as Kangaroo Mother Care (KMC); therapeutic hypothermia; ventilation; continuous positive airways pressure (CPAP) support. The implementation of strategies to

monitor Ante-Natal Care (ANC) early booking and initiation of HIV positive and breastfeeding women, to reduce high viral load resulted to positive performance in infant Polymerase Chain Reaction (PCR) test positive around 10 weeks.

The number of inpatient deaths under 5 years decreased due to Promotion of neonatal interventions including early breastfeeding initiation and rooming-in, implementation of primary health care programmes and provision of paediatric respiratory support in all hospitals across the province. Increased coverage and uptake of pneumococcal vaccines reduced pneumonia cases. Implementation of catch-up drives, ongoing routine services and data monitoring for action, resulted to the achievement of the immunisation under 1 year coverage. Vitamin A issued routinely at community level coupled with inclusion of Vitamin A for the measles campaign contributed significantly to the improvement of the Vitamin A dose 12-59 months coverage.

Disease Prevention and Control

The number of deaths due to COVID-19 has decreased as a result of individuals choosing to vaccinate. Most deaths occurred among individuals with co-morbid conditions and the unvaccinated. Intensified focus on screening following the training of clinic staff by Mental Health Co-ordinators resulted to the achievement of the mental disorders screening rate. A high demand for rehabilitation services was noted from new and existing clients who were seen for review and continuation of rehabilitation services.

SUB-PROGRAMME: PRIMARY HEALTH CARE

TABLE 15: OUTCOMES INDICATORS (PHC)

APP 2022/23: Page 134: Table 29

Outcome Indicator	Data Source	Actual 2021/22	Target 2022/23	Actual 2022/23	Deviation from Planned 2022/23 Target	Comment on Deviation
OUTCOME: UNIVERSAL HEALTH COVERAGE						
Ideal clinic status obtained rate	Ideal Health Facility Software	84.2%	80.1%	93.4%	16.7%	Positive results achieved through the implementation of the quality improvement plans.
Fixed PHC health facilities have obtained Ideal Clinic status	*Ideal clinic report*	*511*	*490*	*565*		
Fixed PHC clinics or fixed CHCs and or CDCs	*Ideal clinic report*	*607*	*612*	*605*		
OUTCOME: IMPROVED PATIENT EXPERIENCE OF CARE						
Patient Safety Incident (PSI) case closure rate –PHC facility	Patient Safety Incidence Software	93.9%	66.3%	96%	44.7%	Adherence to PSI Guidelines through monitoring, and feedback engagements with service delivery components
Patient Safety Incident (PSI)case closed – PHC facility	*Patient Safety Incidence Reports*	*611*	*232*	*735*		
Patient Safety Incident (PSI) case Reported – PHC facility	*Patient Safety Incidence Reports*	*651*	*350*	*766*		
Patient Experience of Care satisfaction rate – PHC	Patient surveys data base	88.3%	89.6%	87.5%	(2.3%)	Clients responded negatively on access to services in particular the referral pathway, and the attitude of staff at Community Health Centres.
Patient Experience of Care survey satisfied responses - PHC	*Patient Surveys*	*875 514*	*69*	*1 067 455*		
Patient Experience of Care survey total responses - PHC	*Patient Surveys*	*991 681*	*77*	*1 219 673*		

TABLE 16: OUTPUT PERFORMANCE INDICATORS AND MTEF TARGETS (PHC)

APP 2022/23: Page 135 : Table 30						
Outputs	Output Indicator	Actual 2021/22	Target 2022/23	Actual 2022/23	Deviation from Planned 2022/23 Target	Comment on Deviation
OUTCOME: UNIVERSAL HEALTH COVERAGE						
Number of patient visits per annum to PHC facilities	PHC Utilisation Rate	Not monitored	2.0	2.1	8.3%	Positive results achieved with: • The implementation of the full package of services post pandemic; and • Districts conduct community screening activities and referring clients to clinics for investigations.
	Sum of PHC headcount breakdowns	-	*22 809 881*	*24 714 031*		
	Total Population KZN	-	*11 683 165*	*11 683 165*		
Number of visits to PHC facilities for children under 5 years	PHC utilisation Rate under 5 years (Annualised)	Not monitored	2.5	3.3	30.3%	Positive results achieved with: • The implementation of the full package of services post pandemic; and • Districts conduct community screening activities and referring clients to clinics for investigations.
	PHC headcount under 5 years	-	*3 136 623*	*4 087 414*		
	Population under 5 years	-	*1 254 649*	*1 254 649*		
PHC expenditure per headcount	Expenditure per PHC headcount	Not monitored	R 600	R 719.30	(19.9%)	Results negatively influenced by inflation on goods and services and energy costs that outperformed inflation
	Total expenditure PHC (Budget sub-programmes 2.2 - 2.7) (R'000)	-	*R 13 685 928*	*R 17 776 824*		
	Sum of PHC headcount breakdowns	-	*22 809 881*	*24 714 031*		
OUTCOME: IMPROVED PATIENT EXPERIENCE OF CARE						
Severity Assessment Code (SAC) incidence reported within 24 hours rate at PHC level	Severity assessment code (SAC) 1 incident reported within 24 hours rate – PHC	64.6%	100%	82.1%	(17.9%)	Although evidence is available to show that reporting to the relevant responsibility person does occur within the 24 hours
	Severity assessment code (SAC) 1 incident reported within 24 hours – PHC facility	*133*	*220*	*174*		

APP 2022/23: Page 135 : Table 30						
Outputs	Output Indicator	Actual 2021/22	Target 2022/23	Actual 2022/23	Deviation from Planned 2022/23 Target	Comment on Deviation
	Severity assessment code (SAC) 1 incident reported – PHC facility	*206*	*220*	*212*		either telephonically or via WhatsApp etc., the reporting date captured on the monitoring system is aligned to the capturing date. Connectivity challenges amongst reasons for delayed actual capturing of incidences.

SUB-PROGRAMME: DISTRICT HOSPITALS

TABLE 17: OUTCOME INDICATORS (DISTRICT HOSPITALS)

APP 2022/23: Page 138 : Table 32

Outcome Indicator	Data Source	Actual 2021/22	Target 2022/23	Actual 2022/23	Deviation from Planned 2022/23 Target	Comment on Deviation
OUTCOME: UNIVERSAL HEALTH COVERAGE						
Patient Safety Incident (PSI) case closure rate – District Hospital	Patient Safety Incidence Software	89.3%	94.5%	97.1%	2.7%	• The relevant Clinical Governance Committees adhere to the meeting schedule to address incidents timeously as well as meet on demand when the need arises. • The positive results were driven by the eThekwini, Amajuba, Harry Gwala, and Zululand Districts.
Patient Safety Incident (PSI)case closed - District Hospital	*Patient Safety Incidence Reports*	*1 589*	*769*	*1 871*		
Patient Safety Incident (PSI) case Reported – District Hospital	*Patient Safety Incidence Reports*	*1 780*	*814*	*1 927*		
Patient Experience of Care satisfaction rate – District Hospitals	Patient survey database	80.5%	82.1%	81.9%	(0.2%)	Inpatients were unhappy about values and attitudes of staff, and access to care
Patient Experience of Care survey satisfied responses – District Hospitals	*Patient surveys*	*80 669*	*41 851*	*91 885*		
Patient Experience of Care survey total responses – District Hospitals	*Patient surveys*	*100 224*	*50 990*	*112 177*		
OUTCOME: IMPROVED PATIENT EXPERIENCE OF CARE						
[Number of] Maternal death in facility – District hospitals	Maternal death register	49	57	53	7%	• Reduction from COVID-19 related deaths due to the implementation of the COVID-19 vaccine to pregnant women. • Evaluation of minimum caesarean standards continues.
[Number of] inpatient deaths under 5 years – District Hospital	Midnight report	1 548	1 465	1 386	5.4%	Clinical support and effective referral pathways contributed to the reduction in deaths.
Child under 5 years diarrhoea case fatality rate –District Hospital	DHIS	1.6%	1.7%	1.4%	18.9%	PHC programmes and oral rehydration corners in every clinic and Community Health Centre

APP 2022/23: Page 138 : Table 32

Outcome Indicator	Data Source	Actual 2021/22	Target 2022/23	Actual 2022/23	Deviation from Planned 2022/23 Target	Comment on Deviation
Diarrhoea death under 5 years – District hospital	*Midnight report*	*77*	*69*	*84*		contributed to the reduction in deaths.
Diarrhoea separation under 5 years – district hospital	*Ward register*	*4 784*	*3 979*	*6 090*		
Child under 5 years pneumonia case fatality rate –District Hospital	DHIS	1.5%	1.7%	1.3%	24.4%	Improved referral systems and access to oxygen contributed to the reduced mortality rate.
Pneumonia death under 5 years – District Hospital	*Midnight report*	*69*	*117*	*75*		
Pneumonia separation under 5 years – District Hospital	*Ward register*	*4 487*	*6 764*	*5 835*		
Child under 5 years Severe Acute Malnutrition case fatality rate –District Hospital	DHIS	9.6%	6.1%	8.8%	(43.7%)	Social issues (majority are a consequence of teenage pregnancy with poorly skilled mothers in child feeding practices, food insecurity due to poverty), co-morbid conditions (Cerebral palsy, cardiac conditions, and TB & HIV) and poor infant and late diagnosis and presentation of acute malnutrition cases.
Child under 5 years with severe acute malnutrition death – District Hospital	*Midnight report*	*93*	*85*	*106*		
Child under 5 years with severe acute malnutrition inpatient– District Hospital	*Ward register*	*970*	*1 385*	*1 209*		
[Number of] Inpatient deaths under 1 year – District Hospital	Midnight report	1 401	1 345	1 254	6.8%	Improved specialist support, a functional referral system and improved capacity to provide respiratory support contributed to fewer under-1 deaths.
Still Birth in Facility Rate – District hospital	DHIS	19.9/1000	19.3/1000	19.6/1000	(1.4%)	• Late presentation to health facilities by clients. • High rate of infections like syphilis during pregnancy and
Still birth in facility- District Hospitals	*Midnight report*	*1 832*	*1 840*	*1 772*		

APP 2022/23: Page 138 : Table 32						
Outcome Indicator	Data Source	Actual 2021/22	Target 2022/23	Actual 2022/23	Deviation from Planned 2022/23 Target	Comment on Deviation
Live birth in facility + still birth in facility – District Hospitals	*Delivery register*	*92 225*	*95 552*	*90 532*		uncontrolled hypertension disorders

TABLE 18: OUTPUT PERFORMANCE INDICATORS AND TARGETS (DISTRICT HOSPITALS)

APP 2022/23: Page 140: Table 33						
Outputs	Output Indicator	Actual 2021/22	Target 2022/23	Actual 2022/23	Deviation from Planned 2022/23 Target	Comment on Deviation
OUTCOME: UNIVERSAL HEALTH COVERAGE						
Average length of stay - District Hospital	Average length of stay – District Hospital	Not monitored	5.1 Days	5 Days	2.2%	Improved clinical management of patients because of integrated services.
	Inpatient days - District Hospital	-	*1 441 188*	*1 600 969*		
	½ Day Patients - District Hospital	-	*7 652*	*9 402.5*		
	Inpatient separations total - District Hospital	-	*282 270*	*322 925*		
Bed utilisation rate - District Hospital	Inpatient bed utilisation rate – District Hospital	Not monitored	49.2%	53.7%	9.1%	The resumption of the district hospital integrated package of services.
	Inpatient days - District Hospital	-	*1 441 188*	*1 600 969*		
	½ Day Patients - District Hospital	-	*7 652*	*9 402.5*		
	Inpatient bed days available - District Hospital	-	*2 942 949*	*3 000 720*		

APP 2022/23: Page 140: Table 33						
Outputs	Output Indicator	Actual 2021/22	Target 2022/23	Actual 2022/23	Deviation from Planned 2022/23 Target	Comment on Deviation
Expenditure per PDE - District Hospital	Expenditure per PDE – District Hospital	Not monitored	R 4 300	R 3 394.45	21.1%	Results are influenced by increased patient activity with the resumption of the integrated package of services.
	Expenditure – total District Hospitals ('000)	-	*R 8 771 016*	*R 8 239 489*		
	Patient day equivalents - District Hospital	-	*2 039 772*	*2 427 339*		
OPD Headcount new cases not referred consulted - District Hospital	OPD headcount new cases not referred – District Hospital	Not monitored	340 370	359 558	(5.6%)	Below Average performance noted in Umkhanyakude, Zululand, King Cetshwayo, uMzinyathi and uMgungundlovu districts which could be related to the absence of a gateway clinic at some hospitals, or due to accessibility issues. Some clients prefer to be seen by a doctor and thus bypass PHC facilities.
OUTCOME: IMPROVED EXPERIENCE OF CARE						
Severity Assessment Code (SAC) incidence reported within 24 hours rate at District Hospital level	Severity assessment code (SAC) 1 incident reported within 24 hours rate – District Hospital	72.2%	100%	84.5%	(15.5%)	Although evidence is available to show that reporting to the relevant responsibility person does occur within the 24 hours either telephonically or via WhatsApp etc., the
	Severity assessment code (SAC) 1 incident reported within 24 hours – District Hospital	*459*	*340*	*516*		

APP 2022/23: Page 140: Table 33						
Outputs	Output Indicator	Actual 2021/22	Target 2022/23	Actual 2022/23	Deviation from Planned 2022/23 Target	Comment on Deviation
	Severity assessment code (SAC) 1 incident reported – District Hospital	*636*	*340*	*611*		reporting date captured on the monitoring system is aligned to the capturing date.

SUB-PROGRAMME: HIV, AIDS, STI & TB CONTROL

TABLE 19: OUTCOMES INDICATORS (HAST)

APP 2022/23: Page 143 : Table 35						
Outcome Indicator	Data Source	Actual 2021/22	Target 2022/23	Actual 2022/23	Deviation from Planned 2022/23 Target	Comment on Deviation
OUTCOME: REDUCED MORBIDITY AND MORTALITY						
All DS-TB client death rate	DHIS	7.9%	5.0%	7.6%	(52.6%)	Late presentation, TB and HIV coinfection with other co-morbidity and the high loss to follow up rates remain the leading causes of the high death rate.
All DS-TB client died	*DS clinical stationary*	*2 965*	*2 500*	*2 888*		
All DS-TB patients in treatment outcome cohort	*DS clinical stationary*	*37 312*	*50 000*	*37 840*		
All DS-TB client treatment success rate	DHIS	81.2%	85.0%	82.6%	(2.8%)	High loss to follow up (9.1%) which is fuelled by duplicates, unevaluated patients and to some extent death rate (7.6%)
All DS- TB client successfully completed treatment	*DS clinical stationary*	*30 314*	*42 500*	*31 264*		
All DS-TB patients in treatment outcome cohort	*DS clinical stationary*	*37 312*	*50 000*	*37 840*		
ART client remain on ART end of month – total	ART register	1 541 952	1 677 309	1 561 281	(6.9%)	"Lost to Follow Up" mainly contributes to failure on achieving the target with eThekwini, iLembe

APP 2022/23: Page 143 : Table 35

Outcome Indicator	Data Source	Actual 2021/22	Target 2022/23	Actual 2022/23	Deviation from Planned 2022/23 Target	Comment on Deviation
						and uMkhanyakude Districts being above 30% on "loss to follow up". 15% of loss to follow up is as a result of file and patient duplicates
ART Adult Viral load suppressed rate (12 months)	DHIS	91.3%	90.0%	91%	1.2%	The initiation of a high number of clients on Tenofovir disoproxil, lamivudine and dolutegravir (TLD) transition has played an important part in achieving viral load suppression in adults
ART adult viral load under 400 c/ml	*ART paper register*	*55 961*	*86 053*	*52 410*		
ART adult viral load done		*61 275*	*95 648*	*57 567*		
ART Child viral load suppressed rate (12 months)	DHIS	67.8%	90.0%	66.3%	(26.3%)	• Suboptimal viral suppression rates among HIV-infected children are attributed to issues such as adherence, disclosure, and administration of anti-retroviral medication. • Dosing complexities and timely identification of virological and treatment failure.
ART child viral load under 400c/ml	*ART paper register*	*948*	*2 250*	*834*		
ART child viral load done		*1 399*	*2 500*	*1 257*		
ART death rate (6 months)	DHIS	1.3%	1.0%	1.4%	(39.4%)	Late presentation of clients, delayed diagnosis of patients with other co-morbidities and uncontrolled other co-morbidities
ART cumulative death – total	*ART register, TIER.net*	*1 757*	*2 029*	*1 556*		
ART start minus cumulative transfer out		*130 864*	*202 938*	*111 608*		
HIV positive 15-24 year olds (excl ANC) rate	DHIS	2.2%	2.9%	1.8%	37.3%	Implementation of prevention programmes like Pre-Exposure Prophylaxis (PrEP), Condoms through mass media and increased community mobilisation aimed at reducing HIV and TB infections and increasing positive sexual behaviour by individuals.
HIV positive 15 – 24 years (excl ANC)	*PHC tick register, HTS register*	*26 185*	*22 649*	*21 029*		
HIV test 15 – 24 years (excl ANC)		*1 175 239*	*781 000*	*1 156 282*		
TB Rifampicin resistant/MDR/pre-XDR treatment success rate - short	DHIS	65.5%	75.0%	66.2%	(11.8%)	• The deviation from target is at 17% due to high loss to follow

APP 2022/23: Page 143 : Table 35

Outcome Indicator	Data Source	Actual 2021/22	Target 2022/23	Actual 2022/23	Deviation from Planned 2022/23 Target	Comment on Deviation
TB Rifampicin resistant/MDR/pre-XDR successfully complete treatment - short	*TB register, XDR Register*	*506*	*960*	*671*		of 13.2% (29), death rate of 14% (31) and not evaluated of 11.8% (26) • UThukela loss to follow up 16/31. • UThukela has the highest death rate of 50%, followed by UMzinyathi district (26.7%), Amajuba 25% and UMgungundlovu 23.5%. • Loss to follow up numbers are high at EThekwini 8, iLembe 6, and UMgungundlovu 4 (29.4%).
TB Rifampicin Resistant/MDR/pre-XDR start on treatment - short		*772*	*1 280*	*1 014*		
TB Rifampicin resistant/MDR/pre-XDR treatment success rate - long	DHIS	67.5%	74.5%	66.1%	(11.2%)	• The deviation from target is at 17% due to high loss to follow of 13.2% (29), death rate of 14% (31) and not evaluated of 11.8% (26) • UThukela loss to follow up 16/31. • UThukela has the highest death rate of 50%, followed by UMzinyathi district (26.7%), Amajuba 25% and UMgungundlovu 23.5%. • Loss to follow up numbers are high at EThekwini 8, iLembe 6, and UMgungundlovu 4 (29.4%).
TB Rifampicin resistant/MDR/pre-XDR successfully complete treatment – long	*TB register, XDR Register*	*516*	*410*	*670*		
TB Rifampicin Resistant/MDR/pre-XDR start on treatment – long		*764*	*550*	*1 013*		
TB Incidence	Manual Calculation	364/100 000	300/100 000	421/100 000	(40.3%)	Implementation of the targeted universal TB testing and the TB recovery plan post COVID-19 pandemic, resulted in increased case finding.
New confirmed TB cases	*TB register*	*42 094*	*35 050*	*49 183*		
KZN Population	*Stats SA*	*11 563 185*	*11 683 165*	*11 683 165*		

APP 2022/23: Page 143 : Table 35

Outcome Indicator	Data Source	Actual 2021/22	Target 2022/23	Actual 2022/23	Deviation from Planned 2022/23 Target	Comment on Deviation
ART adult death rate (6 months)	DHIS	1.3%	1.0%	1.4%	(39.1%)	Late presentation of clients, delayed diagnosis of patients with other co-morbidities and uncontrolled other co-morbidities
ART adult cumulative death – total	*ART register, TIER.net*	*1 706*	*1 979*	*1 522*		
ART adult start minus cumulative transfer out		*128 112*	*197 918*	*109 389*		
ART child death rate (6 months)	DHIS	1.9%	1.0%	1.5%	(53.2%)	Late presentation of clients, delayed diagnosis of patients with other co-morbidities and uncontrolled other co-morbidities
ART child cumulative death – total	*ART register, TIER.net*	*51*	*50*	*34*		
ART child start minus cumulative transfer out		*2 752*	*5 020*	*2 219*		
HIV incidence	Thembisa Model	0.43%	0.4%	0.33%	17.5%	• The overall HIV incidence has been decreasing over the past 5 years, which can be attributed to various activities that are aimed at reducing HIV infections, targeting men, youth, and vulnerable groups. • The Department has conducted over 80 community outreach activities that provided HIV and TB screening and education, community test and treat, Medical Male Circumcision and empowerment activities targeting youth.

TABLE 20: OUTPUT PERFORMANCE INDICATORS AND MTEF TARGETS (HAST)

APP 2022/23: Page 145 : Table 36						
Outputs	Output Indicator	Actual 2021/22	Target 2022/23	Actual 2022/23	Deviation from Planned 2022/23 Target	Comment on Deviation
OUTCOME: REDUCED MORBIDITY AND MORTALITY						
DS-TB clients lost to follow up	All DS-TB client lost to follow up rate	10.3%	6.0%	9.1%	(52.3%)	Both patient related (missing appointments) and system factors (duplicated files and patients) contributed to high loss to follow up.
	All DS-TB client loss to follow-up	*3 826*	*3 000*	*3 457*		
	All DS-TB patients in treatment outcome cohort	*37 312*	*50 000*	*37 840*		
Adults on ART remaining in care at 12 months	ART adult remain in care rate (12 months)	68.4%	90.0%	67.5%	(24.9%)	Loss to follow up (LTFU) rate remains high especially in eThekwini, iLembe and uMkhanyakude Districts. 15% of loss to follow up is file and patient duplicates.
	ART adult remain in care – total	*78 003*	*155 448*	*67 907*		
	ART adult start minus cumulative transfer out	*113 994*	*172 728*	*100 530*		
Children on ART remaining in care at 12 months	ART child remain in care rate (12 months)	76.6%	90.0%	77.7%	(13.7%)	• The province experienced a high loss to follow up rate for children on ART as a result of psychosocial issues. • A proportion of children from the age of 15 years that graduate (become part of adults as the children's cohort is under 15 years) to adult cohort.
	ART child remain in care – total	*1 799*	*4 052*	*1 506*		
	ART child start minus cumulative transfer out	*2 349*	*4 500*	*1 939*		
No of patients screened for TB symptoms	No. of patients screened for TB symptoms	24 920 321	27 095 789	26 040 455	(3.9%)	The lack of a standardised tick register in hospitals negatively influenced data recording.
Number of HIV tests done	No. of HIV tests done – sum	3 995 243	3 702 936	4 027 596	8.8%	Facility and community HIV testing through outreach and community events conducted by the Department and Partners.

TABLE 21: OUTCOME INDICATORS (MCWH&N)

APP 2022/23: Page 148: Table 38

Outcome Indicator	Data Source	Actual 2021/22	Target 2022/23	Actual 2022/23	Deviation from Planned 2022/23 Target	Comment on Deviation
OUTCOME: REDUCED MORBIDITY AND MORTALITY						
Maternal Mortality in facility Ratio - Total	DHIS	100.6/100 000	100.1/100 000	81.5/100 000	18.6%	• Reduction in the number of maternal deaths from COVID-19 with the implementation of the COVID-19 vaccination programme. • Evaluation of minimum standards continues. • Onsite Midwife-led Birth Units (OMBUs) established at Newcastle and Prince Mshiyeni Memorial Hospitals.
Maternal death in facility - Total	*Maternal death register*	*230*	*221*	*171*		
Live births known to facility (Live birth in facility) + SUM (Born alive before arrival at facility) - Total	*Delivery register*	*228 585*	*220 889*	*209 912*		
Neonatal death in facility rate – Total	DHIS	13.6/1 000	13.3/1 000	12.9/1 000	3%	Increased coverage of key interventions such as Kangaroo Mother Care (KMC); therapeutic hypothermia; ventilation; continuous positive airways pressure (CPAP) support.
Inpatient death neonatal - total	*Midnight report*	*2 739*	*2 800*	*2 558*		
Live birth in facility - Total	*Delivery register*	*201 286*	*209 898*	*198 319*		
Live Birth under 2 500 g in facility rate - Total	DHIS	12.2%	11.3%	12.7%	(12.2%)	•High teenage pregnancy rate as teenagers are prone to having low birth weight babies. •Infections during pregnancy and conditions such as poorly managed Hypertension due to patient factors (poor adherence, un-booked), pre-eclampsia, etc.
Live birth under 2500g in facility - Total	*Delivery register*	*24 551*	*23 750*	*25 138*		
Live birth in facility - Total		*201 286*	*209 898*	*198 319*		
Infant PCR test positive around 10 weeks rate	DHIS	0.3%	0.5%	0.35%	29.3%	Positive performance due to the implementation of

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Outcome Indicator	Data Source	Actual 2021/22	Target 2022/23	Actual 2022/23	Deviation from Planned 2022/23 Target	Comment on Deviation
Infant PCR test positive around 10 weeks	*PHC tick register*	*225*	*266*	*175*		strategies to monitor Ante-Natal Care (ANC) early booking and initiation of HIV positive and breastfeeding women, to reduce high viral load.
Infant PCR test around 10 week		*70 705*	*53 330*	*49 516*		
[Number of] Inpatient deaths under 5 years - total	Midnight report	3 822	3 883	3 738	3.7%	• Promotion of neonatal interventions including early breastfeeding initiation and rooming-in. • Implementation of primary health care programmes. • Provision of paediatric respiratory support in all hospitals across the province.
Death under 5 years against live birth rate - Total	DHIS	1.9%	1.85%	1.9%	1.9%	•Major factors contributing to under-5 deaths relate to the limited capacity of regional level neonatal services and late presentation of infants and young children with advanced disease. •75.6% of deaths amongst children under 5 years are due to neonatal conditions, 5.7% due to pneumonia, 3.3% due to diarrhoea, 9.2% (54/585) due to malnutrition and late presentation of infants and young children with advanced disease.
Inpatient death under 5 years total	*Midnight report*	*3 822*	*3 883*	*3 738*		
Live birth in facility - total	*Ward register*	*201 286*	*209 898*	*198 319*		
Child under 5 years diarrhoea case fatality rate – total	DHIS	1.7%	1.8%	1.8%	(0.5%)	Although the target is met, there has been an increase in diarrhoea incidence leading to deaths due to the following:
Diarrhoea death under 5 years - total	*Midnight report*	*138*	*135*	*184*		

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Outcome Indicator	Data Source	Actual 2021/22	Target 2022/23	Actual 2022/23	Deviation from Planned 2022/23 Target	Comment on Deviation
Diarrhoea separation under 5 years - total	*Ward register*	*8 296*	*7 496*	*10 170*		•The deep rural areas in KZN still have water problems and poor ablution facilities. •The impact from floods resulted in increased diarrhoea due to the poor hygiene. Most of the communities use river water and some rivers were tested and discovered to be affected by E. coli bacteria that causes diarrhoea and other diseases. The increase in deaths is as a result of late presentation at facilities with advance disease, lack of emergency triage, assessment and treatment.
Child under 5 years Pneumonia case fatality rate – total	DHIS	2.1%	2.0%	1.9%	3.9%	• Implementation of primary health care programmes. • Provision of paediatric respiratory support in all hospitals across the province.
Pneumonia death under 5 years - total	*Midnight report*	*185*	*241*	*220*		
Pneumonia separation under 5 years - total	*Ward Register*	*8 759*	*12 078*	*11 443*		
Child under 5 years Severe acute malnutrition case fatality rate – total	DHIS	10.3%	5.5%	9.2%	(67.5%)	•Contributing factors include a history of poor infant and young child feeding practices, social ills, and co-morbid conditions such as TB and HIV. •Delayed diagnosis of co-morbid conditions
Severe acute malnutrition death under 5 years	*Midnight report*	*185*	*124*	*206*		
Severe acute malnutrition inpatient under 5 years	*Ward register*	*1 804*	*2 250*	*2 236*		

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Outcome Indicator	Data Source	Actual 2021/22	Target 2022/23	Actual 2022/23	Deviation from Planned 2022/23 Target	Comment on Deviation
[Number of] Inpatient deaths under 1 year – total	Midnight report	3 442	3 525	3 319	5.8%	Improved specialist support, a functional referral system and improved capacity to provide respiratory support.
Early Neonatal death Rate – Total	DHIS	10.3/1 000	10.3/1 000	9.7/1 000	5.6%	• Increase in the provision of nasal continuous positive airways pressure (nCPAP) by creating awareness of its role in primary respiratory support. • Niemeyer Memorial Hospital also reopened as a District hospital with 6 neonatal beds.
Death in facility 0-6 days - Total	*Midnight report*	*2 070*	*2 169*	*1 929*		
Live birth in facility – Total	*Delivery register*	*201 286*	*209 898*	*198 319*		
Still Birth in Facility Rate – total	DHIS	23.8/1 000	23.2/1 000	24/1 000	(3.6%)	•High rate of infections e.g., Syphilis during pregnancy •Uncontrolled Hypertensive disorders of pregnancy •Unexplained" intrauterine death due to silent, undetected placental dysfunction
Still birth in facility- total	*Midnight report*	*4 914*	*4 990*	*4 884*		
Live birth in facility + still birth in facility – Total	*Delivery Register*	*206 200*	*214 888*	*203 203*		
Child under 5 years Diarrhoea incidence	DHIS	6.5/1 000	5.6/1 000	7.1/1 000	(27.7%)	• The deep rural areas in KZN still have water problems and poor ablution facilities resulting in increased diarrhoeal diseases. • The impact from floods resulted in increased diarrhoea due to the poor hygiene. Most of the communities use river water and some rivers were tested and discovered to be affected by E. coli bacteria that causes diarrhoea and other diseases.
Diarrhoea new in child under 5 years	*PHC tick register*	*8 134*	*7 034*	*8 970*		
Population under 5 years	*Stats SA*	*1 248 096*	*1 254 649*	*1 254 649*		

APP 2022/23: Page 148: Table 38

Outcome Indicator	Data Source	Actual 2021/22	Target 2022/23	Actual 2022/23	Deviation from Planned 2022/23 Target	Comment on Deviation
Child under 5 years Pneumonia incidence	DHIS	17.5/1 000	29.9/1 000	19.7/1 000	34.1%	Increased coverage and uptake of pneumococcal vaccines reduced pneumonia cases.
Pneumonia new in child under 5 years	*PHC tick register*	*21 820*	*37 512*	*24 732*		
Population under 5 years	*Stats SA*	*1 248 096*	*1 254 649*	*1 254 649*		
Child under 5 years severe acute malnutrition incidence	DHIS	1.6/1 000	2.0/1 000	1.9/1 000	7.1%	Children were screened during the Measles Campaign creating the opportunity for early case detection of acute malnutrition at risk and moderate acute malnutrition (MAM) cases and management to prevent SAM.
Child under 5 years with severe acute malnutrition new	*PHC tick register*	*1 991*	*2 461*	*2 330*		
Population under 5 years	*Stats SA*	*1 248 096*	*1 254 649*	*1 254 649*		

TABLE 22: OUTPUT PERFORMANCE INDICATORS AND MTEF TARGETS (MCWH&N)

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Outputs	Output Indicator	Actual 2021/22	Target 2022/23	Actual 2022/23	Deviation from Planned 2022/23 Target	Comment on Deviation
OUTCOME: REDUCED MORBIDITY AND MORTALITY						
Couple year protection dispensed	Couple year protection rate	60.3%	62.5%	57.6%	(7.9%)	Below target performance in quarters 2 and 3, which was as a result of: •Inadequate marketing of Long-Acting Reversible Contraceptives (LARC's).
	Couple year protection	*1 877 397*	*1 967 542*	*1 812 772*		
	Population 15-49 years female	*3 115 857*	*3 148 064*	*3 148 064*		

APP 2022/23: Page 150 : Table 39

Outputs	Output Indicator	Actual 2021/22	Target 2022/23	Actual 2022/23	Deviation from Planned 2022/23 Target	Comment on Deviation
						•Low uptake of intrauterine contraceptive devices (IUCD) and sub-dermal devices. •Low uptake of vasectomy option at the men's clinic
Deliveries in age group 10 to 19 years	Delivery 10 to 19 years in facility rate	17.1%	15.3%	17%	(11.3%)	Multiple factors contribute to high teenage pregnancy like societal issues which are difficult to address. Low use of contraceptives amongst youth is also a challenge.
	[Delivery 10-14 years in facility] + [Delivery 15-19 years in facility]	*35 018*	*32 680*	*34 369*		
	Delivery in facility – total	*204 450*	*213 646*	*201 873*		
Antenatal 1st antenatal visits before 20 weeks	Antenatal 1st visit before 20 weeks rate	73.7%	77%	73.8%	(4.1%)	Limited linkage to care following positive testing is noted in most districts. One of the contributory factors is teenage pregnancy.
	Antenatal 1st visit before 20 weeks	*159 161*	*175 688*	*161 876*		
	Antenatal 1st visit – total	*215 821*	*228 168*	*219 299*		
Postnatal visits for mother within 6 days of delivery	Mother postnatal visit within 6 days rate	80%	90%	83.5%	(7.2%)	Limited linkages of post-delivery women and cross border issues persist contributing to poor performance.
	Mother postnatal visit within 6 days after delivery	*163 512*	*191 736*	*168 633*		
	Delivery in facility - total	*204 450*	*213 047*	*201,873*		
Increase the fully immunised under 1 years coverage	Immunisation under 1 year coverage	94.8%	90%	92.2%	2.5%	Implementation of catch-up drives parallel with ongoing routine services and data monitoring for action.
	Immunised fully under 1 year	*242 394*	*228 632*	*234 249*		
	Population under 1 year	*255 744*	*254 035*	*254 035*		
Measles 2nd dose coverage in children 1 years old	Measles 2nd dose coverage	91.3%	94%	89.5%	(4.8%)	Embarked on country-wide measles campaign as of February 2023
	Measles 2nd dose	*230 243*	*238 644*	*227 178*		
	Population aged 1 year	*252 321*	*253 879*	*253 879*		
Vitamin A dose coverage in children 12 – 59 months	Vitamin A dose 12-59 months coverage	78.2%	76%	91.3%	20.1%	Vitamin A issued routinely at community level coupled with inclusion of Vitamin A for the measles campaign contributed significantly.
	Vitamin A dose 12-59 months + COS Vitamin A dose 12-59 months	*1 551 835*	*1 520 932*	*1 827 041*		

APP 2022/23: Page 150 : Table 39						
Outputs	Output Indicator	Actual 2021/22	Target 2022/23	Actual 2022/23	Deviation from Planned 2022/23 Target	Comment on Deviation
	*Target population 12-59 months * 2*	*1 984 694*	*2 001 228*	*2 001 216*		
Infants exclusively breastfed at DTaP IPV-Hib HBV 3rd dose	Infant exclusively breastfed at DTaP-IPV-Hib HBV 3rd dose rate	56.3%	61.0%	54.9%	(9.9%)	Non-prioritisation of the Mother Baby Friendly Initiative (MBFI) implementation and staffing challenges in maternal health service areas across healthcare platforms has negatively impacted on performance.
	Infant exclusively breastfed at DTaP-IPV-Hib-HBV (hexavalent) 3rd dose	*114 332*	*136 484*	*116 041*		
	DTaP-IPV-Hib-HBV (hexavalent) 3rd dose	*202 928*	*223 764*	*211 236*		

SUB-PROGRAMME: DISEASE PREVENTION AND CONTROL

TABLE 23: OUTCOMES INDICATORS (DISEASE PREVENTION AND CONTROL)

APP 2022/23: Page 154: Table 41

Outcome Indicator	Data Source	Actual 2021/22	Target 2022/23	Actual 2022/23	Deviation from Planned 2022/23 Target	Comment on Deviation
OUTCOME: REDUCED MORBIDITY AND MORTALITY						
Malaria case fatality rate	Manual Calculation	1,9%	0%	1.7%	(170%)	• Imported cases that resulted in death reported from both endemic and non-endemic districts. • Mortality audit reports revealed that deaths were due to late presentation at health facility.
Malaria deaths reported	*PHC tick register; Malaria Register*	*14*	-	*13*		
Malaria new case reported	*Stats SA*	*749*	*600*	*783*		
Malaria incidence per 1,000 population at risk	Manual Calculation	0.3/1 000 pop at risk	0/1 000 pop at risk	0.8/1 000 pop at risk	(80%)	An increase in importation of cases from endemic countries identified during the testing of migrant populations during the January holidays.
Number of malaria cases (new)	*PHC tick register; Malaria Register*	*201*	-	*566*		
Population uMkhanyakude	*Stats SA*	*680 656*	*685 593*	*685 593*		
Dental extraction to restoration ratio	DHIS	33.6:1	13:1	18.3:1	(40.8%)	• Community and School Outreach Programmes was not intensified enough to address the high extraction rate due to shortage of resources. Less Fissure Sealant restorative procedures were performed. • Changes in procurement processes resulted in a shortage of dental consumables for preventive procedures.
Tooth extraction	*PHC register; OPD & Theatre register*	*403 480*	*584 252*	*442 965*		
Tooth restoration		*12 010*	*44 752*	*24 207*		
COVID-19 Testing Coverage	DHIS	20 984,8/100 000	8 422/100 000	4 457/100 000	47.1%	

APP 2022/23: Page 154: Table 41

Outcome Indicator	Data Source	Actual 2021/22	Target 2022/23	Actual 2022/23	Deviation from Planned 2022/23 Target	Comment on Deviation
Number of COVID-19 tests conducted - Total	*PHC register; OPD & Theatre register*	*2 426 506*	*1 000 000*	*520 724*		Lifting of restrictions contributed to the low demand for testing.
KZN Population		*11 563 185*	*11 683 165*	*11 683 165*		
COVID-19 Positivity Rate	TBD	14.4%	7.5%	12.5%	(67.3%)	Targeted testing following the detection of a new XBB 1.5 variant in the country; however, omicron was still found to be the dominating variant.
Number of confirmed covid-19 cases - Total		*348 667*	*75 000*	*65 342*		
Number of COVID-19 tests conducted		*2 426 506*	*1 000 000*	*520 724*		
COVID-19 Case Fatality Rate: Total	TBD	1,8%	1%	0.4%	60.4%	• The number of deaths due to COVID-19 has decreased as a result individuals choosing to vaccinate. • Most deaths occurred among individuals with co-morbid conditions and the unvaccinated.
Number of deaths in positive covid-19 cases: Total		*5 820*	*2 329*	*259*		
Separations COVID-19 cases (Sum of deaths, discharges and transfers out): Total		*326 054*	*233 000*	*65 342*		
COVID-19 Case Fatality Rate 5 - 60 years	TBD	1%	0.4%	0.2%	43.7%	• The number of deaths due to COVID-19 has decreased as a result individuals choosing to vaccinate. • Most deaths occurred among individuals with co-morbid conditions and the unvaccinated.
Number of deaths in positive covid-19 cases		*2 813*	*795*	*121*		
Separations COVID-19 cases (Sum of deaths, discharges and transfers out)		*277 987*	*200 000*	*53 699*		
COVID-19 Case Fatality Rate: under 5 years	TBD	0,5%	0.2%	0.1%	38.2%	• The number of deaths due to COVID-19 has decreased as a result individuals choosing to vaccinate. • Most deaths occurred among individuals with co-morbid conditions and the unvaccinated.
Number of deaths in positive covid-19 cases under 5 years		*46*	*6*	*3*		
Separations COVID-19 cases (Sum of deaths, discharges and transfers out) under 5 years		*8 831*	*3 000*	*2 428*		

APP 2022/23: Page 154: Table 41						
Outcome Indicator	Data Source	Actual 2021/22	Target 2022/23	Actual 2022/23	Deviation from Planned 2022/23 Target	Comment on Deviation
COVID-19 Case Fatality Rate 60 years and older	TBD	7.4%	5.1%	1%	79.5%	• The number of deaths due to COVID-19 has decreased as a result individuals choosing to vaccinate. • Most deaths occurred among individuals with co-morbid conditions and the unvaccinated.
Number of deaths in positive covid-19 cases: 60 years and older		*2 961*	*1 528*	*134*		
Separations COVID-19 cases (Sum of deaths, discharges and transfers out) 60 years and older		*39 987*	*30 000*	*12 797*		

TABLE 24: OUTPUT PERFORMANCE INDICATORS AND MTEF TARGETS (DISEASE PREVENTION AND CONTROL)

APP 2022/23: Page 156: Table 43						
Outputs	Output Indicator	Actual 2021/22	Target 2022/23	Actual 2022/23	Deviation from Planned 2022/23 Target	Comment on Deviation
OUTCOME: REDUCED MORBIDITY AND MORTALITY						
Improve the quality of Mental health screening at a PHC level	Mental Health Screening Rate	54.9%	45%	56.5%	25.6%	Intensified focus on screening following the training of clinic staff by Mental Health Coordinators.
	PHC client screened for mental disorder	*13 126 378*	*13 547 896*	*13 964 514*		
	Total PHC headcount	*23 906 112*	*30 106 432*	*24 714 031*		
Increase access to rehabilitative services	Number of clients accessing rehab services	756 793	715 000	823 418	15.2%	A high demand for rehabilitation services has been noted from new and existing clients who were seen for review and continuation of rehabilitation services.

Reporting on the Department's response to the Covid-19 Pandemic

TABLE 25: PROGRESS ON INSTITUTIONAL RESPONSE TO THE COVID-19 PANDEMIC

Budget Programme	Intervention	Geographic location (Province/ District/local municipality) (Where Possible)	No. of beneficiaries (Where Possible)	Disaggregation of Beneficiaries (Where Possible)	Total budget allocation per intervention **(R'000)**	Budget spent per intervention	Contribution to the Outputs in the APP (where applicable)	Immediate outcomes
NHLS and Blood Services	Risk communication and community engagement	All districts (eThekwini, Ugu, Harry Gwala, uMgungundlovu, Uthukela, Amajuba, Umzinyathi, Zululand, Ilembe, Umkhanyakude and King Cetshwayo	N/A	N/A	N/A	N/A	N/A	Reduction in home deaths and early seeking behaviour
	Community based Surveillance and response	Ugu, eThekwini, Umkhanyakude and uMgungundlovu	16290	N/A	N/A	N/A	N/A	Early detection of cases
	Laboratory testing	All districts (eThekwini, Ugu, Harry Gwala, uMgungundlovu, Uthukela, Amajuba, Umzinyathi, Zululand, Ilembe, Umkhanyakude and King Cetshwayo	520724	N/A	125 760 817.6	N/A	COVID-19 Testing Coverage COVID-19 Positivity Rate	Proper management of infected people and reduction in the spread of COVID-19
	Case management	All districts (eThekwini, Ugu, Harry Gwala, uMgungundlovu, Uthukela, Amajuba, Umzinyathi, Zululand, Ilembe, Umkhanyakude and King Cetshwayo	68922	N/A			COVID-19 Case Fatality Rate: Total	Reduction of morbidity and mortality due to COVID-19

Strategies to overcome areas of under-reporting

Primary Health Care

- Improve communication by conducting Open Days to educate clients on referral pathways.
- Engage Community Structures to assist in the communication and education of clients.
- Conduct Batho Pele workshops to engage staff on their attitudes and responsibilities to clients.
- Implementation of cost containment measures without compromising service delivery.
- Convene a Provincial Indaba to capacitate relevant stakeholders on PSI guidelines to enhance understanding of roles, responsibilities, date flow, recording and reporting processes.
- Discussions with the Office of Health Standards Compliance to identify alternate platforms where reporting can be accepted even when capturing cannot be done immediately due to various reasons. Discussions also include review of definitions related to capturing vs reporting/notification.

District Hospitals

- Conduct Batho Pele workshops to engage staff on their attitudes and responsibilities to clients.
- Engage facilities to develop norms and standards on all Batho Pele principles.
- A joint implementation plan with Department of Social Development to Manage Malnutrition has been developed and implemented.
- Early identification of malnutrition cases in Phila Mntwana centres
- The province has developed a food security plan coordinated jointly with the Office of The Premier.
- Monitor the uptake of online inpatient management of severe acute malnutrition course.
- Have developed and distributed SOPs to guide management of malnutrition.
- Conduct community awareness engagements that emphasise early antenatal care booking allowing health care facilities to identify and treat conditions in time before delivery.
- Monitor adherence to clinical protocols for the management of hypertension
- Review protocols on screening for syphilis in pregnancy to allow earlier detection and treatment.
- Implement Dual Syphilis and Human Immunodeficiency Virus (HIV) test to hasten test and treat at antenatal care level.
- Conduct Essential Steps in Management of Obstetric Emergencies (ESMOE) master trainers to sustain local trainers' course.
- The department is exploring existing survey results related to why clients bypass PHC. A synthetic analysis of these will be done to determine reasons and then plan focused interventions.
- Medical Officers have been appointed to Clinics.

- These Districts to develop strategies to reduce Out-Patient Department (OPD) new cases not referred through assessing issues of accessibility, service times, etc.
- Convene a Provincial Indaba to capacitate relevant stakeholders on PSI guidelines to enhance understanding of roles, responsibilities, date flow, recording and reporting processes.

HAST

- Co-ordinate the promotion of the Tuberculosis (TB) self-screening application targeting people living with HIV to improve early detection of TB.
- Coordinate the development and implementation of the standardised DS-TB mortality tool with partners.
- Monitor monthly implementation of the targeted universal TB testing Standard Operating Procedure (SOP) to detect and treat TB early.
- Monitor implementation of the adherence guidelines
- Continue to monitor implementation and uptake of lipoarabinomannan (ULAM) to improve early detection of TB amongst HIV positive patients.
- Continue to conduct Community awareness campaigns on importance of early detection of TB and adherence to treatment.
- Coordinate community awareness campaigns on importance of adherence to treatment.
- Market through social media the implementation of the TB self-screening App and monitor implementation.
- Implement eHealth information system and technology which will address patient file management and patient duplicates.
- Monitor the implementation of the integrated adherence guidelines.
- Engage districts to promote integrated community tracking and tracing of early and late missed appointments by all outreach teams.
- Monitor the actioning of early and missed appointment lists during Operation Phuthuma visits.
- Collaborate revival of support groups for People Living with HIV with stakeholders to improve treatment adherence and peer treatment support.
- Accelerate enhanced adherence counselling with detailed individual plans, especially following adherence guidelines (AGL) Provincial engagement update.
- Facilitate implementation of Case management strategy to recognize early warning signs of defaulting.
- Conduct Operation Mbo in iLembe and eThekwini to conduct data clean up.
- Rollout the Dolutegravir (HIV treatment) in children to improve viral suppression.
- Capacitate facility health care workers on revised 2023 disclosure guidelines through regional workshops.
- Monitor and support treatment literacy classes for the older children and care givers.
- Promote use of the integrated screening, testing and early treatment for HIV.
- Facilitate implementation of integrated HIV/TB facility mortality audits and share findings with service delivery platform.

- Facilitate inclusion of ART deaths at 6 months feedback reporting in the sub-district Nerve Centre meetings.
- Engage District Coordinators to monitor and action Electronic Drug Resistant Web-Based (EDRWEB) Tuberculosis Register dashboard to decrease unevaluated rate to 0%.
- Develop and facilitate implementation of the Drug-Resistant TB (DRTB) Linkage to care SOP.
- Coordinate Clinical update on DRTB management for clinicians, including Primary Health Care (PHC), outreach teams and linkage officers.
- Coordinate training on clinical and mortality updates and monitor implementation to improve DRTB management.
- Coordinate targeted Social mobilisations on importance of adherence to treatment, TB and Anti-Retro-Virals (ARVs).
- Monitor in collaboration with HAST the implementation of the Adherence Guidelines.
- Monitor implementation of the targeted universal TB Testing.
- Procure digital x-rays for Districts not supported by partners to find early TB cases and reduce the spread of TB
- Conduct community awareness to encourage early health seeking behaviour.
- Promote use of the integrated screening, testing and early treatment of HIV.
- Facilitate implementation of integrated HIV/TB facility mortality audits and share findings with service delivery platform.
- Facilitate inclusion of ART deaths at 6 months feedback reporting in the sub-district Nerve Centre meetings.
- Continue to engage National Department of Health (NDOH) with the cleaning of duplicate files.
- Monitor implementation of the integrated adherence counselling material.
- Coordinate community awareness campaigns on importance of adherence to treatment.
- Collaborate revival of support groups for People Living with HIV with stakeholders especially Office of the Premier (sector engagements) and Social Development. The support group platform assists with ensuring treatment adherence.
- Accelerate enhanced adherence counselling with detailed individual plans, especially following adherence guidelines (AGL) Provincial engagement update.
- Facilitate implementation of Case management strategy to recognize early warning signs of defaulting.
- Conduct facility based paediatric capacity building workshops covering clinical management, Psychosocial and Mental Health support.
- Revive support groups for older children and care givers to promote treatment adherence.
- Collaborate with civil society, Department Social Development and Department of Education to create a platform to reach children to test and treat HIV and promote treatment adherence.
- Data management submitted printing requests for tools to Supply Chain Management and distribution will be done on receipt of the tools.
- Continue to conduct desktop analysis and engage districts on gaps.

Linking performance with budget

TABLE 26: BUDGET APPROPRIATION AND EXPENDITURE

Programme per sub programme		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
2.1	District Management	353 072	353 072	-	353 072	353 072	-
2.2	Community Health Clinics	5 090 933	5 090 933	-	5 090 933	5 090 933	-
2.3	Community Health Centres	1 723 106	1 723 106	-	1 723 106	1 723 106	-
2.4	Community Based Services	944 883	944 883	-	944 883	944 883	-
2.5	Other Community Services	3 896 066	3 896 066	-	3 896 066	3 896 066	-
2.6	HIV and AIDS	6 512 292	6 512 292	-	6 512 292	6 512 292	-
2.7	Nutrition	30 882	30 882	-	30 882	30 882	-
2.8	Coroner Services	281 252	281 252	-	281 252	281 252	-
2.9	District Hospitals	8 347 660	8 347 660	-	8 347 660	8 347 660	-
Total		27 180 146	27 180 146	-	27 180 146	27 180 146	-

Source: Annual Financial Statements and BAS

PROGRAMME 3 - EMERGENCY MEDICAL SERVICES

Programme Description & Purpose

Rendering pre-hospital Emergency Medical Services, including Inter-hospital Transfers and Planned Patient Transport

The previous structure included Sub-Programme 3.3: Disaster Management which is a Municipal function.

Sub-Programme 3.1: Emergency Transport

Render Emergency Medical Services including Ambulance Services, Special Operations, and Communication and Air Ambulance services.

Sub-Programme 3.2: Planned Patient Transport

Render Planned Patient Transport including Local Outpatient Transport (within the boundaries of a given town or local area) and Inter-City/Town Outpatient Transport (Into referral centres).

Outcomes for the year under review

- Universal Health Coverage

Outcomes, outputs, output indicators, Targets and actual achievements

Factors influencing the decline in performance include insufficient base infrastructure, limited operational ambulances, inadequate staff complement, especially intermediate and advanced life support paramedics, and increased demand for inter-facility transfers. Exorbitant overtime expenditure for compulsory overtime resulting in lower budget available for voluntary overtime therefore operational ambulance schedule cannot be maintained.

TABLE 27: OUTPUT PERFORMANCE INDICATORS AND MTEF TARGETS (EMS)

APP 2022/23: Page 166 : Table 47						
Output	Output Indicator	Actual 2021/22	Target 2022/23	Actual 2022/23	Deviation from Planned 2022/23 Target	Comment on Deviation
OUTCOME: UNIVERSAL HEALTH COVERAGE						
EMS P1 response in urban areas under 30 minutes	EMS P1 urban response under 30 minutes rate	42.9%	56.3%	41.9%	(34.5%)	•Influencing factors include insufficient base infrastructure, limited operational ambulances, inadequate staff complement especially intermediate and advanced life support paramedics, and increased demand for inter-facility transfers. •Exorbitant overtime expenditure for compulsory overtime resulting in lower budget available for voluntary overtime therefore operational ambulance schedule cannot be maintained.
	EMS P1 urban response under 30 minutes	*44 726*	*79 956*	*39 676*		
	EMS P1 urban responses	*104 286*	*142 020*	*94 781*		
EMS P1 response in rural areas under 60 minutes	EMS P1 rural response under 60 minutes rate	51.1%	69.1%	48.2%	(43.5%)	•Influencing factors include insufficient base infrastructure, limited operational ambulances, inadequate staff complement especially intermediate and advanced life
	EMS P1 rural response under 60 minutes	*74 251*	*127 052*	*70 063*		

APP 2022/23: Page 166 : Table 47						
Output	Output Indicator	Actual 2021/22	Target 2022/23	Actual 2022/23	Deviation from Planned 2022/23 Target	Comment on Deviation
	EMS P1 rural responses	*145 328*	*183 871*	*145 497*		support paramedics, and increased demand for inter-facility transfers. •Exorbitant overtime expenditure for compulsory overtime resulting in lower budget available for voluntary overtime therefore operational ambulance schedule cannot be maintained.

Strategies to overcome areas of under-performance

- Identify satellite bases that are strategically placed.
- Allocation of infrastructure budget to increase number of customized built bases.
- EMS operational staff roster and working hours to be revised in order to reduce the compulsory overtime expenditure. If this is achieved, Emergency Medical Services (EMS) will have budget for voluntary overtime as well as employing of new staff to ensure the operational schedule is achieved.

Linking performance with budget

TABLE 28: BUDGET APPROPRIATION AND EXPENDITURE

Programme per sub programme		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
3.1	Emergency Transport	1 490 117	1 490 117	-	1 434 921	1 434 921	-
3.2	Planned Patient Transport	177 749	177 749	-	161 845	161 845	-
	Total	1 667 866	1 667 866	-	1 596 766	1 596 766	-

Source: Annual Financial Statements and BAS

PROGRAMME 4 – PROVINCIAL HOSPITAL SERVICES (REGIONAL AND SPECIALISED)

Programme Description & Purpose

Programme Purpose

Deliver hospital services which are accessible, appropriate, and effective and provide general specialist services, including specialized rehabilitation service, as well as a platform for training health professionals and research. *There are no changes to the Programme 4 structure.*

Sub-Programme 4.1: General (Regional) Hospitals

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

Sub-Programme 4.2: Tuberculosis Hospitals

Convert present Tuberculosis hospitals into strategically placed centres of excellence. TB centres of excellence will admit patients with complicated TB requiring isolation for public protection and specialised clinical management in the intensive phase of treatment to improve clinical outcomes. This strategy will reduce operational costs in the long term.

Sub-Programme 4.3: Psychiatric/Mental Hospitals

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

Sub-Programme 4.4: Sub-Acute, Step down and Chronic Medical Hospitals

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

Sub-Programme 4.5: Dental Training Hospital

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

Outcomes for the year under review

- Universal Health Coverage
- Improved Patient Experience of Care
- Reduced Morbidity and Mortality

Outcomes, outputs, output indicators, Targets and actual achievements

Regional Hospitals

The improvement in the Patient Safety Incident (PSI) case closure rate is attributed to the PSI management committees meeting according to schedule and on demand to investigate and close cases where possible. Minimum standards for caesarean section safety implementation played a role in reducing maternal deaths. The decrease in child deaths is mainly due to paediatric respiratory support provided in all hospitals and the Implementation of Essential Packages of Care.

Specialised TB Hospitals

The decrease in the average length of stay is due to the decentralised TB management regimen and improved ART coverage.

Specialised Psychiatric Hospitals

The Patient Safety Incident (PSI) case closure rate increased from the baseline and the target was exceeded by 3.5 percent, as a result of functional governance structures that convene regularly to discuss and close incidents timeously.

Chronic/Sub-Acute Hospitals

There were no Severity assessment code (SAC) 1 incident reported for Chronic/Sub-Acute Hospitals.

TABLE 29: OUTCOME INDICATORS (PROVINCIAL HOSPITALS)

APP 2022/23: Page 172: Table 52

Outcome Indicator	Data Source	Actual 2021/22	Target 2022/23	Actual 2022/23	Deviation from Planned 2022/23 Target	Comment on Deviation
OUTCOME: IMPROVED PATIENT EXPERIENCE OF CARE						
Patient Experience of Care satisfaction rate – Regional Hospitals	Patient Safety Incidence Software	82.7%	80.7%	79.5%	(1.5%)	Clients were dissatisfied with long waiting times, and the values and attitude of staff.
Patient experience of care survey satisfied responses - Regional Hospitals	*Patient Safety Incidence Report*	*88 111*	*51 436*	*95 599*		
Patient experience of care survey total responses - Regional Hospitals	*Patient Safety Incidence Report*	*106 571*	*63 763*	*120 215*		
Patient Safety Incident (PSI) case closure rate - Regional Hospital	Patient Survey Database	97.1%	92.3%	97.8%	6%	PSI management committees meet according to schedule and on demand to investigate and close cases where possible.
Patient Safety Incident (PSI) case closed - Regional Hospitals	*Patient Surveys*	*2 120*	*313*	*2 709*		
Patient Safety Incident (PSI) case reported - Regional Hospitals	*Patient Surveys*	*2 184*	*339*	*2 769*		
OUTCOME: REDUCED MORBIDITY AND MORTALITY						
[Number of] maternal deaths in facility - Regional Hospitals	Maternal register	118	128	78	39.1%	• Minimum standards for caesarean section safety implementation played a role in reducing deaths. • ESMOE Master training continues to improve health worker skills to manage obstetric emergencies.
[Number of] inpatient deaths under 5 years - Regional Hospitals	Midnight report	1 777	1 841	1 783	3.2%	Implementation of: • Neonatal interventions which are immediate care at birth through assessment of breathing, skin-to-skin contact, and early initiation of breastfeeding. • Primary health care programmes • Paediatric respiratory support in all hospitals across the province.

APP 2022/23: Page 172: Table 52

Outcome Indicator	Data Source	Actual 2021/22	Target 2022/23	Actual 2022/23	Deviation from Planned 2022/23 Target	Comment on Deviation
Child under 5 years diarrhoea case fatality rate – Regional Hospital	DHIS	1.7%	1.6%	2.6%	(64.7%)	Lack of emergency triage, assessment and treatment and late referral to the hospital.
Diarrhoea death under 5 years – Regional hospital	*Midnight report*	*52*	*50*	*97*		
Diarrhoea separation under 5 years – Regional hospital	*Ward register*	*3 064*	*3 050*	*3 681*		
Child under 5 years pneumonia case fatality rate –Regional Hospital	DHIS	2.4%	2.2%	2%	6.8%	Implementation of paediatric respiratory support in all hospitals across the province.
Pneumonia death under 5 years – Regional Hospital	*Midnight report*	*89*	*96*	*100*		
Pneumonia separation under 5 years – Regional Hospital	*Ward register*	*3 675*	*4 348*	*4 879*		
Child under 5 years Severe Acute Malnutrition case fatality rate – Regional Hospital	DHIS	11%	5.9%	10.3%	(74.6%)	Late presentation and comorbid conditions remain the main contributory factors for SAM deaths at Regional level.
Child under 5 years with severe acute malnutrition death – Regional Hospital	*Midnight report*	*77*	*44*	*85*		
Severe acute malnutrition inpatient under 5 years - Regional Hospital	*Ward register*	*698*	*740*	*825*		
[Number of] Inpatient deaths under 1 year – Regional Hospital	DHIS	1 644	1 718	1 608	6.4%	• Implementation of Essential Packages of Care, consistently monitoring and reporting quarterly on the neonatal and paediatric dashboard. • Introduction of Nurturing Care Framework.
Still Birth in Facility Rate – Regional hospital	DHIS	29.6/1 000	29/1 000	30.3/1 000	(4.6%)	• Contributing factors to still births include infections (syphilis) during pregnancy, Hypertension and other existing medical conditions which
Still birth in facility - Regional Hospitals	*Midnight report*	*2 378*	*2 430*	*2 455*		

APP 2022/23: Page 172: Table 52						
Outcome Indicator	Data Source	Actual 2021/22	Target 2022/23	Actual 2022/23	Deviation from Planned 2022/23 Target	Comment on Deviation
Live birth in facility + still birth in facility – Regional Hospitals	*Ward register*	*80 238*	*83 008*	*80 911*		are not managed correctly. • Late presentation of clients with medical complications.

