

Appropriation per Economic Classification	2005/06						2004/05		
	Adjusted Appropriation (R'000)	Shifting of Funds (R'000)	Virement (R'000)	Final Appropriation (R'000)	Actual Expenditure (R'000)	Variance (R'000)	Expenditure as % of final appropriation %	Final Appropriation (R'000)	Actual Expenditure (R'000)
Current payments									
Compensation to employees	209,119	-	50	209,169	209,138	31	100.0%	190,830	190,808
Goods and services	505,587	-	-55,426	450,161	358,309	91,852	79.6%	517,037	412,539
Financial transactions in assets and liabilities	-	-	-	-	778	-778	0.0%	-	92
Transfers & subsidies									
Provinces & municipalities	8,853,090	-	-	8,853,090	8,853,087	3	100.0%	7,655,272	7,405,658
Departmental agencies & accounts	233,055	-	16,800	249,855	249,854	1	100.0%	257,904	253,651
Universities & technikons	-	-	4,000	4,000	4,000	-	100.0%	-	-
Foreign governments & international organisations	1,000	-	-	1,000	1,000	-	100.0%	-	-
Non-profit institutions	54,701	-	-	54,701	53,722	979	98.2	45,136	43,749
Households	58,731	-	34,392	93,123	91,064	2,059	97.8%	113,788	54,348
Payment for capital assets									
Buildings & other fixed structures	5,581	-	612	6,193	6,193	-	100.0	9,600	7,719
Machinery & equipment	24,870	-	-2,611	22,259	13,770	8,489	61.9%	19,050	18,525
Software & other intangible assets	7,127	-	2,183	9,310	9,140	170	98.2%	9,783	150
Total	9,952,861	-	-	9,952,861	9,850,055	102,806	99.0%	8,818,400	8,387,239

Detail per programme 1 - Administration
for the year ended 31 March 2006

Programme per subprogramme	2005/06							2004/05	
	Adjusted Appropriation (R'000)	Shifting of Funds (R'000)	Virement (R'000)	Final Appropriation (R'000)	Actual Expenditure (R'000)	Variance (R'000)	Expenditure as % of final appropriation %	Final Appropriation (R'000)	Actual Expenditure (R'000)
1.1 Minister									
Current payment	843	-	-	843	837	6	99.3%	791	791
1.2 Deputy Minister									
Current payment	685	-	-	685	680	5	99.3%	643	603
1.3 Management									
Current payment	15,755	-	-	15,755	12,547	3,208	79.6%	12,767	10,144
Transfers and subsidies	44	-	-19	25	25	-	100.0%	-	33
Payment for capital assets	744	1,179	-	1,923	1,877	46	97.6%	154	248
1.4 Corporate Services									
Current payment	105,643	-	-43	105,600	103,560	2,040	98.1%	93,053	93,142
Transfers and subsidies	372	-	227	599	566	33	94.5%	178	469
Payment for capital assets	11,561	-1,179	96	10,478	8,737	1,741	83.4%	14,588	10,551
Total	135,647	-	261	135,908	128,829	7,079	94.8%	122,174	115,981

Economic classification	2005/06						2004/05		
	Adjusted Appropriation (R'000)	Shifting of Funds (R'000)	Virement (R'000)	Final Appropriation (R'000)	Actual Expenditure (R'000)	Variance (R'000)	Expenditure as % of final appropriation %	Final Appropriation (R'000)	Actual Expenditure (R'000)
Current payments									
Compensation to employees	60,099	-	256	60,355	60,355	-	100.0%	55,294	53,613
Goods and services	62,827	-	-299	62,528	57,223	5,305	91.5%	51,960	50,984
Financial transactions in assets and liabilities	-	-	-	-	46	-46	0.0%	-	83
Transfers & subsidies									
Provinces & municipalities	181	-	5	186	187	-1	100.5%	178	167
Departmental agencies & accounts	210	-	-	210	209	1	99.5%	-	207
Households	25	-	203	228	195	33	85.5%	-	128
Payments for capital assets									
Buildings & other fixed structures	5,581	-	612	6,193	6,193	-	100.0%	9,600	7,719
Machinery & equipment	3,226	-	1,430	4,656	2,914	1,742	62.6%	1,483	3,042
Software & other intangible assets	3,498	-	-1,946	1,552	1,507	45	97.1%	3,659	38
Total	135,647	-	261	135,908	128,829	7,079	94.8%	122,174	115,981

Detail per programme 2 - Strategic Health Programmes
for the year ended 31 March 2006

