



**NATIONAL DEPARTMENT OF HEALTH
VOTE 16**

**APPROPRIATION STATEMENT PER ECONOMIC CLASSIFICATION
for the year ended 31 March 2008**

Appropriation per programme									
	Adjusted Appropriation	Shifting of Funds	Virement	2007/08				2006/07	
				Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Administration									
Current payment	191 204	-	14 583	205 767	203 224	2 543	98.8	170 913	168 624
Transfers and subsidies	252	-	165	417	416	1	99.8	397	390
Payment for capital assets	18 745	-	-	18 745	7 016	11 729	37.4	9 023	3 828
2. Strategic Health Programmes									
Current payment	492 696	-	(28 888)	463 808	389 259	74 549	83.9	446 700	379 256
Transfers and subsidies	2 899 637	-	26 767	2 926 404	2 786 485	139 919	95.2	2 370 530	2 350 564
Payment for capital assets	21 503	-	-	21 503	13 047	8 456	60.7	26 776	19 729
3. Health Service Delivery									
Current payment	106 701	-	(15 131)	91 570	79 975	11 595	87.3	72 548	63 796
Transfers and subsidies	9 286 444	-	2 180	9 288 624	9 224 773	63 851	99.3	8 260 586	8 259 206
Payment for capital assets	3 104	-	-	3 104	1 464	1 640	47.2	3 617	2 686
4. Human Resources									
Current payment	69 666	-	289	69 955	56 578	13 377	80.9	49 459	46 885
Transfers and subsidies	1	-	55	56	54	2	96.4	31	28
Payment for capital assets	1 183	-	-	1 183	443	740	37.4	43 413	43 055
TOTAL	13 091 136	-	-	13 091 136	12 762 734	328 402	97.5	11 453 993	11 338 047
Reconciliation with Statement of Financial Performance									
Add:									
Departmental revenue				41 193				33 303	
Local and foreign aid assistance received				171 643				33 499	
Actual amounts per Statements of Financial Performance (Total revenue)				13 303 972				11 520 795	
Add:									
Local and foreign aid assistance					98 451				31 404
Actual amounts per Statements of Financial Performance (Total expenditure)					12 861 185				11 369 451



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**APPROPRIATION STATEMENT PER ECONOMIC CLASSIFICATION
for the year ended 31 March 2008**

Appropriation per economic classification									
	2007/08							2006/07	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	251 826	-	7 000	258 826	258 605	221	99.9	240 030	231 729
Goods and services	608 441	-	(36 167)	572 274	470 340	101 934	82.2	499 590	423 309
Financial transactions in assets and liabilities	-	-	-	-	91	(91)	0	-	3 523
Transfers and subsidies									
Provinces and municipalities	11 736 678	-	-	11 736 678	11 552 732	183 946	98.4	10 206 719	10 206 711
Departmental agencies and accounts	299 351	-	5 500	304 851	301 884	2 967	99.0	295 560	282 711
Universities and technikons	1 000	-	-	1 000	400	600	40.0	1 250	-
Foreign governments and international organisations	-	-	-	-	-	-	0	1 000	-
Non-profit institutions	149 287	-	23 000	172 287	156 033	16 254	90.6	126 303	120 067
Households	18	-	667	685	679	6	99.1	712	699
Payments for capital assets									
Buildings and other fixed structures	4 734	-	-	4 734	-	4 734	0	5 000	265
Machinery and equipment	39 801	(300)	-	39 501	21 684	17 817	54.9	32 877	24 126
Software and other intangible assets	-	300	-	300	286	14	95.3	44 952	44 907
Total	13 091 136	-	-	13 091 136	12 762 734	328 402	97.5	11 453 993	11 338 047



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**DETAIL PER PROGRAMME 1: ADMINISTRATION
for the year ended 31 March 2008**

Programme per subprogramme	2007/08							2006/07	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1.1 Minister									
Current payment	938	-	13	951	951	-	100.0	887	885
1.2 Deputy Minister									
Current payment	762	-	(487)	275	275	-	100.0	721	719
1.3 Management									
Current payment	21 500	-	(974)	20 526	19 566	960	95.3	17 005	16 093
Transfers and Subsidies	-	-	5	5	4	1	80.0	25	23
Payment for capital assets	269	-	-	269	146	123	54.3	266	266
1.4 Corporate Services									
Current payment	129 840	-	15 511	145 351	144 312	1 039	99.3	117 274	117 089
Transfers and Subsidies	252	-	160	412	412	-	100.0	372	367
Payment for capital assets	18 476	-	-	18 476	6 870	11 606	37.2	8 757	3 562
1.5 Property Management									
Current payment	38 164	-	500	38 664	38 120	544	98.6	35 026	33 838
TOTAL	210 201	-	14 728	224 929	210 656	14 273	93.7	180 333	172 842

Economic Classification	2007/08							2006/07	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	68 068	-	6 444	74 512	74 512	-	100.0	67 006	66 909
Goods and services	123 136	-	8 119	131 255	128 675	2 580	98.0	103 907	101 646
Financial transactions in assets and liabilities	-	-	-	-	37	(37)	0	-	69
Transfers and subsidies									
Provinces and municipalities	-	-	-	-	-	-	0	50	48
Departmental agencies and accounts	252	-	-	252	252	-	100.0	241	240
Households	-	-	165	165	163	2	98.8	106	102
Payments for capital assets									
Buildings and other fixed structures	4 734	-	-	4 734	-	4 734	0	5 000	265
Machinery and equipment	14 011	(50)	-	13 961	6 970	6 991	49.9	3 157	2 697
Software and other intangible assets	-	50	-	50	47	3	94.0	866	866
Total	210 201	-	14 728	224 929	210 656	14 273	93.7	180 333	172 842