TABLE 30: OUTPUT INDICATORS AND MTEF TARGETS (REGIONAL HOSPITALS)

APP 2022/23: Page 174: Table 53						
Outputs	Output Indicator	Actual 2021/22	Target 2022/23	Actual 2022/23	Deviation from Planned 2022/23 Target	Comment on Deviation
OUTCOME: UNIVERSAL HEALTH COVERAGE						
Average length of stay - Regional Hospitals	Average length of stay – Regional Hospital	6.3 Days	6.2 Days	6.4 Days	(3.2%)	• Increased hospital admissions of people with mental illnesses, the majority of whom spend time in general medical wards beyond 72-hour observation period due to the chronic shortage of mental health beds. • Limited theatre access leads to longer stays due to the high burden of trauma.
	Inpatient days - Regional Hospitals	*1 659 260*	*2 167 257*	*1 739 595*		
	½ Day Patients - Regional Hospitals	*26 286*	*34 982*	*16 483*		
	Inpatient separations total - Regional Hospitals	*268 565*	*353 218*	*274 515*		
Bed utilisation rate - Regional Hospitals	Inpatient bed utilisation rate – Regional Hospital	67.6%	73.3%	69.5%	(5.2%)	• Budget cuts in all regional hospitals contributed to non-filling of critical posts in major disciplines such as general surgery, anaesthetics and orthopaedics leading to delays in the full implementation of post COVID-19
	Inpatient days - Regional Hospitals	*1 659 260*	*2 167 257*	*1 739 595*		
	½ Day Patients - Regional Hospitals	*26 286*	*34 982*	*16 483*		

APP 2022/23: Page 174: Table 53

Outputs	Output Indicator	Actual 2021/22	Target 2022/23	Actual 2022/23	Deviation from Planned 2022/23 Target	Comment on Deviation
	Inpatient bed days available - Regional Hospitals	*2 494 105*	*3 004 420*	*2 528 145*		Recovery plans. • Addington has been providing limited general surgical services due to non-availability of surgical consultants. Theatres are not all fully operational due to staff shortages. • The Department has experienced extremely low bed TB beds utilisation rates at both Madadeni and King Dinuzulu Regional Hospitals.
Expenditure per PDE - Regional Hospitals	Expenditure per PDE – Regional Hospital	R 3 938	R 4 200	R 4 121.88	1.9%	• Bed Utilisation Rate (BUR) was lower than targeted with fewer operations being conducted, which resulted in reduced cost of consumables. • Reduced Compensation of Employees expenditure as vacant posts were not filled due to budget cuts.
	Expenditure – total Regional Hospital ('000)	*R 9 638 325*	*R 10 539 276*	*R 10 331 704*		
	Patient day equivalents - Regional Hospitals	*2 447 401*	*2 509 340*	*2 506 553*		
OPD new headcount not referred - Regional Hospitals	OPD headcount new cases not referred – Regional Hospitals	Not monitored	153 632	204 933	(33.4%)	Patients accessing services after hours especially in areas that do not have district hospitals/Community Health Centre (CHC) within the catchment area such as Prince Mshiyeni, Rahim Karim (RK) Khan and Madadeni Hospitals.
OUTCOME: IMPROVED PATIENT EXPERIENCE OF CARE						
Severity Assessment Code (SAC) 1 incidence reported within 24 hrs rate - Regional Hospitals	Severity assessment code (SAC) 1 incident reported within 24 hours rate – Regional Hospital	79.5%	100%	92.3%	(7.7%)	Although evidence is available to show that reporting to the relevant responsibility person does occur within the 24 hours either telephonically or WhatsApp etc.,

APP 2022/23: Page 174: Table 53						
Outputs	Output Indicator	Actual 2021/22	Target 2022/23	Actual 2022/23	Deviation from Planned 2022/23 Target	Comment on Deviation
	Severity assessment code (SAC) 1 incident reported within 24 hours – Regional Hospital	*290*	*368*	*262*		the reporting date captured on the monitoring system is aligned to the capturing date.
	Severity assessment code (SAC) 1 incident reported – Regional Hospital	*365*	*368*	*284*		

SUB-PROGRAMME: TUBERCULOSIS HOSPITALS

TABLE 31: OUTCOME INDICATORS (TB HOSPITALS)

APP 2022/23: Page 177: Table 55						
Outcome Indicator	Data Source	Actual 2021/22	Target 2022/23	Actual 2022/23	Deviation from Planned 2022/23 Target	Comment on Deviation
OUTCOME: IMPROVED PATIENT EXPERIENCE OF CARE						
Patient Experience of Care satisfaction rate – TB Hospital	Patient Safety Incidence Software	96.1%	95.2%	85.4%	(10.3%)	Results were negatively influenced by the poor scores on "access to care," "waiting times" and "patient safety".
Patient experience of care survey satisfied responses – TB Hospital	Patient Safety Incidence Software	*1 175*	*139*	*712*		
Patient experience of care survey total responses – TB Hospital		*1 223*	*146*	*834*		
Patient Safety Incident (PSI) case closure rate – TB Hospital	Patient Safety Incidence Software	99.7%	100%	99.1%	(0.9%)	The 2 outstanding incidents occurred late in quarter 4 at Doris Goodwin Hospital and were still under-investigation at the end of the financial year.
Patient Safety Incident (PSI) case closed – TB Hospital	Patient Safety Incidence Software	*302*	*56*	*217*		
Patient Safety Incident (PSI) case reported – TB Hospital		*303*	*56*	*219*		

TABLE 32: OUTPUT PERFORMANCE INDICATORS AND MTEF TARGETS (TB HOSPITALS)

APP 2022/23: Page 177: Table 56

Outputs	Output Indicator	Actual 2021/22	Target 2022/23	Actual 2022/23	Deviation from Planned 2022/23 Target	Comment on Deviation
OUTCOME: UNIVERSAL HEALTH COVERAGE						
Average length of stay - TB Hospitals	Average length of stay – TB Hospital	34.5 Days	50 Days	23.3 Days	53.5%	Decentralised TB management regimen and improved ART coverage in the province.
	Inpatient days - TB Hospitals	*15 001*	*117 522*	*16 099*		
	½ Day Patients - TB Hospitals	*6*	*2*	*68.5*		
	Inpatient separations total - TB Hospitals	*435*	*2 352*	*695*		
Bed utilisation rate - TB Hospitals	Inpatient bed utilisation rate – TB Hospital	12.8%	40%	27%	(32.6%)	BUR remains low at this level due to: • Patients presenting late, acutely ill with co-morbidities requiring clinical care at Regional/Tertiary Hospitals. • Some patients present with extra pulmonary TB
	Inpatient days - TB Hospitals	*15 001*	*117 522*	*16 099*		
	½ Day Patients - TB Hospitals	*6*	*2*	*68.5*		
	Inpatient bed days available - TB Hospitals	*117 178*	*293 968*	*59 958*		
Expenditure per PDE - TB Hospitals	Expenditure per PDE – TB Hospital	R 17 406,1	R 6 000	R 24 672.15	(311.2%)	These hospitals are consistently empty, i.e., low BUR, with fixed costs remaining the same thus increasing cost per PDE.
	Expenditure – total TB Hospital ('000)	*R 472 505*	*R 718 412*	*R493 739*		
	Patient day equivalents - TB Hospitals	*27 146*	*119 732*	*20 012*		

APP 2022/23: Page 177: Table 56

Outputs	Output Indicator	Actual 2021/22	Target 2022/23	Actual 2022/23	Deviation from Planned 2022/23 Target	Comment on Deviation
OUTCOME: IMPROVED CLIENT EXPERIENCE OF CARE						
Severity Assessment Code (SAC) 1 incidence reported within 24 hrs rate - TB Hospitals	Severity assessment code (SAC) 1 incident reported within 24 hours rate – TB Hospital	93.5%	100%	92.3%	(7.7%)	Although evidence is available to show that reporting to the relevant responsibility person does occur within the 24 hours either telephonically or WhatsApp etc., the reporting date captured on the monitoring system is aligned to the capturing date.
	Severity assessment code (SAC) 1 incident reported within 24 hours – TB Hospital	*29*	*124*	*24*		
	Severity assessment code (SAC) 1 incident reported – TB Hospital	*31*	*124*	*26*		

SUB-PROGRAMME: PSYCHIATRIC - MENTAL HOSPITALS

TABLE 33: OUTCOME INDICATORS (PSYCHIATRIC HOSPITALS)

APP 2022/23: Page 180: Table 58						
Outcome Indicator	Data Source	Actual 2021/22	Target 2022/23	Actual 2022/23	Deviation from Planned 2022/23 Target	Comment on Deviation
OUTCOME: IMPROVED PATIENT EXPERIENCE OF CARE						
Patient Experience of Care satisfaction rate – Psychiatric Hospital	Patient Safety Incidence Software	84.7%	96%	85.2%	(11.2%)	Communication to clients of the long waiting times to be experienced before they would be able to access specialised care was lacking.
Patient experience of care survey satisfied responses – Psychiatric Hospital	*Patient Safety Incidence Software*	*8 632*	*2 303*	*6 209*		
Patient experience of care survey total responses – Psychiatric Hospital	*Patient Safety Incidence Software*	*10 197*	*2 399*	*7 284*		
Patient Safety Incident (PSI) case closure rate – Psychiatric Hospital	Patient survey Database	90.3%	95.5%	98.8%	3.5%	Functional governance structures convene regularly to discuss and close incidents timeously.
Patient Safety Incident (PSI) case closed – Psychiatric Hospital	*Patient survey Database*	*205*	*191*	*167*		
Patient Safety Incident (PSI) case reported – Psychiatric Hospital	*Patient survey Database*	*227*	*200*	*169*		

TABLE 34: OUTPUT PERFORMANCE INDICATORS AND MTEF TARGETS (PSYCHIATRIC HOSPITALS)

APP 2022/23: Page 180: Table 59

Outputs	Output Indicator	Actual 2021/22	Target 2022/23	Actual 2022/23	Deviation from Planned 2022/23 Target	Comment on Deviation
OUTCOME: UNIVERSAL HEALTH COVERAGE						
Average Length of Stay - Psychiatric Hospital	Average length of stay – Psychiatric Hospital	Not monitored	350 Days	368.1 Days	(5.2%)	New hospital admissions at Umngeni Hospital which require a longer period for assessment and treatment.
	Inpatient days - Psychiatric Hospitals	-	*665 072*	*520 792*		
	½ Day Patients - Psychiatric Hospitals	-	*6*	*10*		
	Inpatient separations total - Psychiatric Hospitals	-	*1 900*	*1 415*		
Bed utilisation Rate - Psychiatric Hospital	Inpatient bed utilisation rate – Psychiatric Hospital	Not monitored	70%	58.2%	(16.9%)	• Delays of renovations at Townhill Hospital's 48-bed ward decreased available beds for use. • Ekuhlengeni usable beds were reduced due to health and safety concerns. • Low BUR at uMzimkhulu Hospital due to resignation of Medical Officers in the 3rd quarter of financial year.
	Inpatient days - Psychiatric Hospitals	-	*665 072*	*520 792*		
	½ Day Patients - Psychiatric Hospitals	-	*6*	*10*		
	Inpatient bed days available - Psychiatric Hospitals	-	*950 472*	*895 078*		
Expenditure per PDE - Psychiatric Hospital	Expenditure per PDE – Psychiatric Hospital	Not monitored	R 2 000	R 1 926.68	3.7%	Townhill Hospital render tertiary level Mental Health services and academic training. To continue to monitor expenditure trends and cost drivers and implement cost containment measures.
	Expenditure – total Psychiatric Hospital ('000)	-	*R 1 265 880*	*R1 009 881*		
	Patient day equivalents - Psychiatric Hospitals	-	*632 940*	*524,157*		

APP 2022/23: Page 180: Table 59

Outputs	Output Indicator	Actual 2021/22	Target 2022/23	Actual 2022/23	Deviation from Planned 2022/23 Target	Comment on Deviation
OPD headcount consulted - Psychiatric Hospitals	OPD Headcount - Sum [Psychiatric Hospital]	Not monitored	10 000	10 065	0.7%	Implementation of the mental disorder screening processes leading to case finding and referrals.
OUTCOME: IMPROVED CLIENT EXPERIENCE OF CARE						
Severity Assessment Code (SAC) 1 incidence reported within 24 hrs rate - Psychiatric Hospital	Severity assessment code (SAC) 1 incident reported within 24 hours rate – Psychiatric Hospital	85%	100%	81.3%	(18.8%)	Although evidence is available to show that reporting to the relevant responsibility person does occur within the 24 hours either telephonically or WhatsApp etc., the reporting date captured on the monitoring system is aligned to the capturing date.
	Severity assessment code (SAC) 1 incident reported within 24 hours – Psychiatric Hospital	*34*	*30*	*13*		
	Severity assessment code (SAC) 1 incident reported – Psychiatric Hospital	*40*	*30*	*16*		

SUB-PROGRAMME: SUB-ACUTE, STEP DOWN AND CHRONIC MEDICAL HOSPITALS

TABLE 35: OUTCOME INDICATORS (CHRONIC HOSPITALS)

APP 2022/23: Page 184: Table 61

Outcome Indicator	Data Source	Actual 2021/22	Target 2022/23	Actual 2022/23	Deviation from Planned 2022/23 Target	Comment on Deviation
OUTCOME: IMPROVED CLIENT EXPERIENCE OF CARE						
Patient Experience of Care satisfaction rate – Chronic/Sub-acute Hospital	Patient Safety Incidence Software	75.4%	94.8%	86.6%	(8.6%)	Clients were dissatisfied with long waiting times, and the values and attitude of staff.
Patient experience of care survey satisfied responses – Chronic/Sub-acute Hospital	Patient Safety Incidence software	*1 807*	*8 652*	*3 196*		
Patient experience of care survey total responses – Chronic/Sub-acute Hospital		*2 397*	*9 126*	*3 690*		
Patient Safety Incident (PSI) case closure rate – Chronic/Sub-acute Hospital	Patient survey Database	94.6%	100%	96.9%	(3.1%)	The 2 outstanding incidents occurred in March 2023, with the nature of the one incident requiring in-depth investigations.
Patient Safety Incident (PSI) case closed – Chronic/Sub-acute Hospital	Patient survey Database	*35*	*59*	*63*		
Patient Safety Incident (PSI) case reported – Chronic/Sub-acute Hospital		*37*	*59*	*65*		

TABLE 36: OUTPUT INDICATORS (CHRONIC HOSPITALS)

APP 2022/23: Page 184: Table 62						
Outputs	Output Indicator	Actual 2021/22	Target 2022/23	Actual 2022/23	Deviation from Planned 2022/23 Target	Comment on Deviation
OUTCOME: UNIVERSAL HEALTH *COVERAGE*						
Average length of stay - Chronic Hospitals	Average length of stay – Chronic/Sub-acute Hospital	49 Days	45.0 Days	98.8 Days	(119.6%)	Hillcrest Hospital is a long-term facility and the main contributor to this indicator, which is currently at 560 days.
	Inpatient days - Chronic/Sub-acute Hospital	*47 499*	*121 820*	*51 393*		
	½ Day Patients - Chronic/Sub-acute Hospital	*0*	*6*	*3*		
	Inpatient separations total - Chronic/Sub-acute Hospital	*969*	*2 705*	*520*		
Bed utilisation rate - Chronic Hospitals	Inpatient bed utilisation rates – Chronic/Sub-acute Hospital	35.6%	50%	50.5%	0.9%	Results driven by bed utilisation at Hillcrest Hospital which is at 56.3%.
	Inpatient days - Chronic/Sub-acute Hospital	*47 499*	*121 820*	*51 393*		
	½ Day Patients - Chronic/Sub-acute Hospital	*0*	*6*	*3*		
	Inpatient bed days available - Chronic/Sub-acute Hospital	*133 240*	*243 652*	*101 846*		

APP 2022/23: Page 184: Table 62

Outputs	Output Indicator	Actual 2021/22	Target 2022/23	Actual 2022/23	Deviation from Planned 2022/23 Target	Comment on Deviation
Expenditure per PDE - Chronic Hospitals	Expenditure per PDE – Chronic/Sub-acute Hospital	R 4 784.1	R 3 277	R 5 896.57	(79.9%)	Low BUR at Clairwood hospital, with poor utilisation of step-down beds.
	Expenditure – total Chronic / Sub-acute Hospital ('000)	*R 317 747*	*R 402 744*	*R 364 933*		
	Patient day equivalents - Chronic/Sub-acute Hospital	*66 417*	*122 896*	*61 889*		
OUTCOME: IMPROVED CLIENT EXPERIENCE OF *CARE*						
Improve the Severity Assessment Code (SAC) 1 incidence reported within 24 hrs rate	Severity assessment code (SAC) 1 incident reported within 24 hours rate – Chronic/Sub-acute Hospital	0%	100%	-	-	There were no incidents to report.
	Severity assessment code (SAC) 1 incident reported within 24 hours – Chronic/Sub-acute Hospital	*0*	*12*	*0*		
	Severity assessment code (SAC) 1 incident reported – Chronic/Sub-acute Hospital	*0*	*12*	*0*		

Strategies to overcome areas of under-reporting

Regional Hospitals

- Engage Districts to develop systems that will keep clients informed of expected waiting times in all services at facilities.
- Conduct Batho Pele workshops to engage staff on their attitudes and responsibilities to clients.
- Pursue the development of additional paediatric critical care services.
- Bottleneck analysis and action plan to reduce malnutrition in the highly burden eThekwini metro is planned with the support of NDoH and United Nations Children's Fund
- Support Umzinyathi in the scaling up of family Mid-Upper Arm Circumference (MUAC) concept for early identification of at risk individuals.
- Implement new strategies at PHC level: Dual syphilis and HIV test at PHC antenatal care to improve test and treat; disseminate circular on syphilis to all districts for implementation.
- Commission the balance of mental health beds at King Dinuzulu Hospital.
- Engage Health Facilities Management to provide assistance to Townhill Hospital to fast-track infrastructure renovations.
- Motivate for filling of theatre posts to improve theatre time availability
- Use roving team of theatre staff to improve theatre utilisation capacity.
- Reprioritise 2023/24 budget and fill critical posts.
- Request budget allocation according to service needs.
- Monitor the cost drivers and implement cost saving measures without compromising on service delivery.
- Provincial review of the service platform and 24-hour access to services.
- Provincialisation of municipality clinics in eThekwini District.
- Convene a Provincial Indaba to capacitate relevant stakeholders on Patient Safety Incidents (PSI) guidelines to enhance understanding of roles, responsibilities, date flow, recording and reporting processes.

Specialised TB Hospitals

- Engage Districts to develop systems that will keep clients informed of expected waiting times in all services at facilities.
- Conduct Batho Pele workshops to engage staff on their attitudes and responsibilities to clients.
- Conduct an investigation to determine the reasons for the low score on Patient Safety.
- Improve TB screening and TB case finding using community outreach teams and community health worker programme.
- Establish active TB case finding at all levels of care especially in patents with comorbidity.
- Facilitate merger of Doris Goodwin and Harry Gwala Hospital.
- Implementation of the hospital rationalization plan is in progress:
- TB beds are being repurposed.
- Commissioning of district services in Richmond Hospital.
- St Margaret Hospital is providing PHC services.
- Convene a Provincial Indaba to capacitate relevant stakeholders on PSI guidelines to enhance understanding of roles, responsibilities, date flow, recording and reporting processes.

Specialised Psychiatric Hospitals

- Conduct Mental Health Indaba in order to devise new strategies for community integration of mental health care users.
- Expedite renovations at Townhill Hospital.
- Bed capacity review
- Townhill Hospital to provide specialist coverage at UMzimkhulu Hospital. Filling of vacant Medical Officers posts at UMzimkhulu Hospital expedited
- Adherence to referral guidelines.

Chronic/Sub-Acute Hospitals

- Commission district services.

There were no Severity assessment code (SAC) 1 incident reported for Chronic/Sub-Acute Hospitals.

Linking performance with budget

TABLE 37: BUDGET APPROPRIATION AND EXPENDITURE

Programme per sub programme		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
4.1	General (Regional) Hospitals	10 432 675	10 432 675	-	9 916 331	9 916 331	-
4.2	Tuberculosis Hospitals	496 359	496 359	-	481 509	481 509	-
4.3	Psychiatric / Mental Hospitals	1 019 296	1 019 296	-	1 004 377	1 004 377	-
4.4	Chronic Medical Hospitals	366 697	366 697	-	322 245	322 245	-
4.5	Dental Training Hospitals	19 500	19 500	-	21 270	21 270	-
	Total	12 334 527	12 334 527	-	11 745 756	11 745 756	-

Source: Annual Financial Statements and BAS

PROGRAMME 5 – CENTRAL AND TERTIARY HOSPITALS

Programme Description & Purpose

Programme Purpose

To provide tertiary health services and create a platform for training of health professionals

There are no changes to the structure of Programme 5.

Sub-Programmes

Sub-Programme 5.1: Central Hospital Services

Render highly specialised medical health tertiary and quaternary services on a national basis and serve as platform for the training of health workers and research.

Sub-Programme 5.2: Provincial Tertiary Hospital Services

To provide tertiary health services and creates a platform for the training of Specialist Health Professionals.

Outcomes for the year under review

- Universal Health Coverage
- Improved Patient Experience of Care
- Reduced Morbidity and Mortality

Outcomes, outputs, output indicators, Targets and actual achievements

Tertiary Hospitals

The target for the patient experience of care satisfaction rate indicator was exceeded by 1, 4 percent, even though the performance was lower than the baseline. The improvement in the Patient Safety Incident (PSI) case closure rate is attributed to the effectiveness of the governance structures. The implementation of the COVID-19 vaccine programme and minimum standards for caesarean section safety contributed toward the reduction of maternal deaths. The implementation of the water, sanitation, and hygiene (WASH) programmes resulted in a decline in the number of cases admitted to tertiary hospitals for management.

Central Hospitals

The number of maternal deaths decreased by 30 percent compared to the baseline. This is because of the continued training on the Essential Steps in the Management of Obstetric Emergencies (ESMOE) and implementation of the vaccination programme for pregnant

women against COVID-19. There has been continuous training on Severe Acute Malnutrition (SAM) protocol to foster better implementation on the management of SAM.

SUB-PROGRAMME: TERTIARY HOSPITALS

TABLE 38: OUTCOME INDICATORS (TERTIARY HOSPITALS)

APP 2022/23: Page 196: Table 67

Outcome Indicator	Data Source	Actual 2021/22	Target 2022/23	Actual 2022/23	Deviation from Planned 2022/23 Target	Comment on Deviation
OUTCOME: IMROVED CLIENT EXPERIENCE OF CARE						
Patient Experience of Care satisfaction rate – Tertiary Hospitals	Patient Safety Incidence Software	83.7%	77%	78.1%	1.4%	Clients were generally satisfied with access to care, the availability of medication, and the cleanliness of facilities.
Patient experience of care survey satisfied responses - Tertiary Hospitals	Patient Safety Incidence Reports	*17 493*	*8 326*	*17 461*		
Patient experience of care survey total responses - Tertiary Hospitals		*20 907*	*10 814*	*22 360*		
Patient Safety Incident (PSI) case closure rate – Tertiary Hospital	Patient survey Database	95%	96%	99.6%	3.7%	Functional governance structures convene regularly to discuss and close incidents timeously.
Patient Safety Incident (PSI) case closed - Tertiary Hospitals	*Patient Survey's*	*706*	*475*	*669*		
Patient Safety Incident (PSI) case reported - Tertiary Hospitals	*Patient Survey's*	*743*	*494*	*672*		

APP 2022/23: Page 196: Table 67

Outcome Indicator	Data Source	Actual 2021/22	Target 2022/23	Actual 2022/23	Deviation from Planned 2022/23 Target	Comment on Deviation
OUTCOME: REDUCED MORBIDITY AND MORTALITY						
[Number of] maternal deaths in facility - Tertiary Hospital	Maternal register	26	31	25	19.4%	• Maternal deaths from COVID-19 declined with the implementation of the COVID-19 vaccine programme. • Minimum standards for caesarean section safety implementation also played a role in reducing deaths.
[Number of] inpatient deaths under 5 years - Tertiary Hospital	Midnight Report	330	240	321	(33.8%)	Major factors contributing to under-5 deaths are late entry with advance disease and limited access to paediatric critical care services.
Child under 5 years diarrhoea case fatality rate –Tertiary Hospital	DHIS	2%	1.5%	0.8%	49.9%	Implementation of the water, sanitation, and hygiene (WASH) programmes that includes a water connection in the home or improved water source, improved sanitation, and hand washing practices with soap, resulted in a decline in the number of cases admitted to tertiary hospitals for management.
Diarrhoea death under 5 years – Tertiary Hospital	*Midnight Report*	*9*	*7*	*3*		
Diarrhoea separation under 5 years – Tertiary Hospital	*Ward register*	*448*	*467*	*399*		
Child under 5 years pneumonia case fatality rate –Tertiary Hospital	DHIS	4.4%	1.7%	3.4%	(100%)	

APP 2022/23: Page 196: Table 67

Outcome Indicator	Data Source	Actual 2021/22	Target 2022/23	Actual 2022/23	Deviation from Planned 2022/23 Target	Comment on Deviation
Pneumonia death under 5 years – Tertiary Hospital	*Midnight Report*	*24*	*10*	*22*		Insufficient paediatric Intensive Care Unit (ICU) beds negatively influenced clinical management.
Pneumonia separation under 5 years – Tertiary Hospital	*Ward register*	*541*	*604*	*647*		
Child under 5 years Severe acute malnutrition case fatality rate –Tertiary Hospital	DHIS	10.2%	1.8%	8.3%	(359.8%)	Deaths as a result of co-morbid conditions, and late presentation with advanced disease.
Child under 5 years with Severe Acute Malnutrition death – Tertiary Hospital	*Midnight Report*	*13*	*2*	*12*		
Severe acute malnutrition inpatient under 5 years - Tertiary Hospital	*Ward register*	*127*	*112*	*145*		
[Number of] Inpatient deaths under 1 year – Tertiary Hospital	Midnight Report	261	210	251	(19.5%)	Deaths related to prematurity/low birth weight and maternal complications of pregnancy (high syphilis infections in pregnancy).
Still Birth in Facility Rate – Tertiary Hospital	DHIS	43.8/1 000	40.65/1 000	43.4/1 000	(6.9%)	Overall, Still Birth Rate (SBR) remains high especially at these levels of care due to patients with complications being referred for further management.
Stillbirth in facility – Tertiary Hospital	*Midnight Report*	*357*	*342*	*346*		
Live birth in facility +stillbirth in facility – Tertiary Hospital	*Delivery Register*	*8 154*	*8 414*	*7 965*		

TABLE 39: OUTPUT PERFORMANCE INDICATORS AND MTEF TARGETS (TERTIARY HOSPITALS)

APP 2022/23: Page 197: Table 68

Outputs	Output Indicator	Actual 2021/22	Target 2022/23	Actual 2022/23	Deviation from Planned 2022/23 Target	Comment on Deviation
OUTCOME: UNIVERSAL HEALTH COVERAGE						
Average Length of Stay - Tertiary Hospital	Average length of stay – Tertiary Hospital	6.9 Days	8.4 Days	7 Days	16.2%	Although the department did well, the case mix challenge still exists. King Edward VIII Hospital has a high ratio of Regional/Tertiary level cases, and Ngwelezane Hospital has a high ratio of District/Regional/ Tertiary level cases. These hospitals will most likely always have this case mix situation as there are no nearby district level hospitals at the vicinity of above two hospitals.
	Inpatient days - Tertiary Hospital	*415 176*	*427 885*	*441 481*		
	½ Day Patients - Tertiary Hospital	*7 098*	*5 296*	*8 450.5*		
	Inpatient separations total - Tertiary Hospital	*60 900*	*51 352*	*63 937*		
Bed utilisation rate - Tertiary Hospital	Inpatient bed utilisation rate – Tertiary Hospital	72%	72.4%	72.1%	(0.5%)	Budget cuts impacted on the appointment and replacement of medical specialists such as anaesthetists, which had a huge impact in theatre utilisation capacity in hospitals such as King Edward and Inkosi Albert Luthuli Central Hospital.
	Inpatient days - Tertiary Hospital	*415 176*	*427 885*	*441 481*		
	½ Day Patients - Tertiary Hospital	*7 098*	*5 296*	*8 450.5*		
	Inpatient bed days available - Tertiary Hospital	*586 863*	*598 720*	*624 310*		
Expenditure per PDE - Tertiary Hospital	Expenditure per PDE – Tertiary Hospital	R 4 911	R 7 500	R 4 891.85	34.8%	BUR was lower than targeted with fewer operations being conducted due to staffing constraints.
	Expenditure – total Tertiary Hospitals ('000)	*R 2 749 088*	*R 2 997 512*	*R 2 923 828*		
	Patient day equivalents - Tertiary Hospital	*559 824*	*399 657*	*597 694*		

APP 2022/23: Page 197: Table 68						
Outputs	Output Indicator	Actual 2021/22	Target 2022/23	Actual 2022/23	Deviation from Planned 2022/23 Target	Comment on Deviation
OPD New cases not referred consulted - Tertiary Hospitals	OPD headcount new cases not referred – Tertiary Hospital	28 967	28 000	31 545	(12.7%)	Patients access services at Ngwelezane Hospital as there is no District Hospital in the area as well as King Edward VIII Hospital due its central location.
OUTCOME: IMPROVED CLIENT EXPERIENCE OF CARE						
Severity Assessment Code (SAC) 1 incidence reported within 24 hrs rate - Tertiary Hospital	Severity assessment code (SAC) 1 incident reported within 24 hours rate – Tertiary Hospital	85.1%	100%	94.3%	(5.7%)	Although evidence is available to show that reporting to the relevant responsibility person does occur within the 24 hours either telephonically or WhatsApp etc., the reporting date captured on the monitoring system is aligned to the capturing date.
	Severity assessment code (SAC) 1 incident reported within 24 hours – Tertiary Hospital	*86*	*91*	*100*		
	Severity assessment code (SAC) 1 incident reported – Tertiary Hospital	*101*	*91*	*106*		

SUB-PROGRAMME: CENTRAL HOSPITAL

TABLE 40: OUTCOME INDICATORS (CENTRAL HOSPITALS)

APP 2022/23: Page 201: Table 70

Outcome Indicator	Data Source	Actual 2021/22	Target 2022/23	Actual 2022/23	Deviation from Planned 2022/23 Target	Comment on Deviation
OUTCOME: IMROVED CLIENT EXPERIENCE OF CARE						
Patient Experience of Care satisfaction rate – Central Hospitals	Patient Safety Incidence Software	89%	93%	91.2%	(1.9%)	Low scoring on "access to services," "waiting times" and the "values and attitude of staff."
Patient experience of care survey satisfied responses - Central Hospitals	*Patient Safety Incidence Software*	*8 314*	*364*	*11 752*		
Patient experience of care survey total responses - Central Hospitals	*Patient Safety Incidence Software*	*9 342*	*393*	*12 886*		
Patient Safety Incident (PSI) case closure rate – Central Hospital	Patient Survey Database	97.4%	100%	99.5%	(0.5%)	The 2 outstanding incidents occurred in March 2023.
Patient Safety Incident (PSI) case closed - Central Hospitals	*Patient Survey Database*	*304*	*98*	*407*		
Patient Safety Incident (PSI) case reported - Central Hospitals	*Patient Survey Database*	*312*	*98*	*409*		
OUTCOME: REDUCED MORBIDITY AND MORTALITY						

APP 2022/23: Page 201: Table 70

Outcome Indicator	Data Source	Actual 2021/22	Target 2022/23	Actual 2022/23	Deviation from Planned 2022/23 Target	Comment on Deviation
[Number of] maternal deaths in facility - Central Hospital	Maternal register	10	13	7	46.2%	• Continued training on the Essential Steps in the Management of Obstetric Emergencies (ESMOE). • Implementation of the vaccination programme of pregnant women against COVID-19.
[Number of] inpatient deaths under 5 years - Central Hospital	Midnight Report	157	165	206	(24.8%)	The central hospital accounted for 7% of under-5 pneumonia deaths in the province driven largely by insufficient access to paediatric ICU beds.
Child under 5 years pneumonia case fatality rate –Central Hospital	DHIS	5.4%	5%	28%	(461%)	Case fatality rate is higher than projected as there: • Were fewer admissions than projected. • Is limited capacity in Inkosi Albert Luthuli Central Hospital (IALCH) which means only the extremely complicated cases are admitted with a resulting higher than usual mortality rate
Pneumonia death under 5 years – Central Hospital	*Midnight Report*	*3*	*18*	*23*		
Pneumonia separation under 5 years – Central Hospital	*Ward register*	*56*	*362*	*82*		

APP 2022/23: Page 201: Table 70

Outcome Indicator	Data Source	Actual 2021/22	Target 2022/23	Actual 2022/23	Deviation from Planned 2022/23 Target	Comment on Deviation
Child under 5 years Severe acute malnutrition case fatality rate –Central Hospital	DHIS	22.2%	7.7%	5.3%	31.6%	Continuous training on SAM protocol to foster better implementation on the management of SAM.
Child under 5 years with Severe Acute Malnutrition death – Central Hospital	*Midnight Report*	*2*	*1*	*3*		
Severe acute malnutrition inpatient under 5 years - Central Hospital	*Ward register*	*9*	*13*	*57*		
[Number of] Inpatient deaths under 1 year – Central Hospital	Midnight Report	126	130	164	(26.2%)	A third of under-1 deaths occurred in the new-born period and the major contributing factor to the post neonatal under-1 deaths was surgical procedures and limited access to central services.
Still Birth in Facility Rate – Central Hospital	DHIS	29.5/1 000	33.1/1 000	36.9/1 000	(11.4%)	• Overall SBR remains high especially at these levels of care due to patients with complications being referred for further management. • When analysing raw data, the department was exactly on target based on targeted raw number of 16. However, since there were fewer deliveries than planned, the calculation resulted in a higher performance.
Stillbirth in facility – Central Hospital	*Midnight Report*	*13*	*16*	*16*		
Live birth + stillbirth in facility – Central Hospital	*Delivery Register*	*441*	*484*	*434*		

TABLE 41: OUTPUT PERFORMANCE INDICATORS AND MTEF TARGETS (CENTRAL HOSPITAL)

APP 2022/23: Page 202: Table 71						
Outputs	Output Indicator	Actual 2021/22	Target 2022/23	Actual 2022/23	Deviation from Planned 2022/23 Target	Comment on Deviation
OUTCOME: UNIVERSAL HEALTH COVERAGE						
Average Length of stay - Central Hospital	Average length of stay – Central Hospital	10.2 Days	9 Days	10.2 Days	(13%)	• Limited theatre time due to shortage of specialised clinical staff. • Patients admitted to IALCH spend an extended period of time in the intensive care unit (ICU) following surgery (neurology, neurosurgery, orthopaedics, oncology, and cardiac patients). • Delays in repatriation of patients to their base hospitals thus patients staying longer. • IALCH is the only central hospital in the province with patients accessing services in advanced stages of ill health.
	Inpatient days - Central Hospital	*171 325*	*200 368*	*184 954*		
	½ Day Patients - Central Hospital	*386*	*380*	*420*		
	Inpatient separations total - Central Hospital	*16 763*	*22 191*	*18 234*		
Bed utilisation rate - Central Hospital	Inpatient bed utilisation rates – Central Hospital	55.6%	65%	60%	(7.7%)	• Critical shortage of staff limiting the capacity of useable beds and limiting theatre time • Some critical investigations requiring high tech equipment cannot be performed during load shedding thus impacting negatively on final decision making related to patient care.
	Inpatient days - Central Hospital	*171 325*	*200 368*	*184 954*		
	½ Day Patients - Central Hospital	*386*	*380*	*420*		
	Inpatient bed days available - Central Hospital	*308 824*	*308 824*	*308 824*		
Expenditure per PDE - Central Hospital	Expenditure per PDE – Central Hospital	R 12 108	R 12 401	R 10 896.04	12.1%	Reduced Compensation of Employees due to high staff attrition with the majority of resignations from highly specialized areas such as operating theatres, intensive care units, and high care units. The
	Expenditure – total Central Hospitals ('000)	*R 2 776 247*	*R 2 540 496*	*R 2 681 101*		

APP 2022/23: Page 202: Table 71						
Outputs	Output Indicator	Actual 2021/22	Target 2022/23	Actual 2022/23	Deviation from Planned 2022/23 Target	Comment on Deviation
	Patient day equivalents - Central Hospital	*229 284*	*204 860*	*246 062*		department was unable to fill vacated posts due to budget cuts and the shortage of specialists in the market.
Number of OPD New cases not referred consulted - Central Hospitals	OPD headcount new cases not referred – Central Hospital	435	368	0	100%	Strict adherence to entry and exit criteria.
OUTCOME: IMPROVED CLIENT EXPERIENCE OF CARE						
Severity Assessment Code (SAC) 1 incidence reported within 24 hrs rate - Central Hospital	Severity assessment code (SAC) 1 incident reported within 24 hours rate – Central Hospital	89.36%	100%	68.8%	(31.3%)	Although evidence is available to show that reporting to the relevant responsibility person does occur within the 24 hours either telephonically or WhatsApp etc., the reporting date captured on the monitoring system is aligned to the capturing date.
	Severity assessment code (SAC) 1 incident reported within 24 hours – Central Hospital	*42*	*13*	*11*		
	Severity assessment code (SAC) 1 incident reported – Central Hospital	*47*	*13*	*16*		

Strategies to overcome areas of under-reporting

Tertiary Hospitals

- In addition to neonatal interventions, maintain primary health care programmes and strengthen paediatric respiratory support in all hospitals across the province.
- Pursue the development of additional paediatric critical care services.
- Continue to support IMCI training to encourage early case detection and early referral of high-risk cases.
- Implementation of the dual syphilis and HIV test to improve test and treat, and of the circular on syphilis at tertiary level.
- Appoint roving team of theatre specialists (nurses and doctors) to assist with surgical backlogs.
- Fill critical posts and implement tertiary package of services.
- Revisit triaging system at Ngwelezane Hospital
- Review referral pathway for eThekwini District for alignment with services at the Dr Pixley Ka Isaka Seme Memorial Hospital.

Central Hospitals

- Improve communication by conducting Open Days to educate clients on access to services and waiting times.
- Display notices on services rendered at this level of care.
- Conduct Batho Pele workshops to engage staff on their attitudes and responsibilities to clients.
- Explore development of additional paediatric critical care services.
- Establish improved respiratory support systems, nasal continuous positive airway pressure (nCPAP) and high flow nasal cannula (HFNC) in all district and regional hospitals.
- Monitor performance and clinical management.
- Replace critical staff subject to budget availability and improve access to services.
- Review target in line with Provincial characteristics and benchmark with other Provinces.
- Develop and implement plan to improve theatre use.

Linking performance with budget

TABLE 42: BUDGET APPROPRIATION AND EXPENDITURE

Programme per sub programme		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
5.1	Central Hospital Services	2 689 567	2 689 567	-	2 540 207	2 540 207	-
5.2	Provincial Tertiary Hospitals Services	2 973 518	2 973 518	-	2 814 948	2 814 948	
	Total	5 663 085	5 663 085	-	5 355 155	5 355 155	-

Source:

PROGRAMME 6 - HEALTH SCIENCES AND TRAINING

Programme Description & Purpose

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

There are no changes to the structure of Programme 6.

Sub-Programme 6.1: Nurse Training Colleges

Train nurses at undergraduate and post-basic level. Target group includes actual and potential employees.

Sub-Programme 6.2: EMS Training Colleges

Train rescue and ambulance personnel. Target group includes actual and potential employees.

Sub-Programme 6.3: Bursaries

Provision of bursaries for health science training programmes at under- and postgraduate levels targeting actual and potential employees

Sub-Programme 6.4: Primary Health Care Training

Provision of bursaries for health science training programmes at under-and postgraduate levels, targeting actual and potential employees

Sub-Programme 6.5: Training Other

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

Outcomes for the year under review

- Universal Health Coverage

Outcomes, outputs, output indicators, Targets and actual achievements

The change from a 4-year to 3-year programme allowed for an increase in the number of students. The re-direction of funds from the Republic of South Africa (RSA)-Cuban Medical

Programme to internal bursaries resulted to the target for number of internal employees awarded bursaries being exceeded.

TABLE 43: OUTPUT PERFORMANCE INDICATORS AND MTEF TARGETS (PROGRAMME 6)

APP 2022/23: Page 210 : Table 76						
Outputs	Output Indicator	Actual 2021/22	Target 2022/23	Actual 2022/23	Deviation from Planned 2022/23 Target	Comment on Deviation
OUTCOME: UNIVERSAL HEALTH COVERAGE						
Number of bursaries awarded to first year nursing students	Number of Bursaries awarded to first year nursing students	160	120	160	33.3%	The change from a 4-year to 3-year programme allowed for an increase in the number of students.
Number of nurses trained on nurse Post Graduate Nurse Specialist programmes	Number of nurses training on Post Graduate Nurse Specialist Programmes	0	100	0	(100%)	Training cannot commence until the accreditation process is finalised.
Number of bursaries awarded to internal employees	Number of internal employees awarded bursaries	360	360	462	28.3%	Funds were re-directed from the Republic of South Africa (RSA)-Cuban Medical Programme to internal bursaries.

Strategies to overcome areas of under-reporting

- Accreditation process is underway with the South African Nursing Council (SANC) and Council on Higher Education (CHE) for Post Graduate Diplomas.

Linking performance with budget

TABLE 44: BUDGET APPROPRIATION AND EXPENDITURE

Programme per sub programme		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
6.1	Nursing Training Colleges	211 895	211 895	-	212 037	212 037	-
6.2	EMS Training Colleges	23 680	23 680	-	22 326	22 326	-
6.3	Bursaries	43 573	43 573	-	74 129	74 129	-
6.4	Primary Health Care Training	30 879	30 879	-	33 505	33 505	-
6.5	Training Other	1 028 879	1 028 879	-	1 020 190	1 020 190	-
	Total	1 338 906	1 338 906	-	1 362 187	1 362 187	

Source: Annual Financial Statements (BAS)

PROGRAMME 7 - HEALTH CARE SUPPORT SERVICES

Programme Description & Purpose

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

There are no changes to the structure of Programme 7.

Sub-Programme 7.1: Medicine Trading Account

To Render Pharmaceutical services to the Department. Manage the supply of pharmaceuticals and medical sundries to hospitals, Community Health Centres and local authorities via the Medicine Trading Account.

Sub-Programme 7.2: Laundry Services

Render laundry services to hospitals, care and rehabilitation centres and certain local authorities.

Sub-Programme 7.3: Orthotic and Prosthetic Services

Render specialised orthotic and prosthetic services.

Outcomes for the year under review

- Universal Health Coverage

Outcomes, outputs, output indicators, Targets and actual achievements

The number of facilities reporting clean linen stock outs in the reporting period reduced. This is attributed to improved data collection methods, remunerative overtime used to reduce accumulated soiled linen backlogs, outsourcing by facilities to private laundries when in-house capacity is constrained and increased laundry machine capacity at Regional Laundry Northern Natal (Dundee). Follow up on suppliers with overdue orders and maintaining stock piling towards the end of the contract to mitigate for stock outs during the transition between contracts resulted to treatment stock-outs of less than five percent.

TABLE 45: OUTPUT PERFORFMANCE INDICATORS AND MTEF TARGETS (PROGRAMME 7)

APP 2022/23: Page 218: Table 81						
Outputs	Output Indicator	Actual 2021/22	Target 2022/23	Actual 2022/23	Deviation from Planned 2022/23 Target	Comment on Deviation
OUTCOME: UNIVERSAL HEALTH COVERAGE						
Percentage of facilities reporting clean linen stock outs	Percentage of facilities reporting clean linen stock outs	42.6%	20.3%	18.8%	7.2%	•The program improved data collection methods through work done with data management to include collection of laundry services data via the departmental WebDHIS which has a potential for better verification compared to relying on only facility manual registers. Teething problems experienced however the program continues to address these with facilities to ensure reliability of data. •Remunerative overtime used to reduce accumulated soiled linen backlogs. •Outsourcing by facilities to private laundries when in-house capacity is constrained •Increased laundry machine capacity at Regional Laundry Northern Natal (Dundee)
	Number of facilities reporting clean linen stock out	*29*	*14*	*13*		
	Facilities total	*68*	*69*	*69*		
Tracer medicine stock outs - PPSD	Tracer Medicine Stock-Out Rate at the Provincial Pharmaceutical Supply Depot (PPSD)	6.8%	**≤ 5%**	3.9%	22.1%	• Maintained follow up on suppliers with overdue orders. • Maintained stock piling towards the end of the contract to mitigate for stock outs during the transition between contracts.
	Number of medicine out of stock	*63*	*Varies*	*36*		
	Total number of tracer medicine expected to be in stock	*924*	*Varies*	*924*		

APP 2022/23: Page 218: Table 81						
Outputs	Output Indicator	Actual 2021/22	Target 2022/23	Actual 2022/23	Deviation from Planned 2022/23 Target	Comment on Deviation
Tracer medicine stock out rate at facilities	Tracer Medicine Stock-Out Rate at facilities (hospitals, community health centres and clinics)	1.7%	**≤ 5%**	1.4%	71.7%	• Stock level monitoring maintained. • Provincial Pharmaceutical Supply Depot (PPSD) rationed stock with supply constraints; and • Redistribution of stock to facilities with low stock levels.
	Number of Tracer medicines stock out in bulk store	*10 709*	*Varies*	*8 160*		
	Number of tracer medicines expected to be stocked in the bulk store	*616 162*	*Varies*	*577 068*		

Strategies to overcome areas of under-reporting

- No areas of under-reporting identified

Linking performance with budget

TABLE 46: BUDGET APPROPRIATION AND EXPENDITURE

Programme per sub programme		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
7.1	Medicine Trading Accounts	69 028	69 028	-	70 219	70 219	-
7.2	Laundry Services	178 194	178 194	-	188 975	188 975	-
7.3	Orthotic and Prosthetic Services	63 114	63 114	-	58 964	58 964	-
Total		310 336	310 336	-	318 159	318 159	-

Source: Annual Financial Statements and BAS

PROGRAMME 8 - HEALTH FACILITIES MANAGEMENT

Programme Description & Purpose

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

There are no changes to the structure of Programme 8.

Sub-Programme 8.1: Community Health Facilities

Construction of new facilities and refurbishment, upgrading and maintenance of existing Community Health Centres and Primary Health Care clinics and facilities

Sub-Programme 8.2: District Hospital Services

Construction of new facilities and refurbishment, upgrading and maintenance of existing District Hospitals

Sub-Programme 8.3: Emergency Medical Rescue Services

Construction of new facilities and refurbishment, upgrading and maintenance of existing EMS facilities

Sub-Programme 8.4: Provincial Hospital Services

Construction of new facilities and refurbishment, upgrading and maintenance of existing Provincial/ Regional Hospitals and Specialised Hospitals

Sub-Programme 8.5: Central Hospital Services

Construction of new facilities and refurbishment, upgrading and maintenance of existing Tertiary and Central Hospitals

Sub-Programme 8.6: Other Facilities

Construction of new facilities and refurbishment, upgrading and maintenance of other health facilities including forensic pathology facilities and nursing colleges and schools

Outcomes for the year under review

- Universal Health Coverage

Outcomes, outputs, output indicators, Targets and actual achievements

The targets for percentage of health facilities with completed capital infrastructure projects and number of upgrade and addition projects completed were exceeded due to the storm

water projects that were added later on. The spending on preventative maintenance improved with the implementation of plant or equipment three year-servicing contracts.

TABLE 47: OUTPUT PERFORMANCE INDICATORS AND MTEF TARGETS (PROGRAMME 8)

APP 2022/23: Page 226: Table 86						
Outputs	Output Indicator	Actual 2021/22	Target 2022/23	Actual 2022/23	Deviation from Planned 2022/23 Target	Comment on Deviation
OUTCOME: UNIVERSAL HEALTH COVERAGE						
Percentage of health facilities with completed capital infrastructure projects	Percentage of Health facilities with completed capital infrastructure projects	Not monitored	100%	134.3%	34.3%	The number of Projects has increased due to additional number of storm Projects that were not part of the initial plan as well as the Diesel Tanks replacement Programme implemented within the National Health Insurance (NHI) Clinic maintenance programme approved during the mid-year adjustment.
	Total number of health facilities with completed refurbishment Capital infrastructure projects i.e., Practical completion certificate (or equivalent issued)	-	*105*	*141*		
	Total number of health facilities on the 10 year infrastructure plan that needed major planned to have completed Capital infrastructure projects i.e. Practical completion certificate (or equivalent	-	*105*	*105*		
Preventative maintenance activities to prevent failure	Percentage of preventative maintenance expenditure	37.1%	35%	49.9%	42.6%	The implementation of plant/equipment three year-servicing contracts has resulted in the improved spending on preventative maintenance.
	Expenditure on Preventative Maintenance Activities	*R 82 172 000*	*R 300 928 240*	*R 131 667 200*		
	Expenditure on Preventative Maintenance plus Day-to-day Maintenance	*R 221 219 000*	*R 300 928 240*	*R 263 780 585*		
New and replacement projects completed	Number of new and replacement projects completed	11	45	45	0%	No deviation.

APP 2022/23: Page 226: Table 86						
Outputs	Output Indicator	Actual 2021/22	Target 2022/23	Actual 2022/23	Deviation from Planned 2022/23 Target	Comment on Deviation
Upgraded and additional projects completed	Number of upgrade and addition projects completed	30	30	47	56.7%	The number of Projects has increased due to additional number of storm Projects that were not part of the initial plan as well as the Diesel Tanks replacement Programme implemented within the National Health Insurance (NHI) Clinic maintenance programme approved during the mid-year adjustment.
Jobs created through the EPWP	Number of jobs created through the EPWP	3 148	2 000	3 173	58.7%	The appointment of a Co-ordinator for the reporting of capital projects has assisted the Department in realizing the positive results achieved.

Strategies to overcome areas of under-reporting

- No areas of under-reporting identified.

Linking performance with budget

TABLE 48: BUDGET APPROPRIATION AND EXPENDITURE

Programme per sub programme		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
8.1	Community Health Facilities	482 804	482 804	-	294 055	294 055	-
8.2	District Hospital Services	529 573	529 573	-	465 265	465 265	-
8.3	Emergency Medical Services	-	-	-	-	-	-
8.4	Provincial Hospital Services	570 408	570 408	-	901 083	901 083	-
8.5	Central Hospital Services	60 881	60 881	-	35 616	35 616	-
8.6	Other Facilities	269 010	269 010	-	246 063	246 063	-
Total		1 912 676	1 912 676	-	1 942 082	1 942 082	-

Source: Annual Financial Statements (BAS)

PART C: GOVERNANCE

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Risk Management

The Department has an approved Risk Management Policy, Risk Appetite Statement, Risk Management Strategy and Implementation (Action) Plan. Furthermore, the Department has an approved Business Continuity Management Policy and Terms of Reference.

The Department conducts regular risk assessments at a strategic and operational level. Progress on implementation of the Action Plan is reported to the Management Committee and the Risk Management Committee on a monthly and quarterly basis, respectively.

The Department has a functional Risk Management Committee (RMC) comprising of internal officials with the Head of Department serving as the Chairperson. The RMC executes its mandate in terms of the approved Risk Management Charter and is accountable to the Head of Department. Four Internal Risk Management Committee meetings were held during the 2022/23 financial year.

The focus of the Department's Risk Management Unit has been on supporting the Department to continue to improve its risk management maturity through a programme of activity. In 2022/23 this included:

- Facilitating strategic and operational risk assessments,
- Risk support, advice and training within the business units
- Providing ongoing risk education aimed at enhancing risk awareness and
- E-Learning on Risk Management.

The Department is a member of the Provincial Cluster Audit and Risk Committee, which is also responsible for discharging an oversight role over Risk Management activities. Progress reports on all activities relating to risk management are submitted quarterly to Cluster Audit and Risk Committee through the Provincial Treasury.

There has been some progress in the management of risks, however this has not yet transmitted into significant improvements in the Department's performance as the risk maturity level is still at different levels within the organisation. Measures to improve the situation include changes to the risk management activities which should ensure closer monitoring of risk mitigation by the Accounting Officer and foster greater accountability and ownership at senior management level.

Fraud and Corruption

The Department has established Directorate: Departmental Investigation Services (DIS) that focuses on two pillars of fraud risk management, namely fraud prevention and investigations;

the third element, which is the implementation of corrective actions, is handled by the Department's Labour Relations Office (LRO).

The Department, through its Fraud Prevention Plan and Strategies has adopted proactive measure to prevent risk of fraud and corruption, this include the pre-screening of applicants before an appointment is made and the requirement that all senior management be vetted. In addition, all senior management and designated employees are obliged to disclose their financial interests annually.

The Department provides for a confidential whistle-blowing platform that enables any member of staff and public to report suspected actions of fraud and corruption. The Ethics Office has introduced awareness publications aimed at, amongst other, educating employees on how to identify fraudulent and corrupt behaviour.

The Department has a case management system where all reported and known cases are recorded and monitored. Once a case is reported Departmental Investigations Services performs a preliminary investigation followed by a full investigation where appropriate. In addition, progress in respect of these cases, as well as those that have been referred by the Public Service Commission, through National Anti-Corruption Hot line (NACH), are reported quarterly to the Cluster Audit and Risk Committee (CARC).

Minimising Conflict of Interest

There are several instances where conflict of interest (direct or perceived) may be prevalent.

1) Conducting business with the State in that officials are registered as Directors/Owners/Members of Companies that are registered on the Central Supplier Database (CSD).

A CSD report is accessed for each potential bidder or service provider who quotes through the procurement processes. If government employee's details are reflected on the CSD report this would be considered a conflict of interest and therefore involvement in such companies is expressly prohibited.

The SBD 4 form which is a supplier business declaration form, is another important tool in managing the conflict of interest in the SCM environment. The SBD 4 form is required to be completed and makes provision for listing of relatives of bidders who are employed by the State. At this point the respective SCM Committee's must exercise due diligence and examine for potential and/or direct conflict of interest.

2) Conflict of interest is also managed through the separation of functions at a SCM Finance and SCM level.

3) Instances of direct conflict as identified through audits and internal control processes are also another source of information. In this regard, once the list is sent to the Ethics Office,

communication is addressed to the identified officials reminding them of the provisions of the Regulations and instructing them to deregister the company from CSD or resign as a member/Director of the company and/or resign from Public Service. The Legislation is also clear that the act of conducting business with state is a criminal offence and an offender could be prosecuted accordingly. This is the final step, should officials not show any indication of willingness to comply.

Such cases are then referred to Labour Relations for disciplinary action and if need be to the Departmental Investigations Unit for further investigation with the intention of recovery.

4) The Provincial ORWOPS Committee receives all applications for ORWOPS and makes recommendations to the accounting officer based on the information supplied. Any potential/ perceived / actual and direct conflict of interest are highlighted, and such applications are not recommended. This includes a CSD check and any official who has a company listed on CSD, has their application for ORWOPS rejected. A further level of intervention to avoid conflict of interest is the inclusion of an Addendum that the supervisor and CEO signs off, committing to monitoring, reporting and motivating for the revoking of the approved ORWOPS should any conflict of interest and/or compromising of service delivery arise.

5) Conflict of interest in the HRM recruitment and selection space is managed through completion of declarations or recusals.

6) All gifts, sponsorships and donations have to be declared on a monthly basis and the delegation for the acceptance resides with the Accounting Officer. The acceptance process is managed through the Ethics Office and a Donation/Gift/Sponsorship register is maintained. The register is collated and submitted on a monthly basis to the Accounting Officer and to the Finance Office.

7) Conflict of interests are also managed through the process of Financial Disclosure and any potential conflict of interest is addressed when identified.

8) The Department has an approved Policy on Conducting Business with the State which gives effect to the Regulation 13(c) of the Public Service Regulations (PSR), 2016. This Policy outlines the Statutory Mandate and serves to promote ethical behaviour among employees, eradicate and prevent unethical behaviour and reduce possible/perceived and potential conflicts of interest.

9) The Public Service Regulations Chapter 2 which focuses on conduct, financial disclosures, anti-corruption and Ethics Management and the Public Administration Management Act Chapter 3(8) is widely workshopped to all levels of employees in order to bring awareness to possible contraventions. The Department has further developed posters as well as a booklet on Ethics in the Workplace and these are distributed to all facilities and available on the intranet for downloading.

10) The Department has a Whistleblowing Policy which takes cognisance of the fact that every employer and employee has a responsibility to disclose criminal and/or any other irregular conduct in the workplace. This Policy provides users with the various avenues in which misconduct/fraud/irregular conduct can be reported anonymously.

11) The Department has an approved Fraud Prevention Plan which is the cornerstone of all fraud prevention enablers that exists to support the implementation of fraud risk management at both strategic and operational levels in the Department.

12) In 2020/21, the Director-General: DPSA approved the Framework and Strategy for implementing Lifestyle Audits in the Public Service and as of 1st April 2021 Lifestyle Audits became compulsory for all National and Provincial Departments. Departments are expected to conduct Lifestyle Audits guided by Regulation 22 of the Public Service Act, 1993. Departments follow a risk-based approach in order for it to be a legitimate fraud prevention and detection mechanism.

Furthermore, the DPSA, August 2018, developed a guide on the reporting of unethical conduct, corruption and non-compliance to the Public Service Act, 1994 and the Public Service Regulations, 2016 in the Public Service.

Code of Conduct

Section 195 of the Constitution of the Republic of South Africa outlines the democratic values and principles governing the Public Administration.

The Public Service Code of Conduct is directional in nature and is the standard of behaviour that is expected from all public servants.

As such a breach of the Code of conduct is dealt with via the progressive disciplinary process depending on the nature of misconduct. Progressive discipline allows the supervisor/ manager to meet out consequence management, depending on the nature of the misconduct, and ranges from counselling up to dismissal.

The Department has developed a Code of Ethical Conduct handbook for employees which is informed by the Legislative framework governing the Public Service, the Code of Conduct for the Public Service, the Batho Pele Principles and the Integrity Management Framework for the Public Service amongst others. The principles of ethics and good conduct in the workplace which are outlined in the handbook seeks to promote an ethical Organisational Culture.

The Department has implemented a standardised employee Induction and Orientation programme which is being rolled out in all Districts for all newly appointed employees. This programme seeks to provide the employee with a basic understanding of the Public Service as well as expectations of the Department in terms of code of conduct and an emphasis of the applicable Public Service Regulations.

