

9 Transfer payments

		2003/04 R'000	2002/03 R'000
Conditional grant transfers	Annexure IA	7,457,377	6,820,945
Other transfers	Annexure IB & IC	324,663	280,762
		7,782,040	7,101,707
Analysis of transfer payments			
Capital		809,984	719,000
Current		6,972,056	6,382,707
		7,782,040	7,101,707

10 Miscellaneous**10.1 Current expenditure**

	Note	2003/04 R'000	2002/03 R'000
Remissions, refunds and payments made as an act of grace	10.2	1	-
Gifts, donations and sponsorships	10.3	452	77
Total miscellaneous expenditure		453	77

10.2 Remissions, refunds and payments made as an act of grace

	2003/04 R'000	2002/03 R'000
Nature of remissions, refunds and payments		
Reimbursement of additional costs for air tickets	1	-
	1	-

10.3 Gifts, donations and sponsorships paid in cash by the department (items expensed during the current year)**Nature of gifts, donations and sponsorships**

	2003/04 R'000	2002/03 R'000
Current		
Accommodation and travel sponsored	148	39
Gifts while on official visits	1	5
Long Service awards/watches	43	-
Sponsorship towards RI African Regional Conference	100	-
Training sponsored	115	-
Donation of Malaria Commodities to Zimbabwe	30	-
Sponsorship towards malaria workshop	5	-
Sponsorship towards the Publication of the HIV/AIDS Policy Guidelines	10	-
Tuition fees sponsored	-	12
Sponsor a table at fundraising dinner	-	11
Donation for lunch for AIDS/Poverty victims	-	10
	452	77

11 Special functions: Authorised losses

Notes	2003/04 R'000	2002/03 R'000
Other material losses written off in income statement	11.1	819
Debts written off	11.2	27
	3,108	599

11.1 Other material losses written off in income statement**Nature of losses**

	2003/04 R'000	2002/03 R'000
Cancellation fees	32	24
Excessive fuel consumption	10	-
Fraudulent negotiated warrant voucher	777	-
Vehicle accidents	-	3
	819	27

11.2 Debts written off**Nature of debts written off**

	2003/04 R'000	2002/03 R'000
Ex-employees	70	294
Housing guarantee	15	33
Bursary	12	8
Laboratory tests	2,137	225
Irrecoverable debt	8	-
Interest	47	-
Medication	-	12
	2,289	572

11.3 Details of special functions (theft and losses)**Per programme**

	2003/04 R'000	2002/03 R'000
Programme 1: Administration	102	146
Programme 2: Strategic Health Service Programmes	783	78
Programme 3: Health Service Delivery	2,223	375
	3,108	599

12 Unauthorised and fruitless and wasteful expenditure disallowed

	2003/04 R'000	2002/03 R'000
Unauthorised expenditure	10,468	10,468
	10,468	10,468

12.1 Reconciliation of unauthorised expenditure balance

	2003/04 R'000	2002/03 R'000
Opening balance	10,468	10,468
Closing balance	10,468	10,468



12.2 Reconciliation of fruitless and wasteful expenditure

	2003/04 R'000	2002/03 R'000
Opening balance	-	2
Fruitless and wasteful current year	32	-
Transfer to income statement – authorised losses	(32)	-
Transfer to receivables for recovery	-	(2)
Closing balance	-	-

12.3 Fruitless and wasteful expenditure

Incident	Disciplinary steps taken / criminal proceedings	2003/04 R'000	2002/03 R'000
Minmec Meeting cancelled at Hotel (6 to 7 February 2003)	Expenditure was condoned by the Acting Director-General.	4	-
Minmec Meeting cancelled at Hotel (11 August 2003)	Expenditure was condoned by the Acting Director-General.	4	-
Minmec Meeting cancelled at Hotel (18 to 19 September 2003)	Expenditure was condoned by the Acting Director-General.	19	-
Fee for not using VIP facilities at Airport during March 2003	Expenditure was condoned by the Acting Director-General.	5	-
		32	-

13 Cash and cash equivalents

Paymaster General Account	147,184	3,189
Cash on hand	23	26
	147,207	3,215

14 Receivables - current

Amounts owing by other departments	Annexure 4	18,593	39,726
Staff debtors	14.3	386	341
Other debtors	14.4	4,678	13,751
Advances	14.5	808	657
	14.2	24,465	54,475

14.1 Amounts of R738 000 (2003 : R1 226 000) included above may not be recoverable, but has not been written off in the income statement.