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**DETAIL PER PROGRAMME 2: STRATEGIC HEALTH PROGRAMMES
for the year ended 31 March 2008**

Programme per subprogramme	2007/08						2006/07		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
2.1 Maternal, Child and Women's Health and Nutrition									
Current payment	27 412	-	(1 203)	26 209	23 596	2 613	90.0	22 905	25 186
Transfers and subsidies	977	-	6	983	653	330	66.4	960	961
Payment for capital assets	430	-	-	430	164	266	38.1	357	357
2.2 Medicines Regulatory Affairs									
Current payment	30 036	-	6 696	36 732	39 753	(3 021)	108.2	42 046	41 885
Transfers and subsidies	-	-	53	53	53	-	100.0	104	103
Payment for capital assets	518	-	-	518	285	233	55.0	1 060	940
2.3 HIV and AIDS									
Current payment	323 117	-	(26 241)	296 876	228 931	67 945	77.1	284 111	221 566
Transfers and subsidies	2 147 590	-	23 043	2 170 633	2 155 282	15 351	99.3	1 736 337	1 728 638
Payment for capital assets	2 890	-	-	2 890	891	1 999	30.8	3 813	3 108
2.4 Pharmaceutical Policy and Planning									
Current payment	26 414	-	(2 069)	24 345	22 798	1 547	93.6	20 237	19 235
Transfers and subsidies	-	-	36	36	36	-	100.0	62	61
Payment for capital assets	552	-	-	552	282	270	51.1	1 407	1 059
2.5 Communicable Diseases									
Current payment	33 569	-	(4 840)	28 729	26 973	1 756	93.9	27 383	25 018
Transfers and subsidies	2 130	-	531	2 661	2 662	(1)	100.0	2 245	145
Payment for capital assets	2 089	-	-	2 089	489	1 600	23.4	1 239	935
2.6 TB Control and Management									
Current payment	8 317	-	(317)	8 001	6 219	1 782	77.7	7 992	8 016
Transfers and subsidies	3 303	-	43	3 346	2 911	435	87.0	3 148	3 076
Payment for capital assets	134	-	-	134	95	39	70.9	128	63
2.7 Non-Communicable Diseases									
Current payment	43 831	-	(915)	42 916	40 989	1 927	95.5	42 026	38 350
Transfers and subsidies	745 637	-	3 055	748 692	624 888	123 804	83.5	637 674	617 580
Payment for capital assets	14 890	-	-	14 890	10 841	4 049	72.8	18 772	13 267
TOTAL	3 413 836	-	(2 121)	3 411 715	3 188 791	222 924	93.5	2 844 006	2 749 549



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**DETAIL PER PROGRAMME 2: STRATEGIC HEALTH PROGRAMMES
for the year ended 31 March 2008**

Economic Classification	2007/08							2006/07	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	112 801	-	8 606	121 407	121 234	173	99.9	113 240	110 023
Goods and services	379 895	-	(37 494)	342 401	267 978	74 423	78.3	333 460	265 842
Financial transactions in assets and liabilities	-	-	-	-	47	(47)	0	-	3 391
Transfers and subsidies									
Provinces and municipalities	2 678 643	-	-	2 678 643	2 558 045	120 598	95.5	2 177 974	2 177 972
Departmental agencies and accounts	74 168	-	3 500	77 668	74 701	2 967	96.2	66 895	54 920
Universities and technikons	1 000	-	-	1 000	400	600	40.0	1 250	-
Foreign governments and international organisations	-	-	-	-	-	-	-	1 000	-
Non-profit institutions	145 809	-	23 000	168 809	153 055	15 754	90.7	122 990	117 252
Households	17	-	267	284	285	(1)	100.4	421	420
Payments for capital assets									
Machinery and equipment	21 503	(195)	-	21 308	12 858	8 450	60.3	25 257	18 211
Software and other intangible assets	-	195	-	195	188	7	96.4	1 519	1 518
Total	3 413 836	-	(2 121)	3 411 715	3 188 791	222 924	93.5	2 844 006	2 749 549



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**DETAIL PER PROGRAMME 3: HEALTH SERVICE DELIVERY
for the year ended 31 March 2008**