Health and Safety Issues

The advent of Coronavirus Disease in March 2020 required the Department of Health to come up with interventions that were aimed at protecting the health and safety of our healthcare workers. These interventions included:

- The update of Occupational Health and Safety Guidelines to protect Healthcare Workers during COVID-19.
- implementation of risk improvement plan

- Conducting health education to employees to ensure that they take necessary precautions to protect themselves and others.
- Providing resources and a work environment that promotes personal hygiene. For example, hand soap, alcohol-based hand rubs containing at least 70 percent alcohol, disinfectants, and disposable towels for workers to clean their hands and their work surfaces.
- Decongestion of common areas e.g., boardrooms
- Provision of appropriate Personal Protective Equipment (PPE) to relevant Healthcare Workers based on Risk Assessment.
- Daily monitoring of COVID – 19 infection and management thereof
- Vaccination programme started in 2021 and all employees were encouraged to vaccinate.
- Integration of COVID – 19 guidelines into existing departmental service delivery platforms
- On the 4th of April 2022, National state of disaster on Covid-19 was lifted as a result, all regulations were repealed. However, as a department, we still conduct risk assessment in line with OHS Act
- The Department is continuing with conducting occupational health and safety audits and inspections aimed at prevention and improvement of the environment.
- Despite lifting of Covid-19 the Department still ensures strict adherence to hygiene protocol alcohol-based hand rubs are still provided in all departmental strategic points and service delivery platforms.
- Continuous awareness on HBA and health education and awareness on precautionary measures has been mainstreamed to all Employee Health and Wellness programme and trainings.
- Employees who want to participate in the vaccination programme are encouraged and supported to do so

Health Portfolio Committee

The Health Portfolio Committee meetings took place as follows:

- 15 March 2022
- 12 April 2022
- 24 May 2022
- 03 September 2022
- 01 November 2022

The matters discussed include Annual performance plan, annual and quarterly reports, budget, responses to Youth Parliament and Finance committee resolutions.

SCOPA Resolutions

TABLE 49: SCOPA RESOLUTIONS SUMMARY

Resolution Number	Subject	Details	Response by the Department	Resolved (Yes/No)
Report Of the Standing Committee on Public Accounts March 2022 Follow-Up Hearings On 2020/2021 Report of The Auditor-General - Vote 7: Department of Health				
49/2022	Incomplete and Incorrect Recording of Irregular Expenditure - R11.55 billion (Relating to Resolution 225/2021)	The Accounting Officer report to the Committee by 30 June 2022 on: - Progress made in the implementation of consequence management against CEOs of institutions who had contributed to the audit qualification on irregular expenditure and the steps taken to do so, per CEO. - Progress made in the training of relevant staff on the EASI tool. - Progress made in the implementation and effectiveness of the EASI tool in relation to the electronic recording of all transactions and the reconciliation and consolidation of the irregular expenditure register.	Refer to the detailed responses submitted to the SCOPA, below	Refer to the detailed responses submitted to the SCOPA, below
50/2022	Misstatements of movable Tangible Assets - R5.6 billion and Minor Assets - R855 million (Relating to Resolution 226/2021)	The Accounting Officer report by 30 June 2022 on steps taken or to be taken, and the outcome of the engagement with the Provincial Accountant General, in reaching agreement with the Auditor-General on the interpretation of the Modified Cash Standard (MCS) relating to the fair valuation of assets.	Refer to the detailed responses submitted to the SCOPA, below	Refer to the detailed responses submitted to the SCOPA, below
51/2022	Payments For Goods and Services Not Received - R16.15 billion (Relating to Resolution 227/2021)	The Accounting Officer report by 30 June 2022 on progress made in the assessment of institutions and the findings, as well as remedial steps taken to address non-compliance and steps taken to implement consequence management in instances of non-compliance.	Refer to the detailed responses submitted to the SCOPA, below	Refer to the detailed responses submitted to the SCOPA, below
52/2022	Misstatement of Accruals - R 686.74 million and Payables Not Recognized - R1.1 billion (Relating to Resolution 228/2021)	The Accounting Officer report to the Committee by 30 June 2022 on: - Progress made in the roll-out of the training and the anticipated time frame for completing the training, as well as the project plan on the full implementation of LOGIS. - An evidence-based assessment of the effectiveness of the measures implemented in the interim to ensure all accruals and	Refer to the detailed responses submitted to the SCOPA, below	Refer to the detailed responses submitted to the SCOPA, below

Resolution Number	Subject	Details	Response by the Department	Resolved (Yes/No)
		payables are recorded accurately.		
53/2022	Medico-Legal Claims: R26.23 billion (Relating to Resolution 229/2021)	The Accounting Officer report to the Committee by 30 June 2022 on: - Progress made in the acquisition of a suitable electronic storage system to store medical records and the time frames for doing so. - A copy of the Provincial Clinical Governance Policy is to be provided. - Specific strategies implemented by the department to mitigate its liability in respect of medico-legal claims. - The amount budgeted for medico-legal claims in 2020/21, 2021/22 and 2022/23 respectively, as well as the amount paid in 2021/22 in settlement of medico-legal claims.	Refer to the detailed responses submitted to the SCOPA, below	Refer to the detailed responses submitted to the SCOPA, below
54/2022	Misstatements on Achievement of Predetermined Objectives: Programme 2 - District Health Services (Relating to Resolution 230/2021)	The Accounting Officer report to the Committee by 30 June 2022 on the outcome of the assessment on the effectiveness of the interventions implemented by the department to ensure performance information is accurate, as well as further interventions implemented to address any areas of non-compliance, including consequence management implemented against all officials who have been non-compliant.	Refer to the detailed responses submitted to the SCOPA, below	Refer to the detailed responses submitted to the SCOPA, below
55/2022	Irregular Expenditure of R1.629 billion in 2020/21 (Cumulative Balance in Prior Years: R9.926 billion Not Yet Condoned) (Relating to Resolution 231/2021)	The Accounting Officer report to the Committee by 30 June 2022 on: - Progress made in the determination testing of the 2018/19, 2019/20 and 2020/21 irregular expenditure and the anticipated timeframes for conclusion of this process and submission to Provincial Treasury for condonation. - Steps taken to perform the determination testing of the 2014/15, 2015/16 and 2016/17 irregular expenditure relating to expired contracts, and the time frames for conclusion thereof. - Progress made in the re-advertising of the expired contracts and when these contracts are anticipated to be finalized.	Refer to the detailed responses submitted to the SCOPA, below	Refer to the detailed responses submitted to the SCOPA, below

Resolution Number	Subject	Details	Response by the Department	Resolved (Yes/No)
56/2022	Procurement and Contract Management (Relating to Resolution 234/2021)	The Accounting Officer report to the Committee by 30 June 2022 on: - Progress made in the implementation of consequence management against CEOs of facilities who contributed to the findings relating to non-compliance with SCM prescripts, the outcomes thereof and time frames for concluding these matters. - Steps taken by the department to monitor compliance with the SCM control system by the respective CEO's. - Progress made in the implementation of an electronic records management system and time frames for doing so, as well as progress made in the scanning of all contract documents in the meantime and time frames for concluding the scanning.	Refer to the detailed responses submitted to the SCOPA, below	Refer to the detailed responses submitted to the SCOPA, below
57/2022	Performance Management and Performance Targets (Relating to Resolution 235/2021)	The Accounting Officer report to the Committee by 30 June 2022 on the effectiveness of the implementation of the audit improvement plan and whether it has adequately addressed this finding.	Refer to the detailed responses submitted to the SCOPA, below	Refer to the detailed responses submitted to the SCOPA, below
58/2022	Procurement of Sanitizer Detergent at Prices Higher Than Permissible in March 2020 - Material Loss of R1.3 million (Relating to Resolution 236/2021)	The Accounting Officer report to the Committee by 30 June 2022 on: - Progress made in the finalization of the investigation, time frames for finalization thereof and the reasons for the delays, as well as steps taken to expedite the matter. - Once the investigation has been finalized, the findings and recommendations of the investigation, as well as steps taken to implement the recommendations, and time frames for doing so.	Refer to the detailed responses submitted to the SCOPA, below	Refer to the detailed responses submitted to the SCOPA, below
59/2022	Material Irregularity Relating to Radiology Equipment Contracts Awarded to Bidders Who Did Not Score the Highest Points - Material Financial Loss of R27.54 million	The Accounting Officer report to the Committee by 30 June 2022 on: - The findings and recommendations of the legal opinion, as well as steps taken to implement the recommendations and time frames for doing so. Reasons must be provided if no steps have been taken.	Refer to the detailed responses submitted to the SCOPA, below	Refer to the detailed responses submitted to the SCOPA, below

Resolution Number	Subject	Details	Response by the Department	Resolved (Yes/No)
	(Relating to Resolution 237/2021)	- The report need not disclose confidential information but must be of sufficient clarity and particularity to enable SCOPA to assess both the matters which gave rise to the investigation(s) as well as the Department's conduct in relation to the investigation(s).		
60/2022	Internal Investigations (Relating to Resolution 239/2021)	The Accounting Officer report to the Committee by 30 June 2022 on progress made in the implementation of the recommendations in the matters still outstanding and on the outcomes of these matters.	Refer to the detailed responses submitted to the SCOPA, below	Refer to the detailed responses submitted to the SCOPA, below
61/2022	Forensic Investigations (Relating to Resolution 240/2021)	The Accounting Officer report to the Committee by 30 June 2022 on: - A detailed response to Resolution 240/2021, containing updated information on progress made in each matter. - Where no progress has been made, reasons must be provided as well as steps taken to expedite implementation.	Refer to the detailed responses submitted to the SCOPA, below	Refer to the detailed responses submitted to the SCOPA, below
62/2022	Unauthorized Expenditure - 2018/19: R2.209 million, 2019/20: R14.249 million and 2019/20: R91.618 million (Relating to Resolution 241/2021)	The Accounting Officer report to the committee by 30 June 2022 on: - Full particulars of the unauthorized expenditure for each financial year (2017/18, 2018/19 and 2019/20) as reported to Provincial Treasury in terms of section 38(1)(g) of the Public Finance Management Act, 1999 (PFMA). - Steps taken by the department to prevent the unauthorized expenditure as required by section 38(1)(c)(ii) of the PFMA. - Whether the unauthorized expenditure in each financial year is an overspending of the Vote itself or of a main division within the Vote or expenditure not in accordance with the purpose of the Vote or a main division within the Vote. - Disciplinary steps taken against the officials responsible for the unauthorized expenditure as required by section 38(1)(h)(iii) of the PFMA, read with Treasury Regulation 9.1.3. - Steps taken to recover any losses resulting from the unauthorized expenditure from the officials	Refer to the detailed responses submitted to the SCOPA, below	Refer to the detailed responses submitted to the SCOPA, below

Resolution Number	Subject	Details	Response by the Department	Resolved (Yes/No)
		responsible in terms of Treasury Regulation 9.1.4 and 12.7.		
63/2022	Fruitless and Wasteful Expenditure - R2.175 million in 2020/21 (Prior Years - R2.585 million) (Relating to Resolution 242/2021)	The Accounting Officer report to the Committee by 30 June 2022 on: - Progress made in finalizing all investigations relating to fruitless and wasteful expenditure, as well as in implementing consequence management and the recovery of losses. - The report must provide the findings and recommendations of the investigations and details of steps taken to implement the recommendations, with time frames for doing so. - Reasons must be provided for the slow progress, as well as steps taken to expedite the investigations and implementation of recommendations.	Refer to the detailed responses submitted to the SCOPA, below	Refer to the detailed responses submitted to the SCOPA, below
64/2022	Filling of Critical Posts (Relating to Transversal Resolution 290/2021)	The Accounting Officer report to the Committee by 30 June 2022 on progress made in the filling of the CFO post and anticipated time frames for the appointment to be made.	Refer to the detailed responses submitted to the SCOPA, below	Refer to the detailed responses submitted to the SCOPA, below
The Resolutions of the Standing Committee on Public Accounts (Scopa) Convened During October 2022 to Consider the 2021/2022 Reports of the Auditor-General on Provincial Government Departments and Public Entities				
157/2022	Qualified Audit Opinion: Irregular Expenditure Stated at R16,17 billion (202/211: R12.2 billion)	The Accounting Officer comprehensively report to the Committee by 31 January 2023 on: - The reasons for: i. The lack of effective, efficient, and adequate systems of internal control to ensure that irregular expenditure is identified and recorded correctly. ii. the failure by the accounting officer to exercise adequate oversight over the implementation of such systems; and iii. Why such failure does not constitute an act of financial misconduct. iv. The measures to be implemented to ensure that adequate systems of internal control are in place and are adequately monitored	Refer to the detailed responses submitted to the SCOPA, below	Refer to the detailed responses submitted to the SCOPA, below

Resolution Number	Subject	Details	Response by the Department	Resolved (Yes/No)
		henceforth to avoid ensure a recurrence.		
158/2022	Qualified Audit Opinion: Misstatements of Movable Tangible Capital Assets (R5.5 billion) and Minor Assets (R595 million)	The Accounting Officer report to the Committee by 31 January 2023 on progress made in resolving this audit finding and steps taken to facilitate a speedy resolution of the matter.	Refer to the detailed responses submitted to the SCOPA, below	Refer to the detailed responses submitted to the SCOPA, below
159/2022	Qualified Audit Opinion: Payments for Goods and Services Not Received (R16.15 billion)	The Accounting Officer report to the Committee by 31 January 2023 on: - The reasons for not implementing an adequate system of internal control as contemplated by section 38(1)(a)(i) of the PFMA and why this does not constitute an act of financial misconduct. - An evidence-based assessment of the effectiveness of the implementation of the Goods Received Notebooks as a system of internal control as contemplated by section 38(1)(a)(i) of the PFMA to address this audit finding and to avoid a recurrence.	Refer to the detailed responses submitted to the SCOPA, below	Refer to the detailed responses submitted to the SCOPA, below
160/2022	Qualified Audit Opinion: Misstatements of Accruals (R528,61 million) and Payables Not Recognised (R998,93 million)	The Accounting Officer report to the Committee by 31 January 2023 on progress made in the implementation of LOGIS and provide an evidence-based assessment of the effectiveness of the system to address this audit finding as well as assurance that a recurrence will be avoided.	Refer to the detailed responses submitted to the SCOPA, below	Refer to the detailed responses submitted to the SCOPA, below
161/2022	Uncertainty Relating to the Outcome of Litigation (R17,01 billion)	The Accounting Officer report to the Committee by 31 January 2023 on: - A breakdown of the medico-legal claims, per hospital, as well as the age, value, and nature of each claim. - The number and value of the claims that were successfully defended in 2021/22 and the two financial years prior thereto. - An assessment of the impact of the lack of proper record-keeping on the liability of the department for claims paid in 2021/22 and the two financial years prior thereto, either by way of court order or a settlement. - Outcome of strategies adopted by the department to mitigate its	Refer to the detailed responses submitted to the SCOPA, below	Refer to the detailed responses submitted to the SCOPA, below

Resolution Number	Subject	Details	Response by the Department	Resolved (Yes/No)
		liability in respect of medico-legal claims, including but not limited to early investigation and settlement of claims where liability is established, improved record-keeping for evidential purposes, use of alternative dispute resolution mechanisms, use of private sector expert legal practitioners to defend claims, contingency fee arrangements and training of staff to avoid future claims, and the like. - Progress made in law reform and legislative interventions pertaining to medico-legal claims in the public health sector, including capping of claims and other interventions as proposed by National Treasury in 2020.		
162/2022	Predetermined Objectives: Programme 2 - District Health Services	The Accounting Officer report to the Committee by 31 January 2023 on: - The reasons for the lack of monitoring the accuracy of reported performance information and why this does not constitute an act of financial misconduct. - An evidence-based assessment of the effectiveness of the measures implemented to address this audit finding and to provide assurance that the measures implemented will avoid a recurrence.	Refer to the detailed responses submitted to the SCOPA, below	Refer to the detailed responses submitted to the SCOPA, below
163/2022	Annual Financial Statements: Material Misstatements Not Corrected	The Accounting Officer report to the Committee by 31 January 2023 on: - An evidence-based assessment of the effectiveness of the measures implemented to address these audit findings and to provide assurance that a finding of uncorrected material misstatements on the same or similar grounds will not re-occur.	Refer to the detailed responses submitted to the SCOPA, below	Refer to the detailed responses submitted to the SCOPA, below
164/2022	Expenditure Management: Non-Payment of Invoices Within 30 Days	The Accounting Officer report to the Committee by 31 January 2023 on the outcome of steps taken to address this finding and an evidence-based assessment of the effectiveness of the measures implemented to prevent a recurrence.	Refer to the detailed responses submitted to the SCOPA, below	Refer to the detailed responses submitted to the SCOPA, below

Resolution Number	Subject	Details	Response by the Department	Resolved (Yes/No)
165/2022:	Non-Compliance: Procurement and Contract Management	The Accounting Officer report to the Committee by 31 January 2023 on: - The reasons for the lack of proper controls and the exercise of proper oversight in monitoring compliance with applicable supply chain management prescripts and why this does not constitute an act of financial misconduct. - The reasons for the failure by the Accounting Officer to prevent the abuse of the supply chain management system as required by Treasury Regulation 16A.9.1, to reject bids from suppliers whose tax matters had not been declared by SARS to be in order as required by Treasury Regulation 16A9.1 (d), or to reject awards to suppliers who committed a corrupt or fraudulent act in competing for the contract were rejected as required by Treasury Regulation 16A.9.1(e) and 16A.9(2)(a)(ii). - Evidence that the measures put in place to address each of the areas of non-compliance identified by the Auditor-General have been effective in ensuring compliance with the legislative prescripts relating to contract and procurement management and to avoid a recurrence. - Disciplinary steps taken against all officials responsible for the transgressions identified by the Auditor-General, the outcomes thereof, specific sanctions imposed and time frames for finalisation of the disciplinary matters. - Steps taken to address the lack of a proper records management system, time frames for implementation of interventions and an assessment of the effectiveness of the measures implemented to address the findings of the Auditor-General in this regard.	Refer to the detailed responses submitted to the SCOPA, below	Refer to the detailed responses submitted to the SCOPA, below
166/2022	Strategic Planning and Performance Management	The Accounting Officer report to the Committee by 31 January 2023 on: - The reasons for the failure to effectively implement information systems to enable the monitoring	Refer to the detailed responses submitted to the	Refer to the detailed responses submitted

Resolution Number	Subject	Details	Response by the Department	Resolved (Yes/No)
		of progress made towards achieving targets, core objectives and service delivery. - An evidence-based assessment of the effectiveness of the measures implemented to address this audit finding and to provide assurance that a recurrence will be avoided.	SCOPA, below	to the SCOPA, below
167/2022	Material Irregularities: Procurement of Sanitizer Detergent at Prices Higher Than Permissible	The Accounting Officer report to the Committee by 31 January 2023 on: - Progress made in the payment of the balance, considering the time lapse since it was brought to the attention of the Accounting Officer, steps taken to expedite the finalisation of the full payment to the department.	Refer to the detailed responses submitted to the SCOPA, below	Refer to the detailed responses submitted to the SCOPA, below
168/2022	Internal Control: Approved Policies and Action Plans Not Implemented to Address Previous Audit Findings	The Accounting Officer report to the Committee by 31 January 2023 on: - An evidence-based assessment of the effectiveness of the interventions implemented by the department to: i. Address the root causes of the qualified audit opinion and the key risk areas. ii. ensure that proper systems of internal control are implemented, that audit findings are addressed promptly and fully and that an adequate system of document management and record-keeping is implemented; and iii. Provide for adequate oversight and monitoring by management over compliance with applicable laws and regulations.	Refer to the detailed responses submitted to the SCOPA, below	Refer to the detailed responses submitted to the SCOPA, below
169/2022	Internal Investigations	The Accounting Officer report to the Committee by 31 January 2023 on: - Progress made in finalising the 7 investigations still in progress and the 38 matters under review, as well as the anticipated time frames for finalisation. - The nature of the allegations in the 63 matters referred to Labour Relations, the amounts involved, progress made in the disciplinary matters or criminal referrals, steps taken to recover any losses and	Refer to the detailed responses submitted to the SCOPA, below	Refer to the detailed responses submitted to the SCOPA, below

Resolution Number	Subject	Details	Response by the Department	Resolved (Yes/No)
		the anticipated time frames for finalisation. - The nature of the transgressions in the 60 matters that have been finalised in terms of disciplinary hearings, the amounts involved, the sanctions imposed, as well as steps taken to recover any losses, alternatively the reasons for not pursuing recovery.		
170/2022	Investigations by Forensic Unit	The Accounting Officer report to the Committee by 31 January 2023 on: - The nature of the allegations and the amounts involved in each of the completed investigations. - The findings and recommendations in each matter, including the matter investigated under FR 11/2016. - Progress made in the implementation of the recommendations in the matter investigated under FR 11/2016 and time frames for implementation. - Steps taken to recover any losses and progress made therein, alternatively the reasons for not pursuing recovery. - Progress made in the implementation of disciplinary action in the matters under FR 02/2017, FR 05/2018 and FR 06/ 2018 and time frames for finalisation thereof. - The outcomes of the disciplinary matters in FR 08/2018 and the sanctions imposed. - Details of the material irregularity under FR 10/2019 and the steps taken by the Accounting Officer to address the matter. - Other remedial actions taken to avoid a recurrence of the incidents investigated.	Refer to the detailed responses submitted to the SCOPA, below	Refer to the detailed responses submitted to the SCOPA, below
171/2022	Unauthorised Expenditure: R108.074 million in Prior Financial Years Not Yet Authorised	The Accounting Officer report to the Committee in detail by 31 January 2023 on: - A breakdown of the amounts of unauthorised expenditure per financial year. - The reasons for the unauthorised expenditure per financial year. - Whether the Vote itself was overspent in each year due to any over-expenditure.	Refer to the detailed responses submitted to the SCOPA, below	Refer to the detailed responses submitted to the SCOPA, below

Resolution Number	Subject	Details	Response by the Department	Resolved (Yes/No)
		- Measures put in place to prevent a recurrence. - Details of disciplinary action taken against the officials responsible for the unauthorised expenditure and the outcomes thereof. - Steps taken to recover any losses incurred due to the unauthorised expenditure.		
TRANSVERSAL RESOLUTIONS				
217/2022	Transversal Resolution – Filling of Critical Posts	The Accounting Officers and Accounting Authorities of the relevant departments and public entities report to the Committee by 31 January 2023 on progress made in the filling of critical management posts and the time frames for the filling of those posts.	Refer to the detailed responses submitted to the SCOPA, below	Refer to the detailed responses submitted to the SCOPA, below
218/2022	Transversal Resolution: Compliance with HRM Matters	The relevant Accounting Officers and Accounting Authorities report to the Committee by 31 January 2023 on measures taken to ensure full compliance with HRM matters in relations to signing of performance agreements, security vetting, submission of financial disclosure forms and verification of qualifications.	Refer to the detailed responses submitted to the SCOPA, below	Refer to the detailed responses submitted to the SCOPA, below
219/2022	Transversal Resolution: Special Investigation Unit	The relevant Accounting Officers and Accounting Authorities report to the Committee by 31 January 2023 on measures taken to ensure full compliance with the obligations agreed upon to pay for the service rendered.	Refer to the detailed responses submitted to the SCOPA, below	Refer to the detailed responses submitted to the SCOPA, below
220/2022	Transversal Resolution: Human Resource Management: Vacancies in Senior Management and Critical Positions	The Accounting Officer and the Accounting Authority report to the Committee by 31 January 2023 on progress made in the filling of senior management positions, critical positions as well as the outcomes of their engagements with Provincial Treasury and the Office of the Premier on the filling of posts and the funding thereof.	Refer to the detailed responses submitted to the SCOPA, below	Refer to the detailed responses submitted to the SCOPA, below

Detailed responses submitted to SCOPA

Report of the Standing Committee on Public Accounts March 2022 follow-up hearings on 2020/2021 report of the Auditor-General - Vote 7: Department of Health

1. The report emanating from the March 2022 Standing Committee on the Public Accounts hearings on the 2020/21 report of the Auditor-General in respect of the KwaZulu-Natal Department of Health, has reference.

2. Appended are the responses of the Department relative to the resolutions of the Standing Committee of the Public Accounts.

RESOLUTION 49/2022: INCOMPLETE AND INCORRECT RECORDING OF IRREGULAR EXPENDITURE - R11.55 BILLION (RELATING TO RESOLUTION 225/2021)

Noting that:

(a) The root cause of the findings on irregular expenditure was the inaccurate and incomplete disclosure of irregular expenditure by management at a facility level, since the department has been using a manual system to record and report on irregular expenditure. The department intends implementing consequence management against the CEOs of institutions who had contributed to the audit qualification.

(b) The department has appointed a service provider to assist with the accurate and complete recording and disclosure of irregular expenditure incurred in 2021/22. The service provider will also review all prior years' irregular expenditure to ensure the opening balance for 2021/22 is adjusted accordingly. The project entails, among other things, the setting-up of an electronic tool (EASI) to record all transactions and the reconciliation and consolidation of the irregular expenditure register. Training on the use of the tool has commenced in all districts.

The Committee Resolves:

That the Accounting Officer report to the Committee by 30 June 2022 on:

[1] Progress made in the implementation of consequence management against CEOs of institutions who had contributed to the audit qualification on irregular expenditure and the steps taken to do so, per CEO.

[2] Progress made in the training of relevant staff on the EASI tool.

[3] Progress made in the implementation and effectiveness of the EASI tool in relation to the electronic recording of all transactions and the reconciliation and consolidation of the irregular expenditure register.

RESPONSE OF THE DEPARTMENT

[1] Progress made in the implementation of consequence management against CEOs of institutions who had contributed to the audit qualification on irregular expenditure and the steps taken to do so, per CEO.

Subsequent to the Department issuing letters regarding consequence management to the respective CEOs of institutions that were audited and who had contributed to the qualifications in the 2020/21 financial year, representations were received from CEO's relative to both punitive action and corrective action that they had instituted / implemented at their facilities.

[2] Progress made in the training of relevant staff on the EASI tool.

The EASI Tool has been implemented at the Head Office and at all facilities. All officials who are required to utilise the tool for the capture of all supply chain management transactions and the assessment thereof have been trained. There are in excess of 600 users who have been added to the system and have been responsible for the capturing and assessment of the transactions to determine whether these are irregular or not. The categories of users include those who are performing an oversight role, capturers as well as reviewers.

[3] Progress made in the implementation and effectiveness of the EASI tool in relation to the electronic recording of all transactions and the reconciliation and consolidation of the irregular expenditure register.

The population of payments for the 2021/22 financial year which amounted to 292 518 transactions totalling R 19,458,393,655.77, was imported onto the Tool and analysed by way of the completion of the evaluation checklists for various SCM processes such as requests for quotations, deviations, transversal contracts, competitive bids etc.

The resultant effect of this assessment was that as at 31 March 2022, the Department disclosed an amount of R 2,623,985,392.34 as irregular expenditure in the AFS. In this regard, there is an itemised register with uniform descriptions of contraventions and other pertinent information (e.g., payment number, order number, etc) which reconciles to the amount disclosed. The relevant supporting documentation has been uploaded to the EASI Tool and the Office of the Auditor-General has been given access to the EASI Tool to facilitate their audit for the 2021/22 financial year.

RESOLUTION 50/2022: MISSTATEMENTS OF MOVABLE TANGIBLE ASSETS - R5.6 BILLION AND MINOR ASSETS - R855 MILLION (RELATING TO RESOLUTION 226/2021)

Noting that:

The department disagrees with the finding of the Auditor-General that it had applied incorrect criteria in the valuation of its assets. The department applied an asset valuation methodology that was approved by Provincial Treasury and endorsed by National Treasury. In the opinion of the department the Modified Cash Standard (MCS), issued by National Treasury, is not clear and lends itself to more than one interpretation. Despite numerous engagements, the disagreement has not been resolved.

The Committee resolves:

That the Accounting Officer report by 30 June 2022 on steps taken or to be taken, and the outcome of the engagement with the Provincial Accountant General, in reaching agreement with the Auditor-General on the interpretation of the Modified Cash Standard (MCS) relating to the fair valuation of assets.

RESPONSE OF THE DEPARTMENT

The Resolution of the Committee is noted.

Appended are the initiatives / actions taken to address and resolve the Asset Valuation Methodology

- The deliberations on the asset valuation methodology have been at a stalemate despite various discussions between the Department, and both the Provincial Treasury and the National Treasury, relative to the interpretation of the standard, specifically with regards to the application of adjustment factors emanating from the conditional assessments. In this regard, there has been submissions and letters that were forwarded by the Department to address the qualification as well as the submission of a motivation for the formulation of conditional assessment indices, used to adjust the Annual Financial Statements (AFS) for the 2021/22 financial year. Unfortunately, all of these attempts have not resolved this disagreement.
- The National Treasury had invited all Departments for a presentation on an Asset Management draft framework where the issue of valuation was also discussed. This framework remains a draft framework and until it is adopted, it cannot be used for any purposes. However, it is worth noting that there was only one major difference between

the Departments adopted valuation methodology and that which was proposed during the workshop.

- The presenter proposed that the Department undertakes a thorough and vigorous process of conditionally assessing each asset and then assigning indicative percentages to adjust the deemed cost. The presenter used the following table to show how the indicative percentages should be allocated to each condition which will be used to adjust the deemed costs.

TABLE A - INDICATIVE PERCENTAGES	
CONDITION	INDICATIVE PERCENTAGES FOR ADJUSTMENT OF DEEMED COST
Very good	71% – 100%
Good	46% - 70%
Fair	26% - 45%
Poor	11% - 25%
Very poor	0% - 10%

- The above percentages are derived from Public Works and the CIDB, 2017 titled "National Immovable Asset Maintenance Management Planning Guidelines for Immovable Assets" as there are no similar guidelines for Moveable assets.
- According to the proposal, the Department will have to define each condition and then within each condition, develop a criterion, which shall be used to allocate an appropriate percentage within the range as provided above. As an example, a high back chair, were the condition is fair but each has different defects, may be reflected as below:
  - Fair with no defects - perhaps allocate 45% as an adjustment factor
  - Fair with some defects (wheels loose or armrest not stable) - perhaps allocate any percentage close to the medium number 36%.
- The presenter mentioned that the Department will have to use its judgment to decide on the final percentage and the final valuation amount.
- The Department did raise various concerns with this proposal and these concerns were duly submitted to KwaZulu-Natal Provincial Treasury for consideration and also for further submission to the National Treasury.
  - Cost factor - The Department will have to enlist the services of appraisers which may include Medical Experts, IT experts, etc. to assist with a proper conditional assessment of each asset. The Department has over 820 000 assets in the Fixed Asset Register (FAR) and this excludes assets classified as exclusions. With exclusions, the number exceeds 1 million assets. The cost of the conditional assessment for this number of assets could easily exceed R 80 million. This is simply unaffordable and no value for money accrues

to the Department for using this approach. Further, this is inconsistent with the cost/benefit principle which is one of the fundamental considerations in the preparation of the AFS. The Department holds the view that, it is completely unjustifiable to spend this amount of money in the face of budget cuts as this exercise that may not be useful to anyone including both management and users of the AFS. This defeats the reason and purpose of any AFS as the information contained may not meet the necessary qualitative characteristics.

- Provides for a wider area to exercise professional judgment - There may be material differences in the final valuation amount due to the quantum and the choice of the percentage as stipulated in the table above. Different officials/appraisals may conclude differently depending on their judgment. These differences in opinions etc. may cause further differences in opinions and will further widen the scope of the disagreement with Auditor-General.

- The Department strongly believes that the proposal as presented in the workshop is not the solution and therefore has requested all relevant stakeholders to urgently engage with a view to finding a lasting practical solution to this disagreement. This overemphasis on valuation in the public sector is really overrated, as in the public sector, assets are used solely to provide a service and, accordingly, the most important aspects of asset management are:
  - Performance - ability (function) of the asset to deliver/perform the required service
  - Maintenance - maintenance planning and execution to minimise asset outages and the impact of these on service delivery
- The Departments Asset Management has engaged extensively on the subject matter and also engaged other Departments of Health including Limpopo, Northwest, etc, and discovered that the Limpopo Department of Health's valuation methodology is similar to that which the Department has adopted. The Limpopo Provincial Treasury drafted the valuation methodology for all Departments and the Head of the Department in Limpopo signed off on this methodology prior to the implementation thereof.

Way forward on Valuation

- The KwaZulu-Natal Accountant-General had in one of the meetings, promised to personally facilitate a process of resolving this long-standing disagreement with Auditor-General. The Department also believes that any valuation methodology signed off by Provincial Treasury will limit any disagreements. In spite of all the efforts made by the Department, this disagreement remains unresolved.

With due consideration to the above, the Department is of the view that the KwaZulu-Natal Accountant-General should facilitate a process of drafting a practical valuation methodology for all Departments in the Province and to be signed off by the Head of the Provincial Treasury prior to the implementation thereof. This will provide clarity in both the application and compliance and will remove any misinterpretations which may result in disagreements and qualifications.

RESOLUTION 51/2022: PAYMENTS FOR GOODS AND SERVICES NOT RECEIVED - R16.15 BILLION (RELATING TO RESOLUTION 227/2021)

Noting that:

(a) The new Goods Received Note (GRN) has been fully implemented across the department as a system of internal control to ensure goods and services that are paid for were indeed received.

(b) All institutions must perform monthly reconciliations, maintain a GRN register and validate and verify all SCM transactions to ensure all goods and services are receipted on a GRN.

(c) The department is in the process of assessing compliance.

The Committee resolves:

That the Accounting Officer report by 30 June 2022 on progress made in the assessment of institutions and the findings, as well as remedial steps taken to address non-compliance and steps taken to implement consequence management in instances of non-compliance.

RESPONSE OF THE DEPARTMENT

The resolutions of the Committee are noted. Appended are the remedial steps taken to address non-compliance:

- Goods Receipt Notebook (GRN) Circular (Circular Number: 25/2021) was issued on 1 February 2021 to all Head Office Components and Institutions for immediate implementation, to ensure compliance.
- A re-affirmation letter to the institutions confirming that GRN's have been fully enforced and that no payment is to be made without it being attached, was circulated in February 2022.
- All institutions have been instructed that NO PAYMENTS must be processed without the mandatory GRN being attached to the Payment Voucher, which confirms the receipt of goods and services by the Department.

- The GRN must be completed upon the delivery of the goods as well as for the confirmation of the services that has been rendered.
- Inventory and Logistics Management Workshops were convened during March 2021 and April 2021 highlighting the compliance regarding GRN completion.
- The Inventory Management Team has been conducting GRN Compliance Assessments throughout the 2021/22 Financial Year on a sample basis and institutions were advised to rectify the gaps where it was identified.
- Audit Preparedness Workshops were convened during November 2021 and December 2021 for all District Offices and Institutions.
- District Champions were requested to conduct GRN Compliance Assessments
- An Inventory and Logistics Forum was held in March 2022 for all Districts and prioritised institutions, and GRN Compliance was part of Agenda.

RESOLUTION 52/2022: MISSTATEMENT OF ACCRUALS - R 686.74 MILLION AND PAYABLES NOT RECOGNIZED - R1.1 BILLION (RELATING TO RESOLUTION 228/2021)

Noting that:

(a) The department has embarked on a process to implement LOGIS, an electronic logistical information system, to assist in accurately recording accruals and payables.

(b) Implementation is dependent on training of relevant officials by National Treasury. Over 1 300 officials must be trained on various modules. The roll-out of the training is slow.

(c) In the interim, relevant officials must review all transactions and verify accruals for accuracy and ensure all goods and services are receipted and perform other steps to ensure accuracy.

The Committee resolves:

That the Accounting Officer report to the Committee by 30 June 2022 on:

[1] Progress made in the roll-out of the training and the anticipated time frame for completing the training, as well as the project plan on the full implementation of LOGIS.

[2] An evidence-based assessment of the effectiveness of the measures implemented in the interim to ensure all accruals and payables are recorded accurately.

RESPONSE OF THE DEPARTMENT

The resolutions of the Committee are noted. Appended are the responses of the Department.

[1] Progress made in the roll-out of the training and the anticipated time frame for completing the training, as well as the project plan on the full implementation of LOGIS.

The Department has trained officials as per the below table.

LOGIS COURSE	NUMBER OF OFFICIALS TRAINED
Train-The-Trainer (Accredited Trainers)	8
LOGIS Literacy	103
LOGIS Orders	12
LOGIS Payments	15
LOGIS Posting (Warehousing)	4
System Controller Administrative	15
System Controller Functional	8

As mentioned above, the Department now has eight (8) accredited trainers who are able to facilitate training in the Department to all LOGIS users, going forward. It is planned that these trainers will commence training in the second quarter of 2022/23 financial year.

The implementation of the system is in progress and the following has been achieved:

- The System has been implemented at the Umgungundlovu District Office and has gone live on 20 May 2022. This is the first institution where it was implemented.
- The System is being implemented at four (4) other institutions, namely, Head Office, Greys Hospital, Dr Pixley Ka Isaka Seme Memorial Hospital and at the Prince Mshiyeni Memorial Hospital. Configuration is at advanced stage and it is envisaged that LOGIS will be fully implemented at these institutions by the end of July 2022.

Further the Department is targeting to implement LOGIS at ten (10) institutions by the end of March 2023 and at an additional ten (10) institutions by July 2023. It should be noted that the National Treasury does not allow sites to be activated (go live with LOGIS) between December and March each year, which is a limitation.

[2] An evidence-based assessment of the effectiveness of the measures implemented in the interim to ensure all accruals and payables are recorded accurately.

The Directorate: Expenditure Management from within the Departments Finance Branch has put together a team which is made up of officials from Expenditure Management and the Provincial Treasury to assist with the accurate reporting of the Accruals and Payables Not Recognised (PNR). Appended is a brief overview of the activities that the team has undertaken to ensure that all Accruals and Payables Not Recognised (PNR) are recorded accurately and completely:

- The team embarked on a process of checking all transactions listed on the Accruals and Payables Not Recognised listing.
- The transactions were checked against the source documents and all errors that were identified were subsequently corrected.
- The team commenced with the checking of the restated Accruals and Payables listing for March 2021. This exercise has been an arduous one with each team member having to check about 1040 transactions and thereafter proceeding with the checking of the 2021/22 Accruals and PNR's listing. This exercise was concluded on 23 May 2022.
- In an endeavour to reinforce the above, the Department's Expenditure Management has conducted workshops with the target audience being officials who are dealing with the processing of payments, Hospital CEO's as well as Directors within the Departments SCM Component. This training was aimed at emphasising the importance of ensuring that payments are processed within thirty (30) days.

RESOLUTION 53/2022: MEDICO-LEGAL CLAIMS: R26.23 BILLION (RELATING TO RESOLUTION 229/2021)

Noting that:

(a) Proper record keeping and data storage are critical in the management of medico-legal claims. The department is doing research on the acquisition of an appropriate electronic storage system.

(b) The department has adopted a Provincial Clinical Governance Policy to guide facilities on the management of medico-legal cases.

(c) Medical malpractice litigation is on the rise and payment of claims have increased significantly. This presents a major risk. The department has not reported on any specific strategies adopted to mitigate its liability in respect of medico-legal claims, such as alternative dispute resolution and mediation procedures and interventions aimed at the improvement of health care in obstetrics and gynaecology specifically and public health care in general.

(d) In 2020/21 the department paid an amount of R116.561 million in respect of medico-legal claims. If payments for medico-legal claims are not budgeted for such claims are paid from the operational budget, thus impacting negatively on service delivery.

The Committee resolves:

That the Accounting Officer report to the Committee by 30 June 2022 on:

[1] Progress made in the acquisition of a suitable electronic storage system to store medical records and the time frames for doing so.

[2] A copy of the Provincial Clinical Governance Policy is to be provided.

[3] Specific strategies implemented by the department to mitigate its liability in respect of medico-legal claims.

[4] The amount budgeted for medico-legal claims in 2020/21, 2021/22 and 2022/23 respectively, as well as the amount paid in 2021/22 in settlement of medico- legal claims.

RESPONSE OF THE DEPARTMENT

The resolutions of the Committee are noted. Appended are the responses of the Department.

[1] Progress made in the acquisition of a suitable electronic storage system to store medical records and the time frames for doing so.

Record Keeping and eHealth Implementation

The Department has started a process of ensuring the Digitisation of Patient's Records to ensure the safety of patient's information and the continuity of healthcare. Currently there are seven hundred fifty-five (755) health facilities installed with the Health Patient Record System (HPRS). The Department has developed a Records Management Policy and has workshopped it in all the Health Districts with the target being the officials who are seized with the responsibility of managing Health Records and essential Health Files.

At the Provincial Office there is a dedicated unit assigned with the responsibility of ensuring safe Health Records Management supervised by a director. Security controls have been improved in all the Health Facilities to prevent theft of patient's files.

[2] A copy of the Provincial Clinical Governance Policy is to be provided.

Clinical Governance

The Department has an approved Clinical Governance Policy Framework and Guidelines for ensuring compliance with Standard Operating Procedures of Clinical Governance. Notwithstanding the above, the Department has compiled a new Clinical Governance Policy which is in the process of being finalised and approved.

At the Provincial and District Level, the Department has established committees to provide internal oversight over the Clinical Governance strategies implementation and capacity improvement.

The Department has employed Clinical Specialists whose daily work is to ensure improved Clinical Governance in all Health Facilities, they are referred to as District Clinical Specialists

Teams (DCST) and are placed at the Provincial Office and in all the eleven (11) health districts. The DCST work in collaboration with the Medical Managers and Nurse Managers, and the health programmes specialists to develop clinical quality improvement systems, training, and monitor their effectiveness.

There has been training of Clinical Health Specialists in the Medical and Nursing fields with the different institutions of Higher Learning in order to have specialists' capacity within the Department to manage complicated cases in all the Clinical Domains

In respect of contracting of Private Health professionals and services, the Department has contracted over one hundred and ten (110) Private General Medical Practitioners to ensure quality clinical services in Primary Health Care Facilities. The Department has also contracted Oncology Services from the private sector health firms to clear any service backlogs and reduce waiting times for newly diagnosed oncology cases.

[3] Specific strategies implemented by the department to mitigate its liability in respect of medico-legal claims.

Quality Assurance (QA) and Infection Prevention & Control Systems (IPC)

A Quality Assurance Unit has been established at the Provincial Office and has been complimented by the creation and filling of QA and IPC posts in all the Health District Offices and all qualifying Provincial Hospitals.

In May 2022, the Department approved a Provincial IPC Strategy with the aim of mitigating and reducing Hospital Acquired Infections and related complications.

Medico-Legal Management Capacity

The establishment of a Medico-Legal Unit was completed at the Provincial Office. Legal companies appointed through the Supply Chain Processes are part of a panel of experts to complement the internal departmental capacity to deal with Medico-Legal matters

The Medico-Legal Unit has been resourced with legally and medically qualified officials, whose complementary responsibility is to manage all Medico-Legal Matters, advise the Department on all medico-related matters, and the development of mitigation strategies.

The Department is now piloting the implementation of the Public Health Defence Court Judgement system. In this regard, the Department has established and resourced seven Public Health Defence Centres of Excellence where Medico-Legal settled and conceded cases shall be managed in order to reduce unnecessary costs against the Department as a result of future Medical Costs

[4] The amount budgeted for medico-legal claims in 2020/21, 2021/22 and 2022/23 respectively, as well as the amount paid in 2021/22 in settlement of medico- legal claims.

The Department has allocated a budget for Medico-Legal matters, as follows:

- 2020/21 : R 113,104 million
- 2021/22 : R 119,325 million
- 2022/23 : R 110,105 million

Total amount paid in 2021/22 in settlement of medico legal cases is R 265,883.93

RESOLUTION 54/2022: MISSTATEMENTS ON ACHIEVEMENT OF PREDETERMINED OBJECTIVES: PROGRAMME 2 - DISTRICT HEALTH SERVICES (RELATING TO RESOLUTION 230/2021)

Noting that:

The department has implemented various interventions to address the material misstatements on reported achievements against the performance indicators. An assessment of the effectiveness of the interventions was conducted at the end of February 2022.

The Committee resolves:

That the Accounting Officer report to the Committee by 30 June 2022 on the outcome of the assessment on the effectiveness of the interventions implemented by the department to ensure performance information is accurate, as well as further interventions implemented to address any areas of non-compliance, including consequence management implemented against all officials who have been non-compliant.

RESPONSE OF THE DEPARTMENT

The Department has undertaken a brief assessment following the implementation of the Audit Improvement Plan (AIP) in December 2021. The Provincial Office has conducted twenty-four (24) site visits from February 2022 to May 2022, with the intention of monitoring and assessing the effectiveness of the plan, as well as to provide support to the facility in preparation for the audit at the time.

Following the assessment, the Department noted that there were areas that has a shown clear improvement. A tool was used to collate the responses for activities that the Provincial Office introduced in direct relation to improving the data quality. Areas where improvement was noted include:

- Audit Improvement activities have been cascaded down to facility level and workshopped. The Provincial office reports a 91% submission rate on the AIP.
- Facilities have developed their own AIP, and in some districts, have been reporting on them to the district office to allow for a more evidence-based report to the Provincial Office.
- A few district offices have improved on their monthly progress report with more details on their findings. This allows the Provincial Office to identify areas of concern and action them. Amajuba is one of the districts that has been diligently reporting. Other districts will be advised to complete their reports in the similar comprehensive manner.
- All SOPs were acknowledged and was said to be workshopped with all users. Evidence was provided where this was applicable.
- Training sessions were held at facility level for most districts in relation to current SOPs and policies.
- Facilities found that the reconciliation tool implemented in March 2022 by the Provincial Department assisted them with accurate reporting and revision of data prior to the audit.
- More CEO's have reported to include Data Management into their work plans compared to previous years.
- Facilities have started to maintain records of verification exercises compared to previous years as evidence of their interventions.
- Patient folder implementation was found to be on district procurement plans (the assessment is appended)

DISTRICT	PATIENT FOLDER IMPLEMENTATION PROGRESS (NUMBER OF FACILITIES IMPLEMENTED/TOTAL NUMBER OF FACILITIES)
Amajuba DM	26/26
eThekwini DM	137/137
iLembe DM	51/51
Harry Gwala DM	40/40
King Cetswayo DM	47/62
Ugu DM	52/52
Umgungundlovu DM	50/51
Umkhanyakude DM	59/59
Umzinyathi DM	72/72
Uthukela DM	36/37
Zululand DM	62/75

Improvement in Data Management at a Facility level can be addressed through:

- Filling of vacant information posts to improve data recording and collation. Since the assessment, the moratorium has been lifted and the Provincial office has advised facilities to fill their vacant posts where budget is available.

- Following a schedule of monthly Information meetings to review and discuss data. Recommendations have been made in this regard.
- Standardisation of the approved method of filing. Currently different filing methods are being utilised at various facilities.
- Fast-tracking the disposal of old files.

In summary, the Department acknowledges that there are still areas that need focused intervention and will continue to provide the support to these districts. Where districts and facilities are found to be non-compliant, relevant feedback will be provided to them to avoid recurring challenges.

RESOLUTION 55/2022: IRREGULAR EXPENDITURE OF R1.629 BILLION IN 2020/21 (CUMULATIVE BALANCE IN PRIOR YEARS: R9.926 BILLION NOT YET CONDONED) (RELATING TO RESOLUTION 231/2021)

Noting that:

(a) The department has appointed a service provider to assist in identifying and assessing all irregular expenditure in 2020/21 and prior years in line with the Irregular Expenditure Framework. The determination testing for irregular expenditure in 2018/19, 2019/20 and 2020/21 is in progress.

(b) An amount of R2.677 billion relating to irregular expenditure relating to expired contracts in 2014/15, 2015/16 and 2016/17 was submitted to Provincial Treasury for condonation in March 2021. This amount has not been condoned as the department did not submit evidence to confirm that value for money was received and that remedial action and disciplinary action was taken, confirmation that the transactions are not subject to forensic investigation, and that value for money was received.

(c) The department has submitted a revised submission of R1.133 billion for condonation in March 2022, which is under evaluation.

(d) The department is in the process of clearing the list of expired contracts and will re-advertise the contracts for the security services, cleaning services, maintenance of gardens and patients' groceries by the end of March 2022.

The Committee resolves:

That the Accounting Officer report to the Committee by 30 June 2022 on:

[1] Progress made in the determination testing of the 2018/19, 2019/20 and 2020/21 irregular expenditure and the anticipated timeframes for conclusion of this process and submission to Provincial Treasury for condonation.

[2] Steps taken to perform the determination testing of the 2014/15, 2015/16 and 2016/17 irregular expenditure relating to expired contracts, and the time frames for conclusion thereof.

[3] Progress made in the re-advertising of the expired contracts and when these contracts are anticipated to be finalized.

RESPONSE OF THE DEPARTMENT

The determination testing project had commenced on 9 May 2022 with the focus being on the R 1,7 billion that was declared as "under assessment" in the 2020/21 financial year. When the assessment for the 2020/21 financial year has been concluded, all findings will be tabled at the Departmental Loss Control Committee for "determination testing" and to come up with recommendations. The Department will work retrospectively to finalise the backlog up to the 2018/19 financial year.

Further, a request for condonation amounting to R 2,6 billion was submitted to the Provincial Treasury in March 2021. A team from the Provincial Treasury visited the Department to conduct sample testing on what was submitted, and it was noted that there were documents that were still outstanding from the Department. In this regard, the Department has experienced challenges in sourcing the documents as most of the senior management have exited the Department.

RESOLUTION 56/2022: PROCUREMENT AND CONTRACT MANAGEMENT (RELATING TO RESOLUTION 234/2021)

Noting that:

(a) The department has implemented a system of controls within SCM to ensure compliance with the relevant prescripts relating to procurement and contract management, including the implementation of a mandatory checklist.

(b) Oversight and monitoring of the system is delegated to the respective District Directors and CEO's.

(c) The department intends taking disciplinary action against the Chief Executive Officers of the facilities that had contributed to the findings relating to non-compliance with SCM prescripts.

(d) The department is migrating towards maintaining an electronic records management system and in the meantime all contract documents are being scanned to address the finding on poor record keeping.

The Committee resolves:

That the Accounting Officer report to the Committee by 30 June 2022 on:

[1] Progress made in the implementation of consequence management against CEOs of facilities who contributed to the findings relating to non-compliance with SCM prescripts, the outcomes thereof and time frames for concluding these matters.

[2] Steps taken by the department to monitor compliance with the SCM control system by the respective CEO's.

[3] Progress made in the implementation of an electronic records management system and time frames for doing so, as well as progress made in the scanning of all contract documents in the meantime and time frames for concluding the scanning.

RESPONSE OF THE DEPARTMENT

The resolutions of the Committee are noted. Appended are the responses of the Department.

[1] Progress made in the implementation of consequence management against CEO's of facilities who contributed to the findings relating to non-compliance with SCM prescripts, the outcomes thereof and time frames for concluding these matters.

Subsequent to the Department issuing letters regarding consequence management to the respective CEOs of institutions that were audited and who had contributed to the qualifications in the 2020/21 financial year, representations were received from CEO's relative to both punitive action and corrective action that they had instituted / implemented at their facilities.

[2] Steps taken by the department to monitor compliance with the SCM control system by the respective CEO's.

The CEOs are now required to report monthly on the status of procurement in their institutions.

[3] Progress made in the implementation of an electronic records management system and time frames for doing so, as well as progress made in the scanning of all contract documents in the meantime and time frames for concluding the scanning.

Electronic records management has been implemented at Head Office and is in the process of being rolled out to all the institutions. The Department has implemented a contract for the

procurement of high-volume scanners by facilities. Where budget limitations exist, the normal photocopying machines are utilised by the facilities.

RESOLUTION 57/2022: PERFORMANCE MANAGEMENT AND PERFORMANCE TARGETS (RELATING TO RESOLUTION 235/2021)

Noting that:

(a) Non-compliance with Standard Operating Procedures at facility level had led to the findings on the failure to monitor progress made towards performance targets, core objectives and service delivery.

(b) The department has implemented many interventions to address this finding, to ensure reconciliation, review, verification and validation of information at facility level.

(c) The effectiveness of the audit improvement plan will be assessed by the end of March 2022.

The Committee resolves:

That the Accounting Officer report to the Committee by 30 June 2022 on the effectiveness of the implementation of the audit improvement plan and whether it has adequately addressed this finding.

RESPONSE OF THE DEPARTMENT

Please refer to the response to *Resolution 54/2022: Misstatements on Achievement of Predetermined Objectives: Programme 2 - District Health Services.*

RESOLUTION 58/2022: PROCUREMENT OF SANITIZER DETERGENT AT PRICES HIGHER THAN PERMISSIBLE IN MARCH 2020 - MATERIAL LOSS OF R1.3 MILLION (RELATING TO RESOLUTION 236/2021)

Noting that:

(a) The investigation relating to the procurement of sanitizer in March 2020 at prices higher than permissible, resulting in a material loss of R1.3 million, has not yet been finalized. The department has sought legal opinion on a technicality and the legal opinion is still awaited.

(b) The material irregularity was brought to the attention of the accounting officer on 12 February 2021. The slow progress made in the investigation is a matter of concern.

The Committee resolves:

That the Accounting Officer report to the Committee by 30 June 2022 on:

[1] Progress made in the finalization of the investigation, time frames for finalization thereof and the reasons for the delays, as well as steps taken to expedite the matter.

[2] Once the investigation has been finalized, the findings and recommendations of the investigation, as well as steps taken to implement the recommendations, and time frames for doing so.

RESPONSE OF THE DEPARTMENT

[1] Progress made in the finalization of the investigation, time frames for finalization thereof and the reasons for the delays, as well as steps taken to expedite the matter.

In this regard, the procurement of the sanitiser detergents at prices higher than that which was prescribed by the National Treasury, was investigated by the Special Investigations Unit (SIU) by proclamation of the President of the Republic of South Africa. The SIU finalised the report and submitted it to the Department in January 2022.

[2] Once the investigation has been finalized, the findings and recommendations of the investigation, as well as steps taken to implement the recommendations, and time frames for doing so.

Subsequent to the undertaking and conclusion of the investigation by the SIU, the supplier National Community Marketing had then agreed to re-imburse the Department via the SIU an amount of R 1,304,000.00. The Acknowledgement of Debt was signed in the amount of R 1,304,000.00 by National Community Marketing for the contract, in the value of R 5,720,000.00.

The Department has liaised with the SIU relative to the amounts that have been paid by the supplier and in this regard, a copy of the "Debtors Account" was forwarded to the Department which reflects all payments including interest that was made by the supplier as of 25 April 2022 towards the settlement of the debt.

In this regard, payments in the amount of R 668,214.35 have since been received by the SIU on behalf of the Department and the balance of R 635,785.65 will be paid in instalments to the SIU.

Further, it should be noted that subsequent to the Department receiving the final investigation report, consequence management was implemented against the officials implicated in the matter, in the form of final letters of warning.

RESOLUTION 59/2022: *MATERIAL IRREGULARITY RELATING TO RADIOLOGY EQUIPMENT CONTRACTS AWARDED TO BIDDERS WHO DID NOT SCORE THE HIGHEST POINTS - MATERIAL FINANCIAL LOSS OF R27.54 MILLION (RELATING TO RESOLUTION 237/2021)*

Noting that:

(a) *The department received a legal opinion on the matter in August 2021. The opinion was sent to the Auditor-General who provided final recommendations in November 2021. The department subsequently (on a date not specified) sought the advice of the Provincial Accountant General on implementation of the Auditor-General's recommendations. This advice is being awaited. The department has not actioned the recommendation of the legal opinion.*

(b) *The matter relates to procurement of radiology equipment in September 2017 at a cost of R27.54 million, which is likely to result in a material loss as the cost of the equipment was higher than the pries submitted by the highest scoring bidders.*

(c) *The internal investigation was concluded in July 2019 and the forensic investigation was concluded in October 2020.*

(c) *Notwithstanding SCOPA resolution 237/2021 calling for a report on the findings and recommendations of the final legal opinion by 31 January 2022, the department has not provided a suitable response.*

(d) *The duration of the investigation(s), the delays in finalizing this matter, the manner in which the department conducted itself in relation to the investigation(s) and the failure to disclose (non-confidential) information to SCOPA, as an oversight body, when called upon to do so, are of great concern. Not only do the delays create a material risk of prescription and the consequential loss of substantial amounts of money; they may also thwart the implementation of consequence management.*

The Committee resolves:

That the Accounting Officer report to the Committee by 30 June 2022 on:

[1] *The findings and recommendations of the legal opinion, as well as steps taken to implement the recommendations and time frames for doing so. Reasons must be provided if no steps have been taken.*

[2] *The report need not disclose confidential information but must be of sufficient clarity and particularity to enable SCOPA to assess both the matters which gave rise to the investigation(s) as well as the Department's conduct in relation to the investigation(s).*

RESPONSE OF THE DEPARTMENT

The Resolution of the Committee is noted.

In this regard, the Department made representations to the Auditor-General and had indicated that this was made with the intention that there be a speedy and appropriate resolution to this matter.

Subsequently, the Auditor-General had responded relative to the "Determination on Appropriateness of Actions Taken" and had indicated that:

"The response received relating to actions to resolve MI 01 of 2018-19, in accordance with the Public Audit Act, 2004 (Act No.25 of 2004) (PAA) and the Material Irregularity Regulations (the "regulations"). We received your written submission on 18 April 2022. We considered the representations made and the substantiating documents provided and have concluded that appropriate actions have been taken to address the material irregularity"

The Auditor-General had considered the representations made by the Department and the substantiating documents provided and have concluded that appropriate actions have been taken to address the material irregularity.

RESOLUTION 60/2022: INTERNAL INVESTIGATIONS (RELATING TO RESOLUTION 239/2021)

Noting that:

All 169 internal investigations have been completed. One hundred and twenty-six cases have been finalized in terms of disciplinary action or other remedial steps or have been closed due to lack of evidence. Forty-three matters are still pending implementation of the investigative recommendations.

The Committee resolves:

That the Accounting Officer report to the Committee by 30 June 2022 on progress made in the implementation of the recommendations in the matters still outstanding and on the outcomes of these matters.

RESPONSE OF THE DEPARTMENT

The Resolution of the Committee is noted. Appended is a status relating to the forty-three (43) cases as requested by the Committee:

- A total of twenty-seven (27) cases were closed due to the following reasons:
  - lack of evidence

- Lack of alternative remedial action
- No disciplinary action to be effected

- Ten (10) cases were referred for disciplinary action and were subsequently finalised, with the officials being accordingly sanctioned
- Six (6) cases are pending, and disciplinary processes are in progress.

RESOLUTION 61/2022: FORENSIC INVESTIGATIONS (RELATING TO RESOLUTION 240/2021)

Noting that:

(a) The Forensic Unit has completed 8 investigations covering the period 1 April 2014 to 31 March 2021 and 6 investigations are still in progress.

(b) The department's response to Resolution 240/2021 is inadequate in that the report does not provide the requisite information and the responses are not indicative of any progress made in most of the matters.

(c) The following (non-confidential) information was requested from the department in relation to each matter, but was not provided:

- *the nature of the allegations investigated.*
- *the amounts involved.*
- *the findings and recommendations in each matter.*
- *the steps taken to recover any losses.*
- *progress made in implementation of recommendations in FR 11/2016; and*
- *progress made in the disciplinary proceedings in FR 02/2017, FR 05/2018, FR 06/2018 and FR 08/2018 and the outcomes thereof.*

(d) The reported status of each matter is as follows:

FR Number	*Progress as at October 2021*	*Progress as at 31 January 2022*
FR 02/2017	*Report under review for implementation of disciplinary action*	*No further progress report and no time frames given*
FR 05/2018	*Criminal matter being investigated by Hawks. Department is proceeding with disciplinary action.*	*No progress report on criminal investigation or disciplinary matter(s)*
FR 06/2018	*Department is quantifying the value of irregular, fruitless and wasteful expenditure before proceeding with disciplinary action*	*No progress reported*
FR 11/2016	*Matter referred to Accounting Officer*	*No progress reported*
FR 27/2016	*Disciplinary hearings of 4 officials have been finalized. One was dismissed,*	*No progress on other matters such as civil recovery or criminal action reported*

FR Number	*Progress as at October 2021*	*Progress as at 31 January 2022*
	three others received a written warning and 3 months' suspension without pay	
FR 08/2018	*Disciplinary hearings have been finalized*	*Official resigned before disciplinary hearing was finalized. No other reports submitted*
FR 17/2018	*Matter under criminal investigation by Hawks*	*No progress reported*
FR 10/2019	*Matter under review by Auditor-General to evaluate material irregularity is addressed*	*AG provided recommendations in November 2021. Department consulted Provincial Accountant General to ensure material irregularity is resolved. No progress or time frames reported.*

The Committee resolves:

That the Accounting Officer report to the Committee by 30 June 2022 on:

[1] A detailed response to Resolution 240/2021, containing updated information on progress made in each matter.
[2] Where no progress has been made, reasons must be provided as well as steps taken to expedite implementation.