14.2 Age analysis – receivables current**Less than one year**

One to two years
More than two years

More than two years: Material amounts

Poverty Relief: Eastern Cape
Poverty Relief: Mpumalanga
Poverty Relief: Limpopo
Laboratory tests
Other
Treasury

	2003/04 R'000	2002/03 R'000
Less than one year	19,704	46,906
One to two years	311	3,231
More than two years	4,450	4,338
	24,465	54,475
More than two years: Material amounts		
Poverty Relief: Eastern Cape	141	141
Poverty Relief: Mpumalanga	787	756
Poverty Relief: Limpopo	2,004	1,836
Laboratory tests	262	-
Other	1,256	827
Treasury	-	778
	4,450	4,338

14.3 Staff debtors

Bursary debt
Salary over payments
Travel and subsistence
Tax
Private Telephone calls
Loss/damage to State property
State guarantee

Bursary debt	185	-
Salary over payments	39	179
Travel and subsistence	4	-
Tax	43	132
Private Telephone calls	2	4
Loss/damage to State property	70	26
State guarantee	43	-
	386	341

14.4 Other debtors

Dishonoured cheque
Schedule 9 drugs
Laboratory tests
Salary debt: Ex-employees
Funds in transit: Other Departments
Charges and recoveries
Other sundry debtors
Debt: Medical funds

Dishonoured cheque	12	-
Schedule 9 drugs	12	-
Laboratory tests	124	-
Salary debt: Ex-employees	451	181
Funds in transit: Other Departments	4,079	12,125
Charges and recoveries	-	1,236
Other sundry debtors	-	159
Debt: Medical funds	-	50
	4,678	13,751

14.5 Advances

Nature of advances
Advances to personnel for travel and subsistence

Nature of advances		
Advances to personnel for travel and subsistence	808	657
	808	657

15 Voted funds to be surrendered to the Revenue Fund

Opening balance	73,487	23,840
Transfer from income statement	172,844	73,487
Voted funds not requested	(35,000)	-
Paid during the year	(73,487)	(23,840)
Closing balance	137,844	73,487



16 Other revenue funds to be surrendered to the Revenue Fund

	2003/04 R'000	2002/03 R'000
Opening balance	4,382	350
Transfer from income statement for revenue to be surrendered	4,173	14,471
Paid during the year	(8,253)	(10,439)
Closing balance	302	4,382

17 Payables - current

Description			
Amounts owing to other departments	Annexure 5	5,050	12,125
Advances received	17.1	688	1,145
Other payables	17.2	7,818	1,237
		13,556	14,507

17.1 Advances received

Haiti bicentennial celebrations	688	-
Poverty relief	-	1,145
	688	1,145

17.2 Other payables

Tax deducted	167	525
Pension deducted	81	43
Medical aid deduction	24	-
Salary reversal control	15	-
Ex-employees	75	-
Registration of medicine	496	-
Funds in transit	6,960	-
Payments/receipts in suspense	-	669
	7,818	1,237

18 Net cash flow generated by operating activities

Net surplus as per Income Statement	232,502	85,575
Adjusted for items separately disclosed	830,407	737,897
Capital expenditure	830,407	737,897
Voted funds not requested / not received	-	-
Net cash flow generated by operating activities	1,062,909	823,472

19 Cash generated / (utilised) to (increase)/decrease working capital

(Increase) / decrease in receivables – current	(4,888)	(16,327)
(Increase) / decrease in other current assets	-	243
Increase / (decrease) in payables - current	(1,053)	3,513
Increase / (decrease) in other current liabilities	(4,909)	3,583
	(10,850)	(8,988)

20 Voted funds and revenue funds surrendered

	2003/04 R'000	2002/03 R'000
Voted funds surrendered	(73,487)	(23,840)
Revenue funds surrendered	(4,173)	(14,821)
	(77,660)	(38,661)



DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2004 Vote 16

These amounts are not recognised in the financial statements, and are disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999), the Treasury Regulations for Departments and Constitutional Institutions issued in terms of the Act and the Division of Revenue Act, Act 7 of 2003.

21 Contingent liabilities

Liable to	Nature		2003/04	2002/03
			R'000	R'000
Motor vehicle guarantees	Employees	Annexure 2	196	1,102
Housing loan guarantees	Employees	Annexure 2	3,126	3,854
			3,322	4,956

22 Commitments

	2003/04	2002/03
Current expenditure		
Approved and contracted/ordered	3,169	69,447
Approved but not yet contracted	-	-
	3,169	69,447
Capital expenditure		
Approved and contracted/ordered	1,080	96
Approved but not yet contracted	-	-
	1,080	96
Total Commitments	4,249	69,543

23 Accruals

Listed by standard Item	2003/04	2002/03
	Administrative	70
Inventories	209	95
Machinery and equipment	5	1,574
Professional and special services	2	1,876
	286	4,382
Listed by programme level		
Programme 1: Administration	133	738
Programme 2: Strategic Health Programmes	123	3,448
Programme 3: Health Service Delivery	30	196
	286	4,382