Programme per subprogramme	2007/08							2006/07	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
3.1 Hospital Services									
Current payment	22 938	-	(3 524)	19 414	14 292	5 122	73.6	15 906	9 778
Transfers and subsidies	9 058 035	-	5	9 058 040	8 994 691	63 349	99.3	8 028 789	8 028 789
Payment for capital assets	539	-	-	539	456	83	84.6	1 254	1 244
3.2 Health Economics									
Current payment	12 830	-	(3 842)	8 988	7 085	1 903	78.8	8 744	8 236
Transfers and subsidies	3 283	-	31	3 314	3 314	-	100.0	15 893	15 015
Payment for capital assets	108	70	-	178	161	17	90.4	116	115
3.3 Health Information, Research and Evaluation									
Current payment	24 971	-	(970)	24 001	24 782	(781)	103.3	18 572	17 664
Transfers and subsidies	224 149	-	2 144	226 293	226 271	22	100.0	214 842	214 840
Payment for capital assets	1 387	(70)	-	1 317	331	986	25.1	1 320	856
4.4 PHC, District Health and Development									
Current payment	27 703	-	(1 540)	26 163	21 456	4 707	82.0	17 130	16 923
Transfers and subsidies	977	-	-	977	497	480	50.9	1 051	552
Payment for capital assets	395	-	-	395	166	229	42.0	284	250
3.5 Office of Standard Compliance									
Current payment	18 259	-	(5 255)	13 004	12 360	644	95.0	12 196	11 195
Transfers and subsidies	-	-	-	-	-	-	-	11	10
Payment for capital assets	675	-	-	675	349	326	51.7	643	221
TOTAL	9 396 249	-	(12 951)	9 383 298	9 306 212	77 086	99.2	8 336 751	8 325 688



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**DETAIL PER PROGRAMME 3: HEALTH SERVICE DELIVERY
for the year ended 31 March 2008**

Economic Classification	2007/08							2006/07	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	49 562	-	(11 255)	38 307	38 264	43	99.9	39 150	34 907
Goods and services	57 139	-	(3 876)	53 263	41 708	11 555	78.3	33 398	28 837
Financial transactions in assets and liabilities	-	-	-	-	3	(3)	0	-	52
Transfers and subsidies									
Provinces and municipalities	9 058 035	-	-	9 058 035	8 994 687	63 348	99.3	8 028 680	8 028 678
Departmental agencies and accounts	224 931	-	2 000	226 931	226 931	-	100.0	228 424	227 551
Non-profit institutions	3 478	-	-	3 478	2 978	500	85.6	3 313	2 815
Households	-	-	180	180	177	3	98.3	169	162
Payments for capital assets									
Machinery and equipment	3 104	(55)	-	3 049	1 413	1 636	46.3	2 850	1 919
Software and other intangible assets	-	55	-	55	51	4	92.7	767	767
Total	9 396 249	-	(12 951)	9 383 298	9 306 212	77 086	99.2	8 336 751	8 325 688



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**DETAIL PER PROGRAMME 4: HUMAN RESOURCES
for the year ended 31 March 2008**

Programme per subprogramme	2007/08							2006/07	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
4.1 Human Resources									
Current payment	17 365	-	945	18 310	15 205	3 105	83.0	13 076	11 797
Transfers and subsidies	1	-	9	10	9	1	90.0	8	7
Payment for capital assets	367	-	-	367	147	220	40.1	42 104	42 060
4.2 Bargaining Council and Employee Relations									
Current payment	8 682	-	(430)	8 252	4 926	3 326	59.7	5 581	4 398
Transfers and subsidies	-	-	13	13	12	1	92.3	5	4
Payment for capital assets	319	-	-	319	93	226	29.2	597	283
4.3 International Health Liaison									
Current payment	43 619	-	(226)	43 393	36 447	6 946	84.0	30 802	30 690
Transfers and subsidies	-	-	33	33	33	-	100.0	18	17
Payment for capital assets	497	-	-	497	203	294	40.8	712	712
TOTAL	70 850	-	344	71 194	57 075	14 119	80.2	92 903	89 968

Economic Classification	2007/08							2006/07	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	21 395	-	3 205	24 600	24 595	5	100.0	20 634	19 890
Goods and services	48 271	-	(2 916)	45 355	31 979	13 376	70.5	28 825	26 984
Financial transactions in assets and liabilities	-	-	-	-	4	(4)	0	-	11
Transfers and subsidies									
Provinces and municipalities	-	-	-	-	-	-	-	15	13
Households	1	-	55	56	54	2	96.4	16	15
Payments for capital assets									
Machinery and equipment	1 183	-	-	1 183	443	740	37.4	1 613	1 299
Software and other intangible assets	-	-	-	-	-	-	-	41 800	41 756
Total	70 850	-	344	71 194	57 075	14 119	80.2	92.903	89 968



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**NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2008**

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

Detail of these transactions can be viewed in note 7 (Transfers and subsidies) and Annexure 1 (A-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:

Programme name	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
Administration	224 929	210 656	14 273	93.7

The underspending can mainly be ascribed to the delays experienced in the upgrading of the Johannesburg Forensic Chemistry Laboratory and the Civitas Building. Although the funds are committed, the payments could not be made during the year.

Programme name	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
Strategic Health Programmes	3 411 715	3 188 791	222 924	93.5

The underspending can mainly be ascribed to the slow progress on the mortuaries to be built with the Forensic Pathology services conditional grant. Funds earmarked to purchase condoms could not be spent in full due to problems experienced with suppliers. Funds earmarked to NGO's could not be released in full before year-end.

Programme name	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
Health Service Delivery	9 383 298	9 306 212	77 086	99.2

The underspending can mainly be ascribed to the non-completion of projects funded through the Hospital Revitalisation conditional grant.

Programme name	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
Human Resources	71 194	57 075	14 119	80.2



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**NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2008**

The underspending can mainly be ascribed to the vacant post for Health Attaché in Geneva. The expenditure incurred by the Health Attaché in Washington and Botswana respectively was not received through the Foreign Affairs account before the year-end. Office furniture and equipment ordered was not delivered before year-end. Saving realised on planned activities, which could not be executed during the year.