RESPONSE OF THE DEPARTMENT

The resolution of the Committee is noted. Appended is a status update of the investigations.

NO	DESCRIPTION	STATUS OF IMPLEMENTATION
1	FR02/2017	The Department has not concluded the exercise to determine if the Department has obtained value for money and if any officials should be disciplined for irregular and fruitless and wasteful expenditure. The exercise is an extensive one and will take some time to complete. Once the exercise has been completed, and there is evidence of irregular and fruitless and wasteful expenditure, disciplinary action will be instituted against the implicated officials.
2	FR05/2018	The Department had registered the case with the SAPS and a case number was issued. Subsequently, the matter was then referred by the SAPS to the KZN Hawks for investigation. However, it was then discovered that the National Hawks was investigating the matter which then prompted a meeting between the National Hawks and KZN Hawks, which had resulted in a decision being taken that the KZN Hawks should proceed with the investigation. The investigation had commenced with the KZN Hawks engaging with the Department as well as with the National Prosecuting Authority and the Public Protector's office to solicit information. There has been several requests for information from the KZN Hawks and all requested information has been sourced and provided to the investigating team. Considering the above, the matter is still under investigation and a status report is awaited from the KZN Hawks. The Department of Public Prosecutions (DPP) has taken over the matter and have been conducting interviews with the Department's personnel.

NO	DESCRIPTION	STATUS OF IMPLEMENTATION
		Three Employer representatives and three Presiding Officers have been appointed to handle the disciplinary process. One employer representative has withdrawn her services and a new representative is to be appointed. The other two employer representatives are currently dealing with the matter; however, the challenge is that most of the implicated officials have resigned or left the Department, and thus it is work in progress.
3	FR06/2018	The Department has not concluded the exercise to determine if the Department has obtained value for money and if any officials should be disciplined for irregular and fruitless and wasteful expenditure. The exercise is an extensive one and will take some time to complete. Once the exercise has been completed, and there is evidence of irregular and fruitless and wasteful expenditure, disciplinary action will be instituted against the implicated officials.
4	FR11/2016	The matter is being handled by the Office of the HOD and the Office of the Director-General.
5	FR27/2016	Fourteen (14) officials were implicated in this matter. Appended is a status of the matter: ▪ One (1) official tendered a resignation during the disciplinary process. ▪ One (1) official had demised before the hearing could be held. ▪ Two (2) officials were subjected to disciplinary enquiry and sanctioned to one month suspension without pay plus a final written warning and three months suspension without pay and a final written warning respectively. ▪ The disciplinary enquiry relative to the other implicated officials are in progress. The challenge that the Department is facing is that the Employer representative has been in and out of Hospital due to ill health. However, the employer representative has indicated that he has recovered and will proceed to finalise the outstanding cases.
6	FR08/2018	The officials were issued with written warnings and money wrongly paid to the companies was recovered. The matter has been finalised.
7	FR17/2018	The criminal investigation is currently underway with the Hawks. The Department is awaiting the status report on the investigation from the Hawks.
8	FR10/2019	The Department is of the view that the officials tasked with evaluating the bid concerned were obliged to evaluate it based on what was presented to them. It was their understanding that what was provided for in the bid document as an 'objective criterion' was permissible and adequate and that they had acted in a genuine, honest, and law-abiding manner. The Department had submitted to the Auditor-General that the Department has duly noted the findings and had decided that after much deliberations and debate, and in acting within the permissible legal framework, the following will be done: a) All the officials involved in these transactions be sent to public sector workshops. b) Whilst cognisance has been taken of the various legislative prescripts and the provisions of Material Irregularity and the treatment thereof, the actions of the officials concerned were not malicious in intent and they acted within the framework of the bid document that was presented to them at the time. It thus follows that any resultant 'financial loss' cannot be deemed to be due to the negligence of the officials concerned, but can be attributed to a significant part to the poorly

NO	DESCRIPTION	STATUS OF IMPLEMENTATION
		crafted legislation. No recoveries can be made by the Department from any of the officials as any error committed was not entirely attributable to their actions. c) The Department's SCM Policy and related procedure manuals (SOPS) must reflect the requirements of how 'objective criteria' will be applied to limit any future obscurity in related matters. The BAT judgment quoted in the representations made is a clear indication that the Department has actively moved to address this area of weakness in the controls. The Auditor-General had considered the representations made by the Department and the substantiating documents provided and have concluded that appropriate actions have been taken to address the Material Irregularity.

RESOLUTION 62/2022: UNAUTHORIZED EXPENDITURE - 2018/19: R2.209 MILLION, 2019/20: R14.249 MILLION AND 2019/20: R91.618 MILLION (RELATING TO RESOLUTION 241/2021)

Noting that:

(a) The unauthorized expenditure of R2 208 523.25 in 2017/18 was due to higher-than-expected maintenance costs.

(b) The unauthorized expenditure of R14 248 580.04 in 2018/19 was due to higher than budgeted expenditure for medico-legal claims.

(c) The unauthorized expenditure of R91 617 553.28 in 2019/20 was due to spending pressures relating to ARV medicines.

The Committee resolves:

That the Accounting Officer report to the committee by 30 June 2022 on:

[1] Full particulars of the unauthorized expenditure for each financial year (2017/18, 2018/19 and 2019/20) as reported to Provincial Treasury in terms of section 38(1)(g) of the Public Finance Management Act, 1999 (PFMA).

[2] Steps taken by the department to prevent the unauthorized expenditure as required by section 38(1)(c)(ii) of the PFMA.

[3] Whether the unauthorized expenditure in each financial year is an overspending of the Vote itself or of a main division within the Vote or expenditure not in accordance with the purpose of the Vote or a main division within the Vote.

[4] Disciplinary steps taken against the officials responsible for the unauthorized expenditure as required by section 38(1)(h)(iii) of the PFMA, read with Treasury Regulation 9.1.3.

[5] Steps taken to recover any losses resulting from the unauthorized expenditure from the officials responsible in terms of Treasury Regulation 9.1.4 and 12.7.

RESPONSE OF THE DEPARTMENT

The Resolution of the Committee is noted. Appended are the responses of the Department to the Resolutions of the Committee.

[1] Full particulars of the unauthorized expenditure for each financial year (2017/18, 2018/19 and 2019/20) as reported to Provincial Treasury in terms of section 38(1)(g) of the Public Finance Management Act, 1999 (PFMA).

- Unauthorised Expenditure 2017/18

The Vote was underspent by R 19,157 million, mainly under Programme 7: Health care Support (R 12,803 million) due to delays in the delivery of hospital linen. Programme 2: District Health Services was underspent by R 6,354 under Machinery and Equipment as a result of challenges, including lengthy SCM processes, as well as enforced savings to reduce over-expenditure. Cash-blocking had also impacted on the spending under these Programmes and had resulted in the overspending of the Vote as a whole.

Whilst the overall Vote was underspent, the Health Facility Revitalisation Grant was overspent by R 2,209 million. This was largely due to a higher-than-expected costs on maintenance at facilities as well as the construction costs relating to the Jozini CHC project, amongst others.

Further, in respect of the HIV/AIDs Conditional Grant, there was an increase in clients diagnosed with HIV which had resulted in more clients being initiated on ARV Treatment. Medication in this regard could not be stopped.

- Unauthorised Expenditure 2018/19

The Vote was overspent by R 2,658 million, mainly under Programme 4: Provincial Hospital Services. This was due to a higher than budgeted expenditure for medico-legal claims. The Human Papillomavirus Vaccine Grant was under-spent by R 11,590 million. This was primarily due to the delayed receipt of invoices for the procurement of the vaccine fridges and the rental vehicle hire costs. The delayed invoices had resulted in the Department being unable to process the payments timeously. A further factor that contributed to the underspend was the unavailability of vaccines from suppliers.

The unauthorised expenditure of R 14,248,580.04 in the 2018/19 financial year was as a result of the overall overspending and the surrendering of the underspent conditional grant funds.

- Unauthorised Expenditure 2019/20

In the 2019/20 financial year, the over-spending of the Vote amounted to R 74,740 million, mainly under Programme 2: District Health Services, due to pressures relating to ARV medicines. This was due to an increase in clients diagnosed with HIV which had resulted in more clients being initiated on ARV Treatment, and thus the issuing of medicines could not be stopped.

The National Health Insurance grant which largely provides for the contracting of private doctors at NHI pilot sites was only allocated funding in the Adjustments Estimate. The Grant was under-spent by R 16,877 million largely due to the late receipt of the Grant and the Department's inability to develop a contingency plan due to restrictive DORA conditions, which only allow for the appointment of health care professionals from the Grant.

In summary, the unauthorised expenditure of R 91,617,553.28 in the 2019/20 financial year had resulted from an overall overspending and the surrendering of the underspent conditional grant funds.

[2] Steps taken by the department to prevent the unauthorized expenditure as required by section 38(1)(c)(ii) of the PFMA.

In its endeavour to prevent unauthorised expenditure, the Department was forced to delay the filling most the vacant posts as well as deferring the procurement of machinery and equipment.

In respect of HIV/AIDs, the Department had budgeted based on the projections of patients that will be initiated on treatment and to mitigate the challenge of unauthorised expenditure, representations were made to the National Department of Health for the provision of donations which the Department had received as follows:

- 2020/21 Financial Year - R 47 million
- 2021/22 Financial Year - R 218 million

In light of the aforementioned, the Department was able to contain its expenditure.

Medico-legal Claims

In its endeavours to prevent unauthorised expenditure, the Department undertakes the following on an annual basis:

- The budget for medico-legal matters are set in the most beneficial scenario for the Department at the beginning of the financial year. During the mid-year adjustment, all expenditure incurred for the settlement of medico-legal claims is balanced and estimates for the next six (6) months is provided.

- The year-end adjustment process focuses on optimising the allocated budget per program and per economic classification.
- The review of patient safety incidents is undertaken at a facility and district level, in line with guidelines issued by the National Department of Health.
- The Department is in a difficult position regarding the allocation of increased budget for medico-legal claims as this results in the reprioritisation of the service delivery budget which is required to address issues like shortage of key staff, medical equipment, electronic patient record system, etc.

[3] Whether the unauthorized expenditure in each financial year is an overspending of the Vote itself or of a main division within the Vote or expenditure not in accordance with the purpose of the Vote or a main division within the Vote.

- The unauthorized expenditure of R 2,208,523.25 in 2017/18 resulted in the exceeding the Vote.
- The unauthorized expenditure of R 14,248,580.04 in 2018/19 resulted in the exceeding the Vote.
- The unauthorized expenditure of R 91,617,553.28 in 2019/20 resulted in the exceeding the Vote.

[4] Disciplinary steps taken against the officials responsible for the unauthorized expenditure as required by section 38(1)(h)(iii) of the PFMA, read with Treasury Regulation 9.1.3.

- Overspending on ARV medicine - No disciplinary actions was taken against officials as patients could not be denied life-saving treatment.
- Medico-legal Claims - Over spending as a result of Higher than Budgeted for medico legal claims

➢ It is extremely difficult to estimate the medico-legal claims that will be settled within a financial year as the court decides which cases will be prioritised / attended to.

➢ 96.8 % of the claims settled over the years related to cases where the Department conceded liability. The Department settled had 404 cases (385 with conceded liability and 19 without). The percentage for 2018/19 financial years is slightly less and 95.5%.

➢ Where is it deemed necessary, gross transgressions are reported to the respective professional bodies for the health professionals.

[5] Steps taken to recover any losses resulting from the unauthorized expenditure from the officials responsible in terms of Treasury Regulation 9.1.4 and 12.7.

The unauthorised expenditure was unavoidable despite the Department implementing strict controls and was unfortunately unable to prevent the over-expenditure. The over-expenditure that was incurred was for service delivery and thus no particular official can be held accountable.

RESOLUTION 63/2022: FRUITLESS AND WASTEFUL EXPENDITURE - R2.175 MILLION IN 2020/21 (PRIOR YEARS - R2.585 MILLION) (RELATING TO RESOLUTION 242/2021)

Noting that:

(a) The department has recovered an amount of R169 531 in relation to salary overpayments made in 2020/21.

(b) The department has not reported on the outcomes of the disciplinary processes or progress made therein, or on steps taken to recover the balance of the fruitless and wasteful expenditure or progress made in the recovery thereof.

(c) The department has also not reported on progress made in the investigation of the fruitless and wasteful expenditure of R2.585 million in prior financial years, or on disciplinary steps taken or steps taken to recover losses.

(d) The slow progress in conducting the investigations and implementing consequence management and recovery of losses is a matter of concern.

The Committee resolves:

That the Accounting Officer report to the Committee by 30 June 2022 on:

[1] Progress made in finalizing all investigations relating to fruitless and wasteful expenditure, as well as in implementing consequence management and the recovery of losses.

[2] The report must provide the findings and recommendations of the investigations and details of steps taken to implement the recommendations, with time frames for doing so.

[3] Reasons must be provided for the slow progress, as well as steps taken to expedite the investigations and implementation of recommendations.

RESPONSE OF THE DEPARTMENT

The resolutions of the Committee are noted. Appended are the responses of the Department.

[1] Progress made in finalizing all investigations relating to fruitless and wasteful expenditure, as well as in implementing consequence management and the recovery of losses.

In May 2022, the Department finalised investigations into Fruitless and Wasteful Expenditure to the value of R 3.143 million. The Department's Financial Misconduct Committee found that no particular individual could be held responsible in their individual capacity, and thus there would be no reasonable prospect of a successful recovery should the matter be pursued.

The cost of pursuing the investigations would not make economic sense and the cost of such investigations would possibly not only exceed the amount of the Fruitless and Wasteful Expenditure incurred but would be a costly and wasteful exercise and can constitute Fruitless and Wasteful expenditure in itself. The Accounting Officer subsequently granted approval to write the amounts off.

[2] The report must provide the findings and recommendations of the investigations and details of steps taken to implement the recommendations, with time frames for doing so.

Further to the above, the Department also finalised investigations into Fruitless and Wasteful Expenditure to the value of R 1.443 million in May 2022. The Institutional Loss Control Committees recommended that these amounts be written off for the reasons stated above. The Accounting Officer subsequently granted approval for the write-off of these amounts.

[3] Reasons must be provided for the slow progress, as well as steps taken to expedite the investigations and implementation of recommendations.

It should be noted that thirteen (13) Human Resource Management related cases to the value of R172,012.73 were fully recovered.

Cognisance should be taken of the fact that the Department views Fruitless and Wasteful Expenditure in a very serious light and has always conformed to the provisions of the Guide on Managing Discipline in the Public Service, thus ensuring that it does not fall foul of the guide and that its actions are procedurally, substantively and administratively fair thus adhering to the rules of natural justice.

With due consideration to the above, disciplinary action will be implemented where there is prima facie evidence of wilful wrongdoing or misconduct on the part of any official.

RESOLUTION 64/2022: FILLING OF CRITICAL POSTS (RELATING TO TRANSVERSAL RESOLUTION 290/2021)

Noting that:

The CFO post was re-advertised in January 2022 and a selection committee has been appointed.

The Committee resolves:

That the Accounting Officer report to the Committee by 30 June 2022 on progress made in the filling of the CFO post and anticipated time frames for the appointment to be made.

RESPONSE OF THE DEPARTMENT

It should be noted that the post of the Chief Financial Officer (CFO) was advertised on 11 January 2022 with the closing date being 28 January 2022. Subsequently, the Department received ten (10) applications for the post.

On 18 March 2022, the shortlisting for this post was conducted and three (3) candidates were shortlisted. Subsequent to the shortlisting, the Department conducted the interviews on 31 May 2022. Cognisance should be taken of the fact that the candidates were scheduled for the competency test on 21 June 2022, and the Department is awaiting the outcome of the results from the service provider.

Standing Committee on Public Accounts - The Resolutions of The Standing Committee on Public Accounts (Scopa) Convened During October 2022 to Consider The 2021/2022 Reports of The Auditor-General on Provincial Government Departments and Public Entities: Departments of Health

1. The Standing Committee on Public Accounts (SCOPA) convened hearings during October 2022 to consider the 2021/2022 reports of the Auditor-General on provincial government departments and public entities has reference.

2. Appended are the responses of the Department relative to the Resolutions of the Committee.

INTRODUCTION

The Department of Health has received a qualified audit opinion for the past 5 years.

The basis for the qualified opinion in 2021/22 is fivefold:

- Material Misstatements of irregular expenditure.
- Misstatements of movable tangible assets and minor assets for the third time.
- Payments for goods and services not received.
- Accruals and payables not recognised.
- Procurement and contract management

The Auditor-General has furthermore reported that:

- There has been little or no improvement in internal control.
- Management has been slow in addressing previous audit findings.
- Management has failed to implement proper control systems relating to asset management, supply chain management, expenditure management and reporting on predetermined objectives.
- The lack of oversight and monitoring by management resulted in excessive irregular expenditure and non-compliance with procurement and contracts management prescripts.
- There were material misstatements in the financial statements submitted as well as in reported performance information.
- Medico-legal claims escalating.
- Lack of effective document management system.

In responding to the resolutions noted below, the department must adequately and comprehensively indicate how each of these issues will be addressed to avoid a future recurrence.

RESOLUTION 157/2022: DEPARTMENT OF HEALTH: QUALIFIED AUDIT OPINION: IRREGULAR EXPENDITURE STATED AT R16,17 BILLION (202/211: R12.2 BILLION)

Noting that:

(a) Transactions which did not meet the definition of irregular expenditure were incorrectly recorded as such by the department. The Auditor-General was unable to determine the impact of this misstatement.

(b) The Auditor-General was also unable to obtain sufficient and appropriate audit evidence for irregular expenditure and was consequently unable to determine whether any further adjustments were necessary to the irregular expenditure stated at R11.55 billion.

(c) There has been no or little improvement over the past years on internal control processes, including processes to identify and record irregular expenditure.

(d) Section 38(1)(a)(i) of the PFMA places an obligation on an accounting officer to ensure the department has effective, efficient, and transparent systems of internal control. Wilful or negligent failure to do so constitutes an act of financial misconduct in terms of section 81(1)(a) of the PFMA.

(e) The department has appointed a service provider to assist with the correct classification of all irregular expenditure relating to 2021/22 and prior financial years by the end of the 2022/23 financial year.

The Committee resolves: -

That the Accounting Officer comprehensively report to the Committee by 31 January 2023 on:

[1] The reasons for:

v. The lack of effective, efficient, and adequate systems of internal control to ensure that irregular expenditure is identified and recorded correctly.

vi. the failure by the accounting officer to exercise adequate oversight over the implementation of such systems; and

vii. Why such failure does not constitute an act of financial misconduct.

viii. The measures to be implemented to ensure that adequate systems of internal control are in place and are adequately monitored henceforth to avoid ensure a recurrence.

RESPONSE OF THE DEPARTMENT

The Resolution of the Committee is noted. Appended is the progress report of the Department on Irregular Expenditure relative to the resolutions of the Committee.

It should be noted that the National Treasury had amended the Fruitless and Wasteful Expenditure Framework in 2019 and had instructed Departments to apply this retrospectively. The retrospective application meant transactions that had occurred prior to 2019 should be subjected to the new provisions of this amended framework. Cognisance should be taken of the fact that the Department's irregular expenditure date as far back as 2008 and the supporting documentation for these transactions have either been misplaced or lost and therefore the Department has experienced difficulty in performing an assessment and determination test, as prescribed.

1. CONDONATION OF IRREGULAR EXPENDITURE

In this regard the Department has undertaken the following:

- Submitted a condonation submission to the Provincial Treasury (PT) in December 2022 and this related to all transactions up to the 2013/14 financial years including transactions for the IDT and leased properties for 2014/15 for 2016/17 financial years.
- Finalised a detailed re-determination test for the condonation submission entitled "Request for condonation of Irregular Expenditure - 2021/2022 financial year" which was submitted earlier to the Provincial Treasury. This submission dealt with the expired contracts relating to security, cleaning, patient catering, and patient groceries.
- Further, the Department is currently assessing whether there are other cases for possible condonation which should be submitted to the PT and in this regard, the Department is planning to finalise and submit all condonation submissions before the end of February 2023.

2. ASSESSMENT AND DETERMINATION TESTING

The Department has assembled a team consisting of various officials from Supply Chain Management, Finance, etc. to assist with the assessment and determination testing of Irregular Expenditure. This team has analysed the Irregular Expenditure declared in the previous financial years and as reported in the report of the Auditor-General for the same periods. This

information has assisted the Department in developing a comprehensive Irregular Expenditure plan aimed at resolving this qualification.

In this regard, an assessment and determination template has been developed and finalised which will be used for the 2022/23 financial year. The questionnaire for the assessment is being reviewed and will be finalised soon. The training of the team will commence as soon as all necessary documents and preparatory work has been completed. The actual work relating to the assessment and determination has commenced in the last week of January 2023. All cases requiring further investigation will be referred to the Departments Investigation Unit for further processing.

RESOLUTION 158/2022: DEPARTMENT OF HEALTH: QUALIFIED AUDIT OPINION: MISSTATEMENTS OF MOVABLE TANGIBLE CAPITAL ASSETS (R5.5 BILLION) AND MINOR ASSETS (R595 MILLION)

Noting that:

(a) The finding of the Auditor-General that the department did not correctly record movable tangible capital assets and minor assets and applied incorrect criteria to fair value its assets and that the Auditor-General was unable to determine the impact of the misstatements and to obtain sufficient appropriate audit evidence for movable tangible capital assets and minor assets.

(b) Consequently, the Auditor-General was unable to determine whether any adjustments were necessary to the movable tangible assets stated at R5.5 billion and minor assets stated at R595 million.

(c) The department, commenced with physical verification of all movable and transport assets in October 2022, the process is anticipated to be completed on the 31 January 2023.

The Committee resolves: -

That the Accounting Officer report to the Committee by 31 January 2023 on progress made in resolving this audit finding and steps taken to facilitate a speedy resolution of the matter.

RESPONSE OF THE DEPARTMENT

The Resolution of the Committee is noted. Appended is the progress report on Asset Management.

1. VALUATION

- The revised valuation methodology has been discussed with KwaZulu-Natal Provincial Treasury and a preliminary discussion with National Treasury had occurred where no major concerns were raised by National Treasury except for clarity-seeking questions on some aspects of the valuation methodology. It was resolved that an official meeting between the Department, the Provincial Treasury and the National Treasury will be scheduled during January 2023 and thereafter the National Treasury will provide a written opinion on the revised valuation methodology.
- The valuation methodology will then be shared with Auditor-General to reach a principal agreement before implementation. The consultation with Auditor-General is anticipated to take place towards the latter part of January 2023.
- The implementation of the revised methodology will commence in January 2023 and will be finalised by the end of March 2023.
- Head Office asset management officials had commenced with the exercise to standardise the asset descriptions, and this will be completed in January 2023. A cost database consisting of the 2021/22 asset additions and 2022/23 Quarter 1 and Quarter 2 asset additions has been compiled.
- The payment vouchers to support the asset base values database, to be used for the fair valuation exercise has been filed electronically.
- The review of conditional grading from the 2022/23 verification data will be ongoing until the completion of the annual asset physical verification exercise, by February 2023.
- Notwithstanding the above, capacity challenges remain a critical risk in the completion of the valuation work as the same Head Office officials, in addition to their normal duties, will be expected to work on this historical valuation backlog within very limited timeframes. It is anticipated that additional resources may be required to assist with the completion of the valuation work in time for the asset register submission and the regulatory audit.

2. EXISTENCE and COMPLETENESS

- The Department commenced with the 2022/23 annual physical verification of all movable and transport assets in October 2022.
- The physical verification is taking into account the revised asset conditional grading which will be used to adjust the base values in line with the revised valuation methodology.

- The physical verification of assets will also assist in identifying assets for disposal, which may reduce the number of assets to be fair valued.
- The verification data is being timeously reviewed and any identified errors and exceptions are being corrected timeously.
- The scanners being used for verification have aged beyond their useful life and these constantly breakdown. This directly poses a huge risk in completing the verification exercise in time and therefore compromising the assurance to completely limit the audit risk on existence and completeness of assets.
- The new scanners ordered in 2022 have since been received and are now being prepared for distribution across the province. Training on their usage is also being arranged and this is anticipated to commence immediately and to be concluded during the week ending 10 February 2023.
- Schedules for "Theft and Loss" assets that are under investigation have been extracted for institutions to investigate further. Theft and Loss cases' resolutions include assets being found during the 2022/23 annual asset physical verification exercise and the asset register has been subsequently updated accordingly. Further, all institutions will be required to submit reports for all theft and loss cases that have been investigated and closed by end of January 2023. This will allow the Head Office to request the approval for the write-off thereof.

RESOLUTION 159/2022: *DEPARTMENT OF HEALTH: QUALIFIED AUDIT OPINION: PAYMENTS FOR GOODS AND SERVICES NOT RECEIVED (R16.15 BILLION)*

Noting that:

(a) The Auditor-General was unable to obtain sufficient appropriate evidence that payments made were in respect of goods and services received by the department, as internal controls had not been established to confirm the receipt of goods and services.

(b) The partial and phased-in implementation of the Goods Receipt Notebook (GRN) was not considered adequate by the Auditor-General.

(c) Consequently, the Auditor-General was unable to determine whether any adjustments were necessary to goods and services stated at R16.15 billion.

(d) Section 38(1)(a)(i) of the PFMA places an obligation on an accounting officer to ensure the department has effective, efficient, and transparent systems of internal control.

Wilful or negligent failure to do so constitutes an act of financial misconduct in terms of section 81(1)(a) of the PFMA.

(e) The department has fully implemented and enforced the use of the Goods Received Notebooks in the 2021/22 financial year and has commenced with internal control assessments to ensure compliance, however, these did not yield results.

(f) The department will continue to implement corrective measures till the qualification is completely cleared.

The Committee resolves: -

That the Accounting Officer report to the Committee by 31 January 2023 on:

[1] The reasons for not implementing an adequate system of internal control as contemplated by section 38(1)(a)(i) of the PFMA and why this does not constitute an act of financial misconduct.

[2] An evidence-based assessment of the effectiveness of the implementation of the Goods Received Notebooks as a system of internal control as contemplated by section 38(1)(a)(i) of the PFMA to address this audit finding and to avoid a recurrence.

RESPONSE OF THE DEPARTMENT

The Department has fully implemented and utilised the Goods Received Note (GRN) to record the receipts of goods and services. This process which has now been fully institutionalised had commenced in the preceding audit period, as evidenced by the Auditor-General issuing a modified audit opinion. This will result in the complete clearing of the qualification in the next audit cycle.

RESOLUTION 160/2022: DEPARTMENT OF HEALTH: QUALIFIED AUDIT OPINION: MISSTATEMENTS OF ACCRUALS (R528,61 MILLION) AND PAYABLES NOT RECOGNISED (R998,93 MILLION)

Noting that:

(a) The department did not adequately record accruals and payables not recognised, due to inadequate systems and processes to account for this disclosure. The Auditor-General was unable to determine the impact of the misstatements.

(b) Consequently, the Auditor-General was unable to determine whether any adjustments to accruals stated at R 528,61 million and payables not recognised stated at R998,93 billion were necessary.

(c) Section 40(1)(b) of the PFMA places an obligation on the accounting officer to prepare financial statements in accordance with generally recognised accounting practice. Wilful or negligent failure to do so constitutes an act of financial misconduct in terms of section 81(1)(a) of the PFMA.

(d) The department has not been able to accurately record accruals and payables not recognised, due to the lack of a computerised logistical information system. The department is in the process of implementing LOGIS and have trained sixty-five (65) users on the system.

The Committee resolves: -

That the Accounting Officer report to the Committee by 31 January 2023 on progress made in the implementation of LOGIS and provide an evidence-based assessment of the effectiveness of the system to address this audit finding as well as assurance that a recurrence will be avoided.

RESPONSE OF THE DEPARTMENT

In this regard, the Department has adopted a phased-in implementation plan over a period of three (3) years for LOGIS, due to the unavailability of both the National Treasury and the Provincial Treasury to provide the requisite support. The Department needs to have in excess of 1,400 officials trained across the province prior to them being granted access to the system to transact. This training is on-going, subject to the availability of the National Treasury. The project plan is progressing according to schedule.

RESOLUTION 161/2022: DEPARTMENT OF HEALTH: UNCERTAINTY RELATING TO THE OUTCOME OF LITIGATION (R17,01 BILLION)

Noting that:

(a) The department is the defendant in various litigation matters relating to medical negligence and other claims against the state amounting to R 17,01 billion. This figure represents an increase of R2.984 billion in respect of medico-legal claims in 2020/21.

(b) This potential liability places a strain on the public health sector and the budget of the department and is a matter of concern.

(c) The department is faced with a challenge of growing medico-legal claims which now sits at approximately R26 billion. Majority of cases are relating to Obstetrics and Gynaecology.

(d) A total of R268 million was paid in the current year. 57% of the payments related to the eThekwini Region for which the highest payments were relating to cases in Prince Mshiyeni Hospital.

(e) Some of the Patient Safety Incident (PSI) cases were not closed or the closure of the cases were delayed at Prince Mshiyeni Hospital. Delays were also identified in the closure of patient complaints. Delays in the closure of PSI cases and patient complaints may increase the likelihood that patients affected by such cases may turn to litigation for redress.

(f) Root causes identified include shortage of medical/administration staff, poor controls over filing and storage of medical files as well as delays in addressing cases relating to PSI.

(g) Monies paid for legal claims could be used for improving the lives of the citizens through service delivery. The e-health electronic patient management system is currently only being utilised at four hospitals for chronic illnesses with additional functionalities still to be added.

(h) Manual patient carrier cards linked to a patient folder were still being used throughout the province and the inability to locate patient files, as well as deficiencies in patient information recorded resulted in a disclaimer of audit opinion in APO. It is also one of the root causes for some of the medico-legal claims.

The Committee resolves: -

That the Accounting Officer report to the Committee by 31 January 2023 on:

[1] A breakdown of the medico-legal claims, per hospital, as well as the age, value, and nature of each claim.

[2] The number and value of the claims that were successfully defended in 2021/22 and the two financial years prior thereto.

[4] An assessment of the impact of the lack of proper record-keeping on the liability of the department for claims paid in 2021/22 and the two financial years prior thereto, either by way of court order or a settlement.

[5] Outcome of strategies adopted by the department to mitigate its liability in respect of medico-legal claims, including but not limited to early investigation and settlement of claims where liability is established, improved record-keeping for evidential purposes, use of alternative dispute resolution mechanisms, use of private sector expert legal practitioners to defend claims, contingency fee arrangements and training of staff to avoid future claims, and the like.

[6] Progress made in law reform and legislative interventions pertaining to medico-legal claims in the public health sector, including capping of claims and other interventions as proposed by National Treasury in 2020.

RESPONSE OF THE DEPARTMENT

The Resolution of the Committee is noted. Appended are the responses of the Department relative to the resolutions of the committee.

[1] A breakdown of the medico-legal claims, per hospital, as well the age, value and nature of the claim

A breakdown provided to the Committee as required

[2] The number and value of the claims that were successfully defended in 2021/2022 and the two financial years prior thereto.

- *It should be noted that 93.2% of all cases settled in the last 3 years are with conceded liability or 68 of 73*
- *Percentage paid is decreasing over the years 2019/2020 64.2% 2020/2021: 56.9% and 2021/22 :50,3%*
- *Most cases related to cerebral palsy under Obstetric and Gynae.*
- *Average amount paid per case is R 7,3m and highest for paediatrics and Obstetrics.*
- *Note the low number of cases settled per annum 73 over 3 years and less than 40 per annum*
- *Backlogs continue to increase as new cases with summons per annum by far exceed the cases settled.*
- *Covid impact is noticeable 2021 fin year.*

[3] An assessment of the impact of the lack of proper record-keeping on the liability of the department for claims paid in 2021/22 and two financial years prior thereto, either by way of court or a settlement

In addressing this matter, cognisance should be taken the following:

Although undoubtedly there are instances where medical records go missing, and such occurrences have a negative impact on the outcome of a particular matter, it would be too simplistic a conclusion to draw to assume that missing records were the principal reason for a decision to concede liability.

In the main the decision to concede liability is made on account of a failure to comply with prescribed known standards and / or negligence either through omissions or commissions. In some instances, the record is present but improperly completed or not properly maintained.

In every instance a decision to concede liability is ultimately based on the opinions of our own expert clinicians.

There are some difficult matters where the presence of certain records would perhaps have made a positive contribution to the Department's case. There have been instances where challenges were experienced which related to the security of medical records. The Department is attempting to address these challenges by:

- Rolling out of an electronic record keeping system, where possible. This would require substantial financial resources for which the Department would require support in order for it to achieve its objectives.
- Convening frequent workshops and issuing communiques to highlight the problem and suggesting risk mitigation strategies in order to minimise the risk.

In respect of the specific question regarding how many decisions to concede liability were made in the 2019/2020, 2020/2021 and 2021/2022 financial years, the Departments analysis has revealed the following:

- Liability was conceded for 39 matters.
- Out of the 39 matters, in only one instance, could it be stated that liability was conceded based primarily on the fact that there were no medical records.

[4] Outcome of strategies adopted by the department to mitigate its liability in respect of medico-legal claims, including but not limited to early investigation and settlement of claims where liability is established, improved record-keeping for evidential purposes, use of alternative dispute resolution mechanisms, use of private sector expert legal practitioners to defend claims, contingency fee arrangements and training of staff to avoid future claims, and the like.

- Quality Management under Clinical Services and Clinical Governance continuously update the mitigating strategies within the available resource and human capability mix. Facilities receive information of all cases approved and settled to assist them to prevent a re-occurrence of the event. Record keeping at facilities is mainly manually and problematic; insufficient progress has been made to go digital.
- Only recently have private firms of attorneys been engaged to actually run cases for and on behalf of the Department. As such it is too early to indicate whether the engagement of private attorneys have had a positive effect.
- There are occasions where individual state attorneys acquit themselves very well and as well as any other private firm would have.

- There are also indications that where some private firms have been engaged to act for and on behalf of the Department, they have done no better and sometimes worse than the Office of the State Attorney.
- It is most important to bear in mind that medico legal litigation is a specialised field and that not every private legal firm is necessarily equipped to provide a better service than that which is provided by the office of the state attorney's office.
- It must be understood that the current medico-legal crisis is a complex issue and will ultimately require legislative intervention. At the end of 2021, the SA Law reform commission published a long-awaited paper on the subject. The Department together with other provincial Departments provided input to the law reform commissions' paper. The SA Law reform commission gave the distinct indication that it refused to deal with the problem piece-meal. It is expected that there might be considerable delays before the SA law reform commission actually passes the necessary legislation required to deal with the problem.
- Notwithstanding this the medico-legal unit currently functioning under the legal services unit produced a detailed comprehensive medico-legal strategy entitled medico legal plan. This plan analyses in detail the problem of medico legal claims and has made numerous recommendations as to how the Department might best address it.
- However, the Department faces the following dilemmas:
    - On the one hand, due to the Office of the State Attorney being so overburdened, the delivery of legal representation is less than satisfactory and to address this matter, the Department has been forced to contract private attorneys.
    - The cost involved in so doing is enormous and could in some instances prove counterproductive.
    - Due to medico-legal litigation being a specialised and developing field, the engagement of private attorneys will not necessarily provide a better result in every instance.
- A potential solution to the problem might best be addressed if the Department of Justice addresses the problem surrounding an overburdened State Attorney.
- Alternatively, a specialised medico-legal claims unit with proper resources and back-up might better address the problem.
- Training of staff and review of clinical negative outcomes with development and updating of policies is on-going.

- The Department is in the process of developing a policy on mediation which would facilitate a process of alternative dispute resolution. The Department has already implemented as a standard practice, that when letters of demand have been received, potential litigants are invited to resolve the matter through mediation. The Department has already as a standard practice, even when litigation has been commenced through the issue of summons, invoked the provisions of rule 41A.These offers have not been accepted by the plaintiffs and there is little the Department, or anyone can do to enforce that since it is the constitutional right of any person to have their matter heard in court.
- It also appears that mediation is most effective shortly after the event (Patient Safety incident/Adverse incident) has taken place. Mediation loses its efficacy after the plaintiff has resorted to litigation.

[5] Progress made in law reform and legislative interventions pertaining to medico-legal claims in the public health sector, including capping of claims and other interventions as proposed by National Treasury in 2020.

- A Public Health Sector strategy was developed; however, the implementation has been progressing very slowly.
- As indicated the responses, the SA Law reform Commission have been very slow, and the necessary legislation required to address the problem is not expected to be rolled out very soon. As indicated the Department has in fact developed a comprehensive detailed plan to address the situation.

RESOLUTION 162/2022: DEPARTMENT OF HEALTH: PREDETERMINED OBJECTIVES: PROGRAMME 2 - DISTRICT HEALTH SERVICES

Noting that:

(a) The supporting evidence for the HIV and TB-related indicators, Maternal health-related indicators and fatality rate indicators differed materially from the reported achievement. This was due to the lack of accurate and complete records.

(b) The Auditor-General was unable to obtain appropriate audit evidence for the reported achievements in the Ideal Clinic Status rate, due to the lack of accurate and complete records.

(c) Section 40(3)(a) of the PFMA provides that the annual report submitted by the Accounting Officer must fairly present the situation of the department, including its performance against predetermined objectives, and the wilful or negligent failure to do so constitutes an act of financial misconduct in terms of section 81(1)(a) of the PFMA.

(d) The department has conducted refresher training sessions on Monitoring and Evaluation, Data Management and Planning activities and has updated its Audit Improvement Plan and will monitor progress monthly, in addition to other measures implemented to ensure accuracy of the performance information.

The Committee resolves: -

That the Accounting Officer report to the Committee by 31 January 2023 on:

[1] The reasons for the lack of monitoring the accuracy of reported performance information and why this does not constitute an act of financial misconduct.

[2] An evidence-based assessment of the effectiveness of the measures implemented to address this audit finding and to provide assurance that the measures implemented will avoid a recurrence.

RESPONSE OF THE DEPARTMENT

The Resolution of the Committee is noted. Appended are the responses of the Department relative to the resolutions of the committee.

[1] The reasons for the lack of monitoring the accuracy of reported performance information and why this does not constitute an act of financial misconduct.

The Department acknowledges that the reports indicate poor performance based on the audit findings. It also acknowledges that these are recurring findings from the last financial year. As a department, we have seen a slight improvement in certain aspects of the audit report where error rates were reduced from previous years. The previous report sent to the committee listed the interventions that the Department initiated in order to mitigate some of these findings. Please find the major interventions listed below:

Action / Activity	Progress
The Department will be conducting comprehensive training/orientation on all M&E, Data Management and Planning guidelines and policies to all districts. These training sessions will cover all audit findings, gaps identified and will highlight critical expectations from the facilities	Training has been completed in all of the 11 districts. All aspects relevant to the audit have been extensively addressed and will be monitored through the AIP as well as through on-site visits. These training sessions included technical workshops, audit roadshows and general monitoring and evaluation, planning and data training.
The Department will continue monitoring the Audit Improvement Plan on a monthly basis. This document will act as a tool to monitor compliance to all post audit activities that were committed to by the districts.	All districts are submitting status of implemented action in respect of the audit improvement plan, on a monthly basis. Feedback is provided to districts where evidence of improvement is lacking.
The Department to implement verification, reconciliation and internal audit tools that have	Tools have been developed and fully implemented at all Hospitals and CHC's.

Action / Activity	Progress
been revised to ensure that they are directly linked to accountability at each level. This initiative to enforce compliance to the SOP's as well as ensure sign off by the Accounting Officer based on reliable data.	However, due to these tools not being able to be monitored at the Provincial level, these will be reviewed during facility visits. Facility Managers to ensure that this is being completed earnestly.
The Department will conduct regular mini audits to confirm the adequate implementation and operational effectiveness of the SOP's.	The Department (Provincial Office) has conducted 103 facility visits and will continue to provide support and mentorship to individual facilities to ensure they fully understand the expectations from the Department.
The Department commits to visiting all CHC's prior to the commencement of the next audit, providing support and mentoring. Cato Manor and Nseleni CHC will be prioritised.	15 of the 23 CHC's have been visited up until December 2022. Quality Improvement plans have been developed for each of the CHC's. These facilities will be assessed again during the year.
Feedback will be provided to all facilities who are found to be non-compliant to the policies and SOP's and the overall mismanagement of data	Feedback reports have been shared with Management Teams following mini audits at facilities.

While the above interventions are in place and the Department is satisfied at this time with its progress, there are still elements that exist that need to be considered which may explain the continuous recurring findings for performance information.

Some reasons for deviation are provided below:

1. Low district/provincial staff to facility ratio. There are limited resources in the information field that are available to perform support visits to monitor data on a regular basis. The Provincial Office is responsible for ensuring that the relevant policies are developed and implemented. However, we find there is still non-compliance at lower levels which is not possible to pick up during desktop reviews. With the huge number of public health facilities, it is almost impossible to provide individual support to all facilities.
2. There are still manual data collection systems within our facilities which make up for huge volumes of paper and data reported daily. This makes it difficult to monitor all steps in the information system at a facility when visited.
3. Manual data collection also impacts on high risk of error rates.
4. Review of data takes place at District and Provincial levels on a regular basis. Data is reviewed using available functionalities (albeit limited) on the system. Monthly data is compared to identify outliers in the system. If the data trend does not show any outliers, it is very difficult to pick up errors at higher levels without having access to the data source to do a complete recount of data.

5. Data verification needs to be strengthened as a daily task by facility staff. The Department has run workshops with the relevant M&E staff to address this, with the onus on facility-based staff to monitor daily outputs from staff at each facility.

The Department does not feel that this is an act of financial misconduct, as the errors identified at facility level are not intentional. Reasons for the errors are listed above. The Provincial Office has access to an electronic system (webDHIS) which it utilises to extract all data for reporting purposes. All data that is extracted for the compilation of the Annual Performance Report is as exactly as reported on the system. This has been audited previously and have found to be done in accordance to the policies. The extracting of data is done following an extensive verification process by districts and facilities, and in line with the District Health Management Information System policy. However, it is not possible for the Department to identify errors when compiling the report that is caused by human error or from negligence at lower levels.

The Department will be consulting with the Office of the Auditor-General to determine the most reasonable and effective way of auditing the Departments report. The Department would recommend auditing the report against an electronic system and not against paper-based records.

Notwithstanding the above, the error rates have been reduced from previous years. Despite the context of an environment with limited storage space, manual collection tools, an information system that is not captured at point of service and limited warm bodies to carry out the work needed to monitor data full time, error rates are being addressed, in a phased approach. The Department is currently working on promoting a culture of understanding the importance of performance information and records management within a facility to improve data quality.

Strategic Health Programme

The Departments Strategic Health Programme (SHP) Managers are conducting:

- Facility support visits during the second week of every month to audit reported performance information (key SHP indicators) against source documents,
- Patient files audits to check adherence to programme policies, guidelines and SOPs.

In this regard, the key findings with recommendations are being shared with facility management and quality improvement plans are developed onsite during the visit and monitoring is undertaken during subsequent visits.

Further, the CHC's will also form part of the facilities that would be visited by SHP Managers. The support visits will be undertaken jointly with Data Management team, where feasible.

SHP has instructed all districts to allocate daily targets to Data Capturers (DC) to capture at least 120 patient files per Data Capturer. In cases of low volume facilities, the Data Capturers were instructed to capture all patient files on the Tier.net system on daily basis and all system modules to be updated daily.

The Primary Health Care Operational Managers have been instructed to monitor the Data Capturers workload report on a weekly basis to monitor if the Tier,net system is updated daily, as expected at their facilities. In addition, facilities have been instructed to appoint HAST and MCWH champions who are responsible for actioning the Tier.net line lists reports on a weekly basis. These initiatives are aimed at improving data that is generated from Tier.net monthly, quarterly and captured/loaded into the webDHIS.

Furthermore, SHP has recruited more than 400 Data Capturers who have been allocated in facilities (others form part of District roving teams) and 24 District HAST FIOs to complement the existing staff in order to improve data quality at a facility level. SHP has also procured desktop computers and allocated these to facilities to support the rollout of the Tier.net system.

Ideal Clinic

All Primary Health Care facilities are utilising the Ideal Clinic website to capture the findings from the self- assessments in the first quarter. The Perfect Permanent Team verifies the Facility self -assessment and captures this onto the system by end of the second quarter. The system is able to retrieve the Ideal clinic results from the previous years. Facilities implement Quality Improvement Plans (QIPs) that are generated by the system, quarterly, to address all gaps.

Quarterly engagements with District Directors, Clinical and Programmes Managers, Quality Assurance Co-ordinators and Infection Control and Prevention Co-ordinators will commence in January 2023. These engagements will be in the form of field visits (converging at one facility to do a walk about and address Ideal clinic concerns as a Provincial team)

[2] An evidence-based assessment of the effectiveness of the measures implemented to address this audit finding and to provide assurance that the measures implemented will avoid a recurrence

The Department will conduct face to face visits to facilities in order to assess and evaluate them. The Provincial Department has committed to visiting all CHC's before March 2023 in an effort to improve operations and systems at each of these facilities. Management Teams at the CHC will ensure that all recommendations are carried out, and that District teams provide further oversight. Evaluations will be conducted 3 months following the visit to a selected number of CHC's. The first revisit will be done in January 2023 to assess improvements. 15 out of 23 CHC's have been completed so far.

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In addition to the above, the Department has completed a follow up visit at one of the audited facilities and it was identified there has been some noted improvement in some of the data elements. The Department will continue to support the CHC's where possible to note their improvements.

	JUNE 2022 VISIT			JAN 2023 VISIT		
Data element	WEB DHIS	PHC TICK REGISTER	ERROR RATE	WEB DHIS	PHC TICK REGISTER	ERROR RATE
Antenatal 1st visit before 20 weeks	103	97	6	125	112	10
Infant PCR test around 10 weeks	46	42	9	49	7	86
Mother postnatal visit within 6 days after delivery	0	77	0	49	45	8
Norethisterone enanthate injection	331	42	87	167	63	62
Immunised fully under 1 year new	77	1	99	71	55	23
HIV test 15-24 years female (excl ANC)	405	47	88	682	686	-0.6

RESOLUTION 163/2022: *DEPARTMENT OF HEALTH: ANNUAL FINANCIAL STATEMENTS: MATERIAL MISSTATEMENTS NOT CORRECTED*

Noting that:

(a) The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and supported by full and proper records.

(b) Material misstatements of a disclosure item identified by the auditors were corrected but the uncorrected material misstatements and supporting records that could not be provided resulted in the financial statements receiving a qualified opinion.

(c) Section 40(1)(a) and (b) of the PFMA provide that an accounting officer must keep full and proper records of the financial affairs of the department and prepare financial

statements in accordance with generally recognised accounting practice. Wilful or negligent failure to do so constitutes an act of financial misconduct in terms of section 81(1) of the PFMA.

(d) These misstatements relate to the audit findings on the incorrect recording of irregular expenditure, movable tangible capital assets and minor assets, accruals and payables not recognised and payment of goods and services.

The Committee resolves: -

That the Accounting Officer report to the Committee by 31 January 2023 on:

An evidence-based assessment of the effectiveness of the measures implemented to address these audit findings and to provide assurance that a finding of uncorrected material misstatements on the same or similar grounds will not re-occur.

RESPONSE OF THE DEPARTMENT

The Resolution of the Committee is noted. Appended are the responses of the Department.

The Departments Annual Financial Statements (AFS) were prepared in terms of the guidelines and template issued by the National Treasury. However, due to the nature of the findings on Irregular Expenditure, Moveable Tangible Capital Assets and minor assets, Accruals and Payables not recognized, and payments for Goods did not receive the material adjustments relative to these disclosures could not be effected to the AFS.

Investigations will be undertaken to determine if any official acted wilfully or negligently. Further, the Department has experienced capacity constraints in key areas, and this is being addressed with appointments in key positions at both the head office and at institutions.

Refer to the responses for resolution 157/2022 Irregular expenditure, resolution 158/2022 moveable tangible Capital Assets and minor assets, 159/2022 payment for goods and services not received, and resolution 160/2022 accrual and payables not recognised on a detailed action plan being implemented.

RESOLUTION 164/2022: DEPARTMENT OF HEALTH: EXPENDITURE MANAGEMENT: NON-PAYMENT OF INVOICES WITHIN 30 DAYS

Noting that:

(a) Some payments were not made within 30 days or an agreed period after receipt of an invoice, as required by Treasury Regulation 8.2.3.

(b) The department achieved an overall compliance level of 95.48%.

(c) The department has attributed its failure to achieve a 100% compliance to matters such as the size of the department and high volumes of payments, a shortage of critical skills and vacant posts, system downtime and the lack of a computerised system.

The Committee resolves: -

That the Accounting Officer report to the Committee by 31 January 2023 on the outcome of steps taken to address this finding and an evidence-based assessment of the effectiveness of the measures implemented to prevent a recurrence.

RESPONSE OF THE DEPARTMENT

The Resolution of the Committee is noted. In this regard, the Department has implemented the following strategies to address the abovementioned challenges:

- Shortage of critical skills and vacant posts
  - The Department has commenced with the processes of filling vacant posts. However, the process is slow due to the lack of funding. The Department has engaged with Provincial Treasury to assist with funding for vacant posts.
- Systems downtime
  - The Department has engaged with Telkom SA who is currently implementing the alternative connectivity strategy through the existing DOH/Telkom Master Service Agreement (MSA).
  - This project is being rolled out to all the hospitals across the province in two phases i.e. Phase One, is for 42 prioritised hospitals that are planned to be completed within this financial year (2022/23) and Phase Two, will be to implement the solution to the remaining hospitals in the next financial year.
  - Phase One - The site assessments for the 42 hospitals has been completed and the implementation of the alternative connectivity strategy is underway.
  - Phase Two - The site assessments for the remaining hospitals has been completed and the implementation will take place in the 2023/24 financial year.
  - Due to the ongoing connectivity challenges and over utilised SITA network, the alternative connectivity strategy that is being implemented will run parallel to the SITA network and will carry non-transversal services data (e.g. KZN eHealth system, PACS/RIS, MS Teams), whilst the SITA network will continue to focus on transversal services (e.g. BAS, LOGIS and PERSAL).

- This will address the ongoing SITA connectivity challenges by freeing crucial non-transversal systems and the transversal systems which will be running in parallel.

- Lack of computerised system
  - The Department has implemented LOGIS at the uMgungundlovu District Office and at Head Office. The Department took a decision to implement LOGIS in these two pilot sites to reduce the risks associated with changing systems and disruption. Three (3) other sites will be going live in the new financial year.

RESOLUTION 165/2022: DEPARTMENT OF HEALTH: NON-COMPLIANCE: PROCUREMENT AND CONTRACT MANAGEMENT

Noting that:

(a) The Auditor-General made the following findings in relation to non-compliance with procurement and contract management prescripts:

i. Limitations relating to the use of competitive bidding and quotation processes.

ii. Procurement without inviting competitive bids.

iii. Limitation relating to confirmation on whether awarded suppliers were involved in any corrupt activities.

iv. Limitations relating to confirming whether preference point system was applied in the procurement of goods and services above R30 000.

v. Some of the contracts were awarded to bidders that did not score the highest points in the evaluation process.

vi. Some of the contracts were extended or modified without the approval of a properly delegated official.

vii. Local content – Bid documents not stipulating minimum requirements.

viii. Conflict of interest - Persons in service of the department with interests in the awards of the department failed to disclose interest.

ix. Conflict of interest – Some of the persons in service of the department whose close family members, partners or associates had an interest in contracts awarded by the department failed to disclose the interest.

The Committee resolves: -

That the Accounting Officer report to the Committee by 31 January 2023 on:

[1] The reasons for the lack of proper controls and the exercise of proper oversight in monitoring compliance with applicable supply chain management prescripts and why this does not constitute an act of financial misconduct.

[2] The reasons for the failure by the Accounting Officer to prevent the abuse of the supply chain management system as required by Treasury Regulation 16A.9.1, to reject bids from suppliers whose tax matters had not been declared by SARS to be in order as required by Treasury Regulation 16A9.1(d), or to reject awards to suppliers who committed a corrupt or fraudulent act in competing for the contract were rejected as required by Treasury Regulation 16A.9.1(e) and 16A.9(2)(a)(ii).

[3] Evidence that the measures put in place to address each of the areas of non-compliance identified by the Auditor-General have been effective in ensuring compliance with the legislative prescripts relating to contract and procurement management and to avoid a recurrence.

[4] Disciplinary steps taken against all officials responsible for the transgressions identified by the Auditor-General, the outcomes thereof, specific sanctions imposed and time frames for finalisation of the disciplinary matters.

[5] Steps taken to address the lack of a proper records management system, time frames for implementation of interventions and an assessment of the effectiveness of the measures implemented to address the findings of the Auditor-General in this regard.

RESPONSE OF THE DEPARTMENT

The Resolution of the Committee is noted. Appended are the responses of the Department relative to the resolutions of the committee.

[1] The reasons for the lack of proper controls and the exercise of proper oversight in monitoring compliance with applicable supply chain management prescripts and why this does not constitute an act of financial misconduct.

The manual nature of the existing system has made monitoring compliance a challenge in the Department. In order to mitigate this, a CEO reporting pack has now been implemented whereby CEOs report on a monthly basis on the goings on in each facility.

[2] The reasons for the failure by the Accounting Officer to prevent the abuse of the supply chain management system as required by Treasury Regulation 16A.9.1, to reject bids from suppliers whose tax matters had not been declared by SARS to be in order as required by Treasury Regulation 16A9.1(d), or to reject awards to suppliers who

committed a corrupt or fraudulent act in competing for the contract were rejected as required by Treasury Regulation 16A.9.1(e) and 16A.9(2)(a)(ii).

The Department previously checked the status of tax compliance during the evaluation stage. Unfortunately, entities would sometimes run into trouble during the period of evaluation and final award resulted in an altered tax status. The Department has now made it mandatory that a CSD report is drawn to check tax compliance on the morning of the Bid Adjudication Committee meeting.

[3] Evidence that the measures put in place to address each of the areas of non-compliance identified by the Auditor-General have been effective in ensuring compliance with the legislative prescripts relating to contract and procurement management and to avoid a recurrence.

The Department has adopted a new SCM Policy; Delegations of Authority; and Standard Operating Procedures that have been workshopped extensively across the districts.

[4] Disciplinary steps taken against all officials responsible for the transgressions identified by the Auditor-General, the outcomes thereof, specific sanctions imposed and time frames for finalisation of the disciplinary matters.

Pursuant to receiving the various audit reports, the Department has been reviewing the findings to identify officials who were responsible for transgressions that were identified by the Auditor-General. Once this has been finalised, an investigation will be undertaken if it is suspected that there was any financial transgressions as well as if fraudulent, corrupt or criminal acts had occurred which resulted in the incurrence of irregular expenditure. Once completed, this investigation will then provide the Head of Department with at least the following facts about the transactions as well as information relating to the:

- Root causes that led to the transgression.
- Impact of the transgression.
- Information on fraudulent, corrupt or criminal related act(s)
- Employee(s) responsible for the irregular expenditure.
- Loss suffered by the Department.
- Whether the matter must be referred to the law enforcement agencies; and
- Any breakdowns in the designed internal controls and the impact thereof.

Once the investigations have been concluded and an official/s have been identified as liable, the relevant consequence management processes will be implemented, and appropriate actions taken against the responsible officials.

Further, cognisance should be taken of the fact that the Department applies the consequence management framework to address misconduct, fraud, corruption, unethical behaviour and poor performance and in this regard, has received a number of investigation reports that has presented findings and recommendations which require implementation to effect accountability, compliance and oversight.

In order to achieve the above, the Department has implemented the following:

- Disciplinary action has been implemented against officials implicated in fraud, corruption, unethical conduct or financial mismanagement.
- As at 31 December 2022, the Department had processed eight (8) forensic investigations reports and the implicated officials were sanctioned as follows:
    - Three (3) officials have resigned from the Department prior to the disciplinary action being instituted against them. PERSAL records were updated to ensure that the disciplinary process continues in the event that they are subsequently re-appointed in the Public Service.
    - Three (3) officials were issued with final written warnings and three (3) months suspension without pay.
    - One (1) official was issued with a written warning.
    - One (1) official was dismissed from the Public Service.

In response to the prevalence of fraud, corruption and mismanagement of financial resources, Department has sought a number of remedies to curb these anomalies by reviewing its policies, embarking on proper management of records and developing Standard Operating Procedures (SOPs).

[5] Steps taken to address the lack of a proper records management system, time frames for implementation of interventions and an assessment of the effectiveness of the measures implemented to address the findings of the Auditor-General in this regard.

The availability of physical storage space is a challenge in the Department. This makes the filing systems to be less than ideal; however, the Department is embarking on a process whereby all documents are scanned prior to being filed to ensure that a record is kept of the transactions. At Head Office this has been fully implemented and facilities are also in the process of implementing. The challenges being addressed are the availability of high speed/ industrial scanners that will allow this process to be fully implemented.

Records and Document Management will continue providing training on proper management of public records. Furthermore, records inspections will be conducted, and

support and guidance will be provided. The Department through Public Works has embarked on a project to repurpose the Central Provisioning Stores building to be converted into a purpose-built archives repository. It is currently at the design stage with a consultant team appointed to present design options.

RESOLUTION 166/2022: DEPARTMENT OF HEALTH: STRATEGIC PLANNING AND PERFORMANCE MANAGEMENT

Noting that:

(a) Specific information systems were not effectively implemented to enable the monitoring of progress made towards achieving targets, core objectives and service delivery as required by Public Service Regulation 25(1)(e)(i) and (iii).

(b) The department has determined that the finding relates to non-compliance of Standard Operating Procedures at facility level. The department has implemented several measures to address this finding and to ensure verification and validation of information captured and that Data Management SOP's will be implemented.

The Committee resolves: -

That the Accounting Officer report to the Committee by 31 January 2023 on:

[1] The reasons for the failure to effectively implement information systems to enable the monitoring of progress made towards achieving targets, core objectives and service delivery.

[2] An evidence-based assessment of the effectiveness of the measures implemented to address this audit finding and to provide assurance that a recurrence will be avoided.

RESPONSE OF THE DEPARTMENT

The Resolution of the Committee is noted.

[1] The reasons for the failure to effectively implement information systems to enable the monitoring of progress made towards achieving targets, core objectives and service delivery.

The Department has implemented the necessary information systems in order to record and report on data from its facilities. The compliance to each of the policies and guidelines has not been thorough and has therefore affected the effectiveness of the reporting. The previous report sent to the committee listed the interventions that the Department initiated in order to mitigate some of these findings. One of these interventions involve robust training of the current

policies, and the other is related to facility support visits. The trainings have been provided to all districts and all relevant staff. Oversight is provided to the facilities by the PHC Supervisors, District Office as well as Head Office Data Management.

The following reasons are submitted for your consideration.