Programme per subprogramme	2005/06							2004/05	
	Adjusted Appropriation (R'000)	Shifting of Funds (R'000)	Virement (R'000)	Final Appropriation (R'000)	Actual Expenditure (R'000)	Variance (R'000)	Expenditure as % of final appropriation %	Final Appropriation (R'000)	Actual Expenditure (R'000)
2.1 Maternal, Child and Women's Health & Nutrition									
Current payment	24,269	-	-623	23,646	19,295	4,351	81.6%	22,546	19,329
Transfers and subsidies	123,855	-	619	124,474	124,301	173	99.9%	120,087	109,441
Payment for capital assets	293	-	-22	271	263	8	97.0%	251	649
2.2 Medicine Regulatory Affairs									
Current payment	20,973	-	10,313	31,286	32,217	-931	103.0%	23,478	30,908
Transfers and subsidies	21	-	110	131	132	-1	100.8%	13	102
Payment for capital assets	-	-	541	541	410	131	75.8%	-	569
2.3 HIV and AIDS									
Current payment	307,088	-	-37,055	270,033	226,825	43,208	84.0%	339,992	270,611
Transfers and subsidies	1,256,958	-	22,001	1,278,959	1,276,802	2,157	99.8%	881,301	840,952
Payment for capital assets	2,256	-	5,930	8,186	8,175	11	99.9%	5,575	1,970

Programme per subprogramme	2005/06							2004/05	
	Adjusted Appropriation (R'000)	Shifting of Funds (R'000)	Virement (R'000)	Final Appropriation (R'000)	Actual Expenditure (R'000)	Variance (R'000)	Expenditure as % of final appropriation %	Final Appropriation (R'000)	Actual Expenditure (R'000)
2.4 Pharmaceutical Policy & Planning									
Current payment	29,058	-	696	29,754	20,941	8,813	70.4%	28,817	21,301
Transfers and subsidies	26	-	229	255	254	1	99.6%	27	116
Payment for capital assets	552	-	88	640	267	373	41.7%	404	632
2.5 Communicable Diseases									
Current payment	37,336	-	-4,448	32,888	31,186	1,702	94.8%	30,854	25,895
Transfers and subsidies	7,999	-	116	8,115	8,095	20	99.8%	14,028	9,142
Payment for capital assets	1,884	-	-927	957	415	542	43.4%	1,237	343
Total	1,812,568	-	-2,432	1,810,136	1,749,578	60,558	96.7%	1,468,610	1,331,960

Economic classification	2005/06							2004/05	
	Adjusted Appropriation (R'000)	Shifting of Funds (R'000)	Virement (R'000)	Final Appropriation (R'000)	Actual Expenditure (R'000)	Variance (R'000)	Expenditure as % of final appropriation %	Final Appropriation (R'000)	Actual Expenditure (R'000)
Current payments									
Compensation to employees	70,973	-	11,069	82,042	82,024	18	100.0%	74,923	75,233
Goods and services	347,751	-	-42,186	305,565	248,320	57,245	81.3%	370,764	292,808
Financial transactions in assets and liabilities	-	-	-	-	120	-120	0.0%	-	3
Transfers & subsidies									
Provinces & municipalities	1,273,724	-	27	1,273,751	1,273,751	-	100.0%	893,968	842,166
Departmental agencies & accounts	5,000	-	-	5,000	5,000	-	100.0%	14,000	29,036
Universities & technikons	-	-	4,000	4,000	4,000	-	100.0%	-	-
Foreign governments & international organisations	1,000	-	-	1,000	1,000	-	100.0%	-	-
Non-profit institutions	53,135	-	-	53,135	52,793	342	99.4%	43,750	42,980
Households	56,000	-	19,048	75,048	73,040	2,008	97.3%	63,738	45,571
Payment for capital assets									
Machinery & equipment	2,920	-	184	3,104	2,134	970	68.8%	4,500	4,163
Software & other intangible assets	2,065	-	5,426	7,491	7,396	95	98.7%	2,967	-
Total	1,812,568	-	-2,432	1,810,136	1,749,578	60,558	96.7%	1,468,610	1,331,960

Detail per programme 3 - Health Service Delivery
for the year ended 31 March 2006

Programme per subprogramme	2005/06							2004/05	
	Adjusted Appropriation (R'000)	Shifting of Funds (R'000)	Virement (R'000)	Final Appropriation (R'000)	Actual Expenditure (R'000)	Variance (R'000)	Expenditure as % of final appropriation %	Final Appropriation (R'000)	Actual Expenditure (R'000)
3.1 Non-Communicable Diseases									
Current payment	39,623	-	-5,417	34,206	33,454	752	97.8%	49,834	48,225
Transfers and subsidies	155,018	-	35	155,053	154,858	195	99.9%	121,526	54,053
Payment for capital assets	15,844	-	-3,504	12,340	6,911	5,429	56.0%	13,394	9,090
3.2 Hospital Services									
Current payment	13,596	-	-2,767	10,829	8,407	2,422	77.6%	8,361	6,547
Transfers and subsidies	7,485,374	-	14	7,485,388	7,485,387	1	100.0%	6,760,839	6,563,158
Payment for capital assets	617	-	-398	219	173	46	79.0%	311	870
3.3 Health Economics									
Current payment	10,508	-	-5,143	5,365	5,290	75	98.6%	6,715	5,027
Transfers and subsidies	3,017	-	1,813	4,830	4,828	2	100.0%	2,841	2,810
Payment for capital assets	422	-	-292	130	107	23	82.3%	93	57
3.4 Health Information, Research & Evaluation									
Current payment	19,136	-1,268	-3,434	14,434	12,970	1,464	89.9%	15,423	13,366
Transfers and subsidies	166,902	-	30,014	196,916	196,914	2	100.0%	170,328	176,630