4.2 Per economic classification:

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
Current expenditure				
Compensation of employees	258 826	258 605	221	99.9
Goods and services	572 274	470 340	101 934	82.2
Financial transactions in assets and liabilities	-	91	(91)	0
Transfers and subsidies				
Provinces and municipalities	11 736 678	11 552 732	183 946	98.4
Departmental agencies and accounts	304 851	301 884	2 967	99.0
Universities and technikons	1 000	400	600	40.0
Non-profit institutions	172 287	156 033	16 254	90.6
Households	685	679	6	99.1
Payments for capital assets				
Buildings and other fixed structures	4 734	-	4 734	-
Machinery and equipment	39 501	21 684	17 817	54.9
Software and other intangible assets	300	286	14	95.3



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**STATEMENT OF THE FINANCIAL PERFORMANCE
for the year ended 31 March 2008**

	<i>Notes</i>	2007/08 R'000	2006/07 R'000
REVENUE			
Annual appropriation	1	13 091 136	11 453 993
Departmental revenue	2	41 193	33 303
Local and foreign aid assistance	3	171 643	33 499
TOTAL REVENUE		<u>13 303 972</u>	<u>11 520 795</u>
EXPENDITURE			
Current expenditure			
Compensation of employees	4	258 605	231 729
Goods and services	5	470 340	423 309
Financial transactions in assets and liabilities	6	91	3 523
Local and foreign aid assistance	3	96 813	31 101
Total current expenditure		<u>825 849</u>	<u>689 662</u>
Transfers and subsidies	7	12 011 728	10 610 188
Expenditure for capital assets			
Buildings and other fixed structures	8	-	265
Machinery and equipment	8	21 684	24 126
Software and other intangible assets	8	286	44 907
Local and foreign aid assistance	3	1 638	303
Total expenditure for capital assets		<u>23 608</u>	<u>69 601</u>
TOTAL EXPENDITURE		<u>12 861 185</u>	<u>11 369 451</u>
SURPLUS/(DEFICIT)		442 787	151 344
Add back fruitless and wasteful expenditure	9	1	-
SURPLUS/(DEFICIT) FOR THE YEAR		<u>442 788</u>	<u>151 344</u>
Reconciliation of Net Surplus/(Deficit) for the year			
Voted Funds	13	328 403	115 946
Departmental revenue	14	41 193	33 303
Local and foreign aid assistance	3	73 192	2 095
SURPLUS/(DEFICIT) FOR THE YEAR		<u>442 788</u>	<u>151 344</u>



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**STATEMENT OF THE FINANCIAL POSITION
for the year ended 31 March 2008**

	<i>Notes</i>	2007/08 R'000	2006/07 R'000
ASSETS			
Current assets			
Cash and cash equivalents	10	467 145	159 530
Prepayments and advances	11	4 887	338
Receivables	12	11 016	29 295
TOTAL ASSETS		483 048	189 163
LIABILITIES			
Current liabilities			
Voted funds to be surrendered to the Revenue Fund	13	328 403	115 946
Departmental revenue to be surrendered to the Revenue Fund	14	768	612
Payables	15	14 240	6 203
Local and foreign aid assistance unutilised	3	138 985	65 793
Non-current liabilities			
Payables	16	42	42
TOTAL LIABILITIES		482 438	188 596
NET ASSETS		610	567
Represented by:			
Recoverable revenue		610	567
TOTAL		610	567



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**STATEMENT OF CHANGES IN NET ASSETS
for the year ended 31 March 2008**

	2007/08 R'000	2006/07 R'000
Recoverable revenue		
Opening balance	567	467
Transfers	43	100
Debts recovered (included in departmental receipts)	(333)	(530)
Debts raised	376	630
Closing balance	610	567
TOTAL	<u>610</u>	<u>567</u>



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**CASH FLOW STATEMENTS
for the year ended 31 March 2008**

	<i>Notes</i>	2007/08 R'000	2006/07 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		13 303 972	11 520 795
Annual appropriated funds received	1.1	13 091 136	11 453 993
Departmental revenue received		41 193	33 303
Local and foreign aid assistance received	3	171 643	33 499
Net (increase)/decrease in working capital		21 767	(19 203)
Surrendered to Revenue Fund		(156 983)	(136 509)
Current payments		(825 848)	(689 662)
Transfers and subsidies paid		(12 011 728)	(10 610 188)
Net cash flow available from operating activities	17	<u>331 180</u>	<u>65 233</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets		(23 608)	(69 601)
Net cash flows from investing activities		<u>(23 608)</u>	<u>(69 601)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		43	100
Increase/(decrease) in non-current payables		-	(4 676)
Net cash flows from financing activities		<u>43</u>	<u>(4 576)</u>
Net increase/(decrease) in cash and cash equivalents		307 615	(8 944)
Cash and cash equivalents at the beginning of the period		159 530	168 474
Cash and cash equivalents at end of period	10	<u><u>467 145</u></u>	<u><u>159 530</u></u>



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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2008**

1. Annual Appropriation

1.1 Annual Appropriation

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

	Final Appropriation R'000	Actual Funds Received R'000	Funds not requested/ not received R'000	Appropriation received 2006/07 R'000
Administration	224 929	224 929	-	180 333
Strategic Health Programmes	3 411 715	3 411 715	-	2 155 584
Health Service Delivery	9 383 298	9 383 298	-	9 025 173
Human Resources	71 194	71 194	-	92 903
Total	13 091 136	13 091 136	-	11 453 993