1. Noncompliance to basic policies and guidelines within the Department.
2. Low district/provincial staff to facility ratio. There are limited resources in the information field that are available to perform support visits to monitor data on a regular basis. The Provincial Office is responsible for ensuring that the relevant policies are developed and implemented. However, we find there is still non-compliance at lower levels which is not possible to pick up during desktop reviews. With the huge number of public health facilities, it is almost impossible to provide individual support to all facilities.
3. Limited consequence Management to facilities who do not perform well.
4 There are still manual data collection systems within our facilities which make up for huge volumes of paper and data reported daily. This makes it difficult to monitor all steps in the information system at a facility when visited.
5 Manual data collection also impacts on high risk of error rates.
6. Review of data takes place at District and Provincial levels on a regular basis. Data is reviewed using available functionalities (albeit limited) on the system. Monthly data is compared to identify outliers in the system. If the data trend does not show any outliers, it is very difficult to pick up errors at higher levels without having access to the data source to do a complete recount of data.
7. Data verification needs to be strengthened as a daily task by facility staff. The Department has run workshops with the relevant M&E staff to address this, with the onus on facility-based staff to monitor daily outputs from staff at each facility.

The above mentioned are some of the reasons why systems are not being implemented effectively. The Department is currently working on promoting a culture of understanding the importance of performance information and records management within a facility before huge changes are seen.

[2] An evidence-based assessment of the effectiveness of the measures implemented to address this audit finding and to provide assurance that a recurrence will be avoided.

The Department has decided to conduct face to face visits to facilities in order to assess and evaluate them. The Provincial Department has committed to visiting all CHC's before March 2023 in an effort to improve operations and systems at each of these facilities. We are relying on the Management Teams at the CHC to ensure that all recommendations are carried out,

and that District teams provide further oversight. Evaluations will be conducted 3 months following the visit to a selected number of CHC's.

The first revisit will be done in January 2023 to assess improvements. 15 out of 23 CHC's have been completed so far.

RESOLUTION 167/2022: *DEPARTMENT OF HEALTH: MATERIAL IRREGULARITIES: PROCUREMENT OF SANITIZER DETERGENT AT PRICES HIGHER THAN PERMISSIBLE*

Noting that:

(a) Through an emergency procurement process on 25 March 2020, the department ordered 40 000 units of 1L hand sanitizer at R143,00 per unit. The total value of the order was R5.72 million.

(b) The department failed to comply with the National Treasury Instruction Note 8/2019-20 in that it procured the sanitizer at a price higher than the permissible cost of R110.40 per unit of 1L, resulting in a material loss of R1.3 million.

(c) The Accounting Officer was notified of the material irregularity on 12 February 2021. An internal investigation is underway.

(d) This matter was investigated by Special investigation Unit (SIU) by proclamation of the President of the Republic of South Africa.

(e) On conclusion of the investigation, the supplier National Community Marketing has agreed to re-imburse the department via SIU the sum of R1,304000.00.

(f) Payment in the amount of R668, 214,35 has been paid, the balance will be paid in instalments via SIU.

The Committee resolves: -

That the Accounting Officer report to the Committee by 31 January 2023 on:

[1] Progress made in the payment of the balance, considering the time lapse since it was brought to the attention of the Accounting Officer, steps taken to expedite the finalisation of the full payment to the department.

RESPONSE OF THE DEPARTMENT

Cognisance should be taken of the fact that subsequent to the undertaking and conclusion of the investigation by the SIU, the supplier National Community Marketing had then agreed to re-imburse the Department via the SIU an amount of R 1,304,000.00 which culminated in an

Acknowledgement of Debt being signed in the amount of R 1,304,000.00 by National Community Marketing.

It should be noted that the SIU were primarily responsible for the recovery of the outstanding amount and the supplier was responsible for paying the monies directly to the SIU. In this regard, the Department has been liaising with the SIU relative to the amounts that have been paid by the supplier and in this regard, the Department is awaiting a statement of account from the SIU to confirm whether the debt has been settled or if there is an outstanding amount.

RESOLUTION 168/2022: *DEPARTMENT OF HEALTH: INTERNAL CONTROL: APPROVED POLICIES AND ACTION PLANS NOT IMPLEMENTED TO ADDRESS PREVIOUS AUDIT FINDINGS*

Noting that:

(a) The Accounting Officer did not ensure that approved policies and action plans are implemented to address previous audit findings on the financial statements, predetermined objectives, and compliance with legislation.

(b) Consequence management was not effectively implemented for non-performance and slow responses in addressing and implementing recommendations and transgressions were reported.

(c) Management did not implement a proper document management and record-keeping system to ensure that complete, relevant, and accurate information is accessible and available to support financial and performance reporting, including compliance with legislation.

(d) Controls and processes over the preparation of the financial statements and the annual performance report were not effectively implemented to ensure they are accurately prepared and comply with the applicable framework, which resulted in material misstatements in the financial statements and the annual performance report.

(e) The position of the chief financial officer, which is a critical post, has been vacant for a significant period.

(f) In addressing these findings, the department has:

i. revised its SCM Policy and will conduct performance reviews to monitor implementation of the audit improvement plans and compliance with existing SOP's; and

ii. implemented a document management system at its central SCM unit to ensure that documents are safely stored and in relation to patient records, the department has developed an e-health system.

The Committee resolves: -

That the Accounting Officer report to the Committee by 31 January 2023 on:

[1] An evidence-based assessment of the effectiveness of the interventions implemented by the department to:

iv. Address the root causes of the qualified audit opinion and the key risk areas.

v. ensure that proper systems of internal control are implemented, that audit findings are addressed promptly and fully and that an adequate system of document management and record-keeping is implemented; and

vi. Provide for adequate oversight and monitoring by management over compliance with applicable laws and regulations.

RESPONSE OF THE DEPARTMENT

The Resolution of the Committee is noted. Appended are the responses of the Department relative to the resolutions of the committee.

1. DEVELOPMENT AND IMPLEMENTATION OF AN AUDIT IMPROVEMENT PLAN

The Department had reviewed the findings of the Auditor-General as contained on the Audit Report as well as those reported on the Management report, and in this regard, the Department has embarked on an improvement strategy which includes the development of an Audit Improvement Plan (AIP) as well as various activities to strengthen the control environment.

The Audit Improvement Plan which incorporates both the Audit Report Findings as well as the findings reported on Annexure A and Annexure B of the Management Report. The AIP details the following:

- Root Causes
- Actions / Corrective Measures / Task Details
- Action Owners / Responsible Officials to drive the implementation
- Action Date
- Completion date

Subsequent to the compilation of the AIP, it was forwarded to management in the Department as well as to the various facilities as well as to the Provincial Treasury. In this regard, the status of implemented actions was obtained as of 30 September 2022 and will be obtained on a quarterly basis to evaluate the status of implemented actions

Further to the above, and as part of the strategy to strengthen controls, the Departments Audit and Internal Control Component together with the assistance of the District Monitoring and Evaluation (M&E) teams are currently undertaking assessments to verify and validate the implemented actions at a facility level and if control deficiencies are identified, further actions are developed to strengthen the control environment.

2. AUDIT PREPAREDNESS

On 4 November 2022, the Department had scheduled a meeting with the Finance Managers from all facilities and district offices. The intention of this engagement was to appraise all Finance Managers on the following as well as to advise them of the tasks that would need to be undertaken to ensure that the Department ensures that the internal control weaknesses that were identified during the audit are addressed which will contribute towards the Department receiving an Unqualified audit opinion.

- 2021/22 Regularity Audit.
  - Audit findings and what gave rise to the qualifications.
  - Performance Management and Consequence Management.
  - Roles of the Finance Managers in the validation of all SCM transactions and the correction of the AFS Disclosures.
  - Roles of the District M&E teams in the validation of all SCM Transactions and the AFS Disclosures.
- The Departments strategy and processes relative to all of the focus areas that will be required to be embarked upon by Head Office and all institutions to ensure that the Department obtains an Unqualified Audit Opinion.
- The responsibilities of the Finance Managers as well as the District Monitoring and Evaluation teams in respect of the validation and reporting on the following Annual Financial Statements (AFS) disclosure items amongst others:
  - Irregular Expenditure
  - Asset Management
  - Commitments
  - Accruals
  - Receivables
  - Goods and Services

- The quarterly reporting by all facilities on the status of implemented actions in respect of the findings on the Audit Log.
- Inventory Management and the use of the Goods Receipt Note (GRN).
- Expenditure Management and Guidance on the correct accounting for Accruals and Payables Not Recognised (PNR).

3. STRENGTHENING INTERNAL CONTROLS

In strengthening internal controls, the Department has embarked on the following initiatives:

a. Management Reporting Packs

- The Department has developed a financial management reporting tool to assist institutional Chief Executive Officers (CEOs) to verify financial and other information monthly.
- These monthly reporting packs are assessed, and the results / reports of the review / assessments are discussed with the CEOs and Finance Managers at scheduled meetings that are convened.
- These engagements which are convened on a regular basis are chaired by the Deputy Director-General: Clinical Services, with the panel members comprising of the Chief Financial Officer, the Deputy Director-General: Clinical Support Services and Chief Directors from Clinical Services, the Chief Risk Officer and Audit and Internal Control.
- During these engagements, the findings of the assessment are discussed, and institutions are thereafter tasked with ensuring that corrective actions are implemented relative to the findings.

b. Validations Of Supply Chain Management Transactions

- In ensuring that all supply chain management transactions meet the scrutiny of an audit process, both the institutional management teams and the District M&E have been instructed to ensure that all supply chain management transactions for the 2022/23 financial year are validated to ensure the correct disclosure of the following:
  - Commitments
  - Accruals and Payables Not Recognised (PNR's)
  - Irregular Expenditure
  - Receipting of goods and services as evidenced by a Goods Receipt Note (GRN)

- Further, the District M&E teams have commenced with the validation and verification of SCM transactions at a facility level to confirm the accuracy of the accruals listings as well as to confirm whether a Goods Receipt Note has been used to evidence the receipting of goods and services.

c. Internal Control Reviews / Assessments

- In 2021, the Departments Audit and Internal Control component had commenced with and undertaken assessments relative to the implementation of the Goods Receipt Note (GRN) as well as on the Accruals and Payables Not Recognised listings and where deficiencies were identified, corrective action was taken immediately to address the findings.
- This had resulted in the Department identifying misstatements prior to the disclosure of the Accruals and PNR's in the Annual Financial Statements.
- This had contributed to the Department receiving modified opinions for Accruals and Payables Not Recognised and in respect of Goods and Services.

Considering the above, Audit and Internal Control has commenced with Internal Control Assessments relative to the following:

- Supply Chain Management processes at various facilities. These assessments will be focussed on the entire SCM value chain and will be concentrating on the following aspects:
  - Acquisitions management to identify if any irregular expenditure was incurred and whether this was accurately and completely disclosed
  - Commitments
  - The correct and accurate disclosure of Accruals and Payables Not Recognised (PNR's)
  - To confirm that the receipting of goods and services was evidenced by a Goods Receipt Note (GRN)
  - To confirm whether payments were made within thirty (30) days of receipt of the invoice
- Validation of implemented actions as recorded on the Audit Improvement Plan

Further to the above, the Internal Audit Unit will be engaged to undertake audits on the following focus areas where the Auditor-General had recorded poor audit outcomes:

- Supply Chain Management with specific reference to procurement and contract management

- Expenditure Management with a focus on the accurate and complete disclosure of all Annual Financial Disclosure items
- Predetermined Objectives

The Department has also taken cognisance of previous audit qualifications that have been overturned. In its efforts to maintain the unqualified audit opinion relative to the following, Internal Audits / Internal Control Assessments will be undertaken in the 3rd and 4th quarters of 2022/23:

- Commuted Overtime
- Capital Work in Progress
- Capital Commitments
- Contingent Liabilities

It is anticipated that through these initiatives, the Department is on the path to ensuring a strengthened control environment and ultimately obtaining an Unqualified Audit Opinion.

RESOLUTION 169/2022: DEPARTMENT OF HEALTH: INTERNAL INVESTIGATIONS

Noting that:

(a) The special investigations unit at the department performed 169 investigations relating to allegations of incorrect awarding of contracts, theft, employees performing unauthorised remunerative work outside the public service and misappropriation of inventory, covering the period 1 April 2018 to 31 March 2021.

(b) The status of the investigations is as follows:

i. Seven (7) matters are still under investigation.

ii. Thirty-eight (38) matters have been completed and the reports are under final review.

iii. Sixty-three (63) matters have been completed and referred to the Labour Relations Unit for disciplinary action or referral for criminal investigation.

iv. One (1) matter has been closed due to the allegations being unfounded.

v. Sixty (60) matters have been finalised at a disciplinary hearing stage.

The Committee resolves: -

That the Accounting Officer report to the Committee by 31 January 2023 on:

[1] Progress made in finalising the 7 investigations still in progress and the 38 matters under review, as well as the anticipated time frames for finalisation.

[2] The nature of the allegations in the 63 matters referred to Labour Relations, the amounts involved, progress made in the disciplinary matters or criminal referrals, steps taken to recover any losses and the anticipated time frames for finalisation.

[3] The nature of the transgressions in the 60 matters that have been finalised in terms of disciplinary hearings, the amounts involved, the sanctions imposed, as well as steps taken to recover any losses, alternatively the reasons for not pursuing recovery.

RESPONSE OF THE DEPARTMENT

The Resolution of the Committee is noted. Appended are the responses of the Department relative to the resolutions of the committee.

[1] Progress made in finalising the 7 investigations still in progress and the 38 matters under review, as well as the anticipated time frames for finalisation.

In respect of the 7 investigations which were in progress, 5 were finalised and the remaining 2 cases are under investigation, and it is anticipated that these will be finalised before 31 March 2023. Further, in respect of the 38 cases which were under review, 10 were closed and 28 were completed and referred to the Departments Labour Relations Component for implementation of recommendations.

[2] The nature of the allegations in the 63 matters referred to Labour Relations, the amounts involved, progress made in the disciplinary matters or criminal referrals, steps taken to recover any losses and the anticipated time frames for finalisation.

Appended is a summary of the 63 cases as per the matters raised in the Resolutions of the Committee.

NO. OF CASES	STATUS OF THE CASES
17	Cases closed due to lack of evidence/alternative remedial action/no disciplinary action to be effected
24	Cases were referred for disciplinary action and were subsequently finalised. Sanctions are listed below: ▪ 11 cases - Final Written Warning ▪ 1 case - Written Warning ▪ 6 cases - Three months suspension and Final Written Warning ▪ 1 case - Resigned before discipline can be finalized ▪ 3 cases - Dismissal ▪ 2 cases - Not guilty
22	Cases are pending disciplinary process

[3] The nature of the transgressions in the 60 matters that have been finalised in terms of disciplinary hearings, the amounts involved, the sanctions imposed, as well as steps taken to recover any losses, alternatively the reasons for not pursuing recovery.

Appended is a status of the 60 matters that were finalised in terms of disciplinary hearings:

NO. OF CASES	STATUS OF THE CASES
58	Cases closed due to lack of evidence/alternative remedial action/no disciplinary action to be effected
2	Cases were referred for disciplinary action and were finalized. Sanctions are indicated on the attached report. 1 case - Three months suspension and Final Written Warning 1 case - Found not guilty

RESOLUTION 170/2022: DEPARTMENT OF HEALTH: INVESTIGATIONS BY FORENSIC UNIT

Noting that:

(a) The Forensic Investigation Unit conducted seventeen (17) investigations at the request of the department, covering the period 1 June 2016 to 31 March 2022. These investigations related to irregularities around deviation from work and various orders in respect of projects managed by the department, and alleged fraud and corruption in the appointment and termination of contracts of service providers.

(b) Nine (9) of the investigations have been completed and eight (8) are still in progress.

(c) The status of the completed investigations is as follows:

FR11/2016	*The matter was referred to HOD for further handling.*
FR27/2016	*4 investigations finalised.* *1 official dismissed, 3 received final written warning with three months suspension without pay.*
FR 02/2017	*The report is under consideration by the department for implementation of disciplinary action.*
FR 05/2018	*The Hawks is conducting a criminal investigation. The department is proceeding with disciplinary action.*
FR 06/ 2018	*The department is quantifying the value of the irregular, unauthorised and fruitless and wasteful expenditure before proceeding with disciplinary action.*
FR 11/2016	*The matter has been referred to the Accounting Officer for further attention.*
FR 27/2016	*4 Disciplinary hearings have been finalised. One official was dismissed, and three officials received final written warnings with three months' suspension without pay.*
FR 08/2018	*The matters have been completed at disciplinary hearing stage.*
FR 17/2018	*The matter is under criminal investigation by the Hawks.*

FR 10/2019	*The Auditor-general is evaluating the appropriateness of the actions taken by the Accounting Officer to ensure the material irregularity is addressed.*

The Committee resolves: -

That the Accounting Officer report to the Committee by 31 January 2023 on:

[1] The nature of the allegations and the amounts involved in each of the completed investigations.

[2] The findings and recommendations in each matter, including the matter investigated under FR 11/2016.

[3] Progress made in the implementation of the recommendations in the matter investigated under FR 11/2016 and time frames for implementation.

[4] Steps taken to recover any losses and progress made therein, alternatively the reasons for not pursuing recovery.

[5] Progress made in the implementation of disciplinary action in the matters under FR 02/2017, FR 05/2018 and FR 06/ 2018 and time frames for finalisation thereof.

[6] The outcomes of the disciplinary matters in FR 08/2018 and the sanctions imposed.

[7] Details of the material irregularity under FR 10/2019 and the steps taken by the Accounting Officer to address the matter.

[8] Other remedial actions taken to avoid a recurrence of the incidents investigated.

RESPONSE OF THE DEPARTMENT

The Resolution of the Committee is noted. Appended are the responses of the Department relative to the resolutions of the committee.

1. FR11/2016

a. The findings and recommendations under FR11/2016

The investigation found that KZN Oncology was only registered as an entity with the CIPC in August 2015 and registered as a supplier on the KZN Treasury's supplier database in September 2015.

KZN Oncology's initial price to repair the oncology equipment increased from R 5,490,000 to R 5,695, 641.21 to R 6,850,000.00 and then to R 9,492,690.00, allegedly due to the increase in Rand/Dollar exchange rate and the fact that one of the Rapidrac oncology equipment required a "waiveguide" which was expensive.

KZN Oncology was paid R 5,695,641.21 (60% of the total cost of R9 492 690) in April 2016 for the repair of one of the Rapidrac oncology equipment. Considering the irregular appointment of KZN Oncology and the deviation from procurement process in this regard, this amount can be deemed as irregular expenditure. It was noted that various officials within the Department had supported, recommended and authorised the payment accordingly.

There was no evidence that a variation order for the increase in costs was submitted and approved.

It should be noted that the implicated officials, all of whom have since resigned from the Department, were instrumental in supporting and approving KZN Oncology's appointment.

b. Recommendations

It was recommended that the Department consider taking disciplinary action against these officials for:

- Failing to ensure that KZN Oncology had the necessary experience to repair oncology equipment.
- Failing to comply with the prescripts of National Treasury Practice Note.
- Failing to comply with the prescripts of Treasury Regulations.
- Failing to prevent the irregular expenditure (as defined by the PFMA) of R5 695 641, 21 when they irregularly appointed KZN Oncology; and
- Failing to comply with the section 40 (3) (a) and (b) and section 38 (c) of the PFMA.

Considering the above, the following was to be actioned:

- The Departments HRMS is to update the PERSAL records on the basis that the implicated officials had resigned from the Department before the disciplinary action could be instituted against them.
- Legal Services is to explore the feasibility of instituting civil recovery procedures against KZN Oncology; and
- The Departments SCM Unit to engage Provincial Treasury with regards to the blacklisting of KZN Oncology on the Central Supplier Database.

c. Progress made in implementing the recommendations

The Department is in the process of implementing the recommendations in its entirety and a progress report will be made available by 30 April 2023.

However, with regards to updating the PERSAL records of the implicated officials, HRMS has implemented the recommendations by recording on PERSAL that the implicated employees

had terminated their services pending the disciplinary enquiry. In the event that they are re-employed in any Public Service institutions, the disciplinary action will be considered for the related irregularities.

Further to the above, appended is a status update regarding the other matters:

NO	DESCRIPTION	STATUS OF IMPLEMENTATION
1	FR11/2016	As reported above, the Department is in the process of implementing the recommendations in its entirety and the progress report will be made available by the 30th of April 2023.
2	FR27/2016	Four Disciplinary Hearings have been finalised. One official dismissed and three officials received Final Written Warnings with three month's suspensions without pay.
3	FR02/2017	The Department is currently conducting an exercise to determine if the Department has obtained value for money and if any officials should be subjected to disciplinary processes for irregular and wasteful expenditure. Due to the nature and extent of the matters, this will take some time to complete. Once the exercise has been completed, and if there is evidence of unauthorised, irregular and wasteful expenditure, disciplinary action will be instituted against the implicated officials.
4	FR05/2018	The KwaZulu-Natal Provincial Hawks Office is currently conducting the criminal investigation and have been engaging with the Department as well as the National Prosecuting Authority and the Office of the Public Protector to source information. There have been several requests for information from the KZN Hawks and all requested information has been sourced and provided to the investigating team. Considering the above, the matter is still under investigation and a status report is awaited from the KZN Hawks.
5	FR06/2018	The Department is currently conducting an exercise to quantify and analyse the expenditure incurred to determine the exact value of the irregular, unauthorized and wasteful expenditure. Thereafter, officials responsible will be subjected to disciplinary processes.
6	FR08/2018	The matters have been subjected to and completed at disciplinary hearing stage. The officials were issued with written warnings and the money wrongly paid to the company was recovered. The matter has been finalised.
7	FR17/2018	The criminal investigation is currently underway with the Hawks.
8	FR10/2019	The Auditor-General had indicated that the representations made and the substantiating documents that were provided by the Department was considered, and it was concluded that appropriate actions had been taken to address the material irregularity. The matter has since been closed.

RESOLUTION 171/2022: DEPARTMENT OF HEALTH: UNAUTHORISED EXPENDITURE: R108.074 MILLION IN PRIOR FINANCIAL YEARS NOT YET AUTHORISED

Noting that:

Unauthorised expenditure of R108.074 million relating to prior financial years has not yet been authorised.

The Committee resolves: -

That the Accounting Officer report to the Committee in detail by 31 January 2023 on:

[1] A breakdown of the amounts of unauthorised expenditure per financial year.

[2] The reasons for the unauthorised expenditure per financial year.

[3] Whether the Vote itself was overspent in each year due to any over-expenditure.

[4] Measures put in place to prevent a recurrence.

[5] Details of disciplinary action taken against the officials responsible for the unauthorised expenditure and the outcomes thereof.

[6] Steps taken to recover any losses incurred due to the unauthorised expenditure.

RESPONSE OF THE DEPARTMENT

The Resolution of the Committee is noted. Appended are the responses of the Department relative to the resolutions of the committee.

[1] A breakdown of the amounts of unauthorised expenditure per financial year.

- The unauthorized expenditure of R 2,208,523.25 in 2017/18
- The unauthorized expenditure of R 14,248,580.04 in 2018/19
- The unauthorized expenditure of R 91,617,553.28 in 2019/20

[2] The reasons for the unauthorised expenditure per financial year.

- Unauthorised Expenditure 2017/18

The Vote was underspent by R 19,157 million, mainly under Programme 7: Health care Support (R 12,803 million) due to delays in the delivery of hospital linen. Programme 2: District Health Services was underspent by R 6,354 under Machinery and Equipment as a result of challenges, including lengthy SCM processes, as well as enforced savings to reduce over-expenditure.

Cash-blocking had also impacted on the spending under these Programmes and had resulted in the overspending of the Vote as a whole.

Whilst the overall Vote was underspent, the Health Facility Revitalisation Grant was overspent by R 2,209 million. This was largely due to a higher-than-expected costs on maintenance at facilities as well as the construction costs relating to the Jozini CHC project, amongst others.

Further, in respect of the HIV/AIDs Conditional Grant, there was an increase in clients diagnosed with HIV which had resulted in more clients being initiated on ARV Treatment. Medication in this regard could not be stopped.

- Unauthorised Expenditure 2018/19

The Vote was overspent by R 2,658 million, mainly under Programme 4: Provincial Hospital Services. This was due to a higher than budgeted expenditure for medico-legal claims. The Human Papillomavirus Vaccine Grant was under-spent by R 11,590 million. This was primarily due to the delayed receipt of invoices for the procurement of the vaccine fridges and the rental vehicle hire costs. The delayed invoices had resulted in the Department being unable to process the payments timeously. A further factor that contributed to the underspend was the unavailability of vaccines from suppliers.

The unauthorised expenditure of R 14,248,580.04 in the 2018/19 financial year was as a result of the overall overspending and the surrendering of the underspent conditional grant funds.

- Unauthorised Expenditure 2019/20

In the 2019/20 financial year, the over-spending of the Vote amounted to R 74,740 million, mainly under Programme 2: District Health Services, due to pressures relating to ARV medicines. This was due to an increase in clients diagnosed with HIV which had resulted in more clients being initiated on ARV Treatment, and thus the issuing of medicines could not be stopped.

The National Health Insurance grant which largely provides for the contracting of private doctors at NHI pilot sites was only allocated funding in the Adjustments Estimate. The Grant was under-spent by R 16,877 million largely due to the late receipt of the Grant and the Department's inability to develop a contingency plan due to restrictive DORA conditions, which only allow for the appointment of health care professionals from the Grant.

In summary, the unauthorised expenditure of R 91,617,553.28 in the 2019/20 financial year had resulted from an overall overspending and the surrendering of the underspent conditional grant funds.

[3] Whether the Vote itself was overspent in each year due to any over-expenditure.

- The unauthorized expenditure of R 2,208,523.25 in 2017/18 resulted in the exceeding the Health Facilities Revitalisation Grant (HFRG)
- The unauthorized expenditure of R 14,248,580.04 in 2018/19 resulted in the exceeding the Vote.
- The unauthorized expenditure of R 91,617,553.28 in 2019/20 resulted in the exceeding the Vote.

[4] Measures put in place to prevent a recurrence.

In its endeavour to prevent unauthorised expenditure, the Department was forced to delay the filling most the vacant posts as well as deferring the procurement of machinery and equipment.

In respect of HIV/AIDs, the Department had budgeted based on the projections of patients that will be initiated on treatment and to mitigate the challenge of unauthorised expenditure, representations were made to the National Department of Health for the provision of donations which the Department had received as follows:

- 2020/21 Financial Year - R 47 million
- 2021/22 Financial Year - R 218 million

In light of the aforementioned, the Department was able to contain its expenditure.

Medico-legal Claims

In its endeavours to prevent unauthorised expenditure, the Department undertakes the following on an annual basis:

- The budget for medico-legal matters are set in the most beneficial scenario for the Department at the beginning of the financial year. During the mid-year adjustment, all expenditure incurred for the settlement of medico-legal claims is balanced and estimates for the next six (6) months is provided.
- The year-end adjustment process focuses on optimising the allocated budget per program and per economic classification.
- The review of patient safety incidents is undertaken at a facility and district level, in line with guidelines issued by the National Department of Health.
- The Department is in a difficult position regarding the allocation of increased budget for medico-legal claims as this results in the reprioritisation of the service delivery budget which is required to address issues like shortage of key staff, medical equipment, electronic patient record system, etc.

[5] Details of disciplinary action taken against the officials responsible for the unauthorised expenditure and the outcomes thereof.

- Overspending on ARV medicine - No disciplinary actions was taken against officials as patients could not be denied life-saving treatment.
- Medico-legal Claims - Over spending as a result of Higher than Budgeted for medico legal claims
  - It is extremely difficult to estimate the medico-legal claims that will be settled within a financial year as the court decides which cases will be prioritised / attended to.
  - 96.8 % of the claims settled over the years related to cases where the Department conceded liability. The Department settled had 404 cases (385 with conceded liability and 19 without). The percentage for 2018/19 financial years is slightly less and 95.5%.
  - Where is it deemed necessary, gross transgressions are reported to the respective professional bodies for the health professionals

[6] Steps taken to recover any losses incurred due to the unauthorised expenditure.

The unauthorised expenditure was unavoidable despite the Department implementing strict controls and was unfortunately unable to prevent the over-expenditure. The over-expenditure that was incurred was for service delivery and thus no particular official can be held accountable.

TRANSVERSAL RESOLUTIONS

RESOLUTION 217/2022 - TRANSVERSAL RESOLUTION – FILLING OF CRITICAL POSTS

Noting:

That vacancies exist in critical management posts within departments and public entities and the adverse effect this is having on audit findings, particularly on compliance with legislation, internal controls, and financial and performance management.

The Committee resolves:

That the Accounting Officers and Accounting Authorities of the relevant departments and public entities report to the Committee by 31 January 2023 on progress made in the filling of critical management posts and the time frames for the filling of those posts.

RESPONSE OF THE DEPARTMENT

The Resolution of the Committee is noted.

The Department has made the following progress in the filling of critical management posts from 1 April 2022 to date:

CEO posts:

- Chief Executive Officer: Nkandla Hospital
- Chief Executive Officer: Benedictine Hospital
- Chief Executive Officer: Nkonjeni / St Francis Hospital
- Chief Executive Officer: Fort Napier Hospital
- Chief Executive Officer: Catherine Booth Hospital
- Chief Executive Officer: Pholela CHC

SMS posts:

- 2x Chief Directors
- 4x Director Posts
- 1x Chief Financial Officer
- 3x District Directors

RESOLUTION 218/2022 – TRANSVERSAL RESOLUTION: COMPLIANCE WITH HRM MATTERS

Noting:

The following reports on compliance by SMS members with Human Resources Management (HRM) matters.

Department/Entity	*Signing of Performance Agreements*	*Security Vetting*	*Submission of Financial Disclosures*	*Verification of Qualifications*
Office of the Premier	*100%*	*100%*	*100%*	*100%*
Zulu Royal Household Trust	*100%*	*100%*	*100%*	*100%*
Department of Agriculture and Rural Development	*100%*	*100%*	*92%*	*92%*
Agribusiness Development Agency	*88%*	*25%*	*100%*	*100%*
Economic Development, Tourism and Environmental Affairs	*98%*	*100%*	*100%*	*100%*
Ithala Development Finance Corporation	*100%*	*100%*	*100%*	*100%*
Ezemvelo	*100%*	*100%*	*100%*	*100%*
Department of Education	*100%*	*100%*	*98%*	*100%*
Provincial Treasury	*100%*	*85%*	*100%*	*100%*
Department of Health	*99%*	*100%*	*100%*	*100%*

Department/Entity	*Signing of Performance Agreements*	*Security Vetting*	*Submission of Financial Disclosures*	*Verification of Qualifications*
Department of Human Settlements	*100%*	*100%*	*100%*	*100%*
Department of Community Safety and Liaison	*100%*	*100%*	*100%*	*100%*
Department of Sport and Recreation	*100%*	*100%*	*100%*	*100%*
Department of Cooperative Governance and Traditional Affairs	*100%*	*66%*	*100%*	*82%*
Department of Transport	*No report*	*No report*	*No report*	*No report*
Department of Social Development	*86%*	*100%*	*100%*	*100%*
Department of Public Works	*100%*	*100%*	*100%*	*100%*
Department of Arts and Culture	*100%*	*100%*	*100%*	*100%*

The Committee resolves: -

That the relevant Accounting Officers and Accounting Authorities report to the Committee by 31 January 2023 on measures taken to ensure full compliance with HRM matters in relations to signing of performance agreements, security vetting, submission of financial disclosure forms and verification of qualifications.

RESPONSE OF THE DEPARTMENT

The Resolution of the Committee is noted.

- The Department of Health achieved a 99% for compliance with EPMDS.
- 100% compliance was not reached as one Senior Manager was suspended during the reporting period.

RESOLUTION 219/2022 - TRANSVERSAL RESOLUTION: SPECIAL INVESTIGATION UNIT

Noting that:

In accordance with proclamation R23 of 2020, the SIU provided service to the departments and the municipalities. After the provision of service, the departments and entities are expected to pay the SIU for service rendered. It is however noted that to date most departments have not fulfilled their payments according to the memorandum of understanding signed.

Below is the table reflecting departments and municipalities which have paid and those which have not paid.

INVOICES VS PAYMENTS RECEIVED

STATE INSTITUTION	AMOUNT INVOICED	PAYMENTS RECEIVED
Dept of Education (KZN)	R5 826 705	0
Dept of Social Development (KZN)	R1 696 275	R1 277 085
Dept of Health (KZN)	R1 557 627,50	R1 012 757,50
Dept of Transport (KZN)	R57 950	R48 255
Office of the Premier (KZN)	R133 452,50	0
eThekwini Metropolitan Municipality	R4 324 755	0
KwaDukuza Local Municipality	R653 135	0
Newcastle Local Municipality	R467 280	0
Umdoni Local Municipality	R492 763,75	0
TOTAL	R15 209 943,75	R2 338 097,50

The Committee resolves: -

That the relevant Accounting Officers and Accounting Authorities report to the Committee by 31 January 2023 on measures taken to ensure full compliance with the obligations agreed upon to pay for the service rendered.

RESPONSE OF THE DEPARTMENT

The Resolution of the Committee is noted.

On perusal of the Departments BAS Payment Transaction Listing, the amount of R 1,557,627.50 has been settled in full.

RESOLUTION 220/2022: TRANSVERSAL RESOLUTION: HUMAN RESOURCE MANAGEMENT: VACANCIES IN SENIOR MANAGEMENT AND CRITICAL POSITIONS

Noting that: -

(a) Positions in senior management and critical positions were vacant for more than 12 months.

(b) Vacant positions in senior management were not advertised within six months.

(c) Delays in the filling of critical posts are attributed to the approval process involving Provincial Treasury and the Office of the Premier.

The Committee resolves: -

That the Accounting Officer and the Accounting Authority report to the Committee by 31 January 2023 on progress made in the filling of senior management positions, critical positions as well as the outcomes of their engagements with Provincial Treasury and the Office of the Premier on the filling of posts and the funding thereof.

RESPONSE OF THE DEPARTMENT

The Resolution of the Committee is noted.

There are no further delays in the filling Senior Management and other critical posts within the Department.

The Department is filling all critical posts in line with the attached Department's HRM Circular 28 of 2022, provided the budget for Compensation of Employees is available. There have also been engagements with Provincial Treasury requesting for additional funding for the filling of posts.

Prior modifications to Audit reports

Nature of qualification, disclaimer, adverse opinion and matters of non-compliance	Financial year in which it first arose	Progress made in clearing / resolving the matter
Moveable Tangible Capital Assets (Qualified)	2008/09	The qualification in the 2021/22 financial year related to the valuation of assets. The Department has developed a detailed valuation methodology and has discussed this with the Provincial and National Treasury's as well as with the Auditor-General to determine the application of the valuation methodology.
Irregular Expenditure (Qualified)	2012/13	The Department has utilised an electronic tool to ensure the complete and accurate recording and disclosure of all Irregular Expenditure.
Accruals and Payables Not Recognised (Modified Audit Opinion)	2017/18	The Department will ensure the complete and accurate recording and disclosure of all Accruals as well the correct recognition of all Payables Not Recognised (PNR's).
Goods and Services (Modified Audit Opinion)	2019/20	The Goods Received Note (GRN) has been fully implemented. Assessments are currently being undertaken to ensure that all goods and services received in the Department are receipted accordingly and all supporting documentation is available for audit.

Internal Control Unit

The Directorate: Audit and Internal Control which consists of two sub-directorates, namely Audit Management and Internal Control has been responsible for the following functions:

1. Audit Management
2. Internal Control
3. Co-ordination and collation of information for the compilation of reports to the Oversight Committees

Audit Management

Audit and Internal Control is responsible for the management of all audit assignments that are undertaken in the Department by the Auditor-General and the Internal Audit Unit. In this regard, the component is responsible for ensuring that all audit queries/findings as identified by the Office of the Auditor-General and the Internal Audit Unit of the KwaZulu-Natal Provincial Treasury are analysed, co-ordinated and responded to, as well to create and maintain a

working relationship with both the Office of the Auditor-General and the Internal Audit Unit of the KwaZulu-Natal Provincial Treasury.

The component is also responsible for the compilation of the Audit Improvement Plans relative to the audits that were undertaken, undertaking validations / follow-ups of the implemented actions through assessments as well as the reporting on the status of implemented actions management and the Cluster Audit and Risk Committee (CARC).

Internal Control

The Component is responsible for the undertaking and finalising of internal control assessments in respect of all administrative disciplines as well providing management at Head Office, Districts and Institutions with information concerning the various risk areas that prevail within their institutions/areas of responsibility as well as developing strategies and actions to ensure that the identified control weaknesses are mitigated.

Internal Control Assessments are undertaken on an ongoing basis, and meetings are subsequently convened with the management teams from the facilities that were reviewed who are then required to provide explanations regarding the findings of the assessments. The developed improvement plans are also discussed during these engagements.

Audit and Internal Control has also been assessing financial performance at institutions through the review of information that is collated by the CEO's and Finance Managers through the Management Reporting packs.

Co-ordination and reporting to the Oversight Committees

The Component is also responsible for the drafting of reports to the Standing Committee on Public Accounts (SCOPA) and the Cluster Audit and Risk Committee (CARC) relative to the reports of the Auditor-General and that of the KwaZulu-Natal Provincial Treasury's Internal Audit Unit. Further, the Component is also responsible for the co-ordination, formulation and finalisation of all responses to resolutions of the Finance Portfolio Committee and the Health Portfolio Committee.

Internal Audit and Audit Committees

#	Name of Member	PARC Meetings Attended
1.	Mr Z Zulu – PARC Chairperson	*5 of 5*
2	Mr S Mthethwa – CARC Chairperson	*4 of 5*
3.	Ms R Ramphal	*5 of 5*
4.	Mr S Maharaj	*5 of 5*
5.	Mr M Tarr	*5 of 5*
6.	Ms S Makhathini	*5 of 5*

Report of the Audit & Risk Committee on Vote 7 – Health

The Audit Committee herewith presents its report for the financial year ended 31 March 2023, as required by Treasury Regulation 3.1.13 read with section 77 of the Public Finance Management Act, 1999 (Act No. 1 of 1999, as amended by Act No. 29 of 1999).

The Provincial Audit and Risk Committee (PARC) is the shared audit and risk committee for the provincial departments and is further sub-divided into three Cluster Audit & Risk Committees (CARC's) that provide oversight of key functions to the KZN Provincial Government Departments. The Department of Health is served by the Social Protection, Community and Human Development (SPCHD) Cluster.

The Audit Committee reports that it has adopted formal terms of reference contained in its Audit and Risk Committee Charter. The Committee complied with its responsibilities arising from the Public Finance Management Act and Treasury Regulations.

1. Audit Committee Members and Attendance

The PARC and SPCHD CARC consisted of the members listed hereunder who have met as reflected below.

#	Name of Member	PARC Meetings Attended	SPCHD CARC Meetings Attended
1.	Mr Z Zulu – PARC Chairperson	*5 of 5*	*4 of 4*
2	Mr S Mthethwa – CARC Chairperson	*4 of 5*	*4 of 4*
3.	Ms R Ramphal	*5 of 5*	*4 of 4*
4.	Mr S Maharaj	*5 of 5*	*4 of 4*
5.	Mr M Tarr	*5 of 5*	*N/A**
6.	Ms S Makhathini	*5 of 5*	*N/A**

**Refers to PARC members who did not serve on the SPCHD CARC*

2. The Effectiveness of Internal Control

The Committee has reviewed the reports from the Internal Audit Activity (refer to paragraph 3 below), the Audit Report on the Annual Financial Statements and Management Report of the Auditor General of South Africa (AGSA) and has noted with concern, the weaknesses in controls around the following areas:

- Implementation of Management Committed Action Plans from Previous Internal and External Audit Reports.

- Supply Chain Management.
- Contingent Liabilities.
- Annual Financial Statements.
- Accruals and Payables not recognised.
- Capital Commitments and Work in Progress.
- Performance Information.
- Expenditure Management.
- Procurement and Contract Management; and
- IT General Controls.

The appropriateness of management's planned interventions to improve the overall control environment were considered, however management again, did not adequately respond to internal control deficiencies raised by internal audit and the AGSA during the current and previous financial year as evidenced by the number of unresolved findings on both the AGSA and Internal Audit consolidated logs at year end. Management was urged to implement remedial interventions timeously, to ensure that the Department improves on its audit outcomes.

The Committee will monitor the corrective actions in respect of the detailed findings emanating from the current regulatory audit on a quarterly basis through the CARC processes.

3. Effectiveness of Internal Audit

The internal audit activity moved from Provincial Treasury to the Department of Health in December 2022 following a Cabinet resolution for the department to establish its own internal audit function. This necessitated that the Department drive the following processes:

A. Develop various instruments that will guide the successful implementation of the internal audit activity in the department.
B. Ensure that there is continuity in the execution of the internal audit plan as was previously executed by the Provincial Treasury Internal Audit Unit.

PIAS Internal Audit Activity

As per the 3rd quarter report presented by PIAS, of the10 assurance engagements that were planned 4 were finalised and the rest were cancelled due to the move by the department to establish its own in-house internal audit activity, as alluded to below.

Inhouse Internal Audit Activity

In December 2022, when the Internal Audit Function was effectively taken over from Provincial Treasury, KZN Health Internal Audit developed a coverage plan for the fourth quarter of 2022/2023 to ensure that there is continuity. The plan was essentially a continuation of internal audit activity that migrated from Provincial Treasury to the Department of Health, with very minor modifications. The modifications included carrying over the Pharmaceutical internal audit review to 2023/2024 financial year.

The KZN Health Internal Audit took over and executed six (6) assignments on the coverage plan for 2022/2023 financial year. Further, KZN Health Internal Audit executed activities that were not of an assurance nature, the purpose of which was to establish the guiding documents for the KZN Health Internal Audit function. These included amongst other, motivation for the separation of the Internal Audit Function from the Risk Management Function, the proposed Internal Audit Structure, the development of 3 Year Internal Audit Coverage Plan, Combined Assurance Framework, Skills Profiles and Training Plans, Risk Maturity Assessment Tool, Internal Audit Methodology, Internal Audit Quality Improvement Programme.

The Audit Committee (PARC and CARC) evaluated the internal audit reports presented by the Provincial Internal Audit Service (PIAS) from the 1st to the 3rd quarter of 2022/2023 financial year, whilst the activity was in the hands of the shared internal audit function under Provincial Treasury, and the reports from the inhouse KZN Health Internal Audit Activity from the 4th quarter of 2022/2023 financial year.

The Committee reviewed the reports from the Internal Audit Activity (both PIAS and in-house internal audit activity) and noted with concern, the weaknesses in controls identified, as listed in paragraph 2 above. The Committee will continue to monitor the progress made by KZN Health Internal Audit against Internal Audit Coverage Plan for the future years in order to ensure that it continues to fulfil its mandate and add value to the Department.

Risk Management

The responsibilities of the Committee with respect to risk management are formally defined in its Charter. For the period under review, the Committee's responsibilities have been focused, amongst other things, on the quarterly review of the Department's risk register and monitoring progress against risk management operational plan.

At the end of the 2022/23 financial year, the Department's risk register status was as follows:

The Committee notes that the risk register statistics only relate to Head Office risks. As at 2022/23-year end reporting, a total of 95% of agreed mitigation plans have not been implemented. The Department is advised to:

Department's Risk Register	Critical	Major	Moderate	Minor	Insignificant	Total
Number of risks identified	61	89	32	4	6	192
Number of agreed actions	146	232	58	3	2	441
Number of completed action plans.	9	13	2	0	0	24
% of completed actions	6%	6%	3%	0%	0%	5%
% of outstanding action plans	94%	94%	97%	100%	100%	95%

1) improve on the implementation of outstanding action plans for all residual risks; and

2) ensure that all key risks linked to outcomes are included in the Department's risk register.

The Committee noted that PIAS: RAS has validated the compliance with minimum risk management standards set for Provincial Departments as contained within the revised Provincial Risk Management Framework, focusing on the Risk Management Committee and Risk Management Function which have a total of six minimum standards.

As at the end of the financial year, the Department is fully compliant with five of the six minimum standards, partially compliant to the minimum standard on capacity within the risk management function as there are vacancies. The Committee noted that the Provincial Risk Management Committee (PRMC), to be constituted by all HODs and chaired by the DG, has been formally established at a COHOD meeting held on 27 March 2023.

4. Quality of in year management and monthly/quarterly reports

Based on the reports of the Internal Auditors and the Auditor General, the Committee notes with concern the deficiencies identified in the usefulness and reliability of reported performance information due to the failure of the Department to implement adequate systems to collect, collate, verify and retain performance related data. The management of the Department has been urged to implement the appropriate improvement strategies in order to address the identified shortcomings with immediate effect.

5. Evaluation of Financial Statements

The Committee has:

- Reviewed and discussed the Annual Financial Statements, including the audit report, with the Accounting Officer, Auditor General and KZN Health Internal Audit.
- Reviewed the Auditor General's Management Report.
- Reviewed the Department's compliance with legal and regulatory provisions, and concerns have been noted around the reliability of performance information, Strategic Planning, expenditure management, procurement and contract management, failure to prevent irregular expenditure as a result of non-compliance with supply chain management prescripts and the lack of appropriate consequence management in certain instances.
- Reviewed the conclusions on the reliability and usefulness of performance information for Programme 2: District Health Services. The Committee notes with concern that reported performance on significant targets was not reliable when compared to the source information or portfolio of evidence provided resulting in material findings raised.

The Committee will continue to monitor the progress of the material irregularities emanating from the previous regulatory audit on a quarterly basis through the CARC processes.

6. Forensic Investigations

The Committee draws attention to the paragraph in the audit report relating to investigations. The department and Forensic Investigation Services at the Office of the Premier are urged to promptly finalise the outstanding investigations and implement recommendations in the finalised investigations.

7. Auditor-**General's Report**

The Committee has met with the Auditor General of South Africa to discuss and evaluate the issues that emanated from the current regulatory audit.

The Committee will ensure that corrective actions in respect of the detailed findings emanating from the current regulatory audit are monitored on a quarterly basis through the CARC processes.

The Committee accepts the conclusion of the Auditor General's Unqualified opinion on the Annual Financial Statements and is of the opinion that the Audited Annual Financial Statements be accepted and read together with the report of the Auditor General.

8. Appreciation

The Committee wishes to express its appreciation to the Management of the Department, the Auditor General of South Africa, the Provincial Internal Audit Services, and KZN Health Internal Audit for the co-operation and support they have provided to enable us to compile this report.

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Mr Z Zulu
Acting Chairperson: Provincial Audit and Risk Committee
05 August 2023

B-BBEE Compliance performance information

The following table has been completed in accordance with the compliance to the Broad-Based Black economic Empowerment (BBBEE) requirements of the BBBEE Act of 2013 and as determined by the Department of Trade and Industry.

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
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	No	Not applicable for Department of Health as we do not have a mandate to issue B-BBEE related licences
Developing and implementing a preferential procurement policy?	Yes	The Policy took effect from 26 January 2023, to comply with Preferential Procurement Regulation 2022
Determining qualification criteria for the sale of state-owned enterprises?	No	Not applicable to Department of Health
Developing criteria for entering into partnerships with the private sector?	No	Not applicable to Department of Health
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	No	Not applicable to Department of Health

PART D: HUMAN RESOURCES OVERSIGHT REPORT

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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.

Human Resource Management Services (HRMS) endeavoured to pursue its strategic intent by aligning internal human resource processes to Government's human resource policies and strategies, to ensure the execution of the Department's mandated functions. In doing so, HRMS accomplished significant achievements in some areas whilst the most prominent challenge experienced related to the Compensation of Employees (CoE) budget allocation received.

OVERVIEW OF HUMAN RESOURCES

Achievements

- The vacancy rate was reduced from 15.40% in 2021/2022 to 11.9% as at 31 March 2023. Further unfunded posts on PERSAL will be identified and a request will be forwarded to the Office of the Premier to abolish these posts on PERSAL.
- 6 Organisational structures were finalised during the reporting period and submitted for approval to the Executive Authority.
- The Annual Human Resource Planning Implementation Report (01 April 2021 to 31 March 2022) and Human Resource Plan for period 2021/22 to 2023/24 were assessed by the team comprised of all Departments on 16.08.2022. Assessment results were received from Office of the Premier (OTP) as per email dated 01.09.2022. The assessment results from OTP are as follows:
  - HR Plan for period 2021/22 to 2023/24: Compliance - 100%
  - HR Plan for period 2021/22 to 2023/24: Quality - 100%
  - HRP Implementation Report for period 01 April 2021 to 31 March 2022: Compliance - 100%
  - HRP Implementation Report for period 01 April 2021 to 31 March 2022: Quality - 100%.
- To ensure the availability of staff with scarce skills in the Department, the ratio of key personnel per 100 000 populated had an improved performance as follows during 2022/23. The improved performance can be ascribed to the increased allocation of Medical Interns and Community Service Medical Officers and the increased appointment of Professional Nurses to assist in the fight against COVID-19:
    - The actual performance of Medical Officers was 33.7 / 100 000 against a target of 27.4;
    - The actual performance of Professional Nurses was 160 / 100 000 against a target of 152.5.

- The Department has appointed 7 020 contract staff in various categories to assist with the fight against the COVID-19 pandemic. As at 31 March 2023, 1898 contract staff have been absorbed into permanent posts.
- The 2021/22 Job Access Strategic Framework Plan and Report was submitted to the DPSA on 28/10/2022 and acknowledged by the DPSA on 18/11/2022.
- The 2021/22 Gender Equality Strategic Framework (GESF) Report and the 2022/23 GESF Plan was submitted to the DPSA on 28/10/2022 and acknowledged by the DPSA on 18/11/2022.
- The Departmental Annual Employment Equity Report for period 01 October 2021 to 30 September 2022 was approved by the Head of Department on 18.11.2022. The Approved Annual EE Report was submitted to Department of Employment and Labour on 01.12.2022 and acknowledgement letter was received.
- The 2022 Report on Implementation of HOD's 8 Principles Action Plan Public Service Women in Management Week was submitted to the DPSA on 18/11/2022 and acknowledged by the DPSA on 18/11/2022.
- The report on the Incapacity Leave and Ill-Health Retirement cases has been submitted to OTP and DPSA. The last Provincial Policy and Procedure on Incapacity Leave and Ill-Health Retirement (PILIR) Steering Committee was held on 07/03/2023.
- The Department conducts staff satisfaction survey annually in November/December. Analysis and response plan is then finalized in quarter 4. EHW successfully achieved this target. Intervention programmes have been designed in response to variables and ready for implementation starting from Q1 of 2023/2024.
- Performance agreement between HOD and Executive Authority signed and submitted to DPME on 30 April 2022.
- Of the 79 SMS members, 75 signed performance agreements with their supervisors and complied by the deadline date, 2 were suspended and 2 non-compliant. In this regard all non-compliant managers were issued with disciplinary letters and furthermore did not qualify for package progressions.
- Four PHSDCBC Chamber meetings were held during 2022/23 between the employer and trade unions so as to create a platform to address transversal challenges affecting employees and the Department.
- 133 Persal users, against a target of 20, were trained on various Persal courses during 2022/23 as the COVID-19 restrictions were relaxed. This was a total of 88 females and 45 males.
- A total of 21 047 employees (13 873 females and 7174 males) have undergone various training and development initiatives during 2021/22 utilising the Department's skill development budget.

- 487 Managers were trained in Leadership Development programmes against a target of 200. The training budget was reprioritised, and an additional allocation was made for the training of Managers. Additionally, Managers were trained on the various modules for National Health Insurance (NHI) Leadership and Governance Programme, which was funded through the HWSETA Conditional Grant, and which influenced the increased number of Managers trained during the year.
- A total of 160 nursing students commenced their 1st year training in 2022/2023 against a target of 120. The numbers approved and admitted to nurse training has exceeded the target. This is due to the to the legacy programmes being phased out, and thus the R171 programme now being the only basic programme. The graduates from this programme will replace nurses who leave due to attrition and will form the foundation programme for nurses who would need to be replaced, should other nurses pursue post graduate studies.
- 9604 EMS employees, against a target of 540, were trained during 2022/23. The increased number of trained EMS personnel resulted from the suspension of contact training and the introduction of online training. The numbers include Advanced Life Support (ALS) -Clinical Practice Guidelines (CPGs) Updates, ALS online forum, Intermediate Life Support (ILS) -CPG Updates, Basic Ambulance Assistant (BAA) Update, Emergency Medical Dispatcher (EMD) training and Defensive Driver Techniques (DDT).
- 462 Internal employees were awarded bursaries against a planned target of 360. The target has been exceeded as a result of spending on the RSA-Cuban Medical Programme being reduced due to returning students that completed the programme and funding was re-directed to internal bursaries.
- 7697 Employees were trained through the Regional Training Centre against a target of 5067 and the increased training numbers can be ascribed to the fact that additional courses were conducted to catch-up on courses cancelled during the COVID-19 pandemic.
- With regards to the RSA/Cuban Medical Training Programme, in total, 27 students trained in Cuba qualified to be placed as medical interns in 2023. Currently, there are 12 students who are still studying in Cuba. 11 were expected write National Cuba Exam from 15 March 2023 in Pretoria.
- The Department continues to partner with the Office of the Premier and work with other Departments in ensuring ways to finalise labour cases within the prescribed period.

Challenges

- It has been very difficult to reduce the vacancy rate in the Department due to an inadequate funding allocation received.
- There is shortage of Investigating Officers and Presiding Officers to handle the large volume of misconduct cases. There are also numerous requests for postponements by employee

and employer representatives. Additionally, there is a shortage of dedicated Labour Relations Practitioners in the facilities.

- Training initiatives and training intakes are limited due to the constricting funding envelope and this is evidenced by the fact that the Department did not award any health sciences bursaries during 2022/23.
- The reviewed process for the filling of posts has a negative impact on service delivery as replacement posts cannot be filled immediately which implies that existing staff have to take on additional workloads which, consequently, has a negative impact on staff well-being as well as service delivery backlogs of having unfilled posts.

Personnel related expenditure

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

- amount spent on personnel
- amount spent on salaries, overtime, homeowner's allowances and medical aid.

TABLE 50: (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)**
Administration	1 120 318	501 188	0	0	44.7	517
Central Hospital Services	5 663 085	3 268 583	0	0	57.7	594
District Health Services	27 180 146	17 295 821	0	0	63.6	446
Emergency Medical Services	1 667 866	1 221 376	0	0	73.2	411
Health Care Support Services	310 336	165 124	0	0	53.2	323
Health Facilities Management	1 912 676	91 730	0	0	4.8	22 933
Health Sciences & Training	1 338 906	1 234 400	0	0	92.2	476
Provincial Hospital Services	12 334 527	8 920 862	0	0	72.3	516
Total as on Financial Systems (BAS)	51 527 860	32 699 084	0	0	63.5	3 277

Source: Vulindlela HR Oversight Report extracted on 05/05/2023 and Final 2022/23 Annual Financial Statements

TABLE 51: 3.1.2 PERSONNEL COSTS BY SALARY BAND FOR THE PERIOD 1 APRIL 2022 AND 31 MARCH 2023

Salary band	Personnel expenditure **(R'000)**	% of total personnel cost	No. of employees	Average personnel cost per employee **(R'000)**
Lower skilled (Levels 1-2)	615 765	2	3317	185 639
Skilled (Levels 3-5)	7 050 968	21	25243	279 324
Highly skilled production (Levels 6-8)	6 833 729	21	16270	420 020
Highly skilled supervision (Levels 9-12)	13 361 369	41	14815	901 881
Senior management (Levels >= 13)	101 968	0	78	1 307 282
Other	241 615	1	483	500 238
Contract (Levels 1-2)	150 825	1	733	205 764
Contract (Levels 3-5)	1 072 363	3	3308	324 173
Contract (Levels 6-8)	775 587	2	1636	474 075
Contract (Levels 9-12)	2 024 455	6	2185	926 524
Contract (Levels >= 13)	8 185	0	7	1 169 286
Contract Other	36 470	0	562	64 893
Periodical Remuneration	54 269	0	537	101 060
Abnormal Appointment	555 884	2	14667	37 901
TOTAL	32 883 451	100	83841	392 213

Source: Vulindlela HR Oversight Report extracted on 05/05/2023

TABLE 52: (3.1.3) SALARIES, OVERTIME, HOMEOWNERS ALLOWANCE AND MEDICAL AID BY PROGRAMME FOR THE PERIOD 1 APRIL 2022 AND 31 MARCH 2023

Programme	Salaries		Overtime		Homeowners 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
Administration	458 694	83,4	3 977	0,7	10 890	2	21 797	4
Central Hospital Services	2 506 349	76	267 492	8,1	83 763	2,5	148 628	4,5
District Health Services	14 303 958	81,7	444 069	2,5	568 407	3,2	816 564	4,7
Emergency Medical Services	853 403	69,6	136 671	11,1	52 463	4,3	90 538	7,4
Health Care Support Services	121 009	72,5	6 155	3,7	8 379	5	16 038	9,6
Health Facilities Management	13 557	23,9	0	0	37	0,1	105	0,2

Programme	Salaries		Overtime		Homeowners 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
Health Sciences & Training	982 403	78,8	221 249	17,7	5 548	0,4	11 064	0,9
Provincial Hospital Services	6 854 606	76,5	689 901	7,7	246 644	2,8	409 815	4,6
TOTAL	26 093 980	79	1 769 514	5,4	976 132	3	1 514 549	4,6

Source: Vulindlela HR Oversight Report extracted on 05/05/2023

TABLE 53: (3.1.4) SALARIES, OVERTIME, HOMEOWNERS ALLOWANCE AND MEDICAL AID BY SALARY BAND FOR THE PERIOD 1 APRIL 2022 AND 31 MARCH 2023

Salary band	Salaries		Overtime		Homeowners 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
Lower skilled (Levels 1-2)	457 435	74,3	1 121	0,2	53 860	8,7	51 609	8,4
Skilled (Levels 3-5)	5 238 640	74	120 632	1,7	448 925	6,3	635 374	9
Highly skilled production (Levels 6-8)	5 364 965	78,1	98 666	1,4	277 959	4	467 764	6,8
Highly skilled supervision (Levels 9-12)	10 562 307	78,8	1 098 041	8,2	193 375	1,4	357 160	2,7
Senior management (Levels >= 13)	89 513	85,2	1 730	1,6	658	0,6	815	0,8
Other	238 698	97,9	837	0,3	276	0,1	654	0,3
Contract (Levels 1-2)	150 551	99,8	159	0,1	6	0	0	0
Contract (Levels 3-5)	1 063 724	98,2	6 844	0,6	389	0	214	0
Contract (Levels 6-8)	767 394	98,3	4 772	0,6	352	0	634	0,1
Contract (Levels 9-12)	1 559 264	77	436 674	21,6	330	0	317	0
Contract (Levels >= 13)	7 544	84	37	0,4	0	0	8	0,1
Contract Other	36 423	99,5	0	0	0	0	0	0
Periodical Remuneration	54 250	95,2	0	0	0	0	0	0

Salary band	Salaries		Overtime		Homeowners 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
Abnormal Appointment	503 272	90,5	0	0	0	0	0	0
Total	26 093 980	79	1 769 514	5,4	976 132	3	1 514 549	4,6

Source: Vulindlela HR Oversight Report extracted on 05/05/2023

Employment and Vacancies

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

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

This information is presented in terms of three key variables:

- programme
- salary band
- critical occupations (see definition in notes below).