Programme per subprogramme	2005/06							2004/05	
	Adjusted Appropriation (R'000)	Shifting of Funds (R'000)	Virement (R'000)	Final Appropriation (R'000)	Actual Expenditure (R'000)	Variance (R'000)	Expenditure as % of final appropriation %	Final Appropriation (R'000)	Actual Expenditure (R'000)
Payment for capital assets	1,176	-	-20	1,156	949	207	82.1%	1,000	474
3.5 PHC, District Health & Development									
Current payment	20,015	460	-3,518	16,957	17,126	-169	101.0%	16,085	11,448
Transfers and subsidies	912	-	20	932	475	457	51.0%	766	296
Payment for capital assets	476	-	-263	213	196	17	92.0%	296	315
3.6 Office of Standards & Compliance									
Current payment	13,577	808	-3,200	11,185	11,184	1	100.0%	12,947	9,036
Transfers and subsidies	30	-	-	30	30	-	100.0%	28	29
Payment for capital assets	868	-	-456	412	365	47	88.6%	393	304
Total	7,947,111	-	3,484	7,950,595	7,939,624	10,971	99.9%	7,181,180	6,901,735

Economic classification	2005/06							2004/05		
	Adjusted Appropriation (R'000)	Shifting of Funds (R'000)	Virement (R'000)	Final Appropriation (R'000)	Actual Expenditure (R'000)	Variance (R'000)	Expenditure as % of final appropriation %	Final Appropriation (R'000)	Actual Expenditure (R'000)	Actual Expenditure (R'000)
Current payments										
Compensation to employees	64,511	-	-14,550	49,961	49,953	8	100.0%	46,161	46,966	46,966
Goods and services	51,944	-	-8,929	43,015	37,867	5,148	88.0%	63,204	46,678	46,678
Financial transactions in assets and liabilities	-	-	-	-	611	-611	0.0%	-	5	5
Transfers & subsidies										
Provinces & municipalities	7,579,136	-	-33	7,579,103	7,579,100	3	100.0%	6,760,988	6,563,284	6,563,284
Departmental agencies & accounts	227,845	-	16,800	244,645	244,645	-	100.0%	243,904	224,408	224,408
Non-profit institutions	1,566	-	-	1,566	929	637	59.3%	1,386	769	769
Households	2,706	-	15,129	17,835	17,818	17	99.9%	50,050	8,515	8,515
Payment for capital assets										
Machinery & equipment	18,042	-	-3,839	14,203	8,464	5,739	59.6%	12,330	10,998	10,998
Software & other intangible assets	1,361	-	-1,094	267	237	30	88.8%	3,157	112	112
Total	7,947,111	-	3,484	7,950,595	7,939,624	10,971	99.9%	7,181,180	6,901,735	6,901,735

Detail per programme 4 - Human Resources
for the year ended 31 March 2006

Programme per subprogramme	2005/06							2004/05	
	Adjusted Appropriation (R'000)	Shifting of Funds (R'000)	Virement (R'000)	Final Appropriation (R'000)	Actual Expenditure (R'000)	Variance (R'000)	Expenditure as % of final appropriation %	Final Appropriation (R'000)	Actual Expenditure (R'000)
4.1 Human Resources									
Current payment	9,291	733	-	10,024	9,968	56	99.4%	7,022	7,774
Transfers and subsidies	17	-	6	23	23	-	100.0%	12	29
Payment for capital assets	92	-	10	102	102	-	100.0%	294	139
4.2 Bargaining Council & Employee Relations									
Current payment	6,521	-733	-3	5,785	3,048	2,737	52.7%	4,228	2,779
Transfers and subsidies	11	-	-2	9	8	1	88.9%	11	11
Payment for capital assets	452	-	-411	41	41	-	100.0%	207	82
4.3 International Health Liaison									
Current payment	40,789	-	-734	40,055	18,690	21,365	46.7%	34,311	26,513
Transfers and subsidies	21	-	9	30	29	1	96.7%	115	135
Payment for capital assets	341	-	-188	153	115	38	75.2%	236	101
Total	57,535	-	-1,313	56,222	32,024	24,198	57.0%	46,436	37,563