2. Departmental revenue

	<i>Notes</i>	2007/08 R'000	2006/07 R'000
Sales of goods and services other than capital assets	2.1	39 514	32 187
Interest, dividends and rent on land	2.2	297	212
Financial transactions in assets and liabilities	2.3	1 382	904
Total revenue collected		41 193	33 303
Total		41 193	33 303

2.1 Sales of goods and services other than capital assets

Sales of goods and services produced by the Department	39 447	32 146
Other sales	39 447	32 146
Sales of scrap, waste and other used current goods	67	41
Total	39 514	32 187

2.2 Interest, dividends and rent on land and buildings

Interest	297	212
Total	297	212

**2.3 Financial transactions in assets and liabilities
Nature of loss recovered**

Stale cheques written back	16	36
Other receipts including recoverable revenue	1 366	868
Total	1 382	904



3. Local and foreign aid assistance

3.1 Assistance received in cash from RDP

	2007/08 R'000	2006/07 R'000
Foreign		
Opening Balance	65 793	63 698
Revenue	171 643	33 499
Expenditure	98 451	31 404
Current	96 813	31 101
Capital	1 638	303
Closing Balance	138 985	65 793
Total		
Opening Balance	65 793	63 698
Revenue	171 643	33 499
Expenditure	98 451	31 404
Current	96 813	31 101
Capital	1 638	303
Closing Balance	138 985	65 793
Analysis of balance		
Local and foreign aid unutilised	138 985	65 793
Closing balance	138 985	65 793

Although R 194 362 198.01 was received during 2007/08 from the RDP Fund, R 22 719 067.00 was surrendered to the Fund.

4. Compensation of employees

4.1 Salaries and wages

Basic salary	172 425	153 443
Performance award	3 364	5 204
Service Based	24	3
Compensative/circumstantial	3 006	3 080
Periodic payments	4 815	9 997
Other non-pensionable allowances	43 392	31 917
Total	227 026	203 644

4.2 Social contributions

4.2.1 Employer contributions

Pension	21 588	19 257
Medical	9 952	8 791
Bargaining council	39	37
Total	31 579	28 085
Total compensation of employees	258 605	231 729
Average number of employees	1 288	1 244



5. Goods and services

	<i>Notes</i>	2007/08	2006/07
		R'000	R'000
Advertising		30 719	45 401
Attendance fees (including registration fees)		103	98
Bank charges and card fees		22	53
Bursaries (employees)		530	544
Catering		2 798	-
Communication		14 094	15 750
Computer services		12 441	2 886
Consultants, contractors and special services		118 220	21 401
Courier and delivery services		2 094	1 390
Entertainment		206	3 543
External audit fees	5.1	6 131	6 241
Equipment less than R5 000		2 650	3 353
Freight service		81	6
Inventory	5.2	99 211	153 735
Legal fees		5 842	3 630
Maintenance, repairs and running costs		3 924	10 048
Medical Services		970	1 218
Municipal Services		-	823
Operating leases		42 323	36 300
Plants, flowers and other decorations		5	13
Printing and publications		1 753	1 382
Professional bodies and membership fees		12 073	20 566
Resettlement costs		3 627	2 832
Subscriptions		140	49
Owned and leasehold property expenditure		721	603
Translations and transcriptions		100	335
Transport provided as part of the departmental activities		178	167
Travel and subsistence	5.3	89 901	72 460
Venues and facilities		16 215	13 497
Protective, special clothing and uniforms		35	73
Training and staff development		3 233	4 912
Total		470 340	423 309

5.1 External audit fees

Regulatory audits	6 131	6 241
Total	6 131	6 241



5.2 Inventory

	Notes	2007/08 R'000	2006/07 R'000
Domestic consumables		791	759
Fuel, oil and gas		36	46
Laboratory consumables		4 175	3 442
Other consumables		86	93
Parts and other maintenance material		304	871
Stationery and printing		16 988	18 164
Medical supplies		76 831	130 360
Total inventory		99 211	153 735

5.3 Travel and subsistence

Local		67 768	53 923
Foreign		22 133	18 537
Total travel and subsistence		89 901	72 460

6. Financial transactions in assets and liabilities

Other material losses written off	6.1	-	3 154
Debts written off	6.2	91	369
Total		91	3 523

6.1 Other material losses written off

Nature of losses

Fruitless and wasteful expenditure	-	19
Advances to Provinces: Nutrition	-	3 135
Total	-	3 154

6.2 Debts written off

Nature of debts written off

Salary debt	7	145
Tax debt	37	23
State Guarantee for housing loan	43	-
Library books	3	-
Loss of State Property	1	-
Forensic Chemistry Analysis	-	137
Private telephone debt	-	2
Leave gratuity	-	4
Medical Schemes debt	-	58
Total	91	369



7. Transfers and subsidies

	Notes	2007/08 R'000	2006/07 R'000
Provinces and municipalities	Annex 1C & 1F	11 552 732	10 206 711
Departmental agencies and accounts	Annex 1G	301 884	282 711
Universities and Technikons	Annex 1H	400	-
Non-profit institutions	Annex 1K	156 033	120 067
Households	Annex 1L	679	699
Total		12 011 728	10 610 188

8. Expenditure on capital assets

Buildings and other fixed structures	29	-	265
Machinery and equipment	29	21 684	24 126
Software and other intangible assets		286	44 907
Computer software	30	286	44 907
Total		21 970	69 298