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

TABLE 54: (3.2.1) EMPLOYMENT AND VACANCIES BY PROGRAMME AS ON 31 MARCH 2023

Programme	Number of posts on approved establishment[4]	Number of posts filled[5]	Vacancy Rate	Number of employees additional to the establishment[6]
Administration	1 090	970	11	181
Central Hospital Services	6 366	5506	13,5	11
District Health Services	44 045	38786	11,9	5 851

[4] These are actual Posts on Persal. Organograms are not captured to ensure compliance with Cabinet Resolution to keep vacancy rates below 10%.
[5] This refers to filled posts. Please note that more than one sessional employee may occupy a post.
[6] Please note that as per a DPSA Directive, employees in training ranks e.g. Medical Interns and Community Service ranks e.g. Community Service Pharmacists are employed on contract and their posts are created as additional to the establishment in addition to additional to employment posts.

Programme	Number of posts on approved establishment[4]	Number of posts filled[5]	Vacancy Rate	Number of employees additional to the establishment[6]
Emergency Medical Services	3 199	2970	7,2	70
Health Care Support Services	616	511	17	3
Health Facilities Management	4	4	0	0
Health Sciences & Training	3 022	2596	14,1	2 303
Provincial Hospital Services	19 408	17295	10,9	18
Total	77 749	68 637	11,7	8 437

Source: Vulindlela HR Oversight Report extracted on 05/05/2023

TABLE 55: (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[7]	Vacancy Rate	Number of employees additional to the establishment[8]
Lower Skilled (Levels 1-2)	3 729	3 317	11	14
Skilled (Levels 3-5)	28 592	25 243	11,7	113
Highly Skilled Production (Levels 6-8)	18 515	16 270	12,1	88
Highly Skilled Supervision (Levels 9-12)	17 890	14 815	17,2	7
Senior Management (Levels >= 13)	109	78	28,4	0
Other	1 045	1 045	0	626
Contract (Levels 1-2)	733	733	0	942
Contract (Levels 3-5)	3 308	3 308	0	3 165
Contract (Levels 6-8)	1 636	1 636	0	1 586
Contract (Levels 9-12	2 185	2 185	0	1 830
Contract (Levels >= 13)	7	7	0	1
Total	77 749	68 637	11,7	8 437

Source: Vulindlela HR Oversight Report extracted on 05/05/2023

[7] This refers to filled posts. Please note that more than one sessional employee may occupy a post.

[8] Please note that as per a DPSA Directive, employees in training ranks e.g. Medical Interns and Community Service ranks e.g. Community Service Pharmacists are employed on contract and their posts are created as additional to the establishment.

TABLE 56: (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
All Artisans in the Building Metal Machinery Etc.	344	266	22,7	0
Ambulance and Related Workers	3 067	2847	7,2	94
Dental Practitioners	161	149	7,5	41
Dieticians and Nutritionists	259	222	14,3	61
Emergency Services Related	42	40	4,8	0
Engineering Sciences Related	16	15	6,3	14
Engineers and Related Professionals	47	34	27,7	3
Environmental Health	93	82	11,8	7
Head of Department	1	1	0	0
Medical Practitioners	4 759	4 265	10,4	1 497
Medical Research and Related Professionals	121	81	33,1	0
Medical Specialists	1 114	809	27,4	2
Medical Technicians/Technologists	199	171	14,1	0
Occupational Therapy	303	234	22,8	90
Optometrists And Opticians	73	65	11	2
Oral Hygiene	37	28	24,3	1
Pharmacists	1 093	982	10,2	279
Pharmacologists Pathologists & Related Professionals	399	378	5,3	0
Physicists	3	0	100	0
Physiotherapy	391	335	14,3	90
Professional Nurse	21 452	18 671	13	1 123
Psychologists and Vocational Counsellors	138	111	19,6	43
Radiography	768	655	14,7	73
Social Work and Related Professionals	302	270	10,6	7
Speech Therapy and Audiology	281	220	21,7	106
Total	35 463	30 931	12,8	3 533

Source: Vulindlela HR Oversight Report extracted on 05/05/2023

Notes

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

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 57: (3.3.1) SMS POST INFORMATION AS ON 31 MARCH 2023

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
Head of Department	1	1	100	0	0
Salary Level 16[9]	1	1	100	0	0
Salary Level 15	7	4	57,14	3	42,86
Salary Level 14	21	12	57,14	9	42,86
Salary Level 13	87	68	78,16	19	21,84
Total	117	86	73,5	31	26,50

Source: Persal Report (extracted on 31/03/2023) and Director: HR Practices and Administration

TABLE 58: (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
Head of Department		1	1	100	0	0
Salary Level 16[10]		1	1	100	0	0
Salary Level 15		7	4	57,14	3	42,86
Salary Level 14		19	13	68,42	6	31,58
Salary Level 13		84	67	79,76	17	20,24
Total		112	86	76,79	26	23,21

Source: Persal Report as at 30/09/2022 and Director: HR Practices and Administration

TABLE 59: (3.3.3) ADVERTISING AND FILLING OF SMS POSTS FOR THE PERIOD 1 APRIL 2022 AND 31 MARCH 2023

SMS Level[11]	Advertising	Filling of Posts	
	Number of vacancies per level advertised in 6 months of becoming vacant	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
Head of Department	0	0	0

[9] MEC's Post

[10] MEC's Post

[11] Please note that the recruitment and selection process for the MEC and Head: Health Posts are facilitated by the Office of the Premier.

SMS Level[11]	Advertising	Filling of Posts	
	Number of vacancies per level advertised in 6 months of becoming vacant	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
Salary Level 16[12]	0	0	0
Salary Level 15	0	0	0
Salary Level 14	1	0	1
Salary Level 13	0	0	0
Total	1	0	1

Source: Director: HR Practices and Administration

TABLE 60: (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
Provincial Treasury has directed that the Department must undertake a reprioritisation exercise to indicate how the filling of non-exempted posts will be funded before consideration can be given to fill these posts. The Department is finalising the minimum staff establishment project which must be approved by Provincial Treasury and Office of the Premier. It is anticipated that this process will pave the way for the Department to be able to fill critical posts in all occupational categories provided, funds are available.
Reasons for vacancies not filled within twelve months
Provincial Treasury has directed that the Department must undertake a reprioritisation exercise to indicate how the filling of non-exempted posts will be funded before consideration can be given to fill these posts. The Department is finalising the minimum staff establishment project which must be approved by Provincial Treasury and Office of the Premier. It is anticipated that this process will pave the way for the Department to be able to fill critical posts in all occupational categories provided, funds are available.

Source: Director: HR Practices and Administration

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 61: (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
The delay was not occasioned by the Department due to financial constraint and hence no disciplinary action was instituted.
Reasons for vacancies not filled within six months
The delay was not occasioned by the Department due to financial constraint and hence no disciplinary action was instituted.

Source: Director: HR Practices and Administration

[12] MEC's Post

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.

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 62: (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)	3 729	0	0	0	0	3	100
Skilled (Levels 3-5)	28 592	0	0	8	37,5	3	100
Highly Skilled Production (Levels 6-8)	18 515	1	0	2	50	1	100
Highly Skilled Supervision (Levels 9-12)	17 890	2	0	2	0	0	0
Senior Management Service Band A	80	0	0	0	0	0	0
Senior Management Service Band B	20	0	0	0	0	0	0
Senior Management Service Band C	7	0	0	0	0	0	0
Senior Management Service Band D	2	0	0	0	0	0	0
Other	1 045	0	0	0	0	0	0
Contract (Levels 1-2)	733	2	0,3	0		1	100
Contract (Levels 3-5)	3 308	0	0	10	100	1	100

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
Contract (Levels 6-8)	1 636	0	0	0	0	0	0
Contract (Levels 9-12)	2 185	0	0	0	0	0	0
Contract Band A	4	0	0	0	0	0	0
Contract Band B	2	0	0	0	0	0	0
Contract Band D	1	0	0	0	0	0	0
Total	77 749	5	0	22	63,64	9	100

Source: Vulindlela HR Oversight Report extracted on 05/05/2023 and Director: Organisational Efficiency Services

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 63: (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	0	0	0	0	0
Male	0	0	0	0	0
Employees with a Disability	0	0	0	0	0
Total	0	0	0	0	0

Source: Vulindlela HR Oversight Report extracted on 05/05/2023

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 64: (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
Chief Executive Officer	1	13	OSD	To recruit and retain scarce skills in the Department.
Chief Executive Officer	1	14	OSD	To recruit and retain scarce skills in the Department.
Chief Executive Officer	1	13	14	To recruit and retain scarce skills in the Department.
Chief Director: Infrastructure	1	14	16	To recruit and retain scarce skills in the Department.
Director (Health Ombudsman)	1	13	14	To recruit and retain scarce skills in the Department.

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Total number of employees whose salaries exceeded the level determined by job evaluation				5
Percentage of total employed				0.0073%

Source: Persal Report (extracted on 31/03/2023)

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

TABLE 65: (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

Gender	African	Asian	Coloured	White	Total
Female	1	0	0	0	0
Male	4	0	0	0	5
Total	5	0	0	0	5
Employees with a disability	0	0	0	0	0

Source: Persal Report (extracted on 31/03/2023)

Notes

- If there were no cases where the salary levels were higher than those determined by job evaluation, keep the heading and replace the table with the following:

Total number of Employees whose salaries exceeded the grades determine by job evaluation	5

Source: Persal Report (extracted on 31/03/2023)

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 66: (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)	2 967	623	101	3,4
Skilled (Levels 3-5)	25 134	2 302	824	3,3
Highly Skilled Production (Levels 6-8)	14 975	919	817	5,5
Highly Skilled Supervision (Levels 9-12)	14 755	1 031	1 199	8,1

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
Senior Management Service Band A	60	1	2	3,3
Senior Management Service Band B	11	0	1	9,1
Senior Management Service Band C	3	1	0	0
Senior Management Service Band D	2	0	0	0
Other	1 355	748	829	61,2
Contract (Levels 1-2)	1 012	197	481	47,5
Contract (Levels 3-5)	5 074	1 532	2 933	57,8
Contract (Levels 6-8)	2 040	1 172	1 916	93,9
Contract (Levels 9-12)	2 435	1 309	1 489	61,1
Contract Band A	2	2	0	0
Contract Band B	2	0	0	0
Contract Band D	1	0	0	0
Periodical Remuneration	1	0	0	0
Abnormal Appointment	2	0	0	0
Total	69 831	9 837	10 592	15,2

Source: Vulindlela HR Oversight Report extracted on 05/05/2023

TABLE 67: (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
All Artisans in The Building Metal Machinery Etc.	272	18	27	9,9
Ambulance And Related Workers	2 918	105	171	5,9
Dental Practitioners	148	47	41	27,7
Dieticians And Nutritionists	201	67	45	22,4
Emergency Services Related	41	0	0	0
Engineering Sciences Related	2	15	2	100
Engineers And Related Professionals	33	0	2	6,1
Environmental Health	78	9	7	9
Medical Practitioners	4 382	1 592	1 545	35,3
Medical Research and Related Professionals	90	2	11	12,2
Medical Specialists	812	166	156	19,2
Medical Technicians/Technologists	168	11	9	5,4

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
Occupational Therapy	216	97	79	36,6
Optometrists And Opticians	61	10	6	9,8
Oral Hygiene	30	1	3	10
Pharmacists	1 004	321	337	33,6
Physicists	2	0	2	100
Physiotherapy	362	92	119	32,9
Professional Nurse	19 155	2 121	2 645	13,8
Psychologists And Vocational Counsellors	107	44	36	33,6
Radiography	680	101	125	18,4
Social Work and Related Professionals	275	16	28	10,2
Speech Therapy and Audiology	224	82	84	37,5
TOTAL	31 261	4 917	5 480	17,5

Source: Vulindlela HR Oversight Report extracted on 05/05/2023

Notes

- The CORE classification, as prescribed by the DPSA, should be used for completion of this table.
- 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 68: (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
Death	267	2,5
Resignation	2 784	26,3
Expiry of contract	6 363	60,1
Discharged due to ill health	49	0,5
Dismissal-misconduct	78	0,7
Retirement	843	8
Other	208	2
TOTAL	10 592	100
Total number of employees who left as a % of total employment	15.54%	

Source: Vulindlela HR Oversight Report extracted on 05/05/2023, Persal Report (extracted on 31/03/2023)

TABLE 69: (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
All Artisans in The Building Metal Machinery Etc.	272	6	2,2	196	72,1
Ambulance and Related Workers	2918	0	0	1292	44,3
Dental Practitioners	148	3	2	67	45,3
Dieticians And Nutritionists	201	0	0	117	58,2
Emergency Services Related	41	0	0	25	61
Engineering Sciences Related	2	0	0	1	50
Engineers and Related Professionals	33	1	3	16	48,5
Environmental Health	78	0	0	72	92,3
Medical Practitioners	4382	80	1,8	1098	25,1
Medical Research and Related Professionals	90	0	0	55	61,1
Medical Specialists	812	32	3,9	287	35,3
Medical Technicians/Technologists	168	1	0,6	115	68,5
Occupational Therapy	216	1	0,5	89	41,2
Optometrists And Opticians	61	0	0	45	73,8
Oral Hygiene	30	0	0	20	6,7
Pharmacists	1 386	5	0,4	529	38,2
Physicists	2	0	0	0	0
Physiotherapy	362	0	0	197	54,4
Professional Nurse	19 155	169	0,9	5 380	28,1
Psychologists and Vocational Counsellors	107	0	0	41	38,3

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
Radiography	680	4	0,	443	65,1
Social Work and Related Professionals	275	2	0,7	124	45,1
Speech Therapy and Audiology	224	0	0	78	34,8
TOTAL	31 643	304	1	10 287	32,5

Source: Vulindlela HR Oversight Report extracted on 05/05/2023

TABLE 70: (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)	2967	0	0	1521	51,3
Skilled (Levels 3-5)	25134	30	0,1	13631	54,2
Highly Skilled Production (Levels 6-8)	14975	124	0,8	7444	49,7
Highly Skilled Supervision (Levels 9-12)	14755	300	2	5792	39,3
Senior Management (Levels >= 13)	76	4	5,3	1	1,3
Other	1355	0	0	47	3,5
Contract (Levels 1-2)	1012	0	0	0	0
Contract (Levels 3-5)	5074	0	0	36	0,7
Contract (Levels 6-8)	2040	3	0,1	16	0,8
Contract (Levels 9-12)	2435	11	0,5	36	1,5
Contract (Levels >= 13)	5	1	20	0	0
Periodical Remuneration	1	0	0	0	0
Abnormal Appointment	2	0	0	0	0
TOTAL	69831	473	0,7	28524	40,8

Source: Vulindlela HR Oversight Report extracted on 05/05/2023

Employment Equity[13]

TABLE 71: (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	
Senior Officials and Managers	36	1	7	1	36	2	8	6	97
Professionals	2594	58	845	255	2900	91	1197	330	8270
Technicians and Associate Professionals	4147	46	325	20	18289	427	1746	229	25229
Clerks	2740	38	257	18	4840	104	360	62	8419
Service Shop and Market Sales Workers	3805	32	388	10	14131	89	244	22	18721
Craft And Related Trade Workers	279	15	36	22	15	0	0	0	367
Plant and Machine Operators and Assemblers	454	5	43	1	170	4	7	1	685
Labourers and Related Workers	2253	32	151	16	4259	35	93	10	6849
TOTAL	16308	227	2052	343	44640	752	3655	660	68637
Employees with disabilities	184	3	38	7	164	3	21	10	430

Source: Vulindlela HR Oversight Report extracted on 05/05/2023 and Deputy Director: Employment Equity

TABLE 72: (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	
Top Management	5	0	0	0	1	0	0	0	6
Senior Management	26	0	6	3	31	0	3	3	72
Professionally qualified and experienced specialists and mid-management	2742	61	743	169	8735	271	1811	283	14815
Skilled technical and academically qualified workers, junior management, supervisors, foremen	3276	58	382	63	11266	241	978	135	16399
Semi-skilled and discretionary decision making	7646	74	368	28	17089	148	466	40	25859
Unskilled and defined decision making	937	8	40	2	2288	15	25	2	3317

[13] Please note that the Employment Equity data on the Tables below differ from Table 2 as sessional and periodical employees are not factored in for purposes of Employment Equity.

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Contract (Top Management)	1	0	0	0	0	0	0	0	1
Contract (Senior Management)	3	0	0	0	3	0	0	0	6
Contract (Professionally Qualified)	688	18	188	72	811	34	255	119	2185
Contract (Skilled Technical)	295	4	15	6	1133	25	92	66	1636
Contract (Semi-Skilled)	473	3	9	0	2769	17	25	12	3308
Contract (Unskilled)	216	1	1	0	514	1	0	0	733
TOTAL	16308	227	1752	343	44640	752	3655	660	68337

Source: Vulindlela HR Oversight Report extracted on 05/05/2023 and Deputy Director: Employment Equity

TABLE 73: (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	
Top Management	1	0	0	0	0	0	0	0	1
Senior Management	0	0	0	0	1	0	0	0	1
Professionally qualified and experienced specialists and mid-management	341	4	32	9	582	10	44	9	1031
Skilled technical and academically qualified workers, junior management, supervisors, foremen	399	3	85	33	738	8	53	22	1341
Semi-skilled and discretionary decision making	511	1	3	0	1775	6	5	1	2302
Unskilled and defined decision making	299	1	3	0	626	4	14	2	949
Contract (Senior Management)	1	0	0	0	1	0	0	0	2
Contract (Professionally qualified)	429	7	95	26	510	19	160	63	1309
Contract (Skilled technical)	188	4	12	6	805	18	77	62	1172
Contract (Semi-skilled)	256	1	5	0	1226	13	18	13	1532
Contract (Unskilled)	61	0	0	0	135	1	0	0	197

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
TOTAL	2486	21	235	74	6399	79	371	172	9837
Employees with disabilities	14	0	3	0	9	0	1	1	28

Source: Vulindlela HR Oversight Report extracted on 05/05/2023 and Deputy Director: Employment Equity

TABLE 74: (3.6.4) PROMOTIONS FOR THE PERIOD 1 APRIL 2022 TO 31 MARCH 2023

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Management	1	0	0	0	4	0	0	0	5
Professionally qualified and experienced specialists and mid-management	1187	35	433	106	3161	115	939	163	6139
Skilled technical and academically qualified workers, junior management, supervisors, foremen	1673	33	372	23	4883	101	430	53	7568
Semi-skilled and discretionary decision making	4520	48	235	19	8438	89	291	21	13661
Unskilled and defined decision making	527	6	13	0	967	3	5	0	1521
Contract (Senior Management)	1	0	0	0	0	0	0	0	1
Contract (Professionally qualified)	17	2	3	2	18	0	3	2	47
Contract (Skilled technical)	3	0	1	0	14	0	1	0	19
Contract (Semi-skilled)	11	0	0	0	25	0	0	0	36
TOTAL	7940	124	1057	150	17510	308	1669	239	28997
Employees with disabilities	129	2	26	6	93	1	16	5	278

Source: Vulindlela HR Oversight Report extracted on 05/05/2023 and Deputy Director: Employment Equity

TABLE 75: (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	
Senior Management	2	0	0	0	0	1	0	0	3
Professionally qualified and	442	4	128	55	720	27	144	48	1568

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
experienced specialists and mid-management									
Skilled technical and academically qualified workers, junior management, supervisors, foremen	188	5	26	6	507	18	54	13	817
Semi-skilled and discretionary decision making	323	1	24	4	443	7	21	1	824
Unskilled and defined decision making	130	3	5	0	401	3	18	1	561
Contract (Professionally qualified)	480	14	122	55	531	18	186	83	1489
Contract (Skilled technical)	299	5	15	4	1370	38	90	95	1916
Contract (Semi-skilled)	476	1	4	0	2430	12	9	1	2933
Contract (Unskilled)	140	0	0	0	340	1	0	0	481
TOTAL	2480	33	324	124	6742	125	522	242	10592
Employees with disabilities	15	0	6	1	12	0	4	0	38

Source: Vulindlela HR Oversight Report extracted on 05/05/2023 and Deputy Director: Employment Equity

TABLE 76: (3.6.6) DISCIPLINARY ACTION FOR THE PERIOD 1 APRIL 2022 TO 31 MARCH 2023

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Correctional counselling	0	0	0	0	4	0	0	0	4
Verbal Warnings	5	0	0	0	20	1	2	0	28
Written warning	31	1	5	0	37	0	4	0	78
Final written warning	41	1	4	0	87	3	19	2	157
Suspension without pay	23	0	4	0	12	0	1	1	41
Fine	0	0	0	0	0	0	0	0	0
Demotion dismissal	2	0	0	0	0	0	0	0	2
TOTAL	52	2	13	0	160	4	26	3	260

Source: Acting Director: Labour Relations, PERSAL and FOSAD Reports

TABLE 77: (3.6.7) SKILLS DEVELOPMENT FOR THE PERIOD 1 APRIL 2022 TO 31 MARCH 2023

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	307	10	11	30	973	29	22	30	1412
Professionals	1140	36	104	92	4579	124	301	206	6582
Technicians and associate professionals	2245	67	796	147	3445	114	172	231	7217
Clerks	653	4	35	45	1034	41	88	78	1978
Service and sales workers	335	0	81	108	858	10	23	132	1547
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	24	0	3	3	16	0	1	1	48
Plant and machine operators and assemblers	40	3	2	3	26	0	1	5	80
Elementary occupations	78	3	1	0	144	0	1	2	229
Total	4822	123	1033	428	11075	318	609	685	19093
Employees with disabilities	7	0	0	2	9	0	0	2	20

Source: Director: HRD

Signing of Performance Agreements by SMS Members

All members of the SMS must conclude and sign performance agreements within specific timeframes. 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 78: (3.7.1) SIGNING OF PERFORMANCE AGREEMENTS BY SMS MEMBERS AS ON 31 MAY 2023

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
Head of Department	1	1	1	100%
Salary Level 16	1	1	1	100%
Salary Level 15	7	4	3	75%
Salary Level 14	21	12	12	100%
Salary Level 13	87	68	64	94%
Total	117	86	81	94%

Source: Director: HRD

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 79: (3.7.2) REASONS FOR NOT HAVING CONCLUDED PERFORMANCE AGREEMENTS FOR ALL SMS MEMBERS AS ON 31 MARCH 2023

Reasons
2 SMS members are on suspension and 3 were non-compliant

Source: Director: HRD

Notes

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

TABLE 80: (3.7.3) DISCIPLINARY STEPS TAKEN AGAINST SMS MEMBERS FOR NOT HAVING CONCLUDED PERFORMANCE AGREEMENTS AS ON 31 MARCH 2023

Reasons
Consequence management will be implemented and non-payment of pay progression

Source: Director: HRD

Notes

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

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 81: (3.8.1) PERFORMANCE REWARDS BY RACE, GENDER AND DISABILITY FOR THE PERIOD 1 APRIL 2022 TO 31 MARCH 2023[14]

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% Of total within group	Cost **(R'000)**	Average cost per employee
African, Female	0	44476	0	0	0
African, Male	0	16124	0	0	0

[14] Not Applicable as Pay Progressions and Performance rewards were not implemented on 1/7/2021 as per directive from DPSA.

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% Of total within group	Cost **(R'000)**	Average cost per employee
Asian, Female	0	3634	0	0	0
Asian, Male	0	2014	0	0	0
Coloured, Female	0	749	0	0	0
Coloured, Male	0	224	0	0	0
Total Blacks, Female	0	48859	0	0	0
Total Blacks, Male	0	18362	0	0	0
White, Female	0	650	0	0	0
White, Male	0	336	0	0	0
Employees with a disability	0	430	0	0	0
TOTAL	0	68637	0	0	0

Source: Director: HRD

TABLE 82: (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	3 306	0	0	0
Skilled (Levels 3-5)	0	25 052	0	0	0
Highly Skilled Production (Levels 6-8)	0	16 050	0	0	0
Highly Skilled Supervision (Levels 9-12)	0	14 410	0	0	0
Other	0	985	0	0	0
Contract (Levels 1-2)	0	726	0	0	0
Contract (Levels 3-5)	0	3 291	0	0	0
Contract (Levels 6-8)	0	1 621	0	0	0
Contract (Levels 9-12)	0	2 167,00	0	0	0
Total	0	67 608	0	0	0

Source: Vulindlela HR Oversight Report extracted on 05/05/2023

TABLE 83: (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
All Artisans in The Building Metal Machinery Etc.	0	264	0	0	0

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Ambulance and Related Workers	0	2846	0	0	0
Dental Practitioners	0	139	0	0	0
Dieticians and Nutritionists	0	208	0	0	0
Emergency Services Related	0	40	0	0	0
Engineering Sciences Related	0	15	0	0	0
Environmental Health	0	82	0	0	0
Medical Practitioners	0	4125	0	0	0
Medical Research and Related Professionals	0	72	0	0	0
Medical Specialists	0	739	0	0	0
Medical Technicians/Technologists	0	150	0	0	0
Occupational Therapy	0	228	0	0	0
Optometrists and Opticians	0	59	0	0	0
Oral Hygiene	0	25	0	0	0
Pharmacists	0	962	0	0	0
Physiotherapy	0	316	0	0	0
Professional Nurse	0	18468	0	0	0
Psychologists and Vocational Counsellors	0	109	0	0	0
Radiography	0	614	0	0	0
Social Work and Related Professionals	0	255	0	0	0
Speech Therapy and Audiology	0	206	0	0	0
TOTAL	0	29922	0	0	0

Source: Vulindlela HR Oversight Report extracted on 05/05/2023

Notes

- The CORE classification, as prescribed by the DPSA, should be used for completion of this table.
- 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 84: (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	63	0	0	0	0
Band B	0	13	0	0	0	0
Band C	0	4	0	0	0	0
Band D	0	3	0	0	0	0
Total	0	83	0	0	0	0

Source: Vulindlela HR Oversight Report extracted on 05/05/2023

Foreign Workers

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

TABLE 85: (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 2023		Change	
	Number	% of total	Number	% of total	Number	% Change
Highly skilled production (Levels 6-8)	6	7,1	6	7,1	0	0
Highly skilled supervision (Levels 9-12)	76	90,5	77	90,6	1	100
Lower skilled (Levels 1-2)	0	0	0	0	0	0
Other	2	2,4	2	2,4	0	0
Senior management (Levels 13-16)	0	0	0	0	0	0
Skilled (Levels 3-5)	0	0	0	0	0	0
Total	84	100	85	100	1	100

Source: Vulindlela HR Oversight Report extracted on 05/05/2023

TABLE 86: (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
Administrative office workers	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0
Elementary occupations	0	0	0	0	0	0
Other occupations	0	0	0	0	0	0
Professionals and managers	83	98,8	84	98,8	1	100
Social natural technical and medical sciences+supp	0	0	0	0	0	0
Technicians and associated professionals	1	1,2	1	1,2	0	0
TOTAL	84	100	85	100	1	100

Source: Vulindlela HR Oversight Report extracted on 05/05/2023

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 87: (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)**
Contract (Levels 1-2)	2663	78,3	579	1	5	1 464
Contract (Levels 3-5)	19614	78,5	3688	6,4	5	17 042
Contract (Levels 6-8)	10850	73,9	2107	3,7	5	13 734
Contract (Levels 9-12)	11083	63,5	2052	3,6	5	24 748
Contract Other	1317	82	398	0,7	3	327
Highly skilled production (Levels 6-8)	126743	84,9	13644	23,7	9	180 922
Highly skilled supervision (Levels 9-12)	119 724	84,1	12728	22,1	9	335 259
Lower skilled (Levels 1-2)	19 570	85,3	2227	3,9	9	11 877
Other	175	78,9	18	0	10	450
Senior management (Levels 13-16)	295	80,7	50	0,1	6	1 320
Skilled (Levels 3-5)	181051	84,7	20200	35	9	160 326
TOTAL	493 084	83,7	57 691	100	9	747 470

Source: Vulindlela HR Oversight Report extracted on 05/05/2023

TABLE 88: (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)**
Contract (Levels 1-2)	133	100	5	0,7	27	73
Contract (Levels 3-5)	309	100	22	3,2	14	265
Contract (Levels 6-8)	257	100	21	3,1	12	323
Contract (Levels 9-12)	571	100	13	1,9	44	1 180
Highly skilled production (Levels 6-8)	9 567	100	177	26	54	13 792
Highly skilled supervision (Levels 9-12)	9 985	100	168	24,7	59	28 342
Lower skilled (Levels 1-2)	1 431	100	23	3,4	62	871
Senior management (Levels 13-16)	25	100	1	0,1	25	111
Skilled (Levels 3-5)	12 868	100	250	36,8	51	11 295
TOTAL	35 146	100	680	100	52	56 252

Source: Vulindlela HR Oversight Report extracted on 05/05/2023

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 89: (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
Contract (Levels 1-2)	15 405,76	916	17
Contract (Levels 13-16)	28	3	9
Contract (Levels 3-5)	79 082,8	4841	16
Contract (Levels 6-8)	40 540,76	2 713	15
Contract (Levels 9-12)	42 064,28	2 541	17
Contract Other	11 737	779	15
Highly skilled production (Levels 6-8)	388 515,97	16 033	24
Highly skilled supervision (Levels 9-12)	371 421,01	15 023	25
Lower skilled (Levels 1-2)	68 917,35	3 090	22
Other	504	21	24
Senior management (Levels 13-16)	1 897	76	25
Skilled (Levels 3-5)	591 963,34	25 371	23
TOTAL	1 612 077,27	71 407	23

Source: Vulindlela HR Oversight Report extracted on 05/05/2023

TABLE 90: (3.10.4) CAPPED LEAVE FOR THE PERIOD 1 JANUARY 2022 TO 31 DECEMBER 2023

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
Contract (Levels 9-12)	0	0	0	8
Contract Other	0	0	0	0
Highly skilled production (Levels 6-8)	321,58	95	3	43
Highly skilled supervision (Levels 9-12)	368	101	4	45
Lower skilled (Levels 1-2)	43	5	9	19
Other	1	1	1	32
Senior management (Levels 13-16)	0	0	0	72
Skilled (Levels 3-5)	388	82	5	38
TOTAL	1121,58	284	4	42

Source: Vulindlela HR Oversight Report extracted on 05/05/2023

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

TABLE 91: (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 (workdays)	34 439	1 420	24 253
Annual - Discounting: contract expiry (workdays)	334	15	22 267
Annual - Discounting: unused vacation credits (workdays)	201	1	201 000
Annual - Gratuity: death/retirement/medical retirement (workdays)	36 583	1 086	33 686
Capped - Gratuity: death/retirement/medical retirement (workdays)	40 919	559	73 200
Total	112 476	3 081	

Source: Vulindlela HR Oversight Report extracted on 05/05/2023 and Deputy Director: Service Conditions

1.1 HIV/AIDS & Health Promotion Programmes

TABLE 92: (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
The Department has a pool of employees in the childbearing age, these are most likely to have unprotected sex and get exposed to HIV/AIDS/STIs.	• Aggressive awareness on HIV/AIDS &STI. • Continuous distribution of condoms. • Prevention and treatment programmes.
The other group is that of employees who work off site for the longest period. Since they are away from their partners for long periods, the risk is higher of them engaging in extra spousal sexual relations and contracting sexually transmitted diseases.	• Aggressive awareness on HIV/AIDS &STI. • Continuous distribution of condoms. • Prevention and treatment programmes

Source: Director: EH&W

TABLE 93: (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		Dr Nokuthula Dlamini
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		Department has EH&W unit with: • 1 Director • 5 Deputy Directors: (OHS & Wellness) • 1 AD (occupational Health) • 4 Wellness Practitioners • 2 Admin Officers Budget is linked to HRMS
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		4 elements or pillars: • HIV/AIDS, TB &STI management • Occupational Health and safety • Wellness management (individual and organizational) • Health and productivity management (Non-communicable and communicable diseases management
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	Yes		1. Corporate Services/Maintenance (Ms N Nsele) 2. OHS (Ms Nonhlanhla Fihlela)

Question	Yes	No	Details, if yes
names of the members of the committee and the stakeholder(s) that they represent.			3. DOH Finance/Office Of MEC For Health (Linda Mvuyana) 4. Risk Management Services/ Department Investigation Services (Ayanda Mabaso) 5. Labour Relations/Security Services (Khanyisani Hlophe) 6. DOH Corporate Communications (Nonhle Hadebe) 7. Legal Services (Nonhlanhla Dlamini) 8. Office Of The Head Of Department (Owetu Matwebu) 9. Contract Management (Londiwe Makhathini) 10. SCM Risk, Compliance and Institutional Support (Mr Zamani Bavu) 11. Infrastructure (Jackie Paul) 12. Emergency Medical Services (Mrs G Ramchand)
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.		No	The reviewal of EHW policies and SOP is currently under way. The following policies are under the process of being reviewed: • HIV/AIDS, TB &STI • OHS Policy • Wellness policy • Health and productivity • Substance abuse • Bereavement policy • Sexual Harassment
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		• Implementation of workplace policies on human rights. • Promotion of HIV health in the workplace. • Non stigmatizing communication/language when HIV/AIDS matters are discussed. • Non-tolerance of discrimination and on infringements on human rights.

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 you achieved.	Yes		IThe department would like to see all employees undergoing VCT. The uptake is low; however, employees are encouraged to know their status. Opportunities to test are made available in the occupational health clinic, but also, the Department has partnered with external companies like GEMS and different NGOs to encourage employees to test. Moreover, they are encouraged to utilize their private doctors as well if they prefer.
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	Yes		Continuous monitoring of the programme is done through: • Medical surveillance • Sick leave statistics • Absenteeism stats • Participation in health promotion events • Staff Satisfaction Survey • Stress survey

Source: Director: EH&W

1.2 Labour Relations

TABLE 94: (3.12.1) COLLECTIVE AGREEMENTS FOR THE PERIOD 1 APRIL 2022 AND 31 MARCH 2023

Subject matter	Date
Nil	

Source: Acting Director: Labour Relations

Notes

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

Total number of Collective agreements	None

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

TABLE 95: (3.12.2) MISCONDUCT AND DISCIPLINARY HEARINGS FINALISED FOR THE PERIOD 1 APRIL 2022 AND 31 MARCH 2023

Outcomes of disciplinary hearings[15]	Number	% of total
Correctional counselling	15	4%
Verbal warning	22	6%
Written warning	83	21%
Final written warning	180	46%
Suspended without pay	47	12%
Fine	0	0
Demotion	0	0
Dismissal	31	8%
Not guilty	1	0.3%
Case withdrawn	10	2.7%
Total	389	100%

Source: Acting Director: Labour Relations, FOSAD report

TABLE 96: (3.12.3) TYPES OF MISCONDUCT ADDRESSED AT DISCIPLINARY HEARINGS FOR THE PERIOD 1 APRIL 2022 AND 31 MARCH 2023[16]

Type of misconduct	Number	% of total
Fraud / theft	17	4,37%
Misuse of state property	6	1,54%
Insubordination	25	6,43%
Absenteeism	74	19,02%
Sexual harassment	2	0,51%
Under influence of alcohol/drugs	6	1,54%
Assault	18	4,63%
Other	241	61,95%
Total	389	100%

Source: Acting Director: Labour Relations, FOSAD report

TABLE 97: (3.12.4) GRIEVANCES LOGGED FOR THE PERIOD 1 APRIL 2022 AND 31 MARCH 2023

Grievances	Number	% of Total
Number of grievances resolved	157	64%
Number of grievances not resolved	88	36%
Total number of grievances lodged	245	100%

Source: Acting Director: Labour Relations, Public Service Commission Report

[15] Misconduct cases is based on finalised cases.

[16] Misconduct cases is based on finalised cases.

TABLE 98: (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	5	12.5%
Number of disputes dismissed	35	87.5%
Total number of disputes lodged	186[17]	100%

Source: Acting Director: Labour Relations, PHSDSBC, PSCBC and CCMA Reports

TABLE 99: (3.12.6) STRIKE ACTIONS FOR THE PERIOD 1 APRIL 2022 AND 31 MARCH 2023

Total number of persons working days lost	2506
Total costs working days lost	0
Amount recovered as a result of no work no pay (R'000)	R0.00[18]

Source: Acting Director: Labour Relations, PERSAL

TABLE 100: (3.12.7) PRECAUTIONARY SUSPENSIONS FOR THE PERIOD 1 APRIL 2022 AND 31 MARCH 2023

Number of people suspended	24
Number of people whose suspension exceeded 30 days	20
Average number of days suspended	60 Days
Cost of suspension (R'000)	R 6 298 292.96

Source: Acting Director: Labour Relations, FOSAD report

Skills development

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

TABLE 101: (3.13.1) TRAINING NEEDS IDENTIFIED FOR THE PERIOD 1 APRIL 2022 AND 31 MARCH 2023

Occupational category	Gender	Number of employees as at 1 April 2022	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training[19]	Total
Legislators, senior officials and managers	Female	49	0	938	34	972
	Male	48	0	494	23	517
Professionals	Female	4 414	0	6 518	1 186	7 704
	Male	3 547	0	2 676	354	3 030
Technicians and associate professionals	Female	21 372	0	1 904	890	2 794
	Male	4 610	0	952	203	1 155
Clerks	Female	5 383	0	1 654	185	1 839
	Male	3 106	0	1 018	114	1132

[17] One hundred and fifty-one disputes lodged are pending and will be finalized in the next financial year.
[18] The recoveries are being done over 4 months effective from April 2023 and are hence outside the reporting period.

[19] This column is inclusive of In-service Bursaries, Prospective Bursaries, Interns and Work Integrated Learning.

Occupational category	Gender	Number of employees as at 1 April 2022	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training[19]	Total
Service and sales workers	Female	14 889	0	1 365	465	1 830
	Male	4 385	0	714	102	816
Craft and related trades workers, Skilled agriculture and fishery workers	Female	19	0	15	2	17
	Male	356	0	87	16	103
Plant and machine operators and assemblers	Female	179	0	104	6	110
	Male	489	0	152	14	166
Elementary occupations	Female	4 416	0	177	25	202
	Male	2 456	0	148	129	277
Sub Total	Female	50 721	0	12 675	2 793	15 468
	Male	18 997	0	6 241	955	7196
Total		69 718	0	18 916	3 748	22 664

Source: Director: HRD

TABLE 102: (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			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	49	0	1 054	26	1080
	Male	48	0	358	26	384
Professionals	Female	4 414	0	5 210	508	5 718
	Male	3 547	0	1 372	373	1 745
Technicians and associate professionals	Female	21 372	0	3 962	156	4 118
	Male	4 610	0	3 255	111	3 366
Clerks	Female	5 383	0	1 241	391	1 632
	Male	3 106	0	737	179	916
Service and sales workers	Female	14 889	0	1 023	77	1 100
	Male	4 385	0	524	47	571
Craft and related trades workers, Skilled agriculture and fishery workers	Female	19	0	18	13	31
	Male	356	0	30	14	44
Plant and machine operators and assemblers	Female	179	0	32	10	42
	Male	489	0	48	9	57
Elementary occupations	Female	4 416	0	147	5	152
	Male	2 456	0	82	9	91

Occupational category	Gender	Number of employees as at 1 April 2022	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Sub Total	Female	50 721	0	12 687	1 186	13 873
	Male	18 997	0	6 406	768	7 174
Total		69 718	0	19 093	1 954	21 047

Source: Director: HRD

1.3 Injury on duty

The following tables provide basic information on injury on duty.

TABLE 103: (3.14.1) INJURY ON DUTY FOR THE PERIOD 1 APRIL 2022 AND 31 MARCH 2023

Nature of injury on duty	Number	% of total
Required basic medical attention only	931	76.82
Temporary Total Disablement	281	23.18
Disablement	nil	0
Fatal	nil	0
Total	1 212	100

Source: Deputy Director: Service Conditions

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 104: (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 (workdays)	Contract value in Rand
N/A	N/A	N/A	N/A

Total number of projects	Total individual consultants	Total duration Workdays	Total contract value in Rand
N/A	N/A	N/A	N/A

TABLE 105: (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
N/A	N/A	N/A	N/A

TABLE 106: (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 (Workdays)	Donor and contract value in Rand
N/A	N/A	N/A	N/A

Total number of projects	Total individual consultants	Total duration Workdays	Total contract value in Rand
N/A	N/A	N/A	N/A

TABLE 107: (3.15.4) ANALYSIS OF CONSULTANT APPOINTMENTS USING DONOR 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
N/A	N/A	N/A	N/A

1.4 Severance Packages

TABLE 108: (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)	0	0	0	0
Skilled (Levels 3-5)	0	0	0	0
Highly Skilled Production (Levels 6-8)	0	0	0	0
Highly Skilled Supervision (Levels 9-12)	0	0	0	0

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
Senior Management Service Band A	0	0	0	0
Senior Management Service Band B	0	0	0	0
Senior Management Service Band C	0	0	0	0
Senior Management Service Band D	0	0	0	0
Other	0	0	0	0
Contract (Levels 1-2)	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	0	0
Contract Band A	0	0	0	0
Contract Band B	0	0	0	0
Contract Band D	0	0	0	0
TOTAL	0	0	0	0

Source: Vulindlela HR Oversight Report extracted on 05/05/2023 and Deputy Director: Service Conditions

PART E: PFMA COMPLIANCE REPORT

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Irregular, fruitless and wasteful, unauthorised expenditure and material losses

Irregular expenditure

a) Reconciliation of irregular expenditure

Description	2022/2023	2021/2022
	R'000	R'000
Opening balance	15 907 601	12 200 387
Prior period error	0	1 175 670
AS Restated	15 907 601	13 376 057
Add: Irregular expenditure confirmed	2 546 610	2 531 544
Less: Irregular expenditure condoned	0	0
Less: Irregular expenditure not condoned and removed	0	0
Less: Irregular expenditure recoverable	0	0
Less: Irregular expenditure not recovered and written off	0	0
Closing balance	18 454 211	15 907 601

Reconciling notes

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure that was under assessment in 2021/22	0	0
Irregular expenditure that relates to 2021/22 and identified in 2022/23	0	0
Irregular expenditure for the current year	2 546 610	2 531 544
Total	2 546 610	2 531 544

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

Description[20]	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure under assessment	2 987 360	3 683 745
Irregular expenditure under determination	0	0
0Irregular expenditure under investigation	0	0

[20] Group similar items

Description[20]	2022/2023	2021/2022
	R'000	R'000
Total [21]	2 987 360	3 683 745

c) Details of current and previous year irregular expenditure condoned

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure condoned	0	0
Total	0	0

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	0	0
Total	0	0

e) Details of current and previous year irregular expenditure recovered

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure recovered	0	0
Total	0	0

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	0	0
Total	0	0

[21] Total unconfirmed irregular expenditure (assessment), losses (determination), and criminal conduct (investigation)

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 Nil

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
None	0	0
Total	0	0

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

Disciplinary steps taken
None

Fruitless and wasteful expenditure

a) Reconciliation of fruitless and wasteful expenditure

Description	2022/2023	2021/2022
	R'000	**R'000**
Opening balance	4 151	6 851
Add: Fruitless and wasteful expenditure confirmed	870	443
Less: Fruitless and wasteful expenditure written off	0	3 143
Less: Fruitless and wasteful expenditure recoverable	601	0
Closing balance	2 700	4 151

Reconciling notes

Description	2022/2023	2021/2022
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment in 2021/22	0	0
Fruitless and wasteful expenditure that relates to 2021/22 and identified in 2022/23	0	0
Fruitless and wasteful expenditure for the current year	870	443
Total	870	443

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

Description[22]	2022/2023	2021/2022
	R'000	R'000
Fruitless and wasteful expenditure under assessment		
Fruitless and wasteful expenditure under determination	2 700	4 151
Fruitless and wasteful expenditure under investigation		
Total[23]	2 700	4 151

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	601	0
Total	601	0

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	0	3 143
Total	0	3 143

[22] Group similar items
[23] Total unconfirmed fruitless and wasteful expenditure (assessment), losses (determination), and criminal conduct (investigation)

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

Disciplinary steps taken
None
Total

Unauthorised expenditure

a) Reconciliation of unauthorised expenditure

Description	2022/2023	2021/2022
	R'000	R'000
Opening balance	108 074	108 074
Add: unauthorised expenditure confirmed		
Less: unauthorised expenditure approved with funding	-14 249	
Less: unauthorised expenditure approved without funding		
Less: unauthorised expenditure recoverable		
Less: unauthorised not recovered and written off[24]		
Closing balance	93 825	108 074

Reconciling notes

Description	2022/2023	2021/2022
	R'000	R'000
Unauthorised expenditure that was under assessment in 2021/22	0	0
Unauthorised expenditure that relates to 2021/22 and identified in 2022/23	0	0
Unauthorised expenditure for the current year	0	0
Total	0	0

[24] This amount may only be written off against available savings

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

Description[25]	2022/2023	2021/2022
	R'000	R'000
Unauthorised expenditure under assessment		
Unauthorised expenditure under determination	93 825	108 074
Unauthorised expenditure under investigation		
Total[26]	93 825	108 074

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
Theft	0	0
Other material losses	0	0
Less: Recovered	0	0
Less: Not recovered and written off	0	0
Total	0	0

b) Details of other material losses

Nature of other material losses	2022/2023	2021/2022
	R'000	R'000
Nil	0	0
Total	0	0

c) Other material losses recovered

Nature of losses	2022/2023	2021/2022
	R'000	R'000
None	0	0

[25] Group similar items
[26] Total unconfirmed unauthorised expenditure (assessment), losses (determination), and criminal conduct (investigation)

Nature of losses	2022/2023	2021/2022
	R'000	R'000
Total	0	0

d) Other material losses written off

Nature of losses	2022/2023	2021/2022
	R'000	R'000
None	0	0
Total	0	0

Late and/or non-payment of suppliers

Description	Number of invoices	Consolidated Value
		R'000
Valid invoices received	360 309	18 787 257
Invoices paid within 30 days or agreed period	336 152	17 012 596
Invoices paid after 30 days or agreed period	15 014	1 468 943
Invoices older than 30 days or agreed period (*unpaid and without dispute*)	9 143	305 718
Invoices older than 30 days or agreed period (*unpaid and in dispute*)	0	0

Supply chain management

Procurement by other means

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract **R'000**
ZNB5802/2021-H: PROCUREMENT OF ANNUAL SABINET SUBSCRIPTION HELD BY HEAD OFFICE LIBRARY: 3 YEAR CONTRACT	• SABINET ONLINE LIMITED	SOLE SUPPLIER	ZNB5802/2021-H	168 311
ZNB5284/2021-H: PROVISION OF HAEMODIALYSIS SERVICES TO SELECTED INSTITUTIONS: KWAZULU NATAL DEPARTMENT OF HEALTH: 3 YEAR CONTRACT	• MABIKA RENAL SOLUTIONS (PTY) LTD • FRESENIUS MEDICAL CARE PTY LTD	SOLE SUPPLIER	ZNB5284/2021-H:	72 691
ZNB10001/2021-H: CLEANING OF BUILDING AND OFFICES AT ITSHELEJUBA HOSPITAL FOR A PERIOD OF 3 MONTHS	• HAQAZA SECURITY AND CLEANING (PTY) LTD	URGENCY	ZNB10001/2021-H:	1 016
CLEANING OF BUILDING AND OFFICES AT NGWELEZANE HOSPITAL FOR A PERIOD OF 3 YEARS	• SAMBANE MULTI PROJECTS (PTY) LTD	URGENCY	ZNB10031/2021-H	6 000
Total				248 018

Contract variations and expansions

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
				R'000	R'000	R'000
SUPPLY AND DELIVERY OF SUTURES AND LIGATURES FOR VARIOUS INSTITUTIONS	▪ KUNENE HEALTHCARE Pty (Ltd) ▪ MEDTRONIC PTY (LTD) ▪ MR FIRST AID PTY (LTD) ▪ NTOMBELA BROTHERES GENERAL TRADING CC PTY (LTD)	NO NEW BID HAS BEEN FINILISED	ZNB 6755/1/2016-H			
SUPPLY AND DELIVERY OF DISPOSABLE BABY DIAPERS, LINEN SAVERS, PAPER SERVIETTES	▪ INTOYAMEHLO TRADING AND PROJECT CC ▪ LOPAC TISSUE CC ▪ PROMED TECHNOLOGIES CC ▪ SAMBANE MULTIPROJECT ▪ THEMBAKONKE PROJECTS ▪ TOWER CITY TRADING CC	NO NEW BID HAS BEEN FINILISED	ZNB 5760/2016-H	5 000		
MEDITECH SUPPORT & MAINTENANCE CONTRACT – KING DINUZULU HOSPITAL COMPLEX, ADDINGTON & NORTHDALE HOSPITAL – 6 MONTHS	▪ MEDICAL INFORMATION TECHNOLOGY SA PTY LTD T/A MEDITECH	Bid	ZNB5022/2022-H	4 301		
SUPPLY AND DELIVERY OF NUCLEAR MEDICINE CONSUMABLES FOR INKOSI ALBERT LUTHULI AND KING EDWARD VIII HOSPITAL: 19 JUNE 2019 TO 18 JUNE 2022	▪ AXIM	PRICE ADJUSTMENT (CPIX)	ZNB5529/2017-H	8 800		

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
				R'000	R'000	R'000
SUPPLY AND DELIVERY OF RADIOGRAPHIC MATERIAL TO THE STATE : 01 JULY 2019 TO 30 JUNE 2022	▪ ABCARE TECHNOLOGIES ▪ BATSWADI CONSUMER HEALTHCARE ▪ KUNENE HEALTHCARE ▪ LETSEMA GROUP HOLDINGS ▪ RHIZANA (PTY) LTD ▪ UNIQUE X-RAY (PTY) LTD	NO FINALISATION OF THE NEW CONTRACT	RT21-2019	Various Medical items		
SUPPLY AND DELILIVERY OF RESPIRATORY AIDS AND RESPIRATORY AIDS RELATED ITEMS: VARIOUS: 01 AUGUST 2018 TO 31 JULY 2021	▪ AKACIA MEDICAL ▪ ARISTE HEALTHCARE ▪ DRAGER SA ▪ INTERSURGICAL SA ▪ LOGAN MEDICAL & SURGICAL ▪ LORDSHIP TRADING ENTERPRISE ▪ QUALITY MEDICAL SUPPLIES ▪ SA HEALTH PROTECTION SERVICES ▪ SSEM MTHEMBU MEDICAL ▪ SUPRA HEALTHCARE ▪ TELEFLEX MEDICAL ▪ TOWER CITY TRADING ▪ UMNDENI MEDICAL	NO FINALISATION OF THE NEW CONTRACT	ZNB 6685/1/2016-H	1 388 244		
SUPPLY AND DELIVERY OF SUTURES AND LIGATURES TO VARIOUS: 10 NOVEMBER 2021 TO 9 MAY 2022	▪ CLINISUIT ▪ D 'AFRIQUE MED ▪ GABLER MEDICAL ▪ JOHNSON AND JOHNSON MEDICAL	PRICE ADJUSTMENT (CPIX)	ZNB 6755/1/2016-H	15 295		

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
				R'000	R'000	R'000
	▪ KUNENE HEALTHCARE ▪ MED TRONIC AFRICA ▪ MR FIRST AID ▪ MISIMED MEDICAL AND SURGICAL ▪ SAGE TRANS					
SUPPLY AND DELIVERY OF SURGICAL SUNDRIES TO THE STATE: 01 JULY 2019 TO 30 JUNE 2022	• NATIONAL MEDICAL SUPPLIES • LOGAN MEDICAL & SURGICAL • UNITRADE 1032CC • PROMED TECHNOLOGIES • CHEMICAL WORLD • UNICORE HOLDING • SA HEALTH PROTECTING • CHEMICAL WORLD • DYNAMED PHARMACEUTICAL • SUPRA HEALTHCARE	NO FINALISATION OF THE NEW CONTRACT	RT32/1/2019	Various Medical items		
SUPPLY AND DELIVERY OF MEDICAL CONSUMABLES TO VARIOUS: 01 OCTOBER 2021 TO 31 MARCH 2022	• SA PROTECTING SERVICES • LAMED SUPPLIES • TOWER CITY TRADING • LOGAN MEDICAL	PRICE ADJUSTMENT (CPIX)	ZNB5477/2016-H	Various Medical items		
SUPPLY AND DELIVERY OF NEEDLES AND SYRYNGES AND NEEDLES USED FOR ANAESTHESIA	• BIOCOR HOSPITAL SUPPLIES KZN • FULLSWING TRADING 532 CC	PRICE ADJUSTMENT (CPIX)	ZNB5531/1/2016-H	Various Medical items		

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
				R'000	R'000	R'000
AND PAIN CONTROL TO VARIOUS: 08 APRIL 2019 TO 7 APRIL 2022	• SA HEALTH PROTECTING SERVICES • SAMBANE MULTI PROJECT • SISANDA MEDICAL SERVICES • SUPRA HEALTHCARE KZN					
SUPPLY AND DELIVERY OF ORTHOPAEDIC SUNDRY ITEMS TO VARIOUS: 25 JUNE 2019- 24 JUNE 2022	• ORTHOPAEDIC SUPPLIERS CC • OSSUR SOUTH AFRICA • PROSTHETIC SUPPLIER CC • THE SUPPLY CHAIN WORK CC	NO FINALISATION OF THE NEW CONTRACT, PRICE ADJUSTMENT (CPIX)	ZNB 6580/2/2017	15 588		
SUPPLY AND DELIVERY OF RENAL DIALYSIS FLUIDS TO VARIOUS: 15 JULY 2021 TO 14 JANUARY 2022	• ADCOCK INGRAM CRITICAL CARE	NO FINALISATION OF THE NEW CONTRACT, PRICE ADJUSTMENT (CPIX)	ZNB6686/2016-H	Various Medical items		
UPPLY AND DELIVERY OF SUTURES AND LIGATURES TO VARIOUS: 10 NOVEMBER 2021 TO 10 APRIL 2022	• ASHANTI MEDICAL CC • BABCOCK HEALTHCARE • B BRAUN MEDICAL • CLINISUIT (PTY) LTD • D' AFRIQUE MED (PTY) LTD • JPHNSON & JOHNSON MEDICAL • MEDTRONIC AFRICA • MR FIRST AID • SA HEALTH PROTECTING SERVICES • SAGE TRANS	NO FINALISATION OF THE NEW CONTRACT, PRICE ADJUSTMENT (CPIX)	ZNB 6755/2/2016-H	Various Medical items		

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
				R'000	R'000	R'000
	• SISANDA MEDICAL SERVICES • SUPRA HEALTHCARE • SURGITECH (PTY) LTD					
SUPPLY AND DELIVERY OF HEARING AIDS AND EQUIPMENT TO THE STATE : 01 APRIL 2018 TO 31 MAY 2022	• AUDIOMEDI HI-TEC • BATHO KOPANANG (PTY) LTD • MEDI FIX HEARING SYSTEM (PTY) LTD • I-HEAR 360 • HEAR TRONIX SA (PTY) LTD • SIMUNYE HS • MEDEL IMPLANT SYSTMS SOUTH AFRICA • UBUBELE MEDICAL • LEBONE MEDICAL SUPPLIERS	NO FINILISATION OF THE NEW CONTRACT	RT274-2017	Various Medical items		
SUPPLY AND DELIVERY OF NEEDLES AND SYRINGES AND NEEDLES USED FOR ANAESTHESIA AND PAIN CONTROL TO VARIOUS: 08 APRIL 2019 TO 7 APRIL 2022	• BIOCOR HOSPITAL SUPPLIES KZN • FULLSWING TRADING 532 CC • SA HEALTH PROTECTING SERVICES • SAMBANE MULTI PROJECT • SISANDA MEDICAL SERVICES • SUPRA HEALTHCARE KZN	NO FINILISATION OF THE NEW CONTRACT, PRICE ADJUSTMENT (CPIX)	ZNB 5531/1/2016-H	Various Medical items		
SECURITY SERVICES (VARIOUS FACILITIES)	VARIOUS COMPANIES	PSIRA BASE RENUMERATIONS	REF: 3/2/2/4/14	Various Companies		
Total						

Note: Various Consumable Items are calculated at unit of measure price, hence no total

PART F: ANNUAL FINANCIAL STATEMENTS

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REPORT OF THE AUDITOR-GENERAL

2022-23

KwaZulu-Natal Department of Health

Report of the auditor-general to KwaZulu-Natal Provincial Legislature on vote no. 7: Department of Health

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Department of Health set out on pages 357 to 407, 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, 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 Standards (MCS) as prescribed by the National Treasury and the requirements of the Public Finance Management Act of South Africa,1999 (Act No. 1 of 1999) (PFMA) and the Division of Revenue Act of South Africa, 2022 (Act No. 5 of 2022) (Dora).

Basis for opinion

3. 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.

4. 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.

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

Emphasis of matters

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

Uncertainty relating to the future outcome of litigation

7. The department is a defendant on various litigation matters relating to medical negligence and claims against the state amounting to R7,87 billion as disclosed in note 19.1 to the financial statements. The ultimate outcome of these matters could not be determined and no provision for any liability that may result was made in the financial statements.

Payables

8. As disclosed in note 21.2 to the financial statements, payables not recognised of R212,05 million exceeded the payment term of 30 days, as required by treasury regulation 8.2.3. This amount, in turn, exceeded the R5,90 million of voted funds to be surrendered by R206,15 million as per the statement of financial performance. The amount of R206,15 million would therefore have constituted unauthorised expenditure had the amounts due been paid on time.

Other matters

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

National Treasury Instruction No. 4 of 2022/2023: PFMA Compliance and Reporting Framework

10. On 23 December 2022 National Treasury issued Instruction Note No. 4: PFMA Compliance and Reporting Framework of 2022-23 in terms of section 76(1)(b), (e) and (f), 2(e) and (4)(a) and (c) of the PFMA, which came into effect on 3 January 2023. The PFMA Compliance and Reporting Framework also addresses the disclosure of unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure. Among the effects of this framework is that irregular and fruitless and wasteful expenditure incurred in previous financial years and not addressed is no longer disclosed in the disclosure notes of the annual financial statements, only the current year and prior year figures are disclosed in note 25 to the financial statements. The movements in respect of irregular expenditure and fruitless and wasteful expenditure is no longer disclosed in the notes to the annual financial statements of the Department of Health. The disclosure of these movements (e.g., condoned, recoverable, removed, written off, under assessment, under determination and under investigation) are now required to be included as part of other information in the annual report of the auditees.

11. I do not express an opinion on the disclosure of irregular expenditure and fruitless and wasteful expenditure in the annual report.

Unaudited supplementary schedules

12. The supplementary information set out on pages 408 to 438 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

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 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.

14. 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

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. In accordance with the Public Audit Act, 2004 (Act No. 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 selected programmes presented in the annual performance report**.** The accounting officer is responsible for the preparation of the annual performance report.

18. 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.

Programme	Page numbers	Purpose
1. **District health services**	2. 93	3. To render primary health care and district hospital services.
4. **Provincial hospitals**	5. 129	6. Deliver hospital services, which are accessible, appropriate, and effective and provide general specialist services, including rehabilitation services, as well as a platform for training health professionals and research.

19. 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.

20. 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.

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

22. The material findings on the performance information of the selected programmes are as follows:

District health services

Various indicators

23. Some supporting evidence was not provided for auditing; and, where it was, I identified material differences between the actual and reported achievements. Consequently, the achievements might be more or less than reported and were not reliable for determining if the targets had been achieved.