Economic classification	2005/06						2004/05		
	Adjusted Appropriation (R'000)	Shifting of Funds (R'000)	Virement (R'000)	Final Appropriation (R'000)	Actual Expenditure (R'000)	Variance (R'000)	Expenditure as % of final appropriation %	Final Appropriation (R'000)	Actual Expenditure (R'000)
Current payments									
Compensation to employees	13,536	-	3,275	16,811	16,806	5	100.0%	14,452	14,996
Goods and services	43,065	-	-4,012	39,053	14,899	24,154	38.2%	31,109	22,069
Financial transactions in assets and liabilities	-	-	-	-	1	-1	0.0%	-	1
Transfers & subsidies Provinces & municipalities	49	-	1	50	49	1	98.0%	138	41
Households	-	-	12	12	11	1	91.7%	-	134
Payment for capital assets									
Machinery & equipment	682	-	-386	296	258	38	87.2%	737	322
Software & other intangible assets	203	-	-203	-	-	-	0.0%	-	-
Total	57,535	-	-1,313	56,222	32,024	24,198	57.0%	46,436	37,563

National Department of Health - Vote 16

Notes to the Appropriation Statement for the year ended 31 March 2006

1. Detail of transfers and subsidies as per Appropriation Act (after Virement):

Detail of these transactions can be viewed in note 7 (Transfers and subsidies) and Annexure 1 (A-L) to the annual financial statements.

2. Detail of specifically and exclusively appropriated amounts voted (after Virement):

Detail of these transactions can be viewed in note 1 (Annual Appropriation) to the annual financial statements.

3. Detail on financial transactions in assets and liabilities

Detail of these transactions per programme can be viewed in note 6 (Details of special functions (theft and losses)) to the annual financial statements.

4. Explanations of material variances from Amounts Voted (after virement):**4.1 Per programme:**

<i>Programme name</i>	Final Appropriation R	Actual Expenditure R	Variance R	Variance as a % of Final Approp. %
Administration	135,908,000.00	128,829,000.00	7,079,000.00	94.79%

Underspending on capital equipment and projects not finalized by year end.

<i>Programme name</i>				
Strategic Health Programmes	1,810,136,000.00	1,749,578,000.00	60,558,000.00	96.65%

The favourable exchange rate resulted in a saving on expenditure for foreign payments and imported commodities. The Health Technology project for the regional hospitals' essential equipment registers commenced in the 2005/06 financial year and will only be finalized and paid for in the 2006/07 financial year.

<i>Programme name</i>				
Health Service Delivery	7,950,595,000.00	7,939,624,000.00	10,971,000.00	99.86%

The procurement processes to purchase specialized laboratory equipment started in 2005/06 financial year, but as a result of equipment not being readily available, delivery and the subsequent payment of the equipment will only be made in the 2006/07 financial year.

<i>Programme name</i>				
Human Resources	56,222,000.00	32,024,000.00	24,198,000.00	56.96%

Long turnaround time for claims through the Foreign Affairs Account for expenditure incurred during official foreign visits resulted in an underspending.

4.2 Per economic classification:

	R'000
Current expenditure	
Compensation of employees	31
Goods and services	91.852
Financial transactions in assets and liabilities	-778
Transfers and subsidies	
Provinces and municipalities	3
Departmental agencies and accounts	1
Non-profit institutions	979
Households	2,059
Payments for capital assets	
Machinery and equipment	8,489
Software and other intangible assets	170

Current payments:

Goods and services

- The project for the regional hospitals' essential health technology equipment started in the 2005/06 financial year, but will only be finalized and paid for in the 2006/07 financial year.
- Savings on the funds earmarked for condoms as a result of a lower purchase price.
- The favourable exchange rate resulted in a saving of funds allocated for foreign payments and imported commodities.
- Delays in receiving claims from abroad for expenditure incurred during official foreign visits contributed to the underspending.
- HIV and AIDS and TB national caring for care framework tender was awarded in December 2005, and will be finalized and paid for in the 2006/07 financial year.

Transfers and subsidies:

Households

- Funds allocated for transfers did not flow as anticipated due to the late submission of the documentation as required by the Public Finance Management Act.

Payments on Capital Assets:

Software

- The procurement processes to purchase specialized laboratory equipment started in 2005/06 financial year, but as a result of equipment not being readily available, delivery and the subsequent payment of the equipment will only be made in the 2006/07 financial year.