9. Fruitless and wasteful expenditure

9.1 Reconciliation of fruitless and wasteful expenditure

Opening balance		-	25
Fruitless and wasteful expenditure – current year		1	-
Current expenditure		1	-
Amounts condoned		-	-
Current expenditure		-	(19)
Transfer to receivables for recovery (not condoned)		(1)	(6)
Fruitless and wasteful expenditure awaiting condonement		-	-

9.2 Analysis of current fruitless and wasteful expenditure

Incident	Disciplinary steps taken/criminal proceedings	
Fee for late departure at hotel.	Amount is being recovered from the relevant official.	1
Total		1

10. Cash and cash equivalents

Consolidated Paymaster General Account	467 120	159 506
Cash on hand	25	24
Total	467 145	159 530



11. Prepayments and advances

Description

	2007/08 R'000	2006/07 R'000
Travel and subsistence	431	338
Advances paid to other entities	4 456	-
Total	4 887	338

12. 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
Private Enterprises	12.1	-	-	-	-	27 133
Staff debtors	12.2	404	286	139	829	832
Other debtors	12.3	459	55	186	700	460
Intergovernmental receivables	Annex 4	9 396	87	4	9 487	870
Total		10 259	428	329	11 016	29 295

12.1 Private Enterprises

Funds in transit from ABSA	-	27 133
Total	-	27 133

12.2 Staff debtors

Bursary debt	305	310
Salary overpayments	340	319
State Guarantee	32	43
Tax debt	9	48
Loss/damage to State Property	143	112
Total	829	832

12.3 Other debtors

Dishonoured cheques	264	186
Schedule 9 medication	71	65
Laboratory tests	40	47
Salary debt: Ex-employees	292	27
Other debtors	33	134
Tax debt	-	1
Total	700	460



13. Voted funds to be surrendered to the Revenue Fund

	2007/08	2006/07
	R'000	R'000
Opening balance	115 946	102 806
Transfer from Statement of Financial Performance	328 403	115 946
Paid during the year	(115 946)	(102 806)
Closing balance	328 403	115 946

14. Departmental revenue to be surrendered to the Revenue Fund

Opening balance	612	1 012
Transfer from Statement of Financial Performance	41 193	33 303
Paid during the year	(41 037)	(33 703)
Closing balance	768	612

15. Payables – current

Description	Notes	30 Days	30+ Days	2007/08	2006/07
		R'000	R'000	Total R'000	Total R'000
Advances received	15.1	-	13 907	13 907	5 948
Clearing accounts	15.2	331	2	333	222
Other payables	15.3	-	-	-	33
Total		331	13 909	14 240	6 203

15.1 Advances received

Contribution to Cuba for Havana students from Eastern Cape	3 145	-
Contribution to Cuba for Havana students from Gauteng	733	-
Contribution to Cuba for Havana students from Northern Cape	1 514	-
Contribution to Cuba for Havana students from North West	2 090	-
Running expenses for Havana students from Limpopo	-	4 558
Running expenses for Havana students from North West	-	991
Running expenses for Havana students from KwaZulu/Natal	-	100
Advances for Havana students from Mpumalanga	1 198	37
Advances for Havana students from Northern Cape	-	262
Advances for Havana students from KwaZulu/Natal	2 235	-
Advances for Havana students from Limpopo	2 992	-
Total	13 907	5 948



15.2 Clearing accounts

	2007/08 R'000	2006/07 R'000
Description		
Housing deducted	-	5
Income tax	324	205
Pension Fund	9	12
Total	333	222

15.3 Other payables

	2007/08 R'000	2006/07 R'000
Description		
Telephone Control Account	-	13
Medicines Control Council	-	20
Total	-	33

16. Payables – Non-current

Description	Notes	One to two years R'000	Two to three years R'000	More than three years R'000	2007/08 Total R'000	2006/07 Total R'000
Other payables	16.1	-	-	42	42	42
Total		-	-	42	42	42

16.1 Other payables

Description	2007/08 R'000	2006/07 R'000
Income tax deducted	42	42
Total	42	42

17. Net cash flow available from operating activities

Net surplus/(deficit) as per Statement of Financial Performance	442 788	151 344
Add back non cash/cash movements not deemed operating activities	(111 608)	(86 111)
(Increase)/decrease in receivables – current	18 279	(22 776)
(Increase)/decrease in prepayments and advances	(4 549)	3 338
(Increase)/decrease in other current assets	-	25
Increase/(decrease) in payables – current	8 037	210
Expenditure on capital assets	23 608	69 601
Surrenders to Revenue Fund	(156 983)	(136 509)
Net cash flow generated by operating activities	331 180	65 233



18. Reconciliation of cash and cash equivalents for cash flow purposes

	2007/08	2006/07
	R'000	R'000
Consolidated Paymaster General account	467 120	159 506
Cash on hand	25	24
Total	467 145	159 530



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The amounts are not recognised in the Annual Financial Statements and are disclosed to enhance the usefulness of the Annual Financial Statements.