Indicator description	Planned target	Reported achievement
Child under 5 years pneumonia case fatality rate – District hospital	1,7%	1,3%

Indicator description	Planned target	Reported achievement
All DS-TB client treatment success rate	85%	82,6%
ART Adult viral load suppressed rate (12 months)	90%	91%
ART Child viral load suppressed rate (12 months)	90%	66,3%
HIV positive 15-24 year olds (excl ANC) rate	2,9%	1,8%
All DS-TB client lost to follow up rate	6,0%	9,1%
ART adult remain in care rate (12 months)	90%	67,5%
Infant PCR test positive around 10 weeks rate	0,5%	0,35%
Child under 5 years Pneumonia case fatality rate – total	2,0%	1,9%
Antenatal 1st visit before 20 weeks rate	77%	73,8%
Mother postnatal visit within 6 days rate	90%	83,5%
Couple year protection rate	62,5%	56,7%
Immunisation under 1 year coverage	90%	92,2%
Measles 2nd dose coverage	94%	89,5%

Ideal clinic status rate

24. An achievement of 93,4% was reported against a target of 80,1%. I could not determine if the reported achievement was correct, as adequate supporting evidence was not provided for auditing. Consequently, the reported achievement might be more or less than reported and was not reliable for determining if the target had been achieved.

Provincial hospital services

Various indicators

25. Based on audit evidence, the actual achievements for two indicators did not agree to what was reported. I could not determine the actual achievements, but I estimated them to be materially more.

Indicator description	Planned target	Reported achievement
Child under 5 years diarrhoea case fatality rate – Regional hospital	1,6%	2,6%
Child under 5 years pneumonia case fatality rate – Regional hospital	2,2%	2,0%

Other matters

26. I draw attention to the matters below.

Achievement of planned targets

27. 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.

28. 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 target	Reported achievement
District health services Targets achieved: 49,3% Budget spent: 100%		
Child under 5 years severe acute malnutrition case fatality rate – District hospital	6,1%	8,8%
All DS-TB client treatment success rate	85,0%	82,6%
ART Child viral load suppressed rate (12 months)	90,0%	66,3%
All DS-TB client lost to follow up rate	6,0%	9,1%
ART adult remain in care rate (12 months)	90,0%	67,5%
ART child remain in care rate (12 months)	90,0%	77,7%
Live Birth under 2 500g in facility rate – Total	11,3%	12,7%
Child under 5 years severe acute malnutrition case fatality rate – total	5,5%	9,2%
Couple year protection rate	62,5%	57,6%
Antenatal 1st visit before 20 weeks rate	77,0%	73,8%

Key service delivery indicators not achieved	Planned target	Reported achievement
Mother postnatal visit within 6 days rate	90,0%	83,5%
Measles 2nd dose coverage	94,0%	89,5%
Malaria case fatality rate	0%	1,7%
Provincial hospital services Targets achieved: 36,4% Budget spent: 100%		
Child under 5 years diarrhoea case fatality rate – Regional hospital	1,6%	2,6%
Child under 5 years severe acute malnutrition case fatality rate – Regional hospital	5,9%	10,3%

Reasons for the underachievement of targets are included in the annual performance report on pages 52 to 175.

Material misstatements

29. 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 provincial hospital services programmes. Management did not correct all of the misstatements and I reported material findings in this regard.

Report on compliance with legislation

30. 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.

31. 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.

32. 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.

33. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Expenditure management

34. 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 majority of the irregular expenditure disclosed in the financial statements was as a result of the continued use of and payments made on expired contracts.

35. Payments were not made within 30 days or an agreed period after receipt of an invoice, as required by treasury regulation 8.2.3.

Procurement and contract management

36. I was unable to obtain sufficient appropriate audit evidence that all contracts were awarded in accordance with the legislative requirements as a result of poor records management. Similar limitations were also reported in the prior year.

37. 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 PFMA 38(1)(b) and PFMA 45(b).

38. Some of the goods and services of a transaction value above R1 000 000 were procured without inviting competitive bids and deviations were approved by the accounting officer but it was practical to invite competitive bids, as required by Treasury Regulation 16A6.1, paragraph 3.3.1 of NTI 02 of 2021-22, paragraph 4.1 of NTI 03 of 2021-22 and TR 16A6.4. Similar non-compliance was also reported in the prior year.

39. Some of the contracts were awarded to bidders based on evaluation criteria that were not stipulated and/or differed from those stipulated in the original invitation for bidding and quotations as required by Treasury Regulation 16A6.3(a) and (b).

40. The preference point system was not applied in some of the procurement of goods and services as required by section 2(a) of the Preferential Procurement Policy Framework, 2000 (Act No. 5 of 2000) and Treasury Regulation 16A6.3(b). Similar non-compliance was also reported in the prior year.

41. I was unable to obtain sufficient appropriate audit evidence that construction contracts were awarded to contractors that were registered with the Construction Industry Development Board (CIDB) and qualified for the contract in accordance with section 18(1) of the CIDB Act and CIDB Regulations 17 and 25(7A).

42. Bid documentation or invitation to tender for procurement of commodities designated for local content and production, did not stipulated the minimum threshold for local production and content as required by the 2017 procurement regulation 8(2). Similar non-compliance was also reported in the prior year.

43. Persons in service of the department who had a private or business interest in contracts awarded by the department failed to disclose such interest, as required by Treasury Regulation 16A8.4 and the Public Service Regulations 18(1). Similar non-compliance was reported in the previous year and disciplinary action was not taken against the officials involved.

44. Persons in service of the department whose close family members, partners or associates had a private or business interest in contracts awarded by the department failed to disclose such interest, as required by Treasury Regulation 16A8.4. Similar non-compliance was reported in the previous year and disciplinary action was not taken against the officials involved.

Consequence management

45. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred unauthorised, irregular as well as fruitless and wasteful expenditure as required by section 38(1)(h)(iii) of the PFMA. This was due to proper and complete records that were not maintained as evidence to support the investigations into unauthorised, irregular as well as fruitless and wasteful expenditure.

Strategic planning and performance management

46. Specific information systems were not implemented to enable the monitoring of progress made towards achieving targets, core objectives and service delivery as required by public service regulation 25(1)(e)(i) and (iii).

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. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this 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

51. 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.

52. The matters reported below are limited to the significant internal control deficiencies that resulted in the material findings on the annual performance report and the material findings on compliance with legislation included in this report.

53. Leadership did not provide adequate oversight and monitoring to ensure that action plans were implemented to fully address previous audit findings on predetermined objectives and compliance with legislation. Furthermore, consequence management was not effectively implemented for transgressions of legislation.

54. Management did not effectively implement a proper document management and record keeping systems to ensure that complete, relevant and accurate information is accessible and available to support performance reporting and compliance with legislation. In addition, the overall information technology (IT) control environment requires intervention due to inadequate IT governance, IT security management, user access management, IT service continuity, program change management and cybersecurity.

Material irregularities

55. 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

Procurement of sanitiser detergent at prices higher than permissible

56. Through an emergency procurement process on 25 March 2020, the department ordered 40 000 units of 1L hand sanitiser at R143 per unit. The total value of the order and payments made were R5,72 million.

57. The department did not comply with paragraph 3.7.6(ii) of National Treasury Instruction note 8 of 2019-20 which states that institutions may approach any other supplier to obtain quotes and may procure from such suppliers on condition that the prices are equal to or lower than the prices in Annexure A. The price in Annexure A for sanitisers as at 24 March 2020 was R110.40 per unit of 1 litre. The non-compliance resulted in a material financial loss amounting to R1,3 million for the department as the sanitiser was procured at prices which were excessive.

58. The accounting officer was notified of the material irregularity on 12 February 2021 and the matter was investigated by the Special Investigations Unit (SIU) from which R1,1 million of the material financial loss was recovered from the supplier. Furthermore, responsible officials from the department were issued with warning letters.

59. The actions taken by the accounting officer were considered sufficient and appropriate in addressing the material irregularity.

Material irregularities identified during the audit

Interest on overdue account

60. The department did not comply with treasury regulation 8.2.3 which indicates that unless determined otherwise in a contract or other agreement, all payments due to creditors must be settled within 30 days from receipt of an invoice or, in the case of civil claims, from the date of settlement or court judgement.

61. The department incurred a financial loss of R2,09 million in relation to interest paid on overdue accounts. The interest was imposed as a result of the department not paying within 30 days of receiving invoices and statements. This amounted to a non-compliance with treasury regulation 8.2.3.

62. The accounting officer was notified of the material irregularity on 26 August 2022 and invited to make a written submission on the actions taken or to be taken to address the matter. An investigation into this material irregularity was undertaken and it was noted that a portion of this interest was incorrectly charged by the service provider.

63. Furthermore, the interest that was incorrectly calculated amounting to R1,45 million was refunded back to the department. The department is currently conducting an enquiry/ investigation on the remaining balance amounting to R0,64 million.

64. I will follow up on the outcome of the investigation in the next audit.

Other reports

65. 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.

66. The special investigations unit at the department, other appointed service providers and Office of the Premier are performing investigations relating to allegations of incorrect awarding of certain contracts, accusations of theft, employees performing unauthorised remunerative work outside the public service and the misappropriation of inventory. The investigations cover the period 1 July 2008 to 31 March 2023 and were still in progress at the date of this report.

Auditor - General

Pietermaritzburg

31 July 2023

AUDITOR-GENERAL SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

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

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

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

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.

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

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act No.1 of 1999 (PFMA)	PFMA 38(1)(c)(i), 40(1)(a), 40(1)(b), 40(1)(c)(i), 38(1)(b), 38(1)(c)(ii), 39(1)(a), 39(2)(a), 43(4), 45(b), 38(1)(d), 38(1)(h)(iii), 38(1)(a)(iv), 38(1)(b), 38(1)(c), 38(1)(c)(ii), 44, 44(1), 44(2), 45(b), 50 (3) and 50(3)(a)
Treasury Regulations for departments, trading entities, constitutional institutions and public entities (TR)	TR 7.2.1, 11.4.1, 11.4.2, 11.5.1, 17.1.1,18.2, 19.8.4, 6.3.1(a) , 6.3.1(b), 6.3.1(c), 6.3.1(d), 6.4.1(b), 8.1.1, 8.2.1, 8.2.3, 9.1.1, 15.10.1.2(c), 10.1.1(a), 10.1.2, 16A.7.1, 16A.7.3, 16A.7.6, 16A.7.7, 8.4.1, 5.1.1 , 5.2.1, 5.2.3(a), 5.2.3(d), 5.3.1, 4.1.1, 4.1.3, 9.1.4, 12.5.1, 16A9.1(b)(ii), 16A9.1(e), 16A9.1(f), 16A 3.1, 16A 3.2 (fairness), 16A 3.2(a), 16A 6.1, 16A6.2(a), 16A6.2 (b), 16A6.2(e), 16A 6.3(a),16A 6.3(a)(i), 16A 6.3(b), 16A 6.3(c), 16A 6.3(d), 16A 6.3(e), 16A 6.4, 16A 6.5, 16A 6.6, 16A8.2 (1), 16A8.2 (2), 16A 8.3, 16A 8.3(d), 16A 8.4, 16A 9, 16A 9.1, 16A9.1 (c), 16A 9.1(d), 16A 9.1(e), 16A 9.2, 16A 9.2(a)(ii), 16A 9.2(a)(iii), 8.2.1 and 8.2.2
Public service regulation	PSR 25(1)(e)(i), 25(1)(e)(iii), 13 (c), 18, 18 (1) and 18(2)
Prevention and Combating of Corrupt Activities Act No.12 of 2004 (PRECCA)	PRECCA 34(1) and 29
Construction Industry Development Board Act No.38 of 2000 (CIDB)	CIDB Act 18(1)
Construction Industry Development Board Regulations	CIDB Regulation 17, 25(1), 25(5) and 25(7A)
PPPFA	PPPFA 1(i), 2.1(a) , 2.1(b) and 2.1(f)
PPR 2017	PPR 2017 Par.4.1, Par.4.2, Par.5.1, Par.5.3, Par.5.6, Par.5.7, Par.6.1, Par.6.2, Par.6.3, Par.6.5, Par.6.6, Par.6.8, Par.7.1, Par.7.2, Par.7.3, Par.7.5, Par.7.6, Par.7.8, Par.8.2, Par.8.5, Par.9.1, Para., Par.10.1, Par.10.2, Par.11.1, Par 11.2, Par.12.1, Par.12.2
PPR 2022	PPR 2022 Par. 3.1, Par. 4.1, Par. 4.2, Par. 4.3, Par. 4.4, Par. 5.1, Par. 5.2, Par. 5.3 and Par. 5.4
SITA ACT	SITA Act section 7(3), 20(1)(a)(I) and 7(6)(b)
SITA regulations	SITA reg 8.1.1 (b), reg 8.1.4, reg 8.1.7, reg 9.6, reg 9.4, reg 12.3, reg 13.1 (a), reg 14.1 and reg 14.2
PFMA SCM Instruction no. 09 of 2022/2023	PFMA SCM Instruction no. 09 of 2022/2023 par. 3.1, par. 3.3 (b), par. 3.3 (c), par. 3.3 (e) and par 3.6
National Treasury Instruction No.1 of 2015/16	National Treasury Instruction No.1 of 2015/16 par 3.1 and par 4.1 and 4.2
NT SCM Instruction Note 03 2021/22	IN 03 2021/22 Par 4.1, Par 4.2 (b), Par. 4.3, Par 4.4, Par 4.4(a), Par 4.4(c), Par 4.4(d), Par 4.6, Par 5.4, Par 7.2 and Par 7.6
NT SCM Instruction 4A of 2016/17	NT SCM Instruction 4A of 2016/17 Par 6
NT SCM Instruction Note 03 2019/20	IN 03 2019/20 Par 5.5.1(vi) and Par 5.5.1(x)
NT SCM Instruction Note 11 2020/21	IN 11 2020/21 Par.3.1, Par.3.4(a), Par.3.4(b), Par.3.9, Par 6.1, Par 6.2 and Par 6.7

Legislation	Sections or regulations
NT SCM Instruction note 2 of 2021/22	SCM IN 02 2021/22 Par.3.2.1, Par 3.2.2, Par.3.2.4(a), Par.3.2.4(b), Par.3.3.1, Par 3.2.2 and Par.4.1
PFMA SCM Instruction 04 of 2022/23	PFMA SCM Instruction 04 of 2022/23 par. 4(1), 4(2) and 4(4)
Practice Note 5 of 2009/10	Practice Note 5 of 2009/10 par. 3.3
PFMA SCM instruction 08 of 2022/23	PFMA SCM instruction no. 8 of 2022/2023 par. 3, par. 4.3.2 and 4.3.3
NT instruction note 4 of 2015/16	NT Instruction note 4 of 2015/16 Par 3.4
NT instruction 3 of 2019/20 - Annexure A	NT instruction 3 of 2019/20 - Annexure A Section 5.5.1 (iv) and (x)
Second amendment of NTI 05 of 2020/21	Second amendment of NTI 05 of 2020/21 Par 4.8, Par 4.9, Par 5.1 and Par 5.3
Erratum NTI 5 of 202/21	Erratum NTI 5 of 202/21 Par 1 and Par 2
Practice note 7 of 2009/10	Practice Note 7 of 2009/10 Par 4.1.2
Practice note 11 of 2008/9	Practice note 11 of 2008/9 Par 3.1 and Par 3.1 (b)
NT instruction note 1 of 2021/22	NT instruction note 1 of 2021/22 Par 4.1
Public Service Act	Public Service Act Section 30 (1)

APPROPRIATION STATEMENT

For the year ended 31 March 2023

Appropriation per programme									
	2022/23							2021/22	
Voted funds and Direct charges	Adjusted Budget	Shifting of Funds	Virements	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
Programme									
1 ADMINISTRATION	1 162 277	-	- 36 064	1 126 213	1 120 318	5 895	99,5%	1 040 001	1 040 001
2 DISTRICT HEALTH SERVICES	27 486 050	3 821	- 309 725	27 180 146	27 180 146	-	100,0%	27 269 871	27 269 871
3 EMERGENCY MEDICAL SERVICES	1 707 351	-	- 39 485	1 667 866	1 667 866	-	100,0%	1 596 766	1 596 766
4 PROVINCIAL HOSPITAL SERVICES	12 018 954	5 875	309 698	12 334 527	12 334 527	-	100,0%	11 745 756	11 745 756
5 CENTRAL HOSPITAL SERVICES	5 512 895	1 070	149 120	5 663 085	5 663 085	-	100,0%	5 355 155	5 355 155
6 HEALTH SCIENCES AND TRAINING	1 433 010	-	- 94 104	1 338 906	1 338 906	-	100,0%	1 362 187	1 362 187
7 HEALTH CARE SUPPORT SERVICES	348 999	- 10 766	- 27 897	310 336	310 336	-	100,0%	318 159	318 159
8 HEALTH FACILITIES MANAGEMENT	1 864 219	-	48 457	1 912 676	1 912 676	-	100,0%	1 942 082	1 942 082
Programme sub total	51 533 755	-	-	51 533 755	51 527 860	5 895	100,0%	50 629 977	50 629 977
Statutory Appropriation						-	-	-	-
TOTAL	51 533 755	-	-	51 533 755	51 527 860	5 895	100.0%	50 629 977	50 629 977
Reconciliation with Statement of Financial Performance									
Add:									
Departmental receipts				297 796				253 300	
NRF Receipts				-				-	
Aid assistance				8 525				-	
Actual amounts per Statement of Financial Performance (Total Revenue)				51 840 076				50 883 277	
Add: Aid assistance					8 525				-

APPROPRIATION STATEMENT

For the year ended 31 March 2023

Appropriation per programme									
	2022/23							2021/22	
	Adjusted Budget	Shifting of Funds	Virements	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual Expenditure
Voted funds and Direct charges	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Prior year unauthorised expenditure approved without funding									
Actual amounts per Statement of Financial Performance Expenditure					51 536 385				50 629 977

APPROPRIATION STATEMENT

For the year ended 31 March 2023

Appropriation per economic classification	2022/23							2021/22	
	Adjusted Budget	Shifting of Funds	Virements	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
Current payments	49 181 212	-	6 903	49 188 115	49 353 063	- 164 948	100,3%	47 813 824	47 894 005
Compensation of employees	32 165 281	-	533 803	32 699 084	32 699 084	-	100,0%	31 903 166	31 983 347
Goods and services	17 015 385	-	- 528 467	16 486 918	16 651 866	- 164 948	101,0%	15 909 210	15 909 210
Interest and rent on land	546	-	1 567	2 113	2 113	-	100,0%	1 448	1 448
Transfers and subsidies	742 189	-	- 7 943	734 246	714 107	20 139	97,3%	842 178	839 282
Provinces and municipalities	271 820	-	354	272 174	271 753	421	99,8%	258 771	257 602
Departmental agencies and accounts	23 489	-	- 34	23 455	23 455	-	100,0%	23 478	23 478
Non-profit institutions	63 440	-	-	63 440	63 440	-	100,0%	59 205	57 478
Households	383 440	-	- 8 263	375 177	355 459	19 718	94,7%	500 724	500 724
Payments for capital assets	1 604 459	-	-	1 604 459	1 459 650	144 809	91,0%	1 973 314	1 896 029
Buildings and other fixed structures	776 753	-	63 855	840 608	840 608	-	100,0%	1 008 123	1 008 123
Machinery and equipment	827 706	-	- 63 855	763 851	619 042	144 809	81,0%	965 191	887 906
Payment for financial assets	5 895	-	1 040	6 935	1 040	5 895	15,0%	661	661
Total	51 533 755	-	-	51 533 755	51 527 860	5 895	100,0%	50 629 977	50 629 977

APPROPRIATION STATEMENT

For the year ended 31 March 2023

Programme 1: Administration

	2022/23							2021/22	
	Adjusted Budget	Shifting of Funds	Virements	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 Office of the MEC	26 669	-	52	26 721	26 721	-	100,0%	21 243	21 243
2 Management	1 135 608	-	- 36 116	1 099 492	1 093 597	5 895	99,5%	1 018 758	1 018 758
Total	1 162 277	-	- 36 064	1 126 213	1 120 318	5 895	99,5%	1 040 001	1 040 001
Economic classification									
Current payments	1 101 609	-	- 64 581	1 037 028	1 037 028	-	100,0%	924 989	924 989
Compensation of employees	517 943	-	- 16 755	501 188	501 188	-	100,0%	476 820	476 820
Goods and services	583 666	-	- 48 564	535 102	535 102	-	100,0%	447 671	447 671
Interest and rent on land	-	-	738	738	738	-	100,0%	498	498
Transfers and subsidies	9 491	-	18 169	27 660	27 660	-	100,0%	23 049	23 049
Provinces and municipalities	4 551	-	547	5 098	5 098	-	100,0%	6 426	6 426
Departmental agencies and accounts	1	-	- 1	-	-	-	-	-	-
Households	4 939	-	17 623	22 562	22 562	-	100,0%	16 623	16 623
Payments for capital assets	45 282	-	10 221	55 503	55 503	-	100,0%	91 840	91 840
Machinery and equipment	45 282	-	10 221	55 503	55 503	-	100,0%	91 840	91 840
Payment for financial assets	5 895	-	127	6 022	127	5 895	2,1%	123	123
Total	1 162 277	-	- 36 064	1 126 213	1 120 318	5 895	99,5%	1 040 001	1 040 001

APPROPRIATION STATEMENT
For the year ended 31 March 2023

Programme 2: District Health Services

	2022/23							2021/22	
	Adjusted Budget	Shifting of Funds	Virements	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	333 357	-	19 715	353 072	353 072	-	100,0%	345 336	345 336
2 COMMUNITY HEALTH CLINICS	5 235 639	-	- 144 706	5 090 933	5 090 933	-	100,0%	4 602 318	4 602 318
3 COMMUNITY HEALTH CENTRES	2 150 650	118	- 427 662	1 723 106	1 723 106	-	100,0%	2 029 292	2 029 292
4 COMMUNITY BASED SERVICES	1 051 496	-	- 106 613	944 883	944 883	-	100,0%	333 169	333 169
5 OTHER COMMUNITY SERVICES	3 887 484	-	8 582	3 896 066	3 896 066	-	100,0%	4 754 847	4 754 847
6 HIV AND AIDS	6 512 062	-	230	6 512 292	6 512 292	-	100,0%	6 817 236	6 817 236
7 NUTRITION	33 230	-	- 2 348	30 882	30 882	-	100,0%	32 175	32 175
8 CORONER SERVICES	292 115	-	- 10 863	281 252	281 252	-	100,0%	272 956	272 956
9 DISTRICT HOSPITALS	7 990 017	3 703	353 940	8 347 660	8 347 660	-	100,0%	8 082 542	8 082 542
Total	27 486 050	3 821	- 309 725	27 180 146	27 180 146	-	100,0%	27 269 871	27 269 871

APPROPRIATION STATEMENT

For the year ended 31 March 2023

	2022/23							2021/22	
	Adjusted Budget	Shifting of Funds	Virements	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
Current payments	26 826 695	3 821	- 338 867	26 491 649	26 571 638	- 79 989	100,3%	26 375 798	26 455 979
Compensation of employees	16 900 999	-	394 822	17 295 821	17 295 821	-	100,0%	17 022 657	17 102 838
Goods and services	9 925 211	3 821	- 733 868	9 195 164	9 275 153	- 79 989	100,9%	9 352 549	9 352 549
Interest and rent on land	485	-	179	664	664	-	100,0%	592	592
Transfers and subsidies	455 819	-	11 360	467 179	466 758	421	99,9%	472 842	469 946
Provinces and municipalities	264 083	-	-	264 083	263 662	421	99,8%	250 472	249 303
Departmental agencies and accounts	53	-	- 8	45	45	-	100,0%	80	80
Non-profit institutions	63 440	-	-	63 440	63 440	-	100,0%	55 216	53 489
Households	128 243	-	11 368	139 611	139 611	-	100,0%	167 074	167 074
Payments for capital assets	203 536	-	17 435	220 971	141 403	79 568	64,0%	420 719	343 434
Buildings and other fixed structures	-	-	-	-	-	-	-	26	26
Machinery and equipment	203 536	-	17 435	220 971	141 403	79 568	64,0%	420 693	343 408
Payment for financial assets	-	-	347	347	347	-	100,0%	512	512
Total	27 486 050	3 821	- 309 725	27 180 146	27 180 146	-	100,0%	27 269 871	27 269 871

APPROPRIATION STATEMENT

For the year ended 31 March 2023

Programme 3: Emergency Medical Services

	2022/23							2021/22	
	Adjusted Budget	Shifting of Funds	Virements	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 Services	1 548 023	-	- 57 906	1 490 117	1 490 117	-	100,0%	1 434 921	1 434 921
2 Planned Patient Transport	159 328	-	18 421	177 749	177 749	-	100,0%	161 845	161 845
Total	1 707 351	-	- 39 485	1 667 866	1 667 866	-	100,0%	1 596 766	1 596 766
Economic classification									
Current payments	1 593 453	-	- 24 939	1 568 514	1 568 514	-	100,0%	1 512 031	1 512 031
Compensation of employees	1 238 165	-	- 16 789	1 221 376	1 221 376	-	100,0%	1 189 352	1 189 352
Goods and services	355 231	-	- 8 543	346 688	346 688	-	100,0%	322 675	322 675
Interest and rent on land	57	-	393	450	450	-	100,0%	4	4
Transfers and subsidies	14 711	-	1 946	16 657	16 657	-	100,0%	13 920	13 920
Provinces and municipalities	3 186	-	- 193	2 993	2 993	-	100,0%	1 873	1 873
Households	11 525	-	2 139	13 664	13 664	-	100,0%	12 047	12 047
Payments for capital assets	99 187	-	- 16 504	82 683	82 683	-	100,0%	70 815	70 815
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	99 187	-	- 16 504	82 683	82 683	-	100,0%	70 815	70 815
Payment for financial assets	-	-	12	12	12	-	100,0%	-	-
Total	1 707 351	-	- 39 485	1 667 866	1 667 866	-	100,0%	1 596 766	1 596 766

APPROPRIATION STATEMENT
For the year ended 31 March 2023

Programme 4: Provincial Hospital Services

	2022/23							2021/22	
	Adjusted Budget	Shifting of Funds	Virements	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 (REGIONAL) HOSPITALS	10 110 325	5 875	316 475	10 432 675	10 432 675	-	100,0%	9 916 354	9 916 354
2 TUBERCULOSIS HOSPITALS	505 805	-	- 9 446	496 359	496 359	-	100,0%	481 509	481 509
3 PSYCHIATRIC-MENTAL HOSPITALS	1 030 031	-	- 10 735	1 019 296	1 019 296	-	100,0%	1 004 378	1 004 378
4 SUB-ACUTE, STEP-DOWN AND CHRONIC MEDICAL HOSPITALS	352 058	-	14 639	366 697	366 697	-	100,0%	322 245	322 245
5 DENTAL TRAINING HOSPITAL	20 735	-	- 1 235	19 500	19 500	-	100,0%	21 270	21 270
Total	12 018 954	5 875	309 698	12 334 527	12 334 527	-	100,0%	11 745 756	11 745 756
Economic classification									
Current payments	11 840 476	5 875	292 831	12 139 182	12 175 507	- 36 325	100,3%	11 386 381	11 386 381
Compensation of employees	8 836 562	-	84 300	8 920 862	8 920 862	-	100,0%	8 549 370	8 549 370
Goods and services	3 003 910	5 875	208 301	3 218 086	3 254 411	- 36 325	101,1%	2 836 657	2 836 657
Interest and rent on land	4	-	230	234	234	-	100,0%	354	354
Transfers and subsidies	86 403	-	32 095	118 498	118 498	-	100,0%	211 951	211 951
Departmental agencies and accounts	108	-	- 43	65	65	-	100,0%	87	87
Non-profit institutions	-	-	-	-	-	-	-	3 989	3 989
Households	86 295	-	32 138	118 433	118 433	-	100,0%	207 875	207 875
Payments for capital assets	92 075	-	- 15 727	76 348	40 023	36 325	52,4%	147 400	147 400
Machinery and equipment	92 075	-	- 15 727	76 348	40 023	36 325	52,4%	147 400	147 400
Payment for financial assets	-	-	499	499	499	-	100,0%	24	24
Total	12 018 954	5 875	309 698	12 334 527	12 334 527	-	100,0%	11 745 756	11 745 756

APPROPRIATION STATEMENT
For the year ended 31 March 2023

Programme 5: Central Hospital Services

	2022/23							2021/22	
	Adjusted Budget	Shifting of Funds	Virements	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 Central Hospital Services	2 672 261	338	16 968	2 689 567	2 689 567	-	100,0%	2 540 207	2 540 207
2 Provincial Tertiary Hospital Services	2 840 634	732	132 152	2 973 518	2 973 518	-	100,0%	2 814 948	2 814 948
Total	5 512 895	1 070	149 120	5 663 085	5 663 085	-	100,0%	5 355 155	5 355 155
Economic classification									
Current payments	5 406 178	1 070	149 047	5 556 295	5 604 929	- 48 634	100,9%	5 283 641	5 283 641
Compensation of employees	3 193 898	-	74 685	3 268 583	3 268 583	-	100,0%	3 175 808	3 175 808
Goods and services	2 212 280	1 070	74 336	2 287 686	2 336 320	- 48 634	102,1%	2 107 833	2 107 833
Interest and rent on land	-	-	26	26	26	-	100,0%	-	-
Transfers and subsidies	44 157	-	18	44 175	24 457	19 718	55,4%	27 517	27 517
Departmental agencies and accounts	79	-	18	97	97	-	100,0%	63	63
Households	44 078	-	-	44 078	24 360	19 718	55,3%	27 454	27 454
Payments for capital assets	62 560	-	-	62 560	33 644	28 916	53,8%	43 997	43 997
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	62 560	-	-	62 560	33 644	28 916	53,8%	43 997	43 997
Payment for financial assets	-	-	55	55	55	-	100,0%	-	-
Total	5 512 895	1 070	149 120	5 663 085	5 663 085	-	100,0%	5 355 155	5 355 155

APPROPRIATION STATEMENT

For the year ended 31 March 2023

Programme 6: Health Sciences and Training

	2022/23							2021/22	
	Adjusted Budget	Shifting of Funds	Virements	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 NURSING TRAINING COLLEGES	221 447	-	- 9 552	211 895	211 895	-	100,0%	212 037	212 037
2 EMS TRAINING COLLEGES	37 927	-	- 14 247	23 680	23 680	-	100,0%	22 326	22 326
3 BURSARIES	120 369	-	- 76 796	43 573	43 573	-	100,0%	74 129	74 129
4 PRIMARY HEALTH CARE TRAINING	43 646	-	- 12 767	30 879	30 879	-	100,0%	33 505	33 505
5 TRAINING OTHER	1 009 621	-	19 258	1 028 879	1 028 879	-	100,0%	1 020 190	1 020 190
Total	1 433 010	-	- 94 104	1 338 906	1 338 906	-	100,0%	1 362 187	1 362 187
Economic classification									
Current payments	1 101 034	-	166 492	1 267 526	1 267 526	-	100.0%	1 122 076	1 137 118
Current payments	1 280 190	-	- 2 621	1 277 569	1 277 569	-	100,0%	1 267 526	1 267 526
Compensation of employees	1 207 280	-	27 120	1 234 400	1 234 400	-	100,0%	1 230 693	1 230 693
Goods and services	72 910	-	- 29 742	43 168	43 168	-	100,0%	36 833	36 833
Interest and rent on land	-	-	1	1	1	-	100,0%	-	-
Transfers and subsidies	130 700	-	- 71 405	59 295	59 295	-	100,0%	92 096	92 096
Departmental agencies and accounts	23 248	-	-	23 248	23 248	-	100,0%	23 248	23 248
Households	107 452	-	- 71 405	36 047	36 047	-	100,0%	68 848	68 848
Payments for capital assets	22 120	-	- 20 078	2 042	2 042	-	100,0%	2 564	2 564
Machinery and equipment	22 120	-	- 20 078	2 042	2 042	-	100,0%	2 564	2 564
Payment for financial assets	-	-	-	-	-	-	-	1	1
Total	1 433 010	-	- 94 104	1 338 906	1 338 906	-	100,0%	1 362 187	1 362 187

APPROPRIATION STATEMENT

For the year ended 31 March 2023

Programme 7: Health Care Support Services

	2022/23							2021/22	
	Adjusted Budget	Shifting of Funds	Virements	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 MEDICINE TRADING ACCOUNT	78 446	-	- 9 418	69 028	69 028	-	100,0%	70 219	70 219
2 LAUNDRY SERVICES	202 974	- 10 766	- 14 014	178 194	178 194	-	100,0%	188 976	188 976
3 ORTHOTIC AND PROSTHETIC SERVICES	67 579	-	- 4 465	63 114	63 114	-	100,0%	58 964	58 964
Total	348 999	- 10 766	- 27 897	310 336	310 336	-	100,0%	318 159	318 159
Economic classification									
Current payments	338 144	- 10 766	- 19 729	307 649	307 649	-	100,0%	309 839	309 839
Compensation of employees	173 040	-	- 7 916	165 124	165 124	-	100,0%	161 735	161 735
Goods and services	165 104	- 10 766	- 11 813	142 525	142 525	-	100,0%	148 104	148 104
Transfers and subsidies	908	-	- 126	782	782	-	100,0%	803	803
Households	908	-	- 126	782	782	-	100,0%	803	803
Payments for capital assets	9 947	-	- 8 042	1 905	1 905	-	100,0%	7 516	7 516
Machinery and equipment	9 947	-	- 8 042	1 905	1 905	-	100,0%	7 516	7 516
Payment for financial assets	-	-	-	-	-	-	-	1	1
Total	348 999	- 10 766	- 27 897	310 336	310 336	-	100,0%	318 159	318 159

APPROPRIATION STATEMENT
For the year ended 31 March 2023

Programme 8: Health Facilities Management

	2022/23							2021/22	
	Adjusted Budget	Shifting of Funds	Virements	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 COMMUNITY HEALTH FACILITIES	435 351	-	47 453	482 804	482 804	-	100,0%	294 055	294 055
2 DISTRICT HOSPITAL SERVICES	503 233	-	26 340	529 573	529 573	-	100,0%	465 265	465 265
3 EMERGENCY MEDICAL SERVICES	16 000	-	- 16 000	-	-	-	-	-	-
4 PROVINCIAL HOSPITAL SERVICES	521 467	-	48 941	570 408	570 408	-	100,0%	901 083	901 083
5 CENTRAL HOSPITAL SERVICES	57 877	-	3 004	60 881	60 881	-	100,0%	35 616	35 616
6 OTHER FACILITIES	330 291	-	- 61 281	269 010	269 010	-	100,0%	246 063	246 063
Total	1 864 219	-	48 457	1 912 676	1 912 676	-	100,0%	1 942 082	1 942 082
Current payments	794 467	-	15 762	810 229	810 229	-	100,0%	753 619	753 619
Compensation of employees	97 394	-	- 5 664	91 730	91 730	-	100,0%	96 731	96 731
Goods and services	697 073	-	21 426	718 499	718 499	-	100,0%	656 888	656 888
Payments for capital assets	1 069 752	-	32 695	1 102 447	1 102 447	-	100,0%	1 188 463	1 188 463
Buildings and other fixed structures	776 753	-	63 855	840 608	840 608	-	100,0%	1 008 097	1 008 097
Machinery and equipment	292 999	-	- 31 160	261 839	261 839	-	100,0%	180 366	180 366
Total	1 864 219	-	48 457	1 912 676	1 912 676	-	100,0%	1 942 082	1 942 082

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 note on Transfers and subsidies and Annexure 1 (A-H) to the Annual Financial Statements.

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

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

3. Detail on payments for financial assets

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

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

4.1 Per Programme:

	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
	R'000	**R'000**	**R'000**	%
ADMINISTRATION	1 126 213	1 120 318	5 895	00.5%
Budget balanced after virements				
DISTRICT HEALTH SERVICES	27 180 146	27 180 146	0	0%
Budget balanced after virements				
EMERGENCY MEDICAL SERVICES	1 667 866	1 667 866	0	0%
Budget balanced after virements				
PROVINCIAL HOSPITAL SERVICES	12 334 527	12 334 527	0	0%
Budget balanced after virements				
CENTRAL HOSPITAL SERVICES	5 663 085	5 663 085	0	0%
Budget balanced after virements				
HEALTH SCIENCES AND TRAINING	1 338 906	1 338 906	0	0%
Budget balanced after virements				
HEALTH CARE SUPPORT SERVICES	310 336	310 336	0	0%
Budget balanced after virements				
HEALTH FACILITIES MANAGEMENT	1 912 676	1 912 676	0	0%
Budget balanced after virements				

Saving under other items was used to defray excess expenditure under Compensation of Employees due to Budget cuts.

NOTES TO THE APPROPRIATION STATEMENT
For the year ended 31 March 2023

		Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
4.2	Per economic classification:	**R'000**	**R'000**	**R'000**	%
	Current expenditure				
	Compensation of employees	32 699 084	32 699 084	0	0%
	Goods and services	16 486 918	16 651 866	-164 948	-1,00%
	Interest and rent on land	2 113	2 113	0	0%
	Transfers and subsidies				
	Provinces and municipalities	272 174	271 753	421	0,15%
	Departmental agencies and accounts	23 455	23 455	0	0%
	Non-profit institutions	63 440	63 440	0	0%
	Households	375 177	355 459	19 718	5,26%
	Payments for capital assets				
	Buildings and other fixed structures	840 608	840 608	0	0%
	Machinery and equipment	763 851	619 042	144 809	18,96%
	Payments for financial assets	6 935	1 040	5 895	85,00%

Saving under other items was used to defray excess expenditure under Compensation of Employees due to Budget cuts.

		Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
4.3	Per conditional grant	**R'000**	**R'000**	**R'000**	%
	National Tertiary Services Grant	2 045 854	2 045 854	0	100%
	Districts Programme Grant	7 547 069	7 547 069	0	100%
	Health Facility Revitalisation Grant	1 389 913	1 389 913	0	100%
	Human Resource & Training Grant	754 850	754 850	0	100%
	Social Sector EPWP Incentive Grant for Provinces	26 293	26 293	0	100%
	EPW Integrated Grant to Provinces	11 736	11 736	0	100%
	National Health Insurance	104 092	104 092	0	100%

All conditional grants spent.

STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2023

	Note	2022/23 R'000	2021/22 R'000
REVENUE			
Annual appropriation	1	51 533 755	50 629 977
Department Revenue	2	297 796	253 300
Aid Assistance	3	8 525	-
TOTAL REVENUE		51 840 076	50 883 277
EXPENDITURE			
Current expenditure			
Compensation of employees	4	32 699 079	31 983 349
Goods and services	5	16 651 868	15 909 215
Interest and Rent on land	6	2 112	1 448
Aid Assistance	3	8 525	-
Total current expenditure		49 361 584	47 894 012
Transfers and subsidies			
Transfers and subsidies	8	714 108	839 277
Total transfers & subsidies		714 108	839 277
Expenditure for capital assets			
Tangible assets	9	1 459 650	1 896 030
Total expenditure for capital assets		1 459 650	1 896 030
Unauthorised expenditure approved without funding		-	-
Payments for Financial Assets	7	1 043	658
TOTAL EXPENDITURE		51 536 385	50 629 977
SURPLUS/ (DEFICIT) FOR THE YEAR		303 691	253 300
Reconciliation of Net Surplus/ (Deficit) for the year		5 895	-
Voted Funds			
Annual Appropriation		5 895	-
Conditional grants			
Departmental Revenue and NRF Receipts	14	297 796	253 300
SURPLUS / DEFICIT FOR THE YEAR		303 691	253 300

STATEMENT OF FINANCIAL POSITION
for the year ended 31 March 2023

	Note	2022/23 R'000	2021/22 R'000
ASSETS			
Current Assets		112 923	73 101
Cash and Cash Equivalent	10	89 291	34 625
Prepayments and advances	11	58	-
Receivables	12	23 574	38 476
Non-Current Assets		14 557	9 674
Receivables	12	14 557	9 674
TOTAL ASSETS		127 480	82 775
LIABILITIES			
Current Liabilities		208 459	179 596
Voted funds to be surrendered to the Revenue Fund	13	5 895	71 191
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	14	14 651	10 341
Bank overdraft	15	169 221	64 692
Payables	16	18 692	33 372
TOTAL LIABILITIES		208 459	179 596
NET ASSETS		-80 979	-96 821
Represented by:			
Recoverable revenue		12 846	11 253
Unauthorised Expenditure		-93 825	-108 74
TOTAL		-80 979	-96 821

STATEMENT OF CHANGES IN NET ASSETS
For the year ended 31 March 2023

	Note	2022/2023 R'000	2021/22 R'000
Recoverable revenue			
Opening balance		11 253	10 332
Transfers		1 593	921
Debts revised		-212	-1 001
Debts recovered (included in departmental receipts)		-5 896	-5 128
Debts raised		7 701	7 050
Closing balance		12 846	11 253

	Note	2022/2023 R'000	2021/22 R'000
Unauthorised Expenditure			
Opening balance		-108 074	-108 074
Unauthorised Expenditure – current year		-	-
Overspending of the vote or division within a vote			
Amounts approved by Legislature with funding		14 249	-
Closing Balance		-93 825	-108 074
Total		-80 979	-96 821

NOTES TO ANNUAL FINANCIAL STATEMENT
for the year ended 31 March 2023

	Note	2022/2023 R'000	2021/22 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		51 819 167	50 935 553
Annual appropriated funds received	1.1	51 533 755	50 701 169
Departmental revenue received	2	276 510	234 055
Interest received	2.3	377	329
Aid assistance received	3	8 525	-
Net (increase)/ decrease in working capital		164	44 269
Surrendered to Revenue Fund		-364 677	-468 295
Current payments		-49 359 472	-47 892 564
Interest paid		-2 112	-1 448
Payments for Financial Assets		-1 043	-658
Transfers and subsidies paid		-714 108	-839 277
Net cash flow available from operating activities	17	1 377 919	1 777 580
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	9	-1 459 650	-1 896 030
Proceeds from sale of capital assets	2.4	20 909	18 916
(Increase)/decrease in non-current receivables		-4 883	-2 382
Net cash flows from investing activities		-1 443 624	-1 879 496
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/ (decrease) in net assets		15 842	921
Net cash flows from financing activities		15 842	921
Net increase/ (decrease) in cash and cash equivalents		-49 863	-100 995
Cash and cash equivalents at beginning of period		-30 067	70 928
Cash and cash equivalents at end of period	18	-79 930	-30 067

ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 MARCH 2023

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.

ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 MARCH 2023

7	**Revenue**
7.1	**Appropriated funds** Appropriated funds comprises 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. 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. 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.

ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 MARCH 2023

8.3	**Accruals and payables not recognised** Accruals and payables not recognised are recorded in the notes to the financial statements at cost at the reporting date.
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. 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. 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.

ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 MARCH 2023

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. <Indicate when prepayments are expensed and under what circumstances.>
12	**Payables** Payables recognised in the statement of financial position are recognised at cost.
13	**Capital Assets**
13.1	**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.
13.2	**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 2002 (or a later date as approved by the OAG) 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.
13.3	**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 2002 (or a later date as approved by the OAG) 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.

ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 MARCH 2023

13.4	**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. Where the department is not the custodian of the completed project asset, the asset is transferred to the custodian subsequent to completion.
14	**Provisions and Contingents**
14.1	**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.
14.2	**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.
14.3	**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.
14.4	**Capital Commitments** Capital Commitments (other than for transfers and subsidies) are recorded at cost in the notes to the financial statements when there is a contractual arrangement or an approval by management in a manner that raises a valid expectation that the department will discharge its responsibilities thereby incurring future expenditure that will result in the outflow of cash.
15	**Unauthorised expenditure** Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either: • approved by Parliament or the Provincial Legislature with funding and the related funds are received; or • approved by Parliament or 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 is measured at the amount of the confirmed unauthorised expenditure.

ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 MARCH 2023

16	**Fruitless and wasteful expenditure** Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred. Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables for recovery. Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.
17	**Irregular expenditure** Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefor are provided in the note. Irregular expenditure is removed from the note when it is either condoned by the relevant authority, transferred to receivables for recovery or not condoned and is not recoverable. Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.
18	**Changes in accounting policies, accounting estimates and errors** Changes in accounting policies that are effected by management have been applied retrospectively 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 change in policy. In such instances the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable. 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.
19	**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.
20	**Recoverable revenue** Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.

ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 MARCH 2023

21	**Related party transactions** 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 Minister/MEC's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length. Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the department. The number of individuals and their full compensation is recorded in the notes to the financial statements.
22	**Inventories** 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.
23	**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.
24	**Employee benefits** The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is disclosed in the Employee benefits note.
25	**Best Estimate** The amount disclosed as a provision and contingent shall be the best estimate of the funds required to settle the present obligation at the reporting date. The time value of money is ignored where the obligation will be settled sometime after the reporting date.

NOTES TO ANNUAL FINANCIAL STATEMENT
for the year ended 31 March 2023

1. Annual Appropriation

1.1 Annual Appropriation

Included are funds appropriated in terms of the Appropriation Act for Provincial Departments (Equitable Share).

Programmes	Final Budget R'000	2022/2023 Actual Funds received R'000	Funds not requested/ not received R'000	Final Budget R'000	2021/22 Appropriation received R'000	Funds not Requested/ not received R'000
Administration	1 126 213	1 126 213	-	1 040 001	1 040 001	-
District Health Services	27 180 146	27 180 146	-	27 269 871	27 341 063	-71 192
Emergency Medical Services	1 667 866	1 667 866	-	1 596 766	1 596 766	-
Provincial Hospital Services	12 334 527	12 334 527	-	11 745 756	11 745 756	-
Central Hospital Services	5 663 085	5 663 085	-	5 355 155	5 355 155	-
Health Sciences and Training	1 338 906	1 338 906	-	1 362 187	1 362 187	-
Health Care Support Services	310 336	310 336	-	318 159	318 159	-
Health Facilities Management	1 912 676	1 912 676	-	1 942 082	1 942 082	-
Total	51 533 755	51 533 755		50 629 977	50 701 169	-71 192

1.2 Conditional grants

	Note	2022/2023 R'000	2021/22 R'000
Total grants received	*Annexure 1A*	11 879 807	11 214 060
Provincial Grants included in Total grants received		38 029	33 917

(It should be noted that Conditional grants are included in the amounts per the Total Appropriation in Note 1.1)

2. Departmental Revenue

		2022/2023 R'000	2021/22 R'000
Sales of goods and services other than capital assets	*2.1*	255 760	211 498
Fines, penalties and forfeits	*2.2*	27	22
Interest, dividends and rent on land	*2.3*	377	329
Sales of capital assets	*2.4*	20 909	18 916
Transactions in financial assets and liabilities	*2.5*	20 723	22 535
Total Revenue Collected		297 796	253 300
Departmental revenue collected		297 796	253 300

NOTES TO ANNUAL FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023

			2022/2023 R'000	2021/22 R'000
2.1	Sales of goods and services other than capital assets	2		
	Sales of goods and services produced by the department		254 904	210 789
	Sales by market establishment		10 947	11 216
	Administrative Fees		10 929	10 804
	Other sales		233 028	188 769
	Sales of scrap, waste and other used current goods		856	709
	Total		255 760	211 498
2.2	Fines, penalties and forfeits	2		
	Penalties		27	22
	Total		27	22
2.3	Interest, dividends and rent on land	2		
	Interest		377	329
	Total		377	329
2.4	Sales of capital assets	2		
	Tangible Assets		20 909	18 916
	Machinery and Equipment		20 909	18 916
	Total		20 909	18 916
2.5	Transactions in Financial assets and liabilities	2		
	Receivables		20 723	22 524
	Other receipts including recoverable revenue		-	11
	Total		20 723	22 535

NOTES TO ANNUAL FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023

3. Aid assistance

		2022/2023	2021/22
	Aid Assistance Expenditure per Economic classification	**R'000**	**R'000**
3.1	Current	8 525	-
	Capital	-	-
	Closing balance	8 525	-

USA – Foreign Donor (PEPFAR – refer to Annexure 1 G)

		2022/2023	2021/22
	Donations received in kind (not included in the main note)	**R'000**	**R'000**
3.2	Refer to Annexure 1F various medical supplies and Equipment	197 327	323 826
	Closing balance	197 327	323 826

		2022/2023	2021/22
4.	Compensation of employees	**R'000**	**R'000**
4.1	Salaries and wages		
	Basic Salary	20 017 951	19 514 555
	Performance award	6 239	5 819
	Service Based	29 609	28 549
	Compensative/circumstantial	3 182 165	3 174 766
	Periodic payments	56 966	78 818
	Other non-pensionable allowances	5 583 818	5 492 975
	Total	28 876 748	28 295 482
4.2	Social contributions		
	Employer contributions		
	Pension	2 295 790	2 232 297
	Medical	1 521 292	1 450 270
	UIF	89	113
	Bargaining council	5 160	5 187
	Total	3 822 331	3 687 867
	Total compensation of employees	32 699 079	31 983 349
	Average number of employees	79 506	81 143

NOTES TO ANNUAL FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023

			2022/2023 **R'000**	2021/22 **R'000**
5.	Goods and services			
	Administrative fees		7 667	2 489
	Advertising		47 957	81 692
	Minor Assets	5.1	29 013	35 324
	Bursaries (employees)		9 842	7 109
	Catering		6 404	994
	Communication		185 511	140 498
	Computer services	5.2	135 708	132 949
	Laboratory services		2 558 639	2 845 855
	Legal services		110 339	72 218
	Contractors		275 608	200 129
	Agency and support / outsourced services		1 283 094	1 270 997
	Audit cost - External	5.3	49 900	34 237
	Fleet services		482 949	384 177
	Inventory	5.4	7 376 289	6 919 618
	Consumables	5.5	294 812	325 227
	Operating leases		213 801	313 282
	Property payments	5.6	3 435 572	2 999 033
	Transport provided as part of the departmental activities		25 067	27 677
	Travel and subsistence	5.7	84 592	58 777
	Venues and facilities		237	3 964
	Training and development		9 024	16 598
	Other operating expenditure	5.8	29 843	36 371
	Total		16 651 868	15 909 215

		Note	2022/2023 R'000	2021/22 R'000
5.1	Minor Assets	5		
	Tangible assets		29 013	35 324
	Machinery and equipment		29 013	35 324
	Total		29 013	35 324

		Note	2022/2023 R'000	2021/22 R'000
5.2	Computer services			
	SITA computer services	5	54 967	59 681
	External computer service providers		80 741	73 268
	Total		135 708	132 949

NOTES TO ANNUAL FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023

		Note	2022/2023 R'000	2021/22 R'000
5.3	Audit cost – external	5		
	Regularity audits		21 983	34 237
	Investigation		27 917	-
	Total		49 900	34 237

		Note	2022/2023 R'000	2021/22 R'000
5.4	Inventory	5		
	Food and food supplies		132 884	123 068
	Fuel, oil and gas		244 247	127 115
	Materials and supplies		249 533	236 145
	Medical supplies		2 505 568	2 367 835
	Medicine		4 244 057	4 065 453
	Medsas inventory interface		-	2
	Total		7 376 289	6 919 618

		Note	2022/2023 R'000	2021/22 R'000
5.5	Consumables	5		
	Consumable supplies		193 093	223 627
	Uniform and clothing		150 902	188 478
	Household supplies		11 584	8 324
	Building material and supplies		29 201	25 093
	IT consumables		687	1 194
	Other consumables		719	538
	Stationery, printing and office supplies		101 719	101 600
	Total		294 812	325 227

		Note	2022/2023 R'000	2021/22 R'000
5.6	Property Payment	5		
	Municipal Services		957 245	837 636
	Property maintenance and repairs		551 249	397 683
	Other		1 927 078	1 763 714
	Total		3 435 572	2 999 033

NOTES TO ANNUAL FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023

		Note	2022/2023 R'000	2021/22 R'000
5.7	Travel and subsistence	5		
	Local		83 082	57 823
	Foreign		1 510	954
	Total		84 592	58 777

		Note	2022/2023 R'000	2021/22 R'000
5.8	Other operating expenditure	5		
	Professional bodies, membership and subscription fees		3 564	2 527
	Resettlement costs		4 107	7 991
	Other		22 172	25 853
	Total		29 843	36 371

		2022/2023 R'000	2021/22 R'000
6.	Interest and Rent on Land		
	Interest paid	2 112	1 448
	Total	2 112	1 448

		Note	2022/2023 R'000	2021/22 R'000
7.	Payment for Financial Assets			
	Debts written off	7.1	1 043	658
	Total		1 043	658

		2022/2023 R'000	2021/22 R'000
7.1	Debts written off	7	
	Nature of debts written off		
	Other debt written off		
	Debts written Off	1 043	658
	Total	1 043	658

NOTES TO ANNUAL FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023

		Note	2022/2023 R'000	2021/22 R'000
8.	Transfers and subsidies			
	Provinces and municipalities	Annexure 1B	271 754	257 603
	Departmental agencies and accounts	Annexure 1C	23 455	23 477
	Non-profit institution	Annexure 1D	63 440	57 477
	Households	Annexure 1E	355 459	500 720
	Total		714 108	839 277

		Note	2022/2023 R'000	2021/22 R'000
9.	Expenditure for capital assets			
	Tangible assets		1 459 650	1 896 030
	Buildings and other fixed structures	32	840 608	1 108 040
	Machinery and equipment	31	619 042	787 990
	Intangible assets			
	Software		-	-
	Total		1 459 650	1 896 030

9.1 Analysis of funds utilised to acquire capital assets

	2022/2023		
	Voted Funds R'000	Aid assistance R'000	TOTAL R'000
Tangible assets	1 459 650	-	1 459 650
Buildings and other fixed structures	840 608	-	840 608
Machinery and equipment	619 042	-	619 042
Intangible assets		-	-
Software		-	
Total	1 459 650	-	1 459 650

NOTES TO ANNUAL FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023

9.2 Analysis of funds utilised to acquire capital assets-

	2021/22		
	Voted Funds R'000	Aid assistance R'000	TOTAL R'000
Tangible Assets	1 896 030		1 896 030
Buildings and other fixed structures	1 108 040		1 108 040
Machinery and equipment	787 990		787 990
Total	1 896 030		1 896 030

		2022/2023 **R'000**	2021/22 **R'000**
10.	Cash and cash equivalents		
	Consolidated Paymaster General Account	88 819	19 027
	Cash receipts	230	15 348
	Cash on hand	242	250
	Total	89 291	34 625

		2022/2023 R'000	2021/22 R'000
11.	Prepayments and advances		
	Staff advances	58	-
	Total	58	-

		Note	2022/2023 Current **R'000**	Non-current **R'000**	Total **R'000**	2021/2022 Current **R'000**	Non-current **R'000**	Total **R'000**
12.	Receivable							
	Claims recoverable	*12.1*	3 349		3 349	16 425	-	16 425
	Recoverable Expenditure	*12.2*	4 894	2 744	7 638	6 097	-	6 097
	Staff debt	*12.3*	12 595	11 813	24 408	13 218	9 674	22 892
	Other receivables	*12.4*	2736		2 736	2 736	-	2 736
	Total		23 574	14 557	38 131	38 476	9 674	48 150

NOTES TO ANNUAL FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023

		Note	2022/2023 R'000	2021/22 R'000
12.1	Claims recoverable	12		
	Provincial departments		1 692	4 583
	Foreign Governments		976	-
	Public entities		631	1 331
	Private enterprises		50	10 511
	Total		3 349	16 425

		Note	2022/2023 R'000	2021/22 R'000
12.2	Recoverable Expenditure (disallowance accounts)	12		
	Medsas Clearing account		7	7
	Salary Medical Aid		260	-
	Salary Deduction Disallowance		62	32
	Disallowances Damages and losses Recover :CA		-248 052	-320 888
	Disallowances Damages and losses :CA		248 052	320 888
	Salary Reversal Control		7 309	6 058
	Total		7 638	6 097

		Note	2022/2023 R'000	2021/22 R'000
12.3	Staff debt	12		
	Breach of Contract Employees and Non Employees		2 713	2 732
	Employee Debt Salary overpayment		18 535	17 550
	Fruitless and wasteful		32	27
	Government Accidents		39	30
	Fraud		12	140
	Supplier Debt		633	193
	Bursary Debt		162	55
	Medical Bursary Debt		4	4
	Tax Debt		2 277	2 131
	Losses and Damages Employees		1	30
	Total		24 408	22 892

		Note	2022/2023 R'000	2021/22 R'000
12.4	Other receivables	12		
	Disall. Dishonoured Cheques		18	18
	National Claims Clearing Account		2 718	2 718
	Total		2 736	2 736

NOTES TO ANNUAL FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023

		Note	2022/2023 R'000	2021/22 R'000
12.5	Impairment of receivables	12		
	Estimate of impairment of receivables		4 974	767
	Total		4 974	767

		Note	2022/2023 R'000	2021/22 R'000
13.	Voted funds to be surrendered to the Revenue Fund			
	Opening balance		71 191	210 733
	Prior period error		-	-
	As restated		71 191	210 733
	Transfer from Statement of Financial Performance (as restated)		5 895	-
	Add: Unauthorised expenditure for current year			-
	Voted funds not requested/not received			71 192
	Paid during the year		-71 191	-210 734
	Closing balance		5 895	71 191

		2022/2023 R'000	2021/22 R'000
13.2	Reconciliation of unspent Conditional grants		
	Total Conditional grants received	11 879 807	11 142 868
	Total Conditional grants spent	11 879 807	11 142 868
	Due by the Revenue Fund	-	-

		2022/2023 R'000	2021/22 R'000
14.	Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund		
	Opening balance	10 341	14 602
	Prior period error	-	-
	As restated	10 341	14 602
	Transfer from Statement of Financial Performance (as restated)	297 796	253 300
	Paid during the year	-293 486	-257 561
	Closing balance	14 651	10 341

NOTES TO ANNUAL FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023

			2022/2023 R'000	2021/22 R'000
15.	Bank overdraft			
	Consolidated Paymaster General Account		169 221	64 692
	Total		169 221	64 692

		Note	2022/2023 R'000	2021/22 R'000
16.	Payables - current			
	Clearing accounts	16.1	18 692	33 372
	Total		18 692	33 372

		Note	2022/2023 R'000	2021/22 R'000
16.1	Clearing account	16		
	Sal ACB Recalls		1 927	1 734
	Sal Bargaining Council		49	13
	Sal Garnishee Order		228	226
	Sal Income Tax		4 021	5 875
	Salary Medical Aid / Salary Pension Fund		788	575
	Sal Disallowance Acc /Salary Official Unions / Salary Insurance Deduc		13	20
	Adv: Dom/Prov KZN		2 820	18 227
	Sal Recoverable / Salary Deduction Control		-	-
	Sal Subscriptions and Prof Bodies		27	17
	Sal: GEH Refund Control Account		8 819	6 685
	Total		18 692	33 372

		2022/2023 R'000	2021/22 R'000
17.	Net cash flow available from operating activities		
	Net surplus / (deficit) as per Statement of Financial Performance	303 691	253 300
	Add back non-cash movements/ movements not deemed operating activities:	1 074 228	1 524 280
	(Increase)/decrease in receivables	14 902	44 960
	(Increase)/decrease in prepayments and advances	-58	-
	Increase/(decrease) in payables – current	-14 680	-691
	Proceeds from sale of capital assets	-20 909	-18 916
	Expenditure on capital assets	1 459 650	1 896 030
	Surrenders to Revenue Fund	-364 677	-468 295
	Voted funds not requested/not received	-	71 192
	Net cash flow generated by operating activities	1 377 919	1 777 580

NOTES TO ANNUAL FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023

		2022/2023 R'000	2021/22 R'000
18.	Reconciliation of cash and cash equivalents for cash flow purposes		
	Consolidated Paymaster General Account	-80 402	-45 665
	Cash receipts	230	15 348
	Cash on hand	242	250
	Total	-79 930	-30 067

			Note	2022/2023 **R'000**	2021/22 **R'000**
19.	Contingent liabilities and Contingent Assets				
	Contingent liabilities				
19.1	Liable to	Nature			
	Housing loan guarantees	Employees	*Annex 2A*	115	574
	Claims against the department		*Annex 2B*	7 866 847	14 206 274
	Intergovernmental payables				
			Annex 4	13 382	158 418
	Other			2 649 353	2 649 353
	Total			10 529 697	17 014 619

Contingents for Medical Legal claims were adjusted for the best estimate of the funds required to settle the possible obligation at the reporting date, as required by the Modified Cash Standards

		2022/2023 R'000	2021/22 R'000
19.2	Contingent assets		
	Nature of contingent asset		
	Possible claims in favour of the State		
		19 091	29 665
	Total	19 091	29 665

		2022/2023 R'000	2021/22 R'000
20.	Capital commitments		
	Buildings and other fixed structures	795 713	928 295
	Machinery and Equipment	184 428	765 112
	Total	980 141	1 693 407

NOTES TO ANNUAL FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023

		30 Days R'000	30+ Days R'000	2022/2023 Total R'000	2021/22 Total R'000
21.	Accruals, Payables not recognised				
21.1	Accruals Listed by economic classification				
	Goods and services	523 600	77 669	601 269	468 379
	Capital Assets	6 775	167	6 942	4 208
	Total	530 375	77 836	608 211	472 587

Listed by programme level	2022/2023 R'000	2021/22 R'000
Administration	176 767	192 842
District Health Services	225 820	83 705
Emergency Medical Services	23 349	3 447
Provincial Hospital Services	119 363	110 627
Central Hospital Services	37 309	56 443
Health Service and Training	2 291	8 436
Health Care Support	1 296	237
Health Facilities Management	22 016	16 850
Total	608 211	472 587

		30 Days R'000	30+ Days R'000	Total R'000	Total R'000
21.2	Payables not recognised				
	Listed by economic classification				
	Goods and services	1 003 255	206 278	1 209 533	747 940
	Capital assets	14 609	5 768	20 377	264 518
	Total	1 017 864	212 046	1 229 910	1 012 458

NOTES TO ANNUAL FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023

	2022/2023 R'000	2021/22 R'000
Listed by programme level		
Administration	312 592	112 733
District Health Services	158 927	256 292
Emergency Medical Services	21 987	33 551
Provincial Hospital Services	106 000	165 342
Central Hospital Services	102 559	81 928
Health Services and Training	6 968	7 489
Health Care Support	486 220	108 491
Health Facilities Management	34 657	246 632
Total	1 229 910	1 012 458

		2022/2023 R'000	2021/22 R'000
Included in the above totals are the following:			
Confirmed balances with other departments	*Annex 4*	43 745	98 154
Confirmed balances with other government entities	*Annex 4*	599 460	256 109
Total		643 205	354 263

		2022/2023 R'000	2021/22 R'000
22.	Employee benefit		
	Leave entitlement	1 283 173	1 230 710
	Service Bonus	723 848	698 432
	Capped leave	349 191	390 740
	Other	33 407	36 088
	Total	2 389 619	2 355 970

Long Service awards amounts R30, 033 million included in other

NOTES TO ANNUAL FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023

23. Lease commitments

23.1 Operating leases expenditure

2022/2023	Specialised military assets R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	-	72 681	1 666	74 347
Later than 1 year and not later than 5 years	-	-	74 501	268	74 769
Later than 5 years			20 790	-	20 790
Total lease commitments	-	-	167 972	1 934	169 906

2021/22	Specialised military assets R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	-	64 673	3 142	67 815
Later than 1 year and not later than 5 years	-	-	-	210	210
Total lease commitments	-	-	64 673	3 352	68 025

23.2 Finance leases

2022/2023	Specialised military assets R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	-	-	5 047	5 047
Later than 1 year and not later than 5 yrs.	-	-	-	992	992
Total lease commitments	-	-	-	6 039	6 039

NOTES TO ANNUAL FINANCIAL STATEMENT
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2021/22	Specialised military assets R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	-	-	4 204	4 204
Later than 1 year and not later than 5 years	-	-	-	666	666
Total lease commitments	-	-	-	4 870	4 870

** This note excludes leases relating to public private partnerships as they are separately disclosed to note no. 27.

		2022/2023 R'000	2021/22 R'000
24.	Accrued Departmental Revenue		
	Sales of goods and services other than capital assets	389 153	410 418
	Sale of capital assets		-
	Other	59 209	59 470
	Total	448 362	469 888

		2022/2023 R'000	2021/22 R'000
24.1	Analysis of accrued departmental revenue		
	Opening Balances	469 888	399 265
	Less: Amounts received	90 144	84 486
	Add: Amounts recognised	148 082	207 258
	Less: Amounts written-off/reversed as irrecoverable	79 464	52 149
	Closing balance	448 362	469 888

		2022/2023 R'000	2021/22 R'000
24.2	Accrued Department Revenue written off		
	Nature of losses		
	Write Off	18 687	5 470
	Reduction of Fees based on re-assessment	60 777	46 679
	Total	79 464	52 149

NOTES TO ANNUAL FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023

		2022/2023 R'000	2021/22 R'000
24.3	Impairment of accrued departmental revenue		
	Estimate of impairment of accrued departmental revenue	15 869	20 227
	Total	15 869	20 227

		2022/2023 R'000	2021/22 R'000
25.	Unauthorised, Irregular and Fruitless and Wasteful Expenditure		
25.1	Reconciliation of irregular expenditure		
	Unauthorised Expenditure	-	-
	Irregular Expenditure	2 546 610	2 531 544
	Fruitless and Wasteful Expenditure	870	443
	Closing balance	2 547 480	2 531 987

		2022/2023 R'000	2021/22 R'000
26.	Key management personnel		
	Political office bearers	2 037	1 978
	Officials:		
	EXCO	8 406	8 493
	MANCO	16 541	17 641
	Family members of key management personnel	4 303	5 276
	Total	31 287	33 388

NOTES TO ANNUAL FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023

27. Public Private Partnership

Inkosi Albert Luthuli Central Hospital PPP

The Department has in place a public private partnership agreement with Cowslip Investments (Pty) Ltd and Impilo Consortium for the delivery of non-clinical services to the Inkosi Albert Luthuli Central Hospital. The Department is satisfied that the performance of the PPP partners was adequately monitored in terms of the provisions of the agreement.