National Department of Health - Vote 16

Statement of Financial Performance for the year ended 31 March 2006

	Notes	2005/06 R'000	2004/05 R'000
REVENUE			
Annual appropriation	1	9,952,861	8,818,400
Appropriation for unauthorised expenditure approved		-	10,468
Departmental revenue	2	59,924	18,114
Local and foreign aid assistance	3	105,634	111,772
TOTAL REVENUE		10,118,419	8,958,754
EXPENDITURE			
Current expenditure			
Compensation of employees	4	209,138	190,808
Goods and services	5	358,309	412,539
Financial transactions in assets and liabilities	6	778	92
Local and foreign aid assistance	3	50,599	128,003
Unauthorised expenditure approved	9	-	10,468
Total current expenditure		618,824	741,910
Transfers and subsidies	7	9,252,727	7,757,406
Expenditure for capital assets			
Buildings and other fixed structures	8	6,193	7,719
Machinery and Equipment	8	13,770	18,525
Software and other intangible assets	8	9,140	150
Local and foreign aid assistance	3	187	4,901
Total expenditure for capital assets		29,290	31,295
TOTAL EXPENDITURE		9,900,841	8,530,611
NET SURPLUS/ (DEFICIT)		217,578	428,143
Add back fruitless and wasteful expenditure	10	-	63
NET SURPLUS/(DEFICIT) FOR THE YEAR		217,578	428,206
Reconciliation of Net Surplus/(Deficit) for the year			
Voted Funds	14	102,806	431,224
Departmental revenue	15	59,924	18,114
Local and foreign aid assistance	3	54,848	-21,132
NET SURPLUS/(DEFICIT) FOR THE YEAR		217,578	428,206

National Department of Health - Vote 16

Statement of Financial Position as at 31 March 2006

	Notes	2005/06 R'000	2004/05 R'000
ASSETS			
Current assets		178,694	291,475
Fruitless and wasteful expenditure	10	25	29
Cash and cash equivalents	11	168,474	267,423
Prepayments and advances	12	3,676	12,010
Receivables	13	6,519	7,081
Local and foreign aid assistance receivable	3	-	4,932
TOTAL ASSETS		178,694	291,475
LIABILITIES			
Current liabilities		173,509	290,743
Voted funds to be surrendered to the Revenue Fund	14	102,806	278,492
Departmental revenue to be surrendered to the Revenue Fund	15	1,012	80
Payables	16	5,993	3,321
Local and foreign aid assistance unutilised	3	63,698	8,850
Non-current liabilities			
Payables	17	4,718	229
TOTAL LIABILITIES		178,227	290,972
NET ASSETS		467	503
Represented by:			
Recoverable revenue		467	503
TOTAL		467	503

National Department of Health - Vote 16

Statement of Changes in Net Assets for the year ended 31 March 2006

	Note	2005/06 R'000	2004/05 R'000
Recoverable revenue			
Opening balance		503	456
Transfers		-36	47
Debts written off	6.3	-	17
Debts recovered (included in departmental receipts)		-1,234	-514
Debts raised		1,198	544
Closing balance		467	503
TOTAL		467	503

National Department of Health - Vote 16

Cash Flow Statement for the year ended 31 March 2006

	Notes	2005/06 R'000	2004/05 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		10,118,419	8,801,090
Annual appropriated funds received	1.1	9,952,861	8,665,668
Appropriation for unauthorised expenditure received	9	-	10,468
Departmental revenue received		59,924	18,114
Local and foreign aid assistance received	3	105,634	106,840
Net (increase)/decrease in working capital		16,504	5,374
Surrendered to Revenue Fund		-337,484	-156,180
Current payments		-618,824	-741,414
Transfers and subsidies paid		-9,252,727	-7,757,406
Net cash flow available from operating activities	18	-74,112	151,464
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets		-29,290	-31,295
Net cash flows from investing activities		-29,290	-31,295
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease in net assets		-36	
Increase/(decrease) in loans received		4,489	47
Net cash flows from financing activities		4,453	47
Net increase/(decrease) in cash and cash equivalents		-98,949	120,216
Cash and cash equivalents at beginning of period		267,423	147,207
Cash and cash equivalents at end of period	19	168,474	267,423

National Department of Health - Vote 16

Notes to the Annual Financial Statements for the year ended 31 March 2006

1. Annual Appropriation

1.1 Annual Appropriation

Included are funds appropriated in terms of the Appropriation Act for National Departments (Voted Funds)

Programmes	Final	Actual Funds	Funds not	Appropriation
	Appropriation	Received	requested/ not received	Received
	R'000	R'000	R'000	2004/05 R'000
Administration	135,908	135,908	-	122,174
Strategic Health Programmes	1,810,136	1,810,136	-	1,396,531
Health Service Delivery	7,950,595	7,950,595	-	7,100,527
Human Resources	56,222	56,222	-	46,436
Total	9,952,861	9,952,861	-	8,665,668
		Notes	2005/06	2004/05
			R'000	R'000
2. Departmental revenue to be surrendered to revenue fund				
Description				
Sales of goods and services other than capital assets		2.1	58,356	11,502
Interest, dividends and rent on land		2.2	98	115
Financial transactions in assets and liabilities		2.3	1,470	6,495
Transfers received		2.4	-	2
Total			59,924	18,114
2.1 Sales of goods and services other than capital assets				
Sales of goods and services produced by the department			58,351	11,491
Other sales			58,351	11,491
Sales of scrap, waste and other used current goods			5	11
Total			58,356	11,502
2.2 Interest, dividends and rent on land				
Interest			98	115
Total			98	115
2.3 Financial transactions in assets and liabilities				
Nature of loss recovered				
Other receipts including recoverable revenue			1,470	6,495
Total			1,470	6,495
2.4 Transfers received				
Public Corporations and Private enterprises			-	2
Total			-	2