19. Contingent liabilities

		<i>Notes</i>	2007/08 R'000	2006/07 R'000
Liable to	Nature			
Motor vehicle guarantees	Employees	<i>Annex 3A</i>	622	511
Housing loan guarantees	Employees	<i>Annex 3A</i>	1 116	2 031
Claims against the Department		<i>Annex 3B</i>	5 137	2 267
Other departments (interdepartmental unconfirmed balances)		<i>Annex 5</i>	13 907	5 948
Total			20 782	10 757

20. Commitments

Current expenditure				
Approved and contracted			25 498	14 439
Approved but not yet contracted			555	6
			<u>26 053</u>	<u>14 445</u>
Non-current expenditure				
Approved and contracted			1 135	4 196
Approved but not yet contracted			21	-
			<u>1 156</u>	<u>4 196</u>
Total Commitments			27 209	18 641

21. Accruals

By economic classification

	30 Days R'000	30+ Days R'000	Total R'000	Total R'000
Goods and services	-	11	11	228
Machinery and equipment	-	602	602	189
Total	-	613	613	417

Listed by programme level

Programme 1: Administration			22	44
Programme 2: Strategic Health Programmes			399	261
Programme 3: Health Service Delivery			177	110
Programme 4: Human Resources			15	2
			<u>613</u>	<u>417</u>



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22. Employee benefit provisions

Leave entitlement	10 312	6 087
Thirteenth cheque	6 935	6 759
Performance awards	36	81
Capped leave commitments	15 095	14 424
Total	32 378	27 351



23. Lease Commitments

23.1 Operating leases

2007/2008	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	2 368	2 368
Later than 1 year and not later than 5 years	-	-	1 057	1 057
Later than five years	-	-	12	12
Total present value of lease liabilities	-	-	3 437	3 437

2006/2007	Land	Buildings and other fixed structures	Machinery and equipment	Total
	Not later than 1 year	-	-	552
Later than 1 year and not later than 5 years	-	-	2 365	2 365
Later than five years	-	-	35	35
Total present value of lease liabilities	-	-	2 952	2 952

24. Irregular expenditure

24.1 Reconciliation of irregular expenditure

	2007/08	2006/07
	R'000	R'000
Opening balance	5 137	4 844
Add: Irregular expenditure – current year	1 149	293
Less: Amounts condoned	-	-
Less: Not condoned	-	-
Irregular expenditure awaiting condonement	6 286	5 137

Analysis of awaiting condonement per classification		
Current	5 888	5 137
Total	5 888	5 137

Analysis of awaiting condonement per age classification		
Current	637	293
Prior years	5 251	4 844
Total	5 888	5 137



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24.2 Irregular expenditure

		2007/08 R'000	2006/07 R'000
Incident	Disciplinary steps taken/ criminal proceedings		
Catering for Sanitation Week: Environmental Health	To be investigated	69	-
Venue hire: Communication	To be investigated	431	-
Venue hire: Ministerial Services	To be investigated	12	-
Venue hire: Pharmaceutical policy and Planning	To be investigated	3	-
Placing of advertisements	To be investigated	76	-
Repair of air-conditioners in server rooms: Information Technology	To be investigated	12	-
Purchase of a scanner: Ministerial Services	To be investigated	25	-
Workshop: HIV and AIDS	To be investigated	9	-
Removal of office furniture: Ministerial Services	To be investigated	12	-
Roll up banners: Communication	To be investigated	16	-
Banner: Communication	To be investigated	11	-
Roll up banners: Communication	To be investigated	13	-
T-shirts: Communication	To be investigated	49	-
Printing of Ethics in Health Research: Research Co-ordination and Epidemiology	To be investigated	13	-
Placement of advertisements in newspapers	To be investigated	398	-
Accommodation: HIV and AIDS	To be investigated	-	35
Cabinet unit for TV: Ministerial Services	To be investigated	-	11
Translator / Interpreter Services: International Health Liaison	To be investigated	-	193
Catering: National Health Information Systems	To be investigated	-	3
Placement of advertisements: Gender Focal Point	To be investigated	-	48
Catering: Ministerial Services	To be investigated	-	3
		<u>1 149</u>	<u>293</u>

25. Related Parties

Although the following entities receive grants from the National Department of Health, this Department is not controlling them. In each case they have their own Boards, which operate under their own acts or constitutions:

- Medical Research Council;
- National Health Laboratory Services; and
- Medical Schemes Council.

It is not required to give detail other than the names of the entities and the transactions entered into with them, as the transfer payments made to them are already disclosed in Annexures 1G and 1K. No transactions, other than transfer payments made, were concluded between the Department and the relevant entities during the 2007/08 financial year.



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26. Key management personnel

		2007/08 R'000	2006/07 R'000
	No. of Individuals		
Political office bearers (provide detail below)	2	1 354	1 719
Officials			
Level 15 to 16	4	3 381	2 876
Level 14 (incl CFO if at a lower level)	1	730	597
Total		5 465	5 192

The Minister's salary was R 1 067 657.17 and the former Deputy Minister's salary for the period 1 April till 8 August 2007 was R 285 934.65.

27. Public Private Partnership

Description of the arrangement

The contracts to enter into the PPP were signed on 30 May 2003. The contracts were valid from 1 April 2003. In terms of the contracts the National Department of Health holds 40% of the shares in Bio Vac Institute (Pty) Limited, (Bio Vac). In exchange for the 40% share the National Department of Health transferred the staff and assets of the Directorate, which housed the State Vaccine Institute to Bio Vac. The Department had no significant cash flows to the PPP entity in the year under review.