The Department has the right to the full use of the assets and the consortium may not pledge the assets as security against any borrowings for the duration of the agreement.

The Impilo Consortium is responsible for the provision of the following goods and services:

- supply of Equipment and IM&T Systems that are State of the Art and replace the Equipment and IM&T Systems so as to ensure that they remain State of the Art;
- supply and replacement of Non-Medical Equipment;
- provision of all Services necessary to manage the Project Assets in accordance with Best Industry Practice;
- maintenance and replacement of the Departmental Assets in terms of the replacement schedules;
- provision or procurement of Utilities and Consumables and Surgical Instruments; and
- Provision of Facilities Management Services.

The agreement was concluded with a view to provide the Department with the opportunity to concentrate on the delivery of clinical services at the highest standards in terms of quality, efficiency, effectiveness and patient focussed care.

The Department is responsible for the employment of all healthcare staff and the administration staff, together with the provision of all consumables used in the provision of the healthcare services.

Impilo Consortium is required at its own cost and risk to provide, deliver, Commission, manage, maintain and repair (as the case may be) Project Assets and Department Assets (or part thereof), including the renewal or replacement of Project Assets and Department Assets at such times and in such manner as to enable it to meet the IM&T Output Specifications and the FM Output Specifications; as to ensure that the Department is, at all times, able to provide Clinical Services that fulfil Hospital's Output Specifications using State of the Art Equipment and IM&T Systems; as would be required having regard to Best Industry Practice; and as required by Law.

NOTES TO ANNUAL FINANCIAL STATEMENT
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The replacement of assets over the period of the contract is based on the Replacement Programme which operates on a rolling basis. To that end, at least 1 (one) month prior to the start of each Contract Year thereafter, Impilo Consortium is required to furnish to the Asset Replacement Committee for approval a revised Replacement Programme.

The assets will only transfer to the Department at the end of the period of the agreement.

The Impilo Consortium has to ensure that, at the end of the Project Term the Project Assets and Department Assets comply with the requirements of the Agreement and are in a state of repair which is sound and operationally safe, fair wear and tear excepted and the items comprising each level of Project Assets specified in the agreement between them have an average remaining useful life not less than one third of the original useful life.

Amendment 2 to the PPP agreement was concluded during December 2005. The main aim thereof was to consolidate various amendments agreed upon since the inception date of the contract and no additional financial implications were incurred as a result of the amendments.

The commencement date of the contract was 4 February 2002, with a final commissioning date for the hospital functions being 31 August 2003. The contract is for a period of 15 years from the commencement date. The Department has the option to renew the agreement only for a further year after 15 years.

The agreement requires the Department to pay a monthly service fee as stipulated in the schedule of payments to cover the monthly operational costs for facilities management, provision of information technology services, maintenance of equipment and the supply of equipment related consumables which the consortium is responsible for. The service fee is adjusted monthly for applicable performance penalties in accordance with the provisions of the penalty regime. The Department is also responsible for the payment of a quarterly fee towards the asset replacement reserve.

Amendment
The PPP agreement contract was extended for expiry in July 2023. The commitment / obligation are as follows:

2023/2024 R 218,442

NOTES TO ANNUAL FINANCIAL STATEMENT
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	2022/2023 R'000	2021/22 R'000
Unitary fee paid	708 658	728 703
Indexed component	708 658	728 703
Analysis of indexed component	708 658	728 703
Goods and Services(excluding lease payments)	708 658	728 703
Capital/(Liabilities)	720 733	693 401
Plant and equipment	720 733	693 401
Other	218 442	982 852
Other obligations	218 442	982 852

		2022/2023 R'000	2021/22 R'000
28.	Provisions		
	Infrastructure	17 548	43 664
	Medical Legal	626 724	691 839
	University of Kwa-Zulu Natal (UKZN)	130 841	0
		775 113	735 503

Provision for Medical Legal claims were adjusted for the best estimate of the funds required to settle the possible obligation at the reporting date, as required by the Modified Cash Standards.

28.1 Reconciliation of movement in provisions - 2022/23

	Infrastructure	Medical Legal	UKZN	Provision 4	Total provisions
	R'000	R'000	R'000	R'000	R'000
Opening balance	43 664	691 840			735 504
Increase in provision	1 240		130 841		132 081
Settlement of provision	-27 356	-65 116			-92 472
Change in provision due to change in estimation of inputs					
Closing balance	17 548	626 724	130 841		775 113

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Reconciliation of movement in provisions - 2021/22

	Infrastructure	Medical Legal	Provision 3	Provision 4	Total provisions
	R'000	R'000	R'000	R'000	R'000
Opening balance	68 664	1 601 083	-	-	1 669 747
Increase in provision	16 578	-12 720	-	-	3 858
Settlement of provision	-41 578	-534 550	-	-	-576 128
Change in provision due to change in estimation of inputs	-	-361 974	-	-	-361 974
Closing balance	43 664	691 839	-	-	735 503

29. Movable Tangible Capital Assets

Movement in movable tangible capital assets per asset register for the year ended 31 March 2023

	Opening balance Cost R'000	Value adjustments Cost R'000	Additions Cost R'000	Disposals Cost R'000	Closing balance Cost R'000
Machinery and Equipment	6 068 112	-	624 424	(138 001)	6 554 535
Transport Assets	1 668 848	-	177 950	(101 910)	1 744 888
Computer equipment	265 579	-	67 632	(3 388)	329 823
Furniture and Office equipment	60 040	-	7 739	(875)	66 904
Other machinery & Equipment	4 073 645	-	371 103	(31 828)	4 412 920
Total movable tangible assets	6 068 112	-	624 424	(138 001)	6 554 535

Movable Tangible Capital Assets under investigation

Included in the above total of the movable tangible capital assets per the asset register are assets that are under investigation:	Number	Value R'000
Machinery and equipment	12 456	375 035

Movement for 2021/22

NOTES TO ANNUAL FINANCIAL STATEMENT
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29.1 Movement In Movable Tangible Capital Assets Per Asset Register For The Year Ended 31 March 2022

	Opening balance Cost R'000	Prior period error Fair Value R'000	Additions Cost R'000	Disposals Cost R'000	Closing balance Cost R'000
Machinery and equipment	4 907 670	560 645	721 370	(121 573)	6 068 112
Transport assets	1 358 411	164 459	241 913	(95 935)	1 668 848
Computer equipment	197 578	17 523	50 478	-	265 579
Furniture and Office equipment	71 235	-19 500	9 398	(1 093)	60 040
Other machinery and equipment	3 280 446	398 163	419 581	(24 545)	4 073 645
Total additional to movable	4 907 670	560 645	721 370	(121 573)	6 068 112

29.1.1 Prior period error

	2022/2023 R'000
AFS Classification - valuation adjustment made across all assets	560 645
Relating to 2021/22	0
	0
Total	560 645

29.2 Minor assets

Movement In Minor Asset Per The Asset Register For The Year Ended 31 March 2023

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	-	-	-	668 520	-	668 520
Additions	-	-	-	23 738	-	23 738
Disposals	-	-	-	(8 316)	-	(8 316)
TOTAL	-	-	-	683 942	-	683 942

NOTES TO ANNUAL FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Number of R1 minor assets						
Number of minor assets at cost	-	-	-	0		0
TOTAL NUMBER OF MINOR ASSETS	-	-	-	0		0

Minor Capital Assets Under Investigation

	Numbers	Values R'000
Included in the above total of the minor capital assets per the asset register are assets that are under investigation:		
Machinery and equipment	48 244	62 178

Minor assets
Movement in minor asset per the asset register for the year ended 31 March 2022

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	-	-	-		575 596	575 596
Prior period error	-	-	-		73 261	73 261
Additions					24 169	24 169
Disposals	-	-	-		(4 506)	(4 506)
TOTAL	-	-	-		668 520	668 520

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Number of R1 minor assets						
Number of minor assets at cost	-	-	-	506 452	-	506 452

NOTES TO ANNUAL FINANCIAL STATEMENT
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	TOTAL NUMBER OF MINOR ASSETS	-	-	- 506 452	-	506 452

29.2.1 Prior period error

	2021/22 R'000
Nature of prior period error	
Relating to 2020/21 (affecting the opening balance)	73 261
	73 261
Total	73 261

30. Immovable Tangible Capital Assets

Movement In Immovable Tangible Capital Assets Per Asset Register For The Year Ended 31 March 2023

	Opening balance	Value adjustments	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
Buildings And Other Fixed Structures	6 980 138	-	415 915	-	7 396 053
Non-residential buildings	6 008 162	-	148 866	-	6 157 028
Other fixed structures	971 976	-	267049	-	1 239 025
TOTAL	6 980 138	-	415 915	-	7 396 053

30.1 Movement for 2021/22

Movement In Immovable Tangible Capital Assets Per Asset Register For The Year Ended 31 March 2022

	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
Buildings And Other Fixed Structures	2 471 214	-	4 508 924		6 980 138
Non-residential buildings	1 884 808	-	4 123 354		6 008 162
Other fixed structures	586 406	-	385 570		971 976
TOTAL	2 471 214	-	4 508 924		6 980 138

NOTES TO ANNUAL FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023

30.2 CAPITAL WORK-IN-PROGRESS

Capital Work-In-Progress As At 31 March 2023

		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
Buildings and other fixed structures	*Annex 6*	1 354 302	577 338	(415 915)	1 515 725
Total		1 354 302	577 338	(415 915)	1 515 725

Payables not recognised relating to Capital work in progress

	2022/2023 R'000	2021/22 R'000
Accruals and Payables not recognised	44 860	-
Total	44 860	-

Capital Work-In-Progress As At 31 March 2022

		Opening Balance	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
Buildings and other fixed structures	*Annex 6*	4 785 627		1 077 599	(4 508 924)	1 354 302
Total		4 785 627		1 077 599	(4 508 924)	1 354 302

NOTES TO ANNUAL FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023

31. Prior period errors
Other: (e.g. Irregular expenditure, fruitless and wasteful expenditure, etc.)

	Note	2021/22 Amount before error correction **R'000**	Prior period error **R'000**	Restated amount **R'000**
Irregular Expenditure	*25*	2 623 985	-92 441	2 531 544
Minor Assets	*29.2.1*	595 259	73 261	668 520
Movement in Tangible Asset Note value adjustment of note	*29.1.1*	5 507 447	560 645	6 068 092
Total		8 726 691	541 465	9 268 156

		Note	2022/2023 R'000	2021/22 R'000
32.	COVID 19 Response Expenditure	*Annex 7*		
	Compensation of employees		2 220 093	2 540 792
	Goods and services		208 284	951 839
	Transfers and subsidies		2 394	2 677
	Expenditure for capital assets		30 728	231 900
	Other		-	8
	Total		2 461 499	3 727 216
	Disaster Response Expenditure			
	Goods and services		10 640	-
	Buildings and other Fixed Structures		5 814	-
	Total		16 454	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023

ANNEXURE 1 A

STATEMENT OF CONDITIONAL GRANTS RECEIVED

NAME OF GRANT	GRANT ALLOCATION					SPENT				2021/22	
	Division of Revenue Act/Provincial Grants	Roll Over	DORA Adjustment	Other Adjustment	Total Available	Amount received by department	Amount spent by department	Under / (overspending)	% of available funds spent by dept.	Division of Revenue Act	Amount spent by department
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
National Tertiary Services Grant	2 045 854				2 045 854	2 045 854	2 045 854		100%	1 955 628	1 955 628
Districts Programme Grant	7 547 069				7 547 069	7 547 069	7 547 069		100%	7 263 697	7 263 697
Health Facility Revitalisation Grant	1 389 913				1 389 913	1 389 913	1 389 913		100%	1 247 730	1 247 730
Human Resource & Training	754 850				754 850	754 850	754 850		100%	591 481	591 481
Social Sector EPWP Incentive Grant for Provinces	26 293				26 293	26 293	26 293		100%	21 228	21 228
EPW Integrated Grant to Provinces	11 736				11 736	11 736	11 736		100%	12 689	12 689
National Health Insurance	84 726			19 366	104 092	104 092	104 092		100%	50 415	50 415
	11 860 441			19 366	11 879 807	11 879 807	11 879 807	-		11 142 868	11 142 868

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023

ANNEXURE 1 B

STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS TO MUNICIPALITIES

	2022/2023							2021/22	
	GRANT ALLOCATION				TRANSFER				
NAME OF MUNICIPALITY	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	DoRA and other Transfers	Actual Transfer
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	
eThekwini : Conditional Grant	141 715			141 715	141 715	-	-	135 224	135 224
eThekwini : Equitable Share	122 368			122 368	121 947	-	-	109 619	114 079
PD Vehicle Licences	7 737			7 737	8 092	-	-	7 452	8 300
TOTAL	281 820			271 820	271 754	-	-	252 295	257 603

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT
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ANNEXURE 1C

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENT/AGENCY/ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2021/22	
	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**
Skills Development Levy	23 248			23 248	23 248	100%	23 248	23 248
Com: SABC TV Licences	241			241	206	85%	232	229
Rounding					1			
TOTAL	23 489	-	-	23 489	23 455		23 480	23 477

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT
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ANNEXURE 1D

STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2021/22	
	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
Transfers	-	-	-	-	-	-		-
	-	-	-	-	-			-
Subsidies								
Austerville Halfway House	764			764	764	100%	656	546
Azalea House	705			705	705	100%	604	503
The Bekimpilo Trust	5 662			5 662	5 662	100%	7 662	7 662
Budget Control Holding Funds	-			-	-	0%	348	-
Claremont Day Care Centre	468			468	468	100%	468	468
CREATE	524			524	524	100%	500	500
DPSA-Comm Based Rehab Project	1 126			1 126	1 126	100%	1 074	1 074
DPSA - Wheelchair repair &maint	1 034			1 034	1 034	100%	987	987
Duduza Care Centre	614			614	614	100%	737	597
Ekukhanyeni Clinic	1 242			1 242	1 242	100%	1 186	1 297
Enkumane Clinic	329			329	329	100%	314	314
Estcourt Hospice	638			638	638	100%	609	609
Ethembeni Stepdown Centre	5 590			5 590	5 590	100%	5 334	5 687
Genesis care Centre	-			-	-	-	447	273
Happy Hour Amaoti	764			764	764	100%	655	546

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT
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STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS - CONTINUE

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2021/22	
	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
Happy Hour Durban North	637			637	637	100%	546	455
Happy Hour Kwaximba	546			546	546	100%	468	390
Happy Hour Mpumalanga	83			83	83	100%	499	416
Happy Hour Ninikhona	354			354	354	100%	164	272
Happy Hour Nyangwini	-			-	-	-	101	135
Happy Hour Phoenix	364			364	364	100%	312	260
Highway Hospice	860			860	860	100%	821	821
Hillcrest Aids Centre Trust	838			838	838	100%	800	800
Hlanganani Ngothando DCC	441			441	441	100%	421	421
Howick Hospice	706			706	706	100%	674	674
Holy Cross Hospice	800			800	800	100%	800	800
Ikhwezi Cripple Care	1 911			1 911	1 911	100%	1 823	1 823
Ikhayalethu Health and Edu Centre	524			524	524	100%	500	500
Indulu Youkuphephela Skills Training	630			630	630	100%	478	478
John Peattie House	2 450			2 450	2 450	100%	1 750	1 750
Jona Vaughn Centre	4 779			4 779	4 779	100%	3 063	2 553
KZN Blind and Deaf Society	1 001			1 001	1 001	100%	955	955
Kwahilda Ongcwele	150			150	150	100%	150	150
Lynn House	1 404			1 404	1 404	100%	1 647	1 088
Ladysmith Hospice	525			525	525	100%	500	500
Madeline Manor	1 234			1 234	1 234	100%	1 058	882
Magaye School for the Blind	626			626	626	100%	597	597

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT
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STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS - CONTINUE

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2021/22	
	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
Matikwe Oblate Clinic	585			585	585	100%	558	558
Mountain View Special Hospital	3 989			3 989	3 989	100%	3 989	3 989
Mpilonhle	695			695	695	100%	-	-
Othandweni Cerebral Palsy Org	409			409	409	100%	277	277
Philanjolo Hospice	2 958			2 958	2 958	100%	2 822	3 075
Power of God	1 377			1 377	1 377	100%	1 314	1 314
Rainbow Haven	633			633	633	100%	604	604
Ramakrishhna Umzamo Home	729			729	729	100%	729	729
Scadifa Centre	2 041			2 041	2 041	100%	1 458	1 458
South Coast Hospice	2 276			2 276	2 276	100%	2 028	2 028
Solid Found for Rural development	745			745	745	100%	745	745

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT
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NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2021/22	
	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
Matikwe Oblate Clinic	585			585	585	100%	558	558
Mountain View Special Hospital	3 989			3 989	3 989	100%	3 989	3 989
Mpilonhle	695			695	695	100%	-	-
Othandweni Cerebral Palsy Org	409			409	409	100%	277	277
Philanjolo Hospice	2 958			2 958	2 958	100%	2 822	3 075
Power of God	1 377			1 377	1 377	100%	1 314	1 314
Rainbow Haven	633			633	633	100%	604	604
Ramakrishhna Umzamo Home	729			729	729	100%	729	729
Scadifa Centre	2 041			2 041	2 041	100%	1 458	1 458
South Coast Hospice	2 276			2 276	2 276	100%	2 028	2 028
Solid Found for Rural development	745			745	745	100%	745	745
	63 440	-	-	63 440	63 440		59 205	57 477
Total	63 440	-	-	63 440	63 440		59 205	57 477

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023

ANNEXURE 1E

STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2021/22	
	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
Transfers								
Employee Social Benefits - Injury on Duty	9 168			9 168	2 023	22%	11	902
Employee Social Benefits - Leave Gratuity	145 727			145 727	115 362	79%	142 890	140 152
Bursaries : Non -Employee	104 701			104 701	32 680	31%	135 515	66 015
Claims Against the State	123 844			123 844	205 393	166%	119 325	293 589
Pmt / Refunds % Remi - Act / Grace	-			-			-	63
Rounding	-			-	1	-	-	(1)
Total	383 440	-	-	383 440	355 459		397 741	500 720

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023

ANNEXURE 1F

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2022/23 R'000	2021/22 R'000
Received in cash			
Prior year balance		-	-
Subtotal		-	-
Received in kind			
Prior year balance			323 826
Medicines Sans Frontiers	Donation of Levofloxacin and Clafazimmine tablets	14	-
AIDS Foundation South Africa	Donation of PREP drugs	463	-
Microsoft SA (Pty) Ltd	Donation of Microsoft	533	-
The Church of Latter Day Saints in SA	Donation of 900 wheelchairs, 1600 mobility aids and 5 day basic course	5 500	-
National Department of Health	Donation of IT Equipment	4 397	-
USAID/South Africa	Sponsorship for Dr AMET Tshabalala to attend workshop	6	-
Broadreach Health Care	Donation of HIV test kits	1 101	-
National Department of Health	Donation of Mebendazole tablets	8 600	-
Pierre Faabre SA (Pty) Ltd	Sponsorship for Dr F Omar to attend conference	19	-
Ortho-Xact (Pty) Ltd	Sponsorship for Dr WW Qwanyaza to attend meeting	15	-
Ortho-Xact (Pty) Ltd	Sponsorship for Dr NS Narain to attend meeting	15	-
Ortho-Xact (Pty) Ltd	Sponsorship for Dr N Niewoudt to attend meeting	15	-
Ortho-Xact (Pty) Ltd	Sponsorship for Dr PH Mare to attend meeting	15	-
Volunteer Medical Corps (VMC)	Donation of 50 blankets	8	-
MGSM Solutions	Donation of various items towards the memorial service of Mr Dlamini	14	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2023

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED – CONTINUE

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2022/23 R'000	2021/22 R'000
Crowd Funding	Donation of Nivolumab stock for patient Akshay Maharaj	140	-
Novartis South Africa (Pty) Ltd	Sponsorship for Dr S Parasnath to attend conference	10	-
Novartis South Africa (Pty) Ltd	Sponsorship for Dr F Rahman to attend conference	10	-
Janssen Pharmaceutical (Pty) Ltd	Sponsorship for Dr KJ Chinnian to attend congress	56	-
Becton Dickinson (Pty) Ltd	Sponsorship for catering towards the PICC Workshop	18	-
Shree Sathya Sai Centre (Over port)	Donation of 50 goodie bags	4	-
UKZN College of Health Sciences	Donation of Laminar Flow LS2	857	-
Ortho-Xact (Pty) Ltd	Sponsorship for Dr JP Arnold to attend meeting	15	-
Sanlam Life Insurance Limited	Donation of gift packs for the International Nurses Day	11	-
Sanlam Life Insurance Limited	Donation of gift packs for the International Nurses Day	9	-
Promed Technologies	Donation of HGT devices and HBAC1 devices	13	-
Babuyile Community Development NPC	Donation of mobile clinic with nurses and food supply for 2 months	360	-
World Health Organization	Donation of Oxera masks	1 505	-
Respiratory Care Africa (Pty) Ltd	Sponsorship for 2 officials to attend conference	64	-
Abbvie (Pty) Ltd	Sponsorship for Ms P Zama to attend conference	38	-
Smith & Nephew (Pty) Ltd	Donation of Care bags	8	-
Smith & Nephew (Pty) Ltd	Sponsorship for 3 doctors to attend course	71	-
Smith & Nephew (Pty) Ltd	Sponsorship for Dr TW Yende to attend Symposium	13	-
SAME Foundation	Donation of 10x code keypad access control	149	-
Renee Robin	Donation of a back brace	100	-
Rotary Club Kloof	Donation of a TV	2	-
DKMS Foundation	Sponsorship for SR D Naidoo to attend conference	10	-
DKMS Foundation	Sponsorship for Dr Dewa to attend conference	10	-
Becton Dickinson (Pty) Ltd	Sponsorship for Dr Maharaj to attend training	30	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED – CONTINUE

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2022/23 R'000	2021/22 R'000
DKMS Foundation	Donation of a transplant cost for patient Juliet Ximba	115	-
Adonai Evangelical Fire Ministries	Donation of various kitchen items	3	-
Reparatory Care Africa	Donation of Airvo 2 devices	67	-
Ekhamanzi Spings (Pty) Ltd	Donation of 200 bottles of aQuelle	1	-
National Department of Health	Sponsorship for 3 officials to attend workshop	24	-
ArjoHuntleigh SA (Pty) Ltd	Sponsorship for catering towards the IPC workshop	1	-
O&M Halyard SA (Pty) Ltd	Sponsorship for refreshments towards the IPC workshop	1	-
Promed Technology	Sponsorship for refreshments towards the IPC workshop	8	-
Old Mutual (Pty) Ltd	Donation of photo frames, plaque and lamps	11	-
Medpro Pharmaceutica (Pty) Ltd	Sponsorship towards the disaster management workshop	77	-
Right To Care	Sponsorship towards the disaster management workshop	12	-
The Center for Infectious Diseases & Nursing Inovation	Donation of two computers	24	-
Dr Mark Harrison	Donation of infinity Phaco machine	40	-
Nuvasive Spine Foundation	Sponsorship for Dr A Puddu to attend Spine surgery	56	-
Smith and Nephew (Pty) Ltd	Sponsorship for Dr TW Yende to attend course	4	-
Gideons International South Africa	Donation of 1000 bibles	25	-
Doctors Without Borders SA Mission NPC	Donation of PPE & furniture	48	-
SAME Foundation	Donation of 4 medical vaccination fridges	200	-
Investec Private Banking	Donation of various furniture	230	-
Neovantis (PTY) Ltd	Donation of a freezer	3	-
Mrs E Roux	Donation of money voucher	1	-
Obsidian Health (Pty) Ltd	Sponsorship for Dr R Perumal to attend workshop	28	-
Global Virus Network	Sponsorship for Dr Perumal to attend conference	60	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2023

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED – CONTINUE

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2022/23 R'000	2021/22 R'000
Association for Medical Education in Europe (AMEE)	Sponsorship for Dr TT Naidu to attend AMEE 2022 Conference	61	-
University of KwaZulu-Natal (College of Health Science)	Sponsorship for Mrs SI Hlongwana to attend conference	66	-
University of KwaZulu-Natal (UKZN)	Sponsorship for Mr B Gcaba to attend conference	1	-
The Church of Jesus Christ of Latter- Day Saints	Donation of water tanks, booster pump & ancillary piping	14	-
Sasol (Pty) Ltd	Donation of 2 mobile clinic vehicles	1 462	-
Ipas South Africa	Donation of 6 jojo tanks & basic equipment for manual vacuum aspiration procedure	562	-
Ortho-Xact (Pty) Ltd	Sponsorship for Dr L Niewoudt to attend meeting	362	-
Global Health Group and Community Engagement (UKZN)	Sponsorship for Dr S Hlophe to attend meeting	19	-
Batho Kopanang Distributers (Pty) Ltd	Donation of an Otolight	2	-
African Eye Institute Trust	Donation of a spectacle display cabinet	3	-
Gift of the Givers Foundation	Donation of water 5L x 20 pallets	74	-
Childhood Cancer Foundation	Donation of 8 lazy boy chairs	48	-
Slik X (Pty) Ltd	Donation of 100 sets of gloves, socks, towels and hat	22	-
HisHands HisFeet HisHeart	Donation of 20 grocery hampers	5	-
South African Researve Bank (Pty) Ltd	Donation of various furniture	6	-
Durul Ihsan Humanitarian Centre	Donation of various items	4	-
KwaCare NPC	Donation of 40 comfort bags	7	-
Johnson & Johnson Medical Devices Companies	Sponsorship for Dr Z Umar to attend meeting	13	-
National Department of Health	Donation of cold chain system	17 792	-
National Department of Health	Donation of 1 361 328 packs Denofovir/Lamivudine/Dolutegravir	77 989	-
UNICEF South Africa	Donation towards quarterly meeting	250	-
Ipas South Africa	Sponsorship towards training for 40 officials	470	-
Clinton Health Access Initiative SA (CHAI)	Donation of 5 Gynocular colposcope devices, 16 LLETZ consumables and posters	275	-
TB HIV Investigative Network (THINK)	Donation for catering for the meeting	8	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2023

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED – CONTINUE

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2022/23 R'000	2021/22 R'000
St Jude Children's Research Hospital	Sponsorship for Dr K Coopasamy to attend Symposium	78	-
HEAL Foundation	Donation of 55 winter baby beanies	1	-
Umoya Org (Pty) Ltd	Donation of Maternalwell trays	10	-
Boikanyo the Dion Herson Foundation (Pty) Ltd	Donation of buggies devices	45	-
South32 Hillside Aluminium	Donation of various medical equipment	2 944	-
HWSETA (Pty) Ltd	Sponsorship for Ms N Makholwa to attend conference	9	-
Ms Z Mbhense	Donation of bath soaps	1	-
Thomas More College (Pty) Ltd	Donation of pot plants	1	-
DKMS (Pty) Ltd	Donation of funding for the transplant for patient Mr M Hans	268	-
Crowd funding	Donation of Nivolumab stock for patient Akshay Maharaj	140	-
St Jude Children's Research Hospital	Sponsorship for Dr K Reddy to attend conference	54	-
South African Bone Marrow Registry (Pty) Ltd	Donation for funding of transplant for patient Mr B Nhlengethwa	268	-
Face to Face (Pty) Ltd	Sponsorship for Dr E Hoosen to attend congress	18	-
Cambro Manufacturing (Pty) Ltd	Donation of cambro dinnerware, storage container and jugs	77	-
Gift of the Givers Foundation	Donation of 10 pallets of 2 Litres of water	47	-
Buhle Waste (Pty) Ltd	Donation of water 25x 5 Litres	1	-
Alstom (Pty) Ltd	Donation of water 4556x 5Litres	96	-
Pick'N Pay(Pty) Ltd	Donation of comforter sets and patients clothing	25	-
USAID	Donation of towards registration of conference	5	-
Rachel Swat Fund	Sponsorship for wheelchair training	200	-
University of Cape Town	Donation of 6 636 Afrispacers	572	-
IMPALA	Sponsorship for Dr ST Hlophe to attend training	42	-
Johnson & Johnson Medical (Pty) Ltd	Sponsorship for Dr TW Yende to attend course	15	-
Gift of the Givers Foundation	Donation of installation of a borehole	500	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED – CONTINUE

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2022/23 R'000	2021/22 R'000
Impilo Consortium (RF) (Proprietary) Limited	sponsorship for signage for the remembrance garden	4	-
Sanlam Connect	Donation of 520 T Shirts	6	-
Bristol Myers Squibb Foundation	Donation for renovation towards a ward	6 760	-
Pundit Prem Roolplal	Donation of 32 pillows	1	-
Darul Ihsan Humanitarian Centre	Donation of various grocery items	6	-
South African Reserve Bank	Donation of 6 electronic tables	36	-
Bristol Myers Squibb Foundation	Donation for renovations	6 760	-
HWSETA	Sponsorship for Dr DS Breedts to attend conference	8	-
LTM Energy	Donation of providing energy efficiency solution and clean power	1 000	-
National Department of Health	Donation of beds	2 989	-
National Department of Health	Donation of beds	5 421	-
National Department of Health	Donation of TB Medicines	19 735	-
Ipas South Africa	Sponsorship towards the training	188	-
World Health Orgarnisation (WHO)	Sponsorship for Dr M Phalanndwa to attend workshop	8	-
St Jude Childrens Research Hospital	Sponsorship for Dr K Coopasamy to attend convening	61	-
Haemophilia Academy	Sponsorship for Dr A Carr to attend training course	122	-
Fidssa (Pty) Ltd	Sponsorship for Dr F Naby to attend congress	11	-
Light A Spark NGO	Donation of various knitted items	1	-
Smile Foundation	Donation of renovations to the Paediatric Ward	150	-
Batho Kopanong Distributors (Pty) Ltd	Donation of a Samsung 23 Inch Led Monotor	6	-
Movement Disorder Society-Africa Section (MDS-AS)	Sponsorship for Dr Amod to attend meeting	102	-
Icon Oncology Holdings (Pty) Ltd	Donation of Radiation treatment services for 6 Radiatio	881	-
Icebolethu Group	Donation of 50 sets of small blankets	11	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2023

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED – CONTINUE

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2022/23 R'000	2021/22 R'000
Darul Ihsan Humanitarian Centre	Donation of 200 snack packs	1	-
Siemens Healthineers (Pty) Ltd	Donation of various furniture and IT Equipment	74	-
Abela Africa Medical	Donation of Vein View Vision 2	243	-
Unilever South Africa (Pty) Ltd	Donation of 15000 bar soaps and 15000 hand sanitizers	136	-
Child Health Priorities Association	Sponsorship for 6 officials to attend conference	30	-
United Nations Population Fund (UNFPA)	Donation of a park home to Margate Clinic	120	-
UNICEF South Africa	Sponsorship for the launch of KZN Operational Plan for ECD	63	-
National Department of Health	Sponsorship for Ms R Davidge to attend writing retreat	4	-
National Health Research Committee	Sponsorship for Dr McKerrow to attend summit	8	-
National Department of Health	Sponsorship for 3 officials to attend meeting	25	-
TB&HIV Investigative Network (THINK)	Sponsorship for catering for meeting	7	-
TB&HIV Investigative Network (THINK)	Donation of cough booths	11	-
St Andrews Hospital Board	Donation of 2 three piece lounge	28	-
Steps Charity NPC	Sponsorship for Dr PH Mare to attend conference	19	-
Medtronic Africa (Pty) Ltd	Sponsorship for 2 officials to attend training	11	-
Augustine Medical SA (Pty) Ltd	Sponsorship for doctors to attend training	15	-
Ms Slungile Zuma's family	Gift voucher	2	-
Vertex SA	Donation towards the Womens Forum	3	-
Pick n Pay	Donation of food and self-care hampers for children	4	-
Keen about Youth Centre	Donation of food and self-care hampers for children	1	-
Stanger Kid Mart Organisation	Donation of food and self-care hampers for children	6	-
Mac Donalds Seeds	Donation of food and self-care hampers for children	2	-
Staff menbers	Donation of food and self-care hampers for children	40	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2023

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED – CONTINUE

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2022/23 R'000	2021/22 R'000
Johnson & Johnson Medical Devices Companies	Sponsorship for Dr PG Mthethwa to attend course	16	-
Dr JP Singh	Donation of Vidaza for patient Fatima Bibi Mahida	18	-
Private family finding	Donation of ponatinib for patient FB Mahida	17	-
Takeda (Pty) Ltd	Honorarium fro Dr Zeenat Moorad	13	-
Avbob Mutual Assurance Society	Donation of 51 trophies	10	-
HWSETA	Sponsorship for Dr DS Breedt to attend conference	8	-
Life Healthcare Group	Donation of consumables	1 300	-
The School for International Training SA	Donation towards the commemoration of World AIDS Day	5	-
Accurate Therapeutic Advancement	In-service training of Community Services Therapists	1	-
S&P Medical Solution	In-service training of Community Services Therapists	5	-
Batho Kopanang Distibutors (Pty) Ltd	In-service training of Community Services Therapists	7	-
South African Society of Physiotherapy	In-service training of Community Services Therapists	15	-
Southern ENT (Pty) Ltd	In-service training of Community Services Therapists	21	-
Succession Financial Planning (Pty) Ltd	In-service training of Community Services Therapists	1	-
Rehab Tronics	In-service training of Community Services Therapists	2	-
National Department of Health	Donation of glucometers, strips and HBA1c devices	2 598	-
Abela Africa Medical	Donation of vein viewer vision2 device	50	-
Investec Bank Limited	Renovation and refurbishment of doctors training room	136	-
SA Biomedical (Pty) Ltd	Sponsorship for Dr A Mungherera to attend congress	10	-
B Braun Medical (Pty) Ltd	126 Remune peach oral nutritional supplement	7	-
Augustine Medical SA (Pty) Ltd	Sponsorship for Dr MK Bizaare to attend training	22	-
SA Biomedical (Pty) Ltd	Sponsorship for 2 doctors to attend congress	18	-
Dr F Rahman	Donation of Christmas Hampers	2	-
European Society for Medical Oncology	Sponsorship for Dr S Bhadree to attend summit	12	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2023

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED – CONTINUE

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2022/23 R'000	2021/22 R'000
University Of KwaZulu-Natal (UKZN)	Sponsorship for 3 officials to attend Symposium 2023	51	-
University Of KwaZulu-Natal (UKZN)	Donation of vinyl flooring	77	-
Lundbeck South Africa (Pty) Ltd	Donation of paint	13	-
Zeta Laboratories	Donation of 2500x 5L sanitisers	288	-
G&G Chartered Accountants	Donation of toys to ward P5	5	-
Zimmer Biomet SA (Pty) Ltd	Sponsorship for Dr CI Mercure to attend course	8	-
Zimmer Biomet SA (Pty) Ltd	Sponsorship for Dr Z Umar to attend meeting	6	-
Old Mutual	Donation - bottled water, 20 shopper hand and 20 cups	4	-
United Nations Population Fund (UNFPA)	Sponsorship for official to attend meeting	35	-
O&M Halyard (Pty) Ltd	Sponsorship for refreshments	2	-
Clinton Health Access Initiative (CHAI)	Donation of reading glasses and lenses	138	-
National Department of Health	Donation of glucometers and strips	750	-
National Department of Health	Donation of HBA1C device and test kits	3 332	-
TB&HIV Investigative Network (THINK)	Sponsorship towards the TAG meeting	30	-
National Department of Health	Sponsorship for officials to attend training	27	-
PHSDS Bargaining Council	Sponsorship for Dr MD Shabangu to attend conference	54	-
Wits Reproductive Health and HIV Institute	Sponsorship for two officials to attend workshop	13	-
Rare Diseases South Africa	Sponsorship for Dr McKerrow to attend workshop	15	-
Johnson & Johnson Medical (Pty) Ltd	Sponsorship for Dr L Lande to attend course	17	-
Doctors Without Borders SA Mission NPC	Donation of Oxygen Concentrators and their accessories	329	-
Carte Blanche Making a Difference Trust	Donation for Phase 2 Paediatric Burns Unit Project	10 000	-
DKMS Foundation	Donation of 30 care packages	4	-
DKMS Foundation	Refurbishment of the Teen Pad in Ward A4 West	100	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2023

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED – CONTINUE

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2022/23 R'000	2021/22 R'000
			-
KZN Department of Sport, Arts and Culture	Donation of 15 computers	193	-
Digi Data (Pty) Ltd	Size 15x Dell monitor and 15x PC's with mouse & keyboard	19	-
UKZN College of Health Science	Donation of various furniture	2	-
Refraline Group of Companies	Donation of repairs and replacements of air-conditioner	26	-
The Methodist Church of SA	Donation of 185 comfort packs	27	-
Africa Resource Centre	Sponsorship for Mrs Njapha to attend Global Indaba	37	-
Health Systems Trust	Sponsorship towards Departmental Strategic Planning	137	-
National Department of Health	Donation of 6150 measles vaccines	931	-
OPIQ Project (UCSF)	Donation of IT Equipment	89	-
Clinton Health Access Initiative (CHAI)	Donation of LLETZ Consumables and posters	67	-
Discovery Foundation	Acceptance of academic award to Dr B Hadebe	800	-
Macleods Pharmaceuticals SA (Pty) Ltd	Sponsorship for Dr F Amod to attend congress	18	-
Columbia University Medical Centre	Sponsorship for Dr R Perumal to attend conference	50	-
Novartis Africa (Pty) Ltd	Acceptance of honorarium for Dr S Parasnath	13	-
Ortho-Xact (Pty) Ltd	Sponsorship for Dr J Arnold to attend meeting	16	-
Creighton Sunflower Health & Education	Hand knitted baby blankets and jackets with hats	1	-
		197 327	323 826
TOTAL		197 327	323 826

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023

ANNEXURE 1G
STATEMENT OF AID ASSISTANCE

Name of Donor	PURPOSE	Opening balance 1 April 2022	REVENUE	EXPENDITURE	PAID BACK ON/BY 31ST MARCH	Closing balance
		R'000	R'000	R'000	R'000	R'000
PEPFAR USA GOVERNMENT	HIV/ TB		8 525	8 525	-	-
			8 525	8 525	-	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023

ANNEXURE 2A
STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2023 - LOCAL

GUARANTOR INSTITUTION	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2022	Guarantees drawdowns during the year	Guaranteed repayments/ cancelled/ reduced during the year	Revaluation due to foreign currency movements	Closing balance 31 March 2023	Revaluations due to inflation rate movements	Accrued guaranteed interest for year ended 31 March 2023
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
ABSA	Housing	12 692	-	-	-	-	-	-	-
BOE Bank Ltd	Housing	46	-	-	-	-	-	-	-
FirstRand Bank Ltd	Housing	14 264	345	-	-302	-	43	-	-
Green Start Home Loans	Housing	45	6	-	-6	-	-	-	-
ITHALA Limited	Housing	1 973	-	-	-	-	-	-	-
Nedbank Ltd (and NBS)	Housing	3 269	72	-	-	-	72	-	-
Old Mutual Bank	Housing	12 898	52	-	-52	-	-	-	-
Peoples Bank Ltd	Housing	446	71	-	-71	-	-	-	-
SA Home Loans	Housing	51	-	-	-	-	-	-	-
Standard Bank	Housing	7 092	12	-	-12	-	-	-	-
Unique Finance	Housing	102	16	-	-16	-	-	-	-
		52 878	574	-	-459	-	115	-	-
TOTAL		52 878	574	-	-459	-	115	-	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023

ANNEXURE 2B

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2023

Nature of liability	Opening balance 1 April 2022	Liabilities incurred during the year	Liabilities paid/ 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					
Medico Legal	13 180 222	1 349 732	7 187 764	-	7 342 190
Civil Claims	1 013 493	87 119	5 91 273	-	509 339
Transport Claims	9 856	1 310	5 666	-	5 500
Labour Claims	2 703	7 243	128	-	9 818
Subtotal	14 206 274	1 445 404	7 784 831	-	7 866 847
Other					
McCord's Hospital (Medical Legal Malpractice Claims)	75 000	-	-	-	75 000
National Health Laboratory Service	2 574 353	-	-	-	2 574 353
Subtotal	2 649 353	-	-	-	2 649 353
TOTAL	16 855 627	1 445 404	7 784 831	-	10 516 200

Contingents for Medical Legal claims were adjusted for the best estimate of the funds required to settle the possible obligation at the reporting date, as required by the Modified Cash Standards.

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2023

ANNEXURE 3

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	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
DEPARTMENTS								
Department of Education KZN		-		93	-	93	-	-
Corporate Governance and Traditional Affairs	1 200	2 271		-	1 200	2 271	-	-
Office of the Premier KZN	109	104		-	109	104	-	-
Provincial Treasury	35	33		-	35	33	-	-
Department of Transport KZN		3		-	-	3	-	-
Department of Public Works KZN		-	12	12	12	12	-	-
Social Development		-		7	-	7	-	-
Sports & Recreation	319	275		-	319	275	-	-
Department of Correctional Services		-		92	-	92	-	-
North West - Health		64		-	-	64	-	-
Gauteng - Health		318		600	-	918	-	-
Easterm Cape - Health		321	18	112	18	433	-	-
Mpumalanga - Health		103		200	-	303	-	-
Western Cape - Health		-		20	-	20	-	-
National Department of Health	9 605	-	-	26 941	9 605	26 941	-	-
Free State Health		52		114	-	166	-	-
TOTAL	11 268	3 544	30	28 191	11 298	31 735		-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023

CLAIMS RECOVERABLE - CONTINUE

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2023	31/03/2022	31/03/2023	31/03/2022	31/03/2023	31/03/2022
	R'000	R'000	R'000	R'000	R'000	R'000
OTHER GOVERNMENT ENTITIES						
University of KwaZulu-Natal (UKZN)		-	7 357	4 723	7 357	4 723
SITA	631	1 331		-	631	1 331
Ithala Limited	548	5 078		-	548	5 078
Other Entity : Payment returned		10 500		-	-	10 500
Senzile Food and Catering		11	50	-	50	11
Centres for Disease Control (USA funding)	976				976	
Subtotal	2 155	16 920	7 407	4 723	9 562	21 643
Total	13 423	20 464	7 437	32 914	20 860	53 378

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023

ANNEXURE 4
INTER-GOVERNMENT 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	31/03/2023	31/03/2022	Payment date up to six (6) working days before year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
DEPARTMENTS								
Current								
Department of Health & Social Development Limpopo		61		-	-	61	-	-
Department of Health: Eastern Cape		149		-	-	149	-	-
Department of Art & Culture KwaZulu-Natal		4		-	-	4	-	-
Department of Justice and Constitutional Development	3 691	-		-	3 691	-	-	-
Department of Transport: KwaZulu-Natal	20 567	53 281	13 143	26 394	33 710	79 675	-	-
Departments of Public Works: KwaZulu-Natal	6 341	42 520		7 349	6 341	49 869	-	-
Department of Health: Gauteng		333		-	-	333	-	-
Department of Health: Northern Cape		287		-	-	287	-	-
Department of Health: Free State		126		-	-	126	-	-
Department of Health: North West		145		-	-	145	-	-
KwaZulu Natal Provincial Treasury		925		-	-	925	-	-
Department of Health Western Cape		265		-	-	265	-	-
Department of Correctional Services		58		-	-	58	-	-
National Department of Health	13 146	-		-	13 146	-	-	-
Subtotal	43 745	98 154	13 143	33 743	56 888	131 897		-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023

INTER-GOVERNMENT PAYABLES - CONTINUE

GOVERNMENT ENTITY			Unconfirmed balance outstanding		Total		Cash in transit at year end 2022/23*	
	31/03/2023	31/03/2022	31/03/202	31/03/2022	31/03/2023	31/03/2022	Payment date up to six (6) working days before year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
CURRENT								
University of Kwa-Zulu Natal	-	-	-	124 675	-	124 675		-
National Health Laboratory Services	549 794	215 952	-	-	549 794	215 952		-
South African National Blood Services	37 399	29 877	-	-	37 399	29 877		-
Auditor General - South Africa	2 887	2 743	-	-	2887	2 743		-
SITA	9 380	7 537	239	-	9 619	7 537		-
Subtotal	599 460	256 109	239	124 675	599 699	380 784		-
TOTAL INTERGOVERNMENTAL PAYABLES	643 205	354 263	13 382	158 418	656 587	512 681		-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023

ANNEXURE 5

INVENTORY

INVENTORIES FOR THE YEAR ENDED 31 MARCH 2023	Note	Medicines	Surgical Supplies	Insert major category of inventory	Insert major category of inventory	TOTAL
		R'000	R'000	R'000	R'000	R'000
Opening balance		808 988	712 152	-	-	1 521 140
Add: Additions/Purchases - Cash		4 244 057	3 132 232	-	-	7 376 289
(Less): Issues		(4 290 560)	(3 176 227)	-	-	(7 466 787)
Closing balance		762 485	668 157			1 430 642

End Users	38 992
Clinics	100 310

Notes:
1. End Users comprises of the Wards and NSI Sections.
2. Inventory Management Principles, Techniques and Processes are being implemented on a phase in approach on Clinics and End Users

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023

ANNEXURE 5

INVENTORY - CONTINUE

INVENTORIES FOR THE YEAR ENDED 31 MARCH 2022	Note	Medicines	Surgical Supplies	Insert major category of inventory	Insert major category of inventory	TOTAL
		R'000	R'000	R'000	R'000	R'000
Opening balance		898 131	674 820	-	-	1 572 951
Add: Additions/Purchases - Cash		4 630 981	2 288 637	-	-	6 919 618
(Less): Issues		(4 720 124)	(2 251 305)	-	-	(6 971 429)
Closing balance		808 988	712 152	-	-	1 521 140

End Users	38 351
Clinics	111 612

Notes:
1. End Users comprises of the Wards and NSI Sections.
2. Inventory Management Principles, Techniques and Processes are being implemented on a phase in approach on Clinics and End Users

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023

ANNEXURE 6

MOVEMENT IN CAPITAL WORK-IN-PROGRESS

MOVEMENT IN CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2023

	Opening balance	Current Year Capital WIP	Ready for use (Asset register) / Contract terminated	Closing balance
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	1 354 302	577 338	(415 915)	1 515 725
Non-residential buildings	1 090 723	391 436	(148 866)	1 333 293
Other fixed structures	263 579	185 902	(267 049)	182 432
TOTAL	1 354 302	577 338	(415 915)	1 515 725

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023

ANNEXURE 6 - CONTINUE

MOVEMENT IN CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2022

	Opening balance	Prior period errors	Current Year Capital WIP	Ready for use (Asset register) / Contract terminated	Closing balance
	R'000	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	4 785 627		1 077 599	(4 508 924)	1 354 302
Non-residential buildings	4 474 648		747 251	(4 131 176)	1 090 723
Other fixed structures	310 979		330 348	(377 748)	263 579
TOTAL	4 785 627		1 077 599	(4 508 924)	1 354 302

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2023

ANNEXURE 7
COVID 19 RESPONSE EXPENDITURE

Per quarter and in total

Expenditure per economic classification	APRIL 2022 R'000	MAY 2022 R'000	JUN 2022 R'000	Subtotal 2022 R'000	JUL 2022 R'000	AUG 2022 R'000	SEPT 2022 R'000	Subtotal 2022 R'000	OCT 2022 R'000	NOV 2022 R'000	DEC 2022 R'000	Subtotal Q3 R'000	JAN 2023 R'000	FEB 2023 R'000	MAR 2023 R'000	Subtotal Q4 R'000	2022/2 TOTAL R'000	2021/22 TOTAL R'000
Compensation of employees	205 562	218 640	215 953	640 155	209 219	202 425	188 560	600 204	168 561	215 972	178 907	563 440	171 302	116 296	128 696	416 294	2 220 093	2 540 792
Goods services	9 021	31 868	64 967	105 856	27 569	9 002	6 349	42 920	29 021	4 177	12 901	46 099	5 731	2 870	4 808	13 409	208 284	951 839
ADMINISTRATIVE FEES: PAYMENTS	-	-	-	-	6	-	-	6	-	-	-	-	1	1	-	2	8	
ADVERTISING	3 795	347	1 201		1 123	5 673	613		1 859	-	783		-	-	-	-	-	46 340
AGENCY&SUPRT/OUTSOURCED SERVICES	608	492	177	1 277	717	119	611	1 447	258	223	146	627	129	232	191	552	3 903	18 254
CATERING:DEPARTML ACTIVITIES	-	1	-	1	-	-	-	-	-	-	-	-	-	-	-	-	1	12
COMMUNICATION	21	4 136	23	4 180	1 729	20	21	1 770	22	19	44	85	1 793	43	45	1 881	7 916	6 275
CONS SUPPLIES	118	17 586	118	17 822	31	(108)	209	132	(18)	4	5	(9)	5	44	-	49	17 994	20 580
CONS:STA,PRINT&OFF SUP	1	22	453	476	26	39	16	81	57	15	49	121	5	38	9	52	730	1 920
CONSULT:BUSINESS&ADVISORY SERV	1	1 495	1	1 497	-	2	-	2	1	-	-	1	-	-	-	-	1 500	1 583
CONTRACTORS	20	14	7	41	6	5	7	18	6	21	-	27	5	-	9	14	100	-
FLEET SERVICES(F/SER)	16	24	45	85	61	31	-	92	135	15	-	150	28	-	28	56	383	439
INV: MEDICINE	45	61	140	246	66	126	239	431	90	34	27	151	59	35	89	183	1 011	6 074
INV:CHEM,FUEL,OIL,GAS,WOOD&COAL	266	292	-	558	330	-	369	699	-	48	358	406	375	347	86	808	2 471	
INV:CLOTH MAT&ACCESSORIES	390	-	-	390	22	-	365	387	38	-	-	38	27	-	-	27	842	23 112
INV:FOOD & FOOD SUPPLIES	84	476	438	998	343	145	873	1 361	147	807	615	1 569	235	457	287	979	4 907	2 651
INV:MATERIALS & SUPPLIES	74	45	1	120	20	1	2	23	10	-	-	10	3	15	-	18	171	4 094
INV:MEDICAL SUPPLIES	2 106	3 011	1 066	6 183	2 462	870	620	3 952	615	561	510	1 686	486	797	513	1 796	13 617	158 264
INV:OTHER SUPPLIES	176	402	203	781	75	138	89	302	187	189	148	524	10	84	102	196	1 803	20 903
LABORATORY SERVICES	-	-	59 266	59 266	18 064	-	-	18 064	23 814	-	8 734	32 548	-	-	-	-	109 878	431 500

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2023

ANNEXURE 7 - CONTINUE

ANNEXURE: 7 COVID 19 RESPONSE EXPENDITURE

Expenditure per economic classification	APRIL 2022 R'000	MAY 2022 R'000	JUN 2022 R'000	Subtotal 2022 R'000	JUL 2022 R'000	AUG 2022 R'000	SEPT 2022 R'000	Subtotal 2022 R'000	OCT 2022 R'000	NOV 2022 R'000	DEC 2022 R'000	Subtotal Q3 R'000	JAN 2023 R'000	FEB 2023 R'000	MAR 2023 R'000	Subtotal Q4 R'000	2022/23 TOTAL R'000	2021/22 TOTAL R'000	
MINOR ASSETS	9	24	6	39	17	4	-	21	-	5	71	76	-	-	-	-	136	3 611	
OPERATING LEASES	64	39	25	128	311	-	24	335	-	167	342	509	1	122	26	149	1 121	113 159	
OPERATING PAYMENTS	-	-	7	7	-	-	-	-	-	-	-	-	5	-	-	5	12		
PROPERTY PAYMENTS	1 211	3 371	1 710	6 292	1 827	1 930	2 271	6 028	1 778	2 052	1 062	4 892	2 540	655	3 416	6 611	23 823	89 906	
RENTAL & HIRING	4	4	33	41	4	-	-	4	-	-	-	-	-	-	-	-	45		
TRANSPORT PROVIDED DEPT ACTIVITY	2	-	-	2	-	-	-	-	-	-	-	-	-	-	-	-	2	34	
TRAVEL AND SUBSISTENCE	10	26	47	83	92	7	20	119	22	17	7	46	24	-	7	31	279	3 128	
VENUES AND FACILITIES	-	-	-	-	237	-	-	237	-	-	-	-	-	-	-	-	237		
Transfers and subsidies	49	104	203	356	493	293	213	999	139	34	82	255	196	464	124	784	2 394	2 677	-
H/H:EMPLOYEE SOCIAL BENEFITS	49	104	203	356	493	293	213	999	139	34	82	255	196	464	124	784	2 394	2 649	
NPI:OTH NON PROFIT INSTITUTIONS				-				-				-				-	-	15	
TRNS&SUB:DEPART AGENCIES				-				-				-				-	-	13	
Transfers and subsidies	49	104	203	356	493	293	213	999	139	34	82	255	196	464	124	784	2 394	2 677	26 702
Expenditure for capital assets	113	695	3 114	3 922	33	-	20 389	20 422	-	338	123	461	-	5 928	(5)	5 923	30 728	231 900	
BUILDING&OTHER FIXED STRUCTURE		55	3 102	3 157			20 806	20 806		344	123	467		5 928		5 928	30 358	152 622	26 694
MACHINERY AND EQUIPMENT	113	640	12	765	33		(417)	(384)		(6)		(6)			(5)	(5)	370	54 579	8
TRANSPORT EQUIPMENT				-				-				-				-	-	24 699	
Expenditure for capital assets	113	695	3 114	3 922	33	-	20 389	20 422	-	338	123	461	-	5 928	(5)	5 923	30 728	231 900	
Other expenditure not listed above	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8	-
INTEREST RENT ON LAND				-				-				-				-	-	8	
TOTAL COVID 19 RESPONSE EXPENDITURE	214 745	251 307	284 237	750 289	237 314	211 720	215 511	664 545	197 721	220 521	192 013	610 255	177 229	125 558	133 623	436 410	2 461 499	3 727 216	26 885