National Department of Health - Vote 16

Notes to the Annual Financial Statements for the year ended 31 March 2006

	2005/06 R'000	2004/05 R'000
3. Local and foreign aid assistance		
3.1 Assistance received in cash: Other		
Foreign		
Opening Balance	8,850	29,982
Revenue	105,634	111,772
Expenditure	50,786	132,904
Current	50,599	128,003
Capital	187	4,901
Closing Balance	63,698	8,850
Total		
Opening Balance	8,850	29,982
Revenue	105,634	111,772
Expenditure	50,786	132,904
Current	50,599	128,003
Capital	187	4,901
Closing Balance	63,698	8,850
Analysis of balance		
Local and foreign aid receivable	-	4,932
Local and foreign aid unutilised	63,698	8,850
Closing balance	63,698	-3,918
4. Compensation of employees		
4.1 Salaries and wages		
Basic salary	140,612	124,514
Performance award	3,608	5,282
Service Based	1	21
Compensative/circumstantial	1,596	1,265
Periodic payments	9,214	10,703
Other non-pensionable allowances	28,107	23,588
Total	183,138	165,373
4.2 Social contributions		
4.2.1 Employer contributions		
Pension	17,558	17,835
Medical	8,406	7,567
Bargaining council	36	33
	26,000	25,435
Total compensation of employees	209,138	190,808
Average number of employees	1,204	1,099

National Department of Health - Vote 16

Notes to the Annual Financial Statements for the year ended 31 March 2006

	Notes	2005/06 R'000	2004/05 R'000
5. Goods and services			
Advertising		92,624	7,498
Attendance fees (including registration fees)		184	1,485
Bank charges and card fees		138	143
Bursaries (employees)		903	627
Communication		14,878	13,720
Computer services		13,816	7,298
Consultants, contractors and special services		26,540	114,388
Courier and delivery services		1,288	1,259
Entertainment		3,089	2,360
External audit fees	5.1	5,045	1,626
Equipment less than R5 000		3,079	2,117
Freight service		22	252
Inventory	5.2	85,658	153,921
Legal fees		4,805	6,079
Maintenance, repair and running costs		4,071	1,508
Medical services		5,065	-
Operating leases		3,088	4,291
Plants,, flowers and other decorations		45	-
Printing and publications		1,253	2,016
Professional bodies and membership fees		12,550	22,086
Resettlement costs		1,737	1,680
Subscriptions		216	6
Owned and leasehold property expenditure		725	67
Translations and transcriptions		95	124
Transport provided as part of the departmental activities		180	98
Travel and subsistence	5.3	62,906	55,494
Venues and facilities		9,647	11,517
Protective, special clothing & uniforms		15	133
Training & staff developmen		4,647	746
Total		358,309	412,539
5.1 External audit fees			
Regulatory audits		5,045	1,626
Total external audit fees		5,045	1,626

National Department of Health - Vote 16

Notes to the Annual Financial Statements for the year ended 31 March 2006

	Notes	2005/06 R'000	2004/05 R'000
5.2 Inventory			
Domestic Consumables		748	629
Fuel, oil and gas		40	22
Laboratory consumables		3,726	4,441
Other consumables		132	138
Parts and other maint mat		354	516
Stationery and Printing		12,202	15,134
Medical Supplies		68,456	133,041
Total Inventory		85,658	153,921
5.3 Travel and subsistence			
Local		52,294	47,030
Foreign		10,612	8,464
Total travel and subsistence		62,906	55,494
6. Financial transactions in assets and liabilities			
Other material losses written off	6.1	469	38
Debts written off	6.2	309	37
Recoverable revenue debts written off	6.3	-	17
Total		778	92
6.1 Other material losses			
Nature of losses			
Irregular expenditure written off		448	-
Dishonoured cheques		9	-
Fraud against ABSA		9	-
Irrecoverable revenue		3	-
Cancellation fees		-	38
Total		469	38
6.2 Debts written off			
Nature of debts written off			
Transfer to debts written off			
Forensic Chemistry Analysis		231	-
Schedule 9 medication		4	-
Travel and Subsistence advance		2	-
Bursary debt		1	-
Duplicate payment		1	-
Library books		1	-
Exemp loan		1	-
Housing guarantee		29	31
Salary debt		33	4
Tax debt		6	1