The National Department of Health has no direct business relations with Bio Vac, however as part of the PPP contracts, Bio Vac had the right to supply Provincial Health Departments with EPI vaccines from 2004 to 2007 (four years) at competitive prices. National Treasury has agreed to extend the PPP with a further two years until the end of December 2009. There were no changes to the structure and fund of the PPP during the period under review, although discussions which may lead to the restructure of the ownership of the Bio Vac Institute (Pty) Ltd are in progress.

The transfers into the PPP was estimated to have a value at the time of R 13,5 million and a third party valuation done in July 2008 on the Net Asset Value method of valuation placed a value of R 18,8 million on the National Department of Health's stake in the PPP.

28. Provisions

	2007/08 R'000	2006/07 R'000
Potential irrecoverable debts		
Staff debtors	173	77
Other debtors	151	-
Claims recoverable	4	189
Total	328	266



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29. Tangible Capital Assets

**MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED
31 MARCH 2008**

	Opening balance	Current Year Adjustments to prior year balances	Additions	Disposals	Closing Balance
	Cost	Cost	Cost	Cost	Cost
	R'000	R'000	R'000	R'000	R'000
BUILDING AND OTHER FIXED STRUCTURES	3 207	(3 207)			
Non-residential buildings	3 207	(3 207)	-	-	-
MACHINERY AND EQUIPMENT	74 495	3 207	21 684		99 386
Transport assets	1 182	(185)	-	-	997
Computer equipment	39 144	-	9 749	-	48 893
Furniture and office equipment	9 099	-	1 562	-	10 661
Other machinery and equipment	25 070	3 392	10 373	-	38 835
TOTAL TANGIBLE ASSETS	77 702	-	21 684	-	99 386

29.1 ADDITIONS TO TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2008

	Cash	Non-cash	(Capital Work in Progress current costs)	Received current year, not paid (Paid current year, received prior year)	Total
	Cost	Fair Value	Cost	Cost	Cost
	R'000	R'000	R'000	R'000	R'000
BUILDING AND OTHER FIXED STRUCTURES	-	-	-	-	-
Non-residential buildings	-	-	-	-	-
MACHINERY AND EQUIPMENT	21 684	-	-	-	21 684
Transport assets	-	-	-	-	-
Computer equipment	9 749	-	-	-	9 749
Furniture and office equipment	1 562	-	-	-	1 562
Other machinery and equipment	10 373	-	-	-	10 373
TOTAL	21 684	-	-	-	21 684



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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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**29.2 DISPOSALS OF TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED
31 MARCH 2008**

	Sold (Cash)		Non-Cash	Total Cost	Cash Received
	Cost	Fair Value	Cost	Cost	Actual
	R'000	R'000	R'000	R'000	Cost
MACHINERY AND EQUIPMENT					
Computer equipment	-	-	-	-	-
TOTAL	-	-	-	-	-

**29.3 MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED
31 MARCH 2007**

	Opening balance	Current Year	Additions	Disposals	Closing Balance
	Cost	Adjustments to prior	Cost	Cost	Cost
	R'000	year balances	R'000	R'000	R'000
BUILDING AND OTHER FIXED STRUCTURES	21 681	(18 739)	265	-	3 207
Non-residential buildings	21 681	(18 739)	265	-	3 207
MACHINERY AND EQUIPMENT	62 784	(12 292)	24 126	123	74 495
Transport assets	977	205	-	-	1 182
Computer equipment	23 389	6 931	8 947	123	39 144
Furniture and office equipment	12 442	(5 389)	2 046	-	9 099
Other machinery and equipment	25 976	(14 039)	13 133	-	25 070
TOTAL TANGIBLE ASSETS	84 465	(31 031)	24 391	123	77 702

No disposals were made during the 2007/08 financial year; an amount of R 3,207m for non-residential buildings are reclassified as other machinery and equipment, as the expenditure was with regard to Laboratory Testing Equipment; an amount of R 0,185m for transport assets are reclassified as other machinery and equipment as this was expenditure regarding various other machinery and equipment.



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30. Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED
31 MARCH 2008

	Opening balance	Current Year Adjustments to prior year balances	Additions	Disposals	Closing Balance
	Cost	Cost	Cost	Cost	Cost
	R'000	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	54 114	4 393	286	-	58 793
TOTAL INTANGIBLE ASSETS	54 114	4 393	286	-	58 793

30.1 ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED
31 MARCH 2008

	Cash	Non-Cash	(Development work in progress – current costs)	Received current year, not paid (Paid current year, received prior year)	Total
	Cost	Fair Value	Cost	Cost	Cost
	R'000	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	286	-	-	-	286
TOTAL	286	-	-	-	286

30.2 DISPOSALS OF INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED
31 MARCH 2008

	Sold (Cash)	Non-Cash	Total Cost	Cash Received Actual
	Cost	Fair Value	Cost	Cost
	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	-	-	-	-
TOTAL	-	-	-	-



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**30.3 MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED
31 MARCH 2007**

	Opening balance	Current Year Ad- justments to prior year balances	Additions	Disposals	Closing Balance
	Cost	Cost	Cost	Cost	Cost
	R'000	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	9 290	(83)	44 907	-	54 114
TOTAL INTANGIBLE ASSETS	9 290	(83)	44 907	-	54 114

No disposals were made during the 2007/08 financial year; adjustments of R 4,393m have to be made to reflect the closing balance of R 58,793m as indicated on LOGIS as on 31 March 2008.