National Department of Health - Vote 16

Notes to the Annual Financial Statements for the year ended 31 March 2006

	Notes	2005/06 R'000	2004/05 R'000
Private telephone debt		-	1
Total		309	37
6.3 Recoverable revenue debts written off			
Damage to State Property		-	17
		-	17
7. Transfers and subsidies			
Provinces and municipalities	ANNEXURE 1C & 1F	8,853,087	7,405,658
Departmental agencies and accounts	ANNEXURE 1G	249,854	253,651
Universities and technikons	ANNEXURE 1H	4,000	-
Foreign governments and international organisations	ANNEXURE 1J	1,000	-
Non-profit institutions	ANNEXURE 1K	53,722	43,749
Households	ANNEXURE 1L	91,064	54,348
Total		9,252,727	7,757,406
8. Expenditure for capital assets			
Buildings and other fixed structures	ANNEXURE 4	6,193	7,719
Machinery and equipment	ANNEXURE 4	13,770	18,525
Software and other intangible assets	ANNEXURE 5	9,140	150
Total		29,103	26,394
9. Unauthorised expenditure			
9.1 Reconciliation of unauthorised expenditure			
Opening balance		-	10,468
Amounts approved by Parliament/Legislature – with funding		-	-10,468
Current Expenditure		-	-10,468
Unauthorised expenditure awaiting authorisation		-	-
10. Fruitless and wasteful expenditure			
10.1 Reconciliation of fruitless and wasteful expenditure			
Opening balance		29	-
Fruitless and wasteful expenditure – current year		-	63
Current		-	63
Amounts condoned		-3	-34
Current		-3	-34
Transfer to receivables for recovery (not condoned)		-1	-
Fruitless and wasteful expenditure awaiting condonement		25	29
11. Cash and cash equivalents			
Consolidated Paymaster General Account		168,450	267,399
Cash on hand		24	24
		168,474	267,423

National Department of Health - Vote 16

Notes to the Annual Financial Statements for the year ended 31 March 2006

	Note	2005/06 R'000	2004/05 R'000
12. Prepayments and advances			
Description			
Travel and subsistence		213	431
Advances paid to other entities		3,463	11,579
Total		3,676	12,010

13. Receivables

	Notes	Less than one year R'000	One to three years R'000	Older than three years R'000	Total R'000	Total R'000
Staff debtors	13.1	302	237	57	596	263
Other debtors	13.2	278	239	67	584	986
Claims recoverable	Annexure 6	4,485	101	754	5,339	5,832
Total		5,064	577	878	6,519	7,081

	Note	2005/06 R'000	2004/05 R'000
13.1 Staff debtors			
Bursary debt		186	202
Salary overpayments		276	32
State Guarantee		10	-
Tax debt		85	-
Loss/ damage to State Property		38	5
Private telephone calls		1	14
Travel and Subsistence		-	9
Petty Cash		-	1
Total		596	263

13.2 Other debtors

Dishonoured cheques		177	234
Schedule 9 drugs		145	68
Laboratory tests		111	37
Salary debt: Ex-employees		45	590
Other Debtors		39	-
Pension fund		14	-
Tax debt		53	-
Bursary debt		-	57
Total		584	986

National Department of Health - Vote 16

Notes to the Annual Financial Statements for the year ended 31 March 2006

	Note	2005/06 R'000	2004/05 R'000
14. Voted Funds to be surrendered to the Revenue Fund			
Opening balance		278,492	137,844
Transfer from Statement of Financial Performance		102,806	431,224
Voted funds not requested/not received	14.1	-	-152,732
Paid during the year		-278,492	-137,844
Closing balance		<u>102,806</u>	<u>278,492</u>

14.1 Voted funds not requested/not received

Funds not to be requested		-	152,732
		<u>-</u>	<u>152,732</u>

15. Departmental revenue to be surrendered to the Revenue fund

Opening balance		80	302
Transfer from Statement of Financial Performance		59,924	18,114
Paid during the year		-58,992	-18,336
Closing balance		<u>1,012</u>	<u>80</u>

16. Payables – current

Description	Notes	30 Days R'000	30+ Days R'000	2005/06 Total R'000	2004/05 Total R'000
Amounts owing to other entities	Annexure 7	-	-	-	1,185
Advances received	16.1	1,545	4,431	5,976	3,169
Clearing accounts	16.2	13	4	17	152
Total		<u>1,558</u>	<u>4,435</u>	<u>5,993</u>	<u>4,506</u>

Note	2005/06 R'000	2004/05 R'000
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16.1 Advances received

Donation to Cuba for Havana students from Eastern Cape		960	-
Donation to Cuba for Havana students from Gauteng		480	-
Donation to Cuba for Havana students from Limpopo		924	-
Running expenses for Havana students from Limpopo		1,545	-
Running expenses for Havana students from North West		2,067	-
Presidential inauguration		-	471
Donation to Cuba for Havana students from KwaZulu-Natal		-	1,728
Donation to Cuba for Havana students from Mpumalanga		-	360
Running expenses for Havana students from KwaZulu-Natal		-	251
Running expenses for Havana students from Mpumalanga		-	359
Total		<u>5,976</u>	<u>3,169</u>

National Department of Health - Vote 16

Notes to the Annual Financial Statements for the year ended 31 March 2006

	2005/06 R'000	2004/05 R'000
16.2 Clearing accounts		
Housing deducted	16	14
Insurance deduction	1	-
Salary Disallowance	-	25
Income Tax deducted	-	113
Total	17	152

17. Payables – Non-current**Description**

	Notes	1-2 years R'000	2-3 years R'000	More than 3 years R'000	Total R'000	Total R'000
Advances received	17.1	4,655	-	-	4,655	-
Other payables	17.2	9	-	54	63	229
Total		4,664	-	54	4,718	229

	2005/06 R'000	2004/05 R'000
17.1 Advances received		
Donation to Cuba for Havana students from KwaZulu-Natal	1,728	-
Donation to Cuba for Havana students from Mpumalanga	360	-
Running expenses for Havana students from Mpumalanga	71	-
Donation to Cuba for Havana students from North West	2,496	-
Total	4,655	-

17.2 Other payables

Description		
Income tax deducted	54	86
Medical Aid	9	-
Implementation of LOGIS system	-	143
Total	63	229

National Department of Health - Vote 16

Notes to the Annual Financial Statements for the year ended 31 March 2006

	2005/06	2004/05
	R'000	R'000
18. Net cash flow available from operating activities		
Net surplus/(deficit) as per Statement of Financial Performance	217,578	428,206
(Increase)/decrease in receivables – current	562	16,576
(Increase)/decrease in prepayments and advances	8,334	-11,202
(Increase)/decrease in other current assets	4,936	5,507
Increase/(decrease) in payables – current	2,672	-10,006
Surrenders to revenue fund	-337,484	-156,180
Expenditure on capital assets	29,290	31,295
Voted funds not requested/not received	-	-152,732
Net cash flow generated by operating activities	-74,112	151,464
19. Reconciliation of cash and cash equivalents for cash flow purposes		
Consolidated Paymaster-General Account	168,450	267,399
Cash on hand	24	24
Total	168,474	267,423

National Department of Health - Vote 16

Disclosure notes to the Annual Financial Statements for the year ended 31 March 2006

These amounts are not recognised in the financial statements and are disclosed to enhance the usefulness of the financial statements

	Notes	2005/06 R'000	2004/05 R'000
20. Contingent liabilities			
Liable to	Nature		
Motor vehicle guarantees	Employees ANNEXURE 3A	469	566
Housing loan guarantees	Employees ANNEXURE 3A	2,496	2,507
Claims against the department	ANNEXURE 3B	6,897	-
Other departments (interdepartmental unconfirmed balances)	ANNEXURE 7	10,639	8,716
Total		20,501	11,789
21. Commitments			
Current expenditure			
Approved and contracted		5,929	14,710
Approved but not yet contracted		-	10,250
		5,929	24,960
Capital expenditure			
Approved and contracted		73	777
Approved but not yet contracted		-	335
		73	1,112
Total Commitments		6,002	26,072
22. Accruals			
By economic classificaton		2005/06	2004/05
	30 Days	Total	Total
	R'000	R'000	R'000
Goods and services	-	1,665	10,794
Machinery and Equipment	-	16	87
Total		1,681	10,881
	Note	2005/06	2004/05
		R'000	R'000
Listed by programme level			
Programme 1: Administration		68	751
Programme 2: Strategic health Programmes		1,574	9,610
Programme 3: Health Service Delivery		33	520
Programme 4: Human Resources		6	-
Total		1,681	10,881
Confirmed balances with other departments	ANNEXURE 7	-	1,185
		-	1,185

National Department of Health - Vote 16

Disclosure notes to the Annual Financial Statements for the year ended 31 March 2006

	Note	2005/06 R'000	2004/05 R'000
23. Employee benefit provisions			
Leave entitlement		5,175	4,893
Thirteenth cheque		6,084	5,470
Performance awards		419	45
Capped leave commitments		14,405	15,146
Total		26,083	25,554

24. Lease Commitments**24.1 Operating leases**

	Buildings and other fixed structures	Machinery and Equipment	Total R'000	Total R'000
Not later than 1 year	-	137	137	665
Later than 1 year and not later than 5 years	-	2,038	2,038	746
Total present value of lease liabilities	-	2,175	2,175	1,411

	2005/06 R'000	2004/05 R'000
25. Irregular expenditure		
25.1 Reconciliation of irregular expenditure		
Opening Balance	4,598	4,330
Irregular expenditure – current year	1,077	1,030
Amounts condoned	(233)	-
Transfers and subsidies	(233)	-
Transfers to receivable for recovery (not condoned)	(598)	(762)
Irregular expenditure awaiting condonement	4,844	4,598
Analysis		
Current	275	428
Prior years	802	602
Total	1,077	1,030

25.2 Irregular expenditure**Incident****Disciplinary steps taken/criminal proceedings**

Home community based care Amendment	Amendment	(2)	-
Appointment of a consultant	Amendment	42	-
Women's day function	Amendment	23	-
Annual Midwife Congress	Reported in accordance with PFMA	190	-
Human Resource Plan for Health	Reported in accordance with PFMA	74	-