24 Employee benefits

	2003/04	2002/03
	R'000	R'000
Leave entitlement	21,403	20,288
Thirteenth cheque	4,613	4,531
	26,016	24,819

25 Leases

25.1 Operating leases

Government Contract

	Equipment	Total	Total
Not later than 1 year	19	19	312
Later than 1 year and not later than 3 years	31	31	253
Later than 3 years	71	71	78
	121	121	643
Total present value of lease liabilities			

26 Irregular expenditure

26.1 Movement Schedule of irregular expenditure

Opening Balance	3,329	9,039
Irregular expenditure current year	1,517	1,497
Expenditure not condoned	(516)	(5,109)
Expenditure condoned	-	(2,098)
Expenditure waiting condonement	4,330	3,329

Analysis: Irregular expenditure current year

Current	1,403	997
Prior Years	114	500
	1,517	1,497

Analysis: Irregular expenditure condoned

Current	-	(150)
Prior Years	-	(1,948)
	-	(2,098)

Analysis: Irregular expenditure not condoned

Current	-	(403)
Prior Years	(516)	(4,706)
	(516)	(5,109)

Analysis: Irregular expenditure awaiting condonement

Current	1,403	443
Prior Years	2,927	2,886
	4,330	3,329



26.2 Not condoned expenditure

Incident	Disciplinary steps taken / criminal proceedings	2003/04 R'000	2002/03 R'000
AIDS conference speech by the President of SA	Reported to appropriate authorities in accordance with the prescriptions of the PFMA and Treasury Regulations.	274	-
Advertisements for Anti Tobacco campaign	Reported to appropriate authorities in accordance with the prescriptions of the PFMA and Treasury Regulations.	44	-
Removal of household furniture to Geneva	Reported to appropriate authorities in accordance with the prescriptions of the PFMA and Treasury Regulations.	136	-
Development of training manual for project management	A panel was appointed to determine liability. Awaiting the recommendation.	31	-
HIV/AIDS meetings	Reported to appropriate authorities in accordance with the prescriptions of the PFMA and Treasury Regulations.	31	-
Training Oracle	Reported to appropriate authorities in accordance with the prescriptions of the PFMA and Treasury Regulations.	-	286
Training facilitator	Reported to appropriate authorities in accordance with the prescriptions of the PFMA and Treasury Regulations.	-	113
Health service Conference	Reported to appropriate authorities in accordance with the prescriptions of the PFMA and Treasury Regulations.	-	175
Capacity building workshop	Reported to appropriate authorities in accordance with the prescriptions of the PFMA and Treasury Regulations.	-	69
Training	Reported to appropriate authorities in accordance with the prescriptions of the PFMA and Treasury Regulations.	-	296
Security services	Reported to appropriate authorities in accordance with the prescriptions of the PFMA and Treasury Regulations.	-	38
SPS consultants	Reported to appropriate authorities in accordance with the prescriptions of the PFMA and Treasury Regulations.	-	4,132
		516	5,109

27 Key management personnel

27.1 Remuneration

The aggregate remuneration of the key management of the department was R3 901 541,84 and six individuals received remuneration within this category on a full time equivalent basis as follows:

	R
Minister	857,446.99
Deputy Minister	627,702.31
Director-General	743,917.80
Deputy Director-General (x 2)	1,168,954.31
Chief Financial Officer	503,820.43
	3,901,841.84

28 Changes to Comparatives

28.1 Notes to the Annual Financial Statements: Note 2

The previous year's figures for Sales: Other and Sales: Special Drugs have to be re-adjusted to reflect the correct amounts received during 2002/03.

**ANNEXURE 1A - VOTE 16
STATEMENT OF CONDITIONAL GRANTS TO PROVINCES BY NATIONAL DEPARTMENTS
AS AT 31 MARCH 2004**

National Tertiary Services	GRANT ALLOCATION				EXPENDITURE				SPENT			
	Division of Revenue Act	Adjustments Estimate	Roll Overs	Total Available	Actual Transfer	Amount not Transferred	% of Available Transferred	Capital	Current	Amount received by Province	Actual amount Spent	% of amount Transferred Spent
	R'000	R'000	R'000	R'000	R'000	R'000		R'000	R'000	R'000	R'000	
Eastern Cape	195,504	-	-	195,504	195,504	-	100%	-	-	195,504	237,046	121.25%
Free State	336,501	-	-	336,501	336,501	-	100%	-	-	336,501	336,504	100.00%
Gauteng	1,679,760	-	-	1,679,760	1,679,760	-	100%	-	-	1,679,760	1,679,760	100.00%
KwaZulu-Natal	551,831	-	-	551,831	551,831	-	100%	-	-	551,831	551,831	100.00%
Limpopo	46,297	-	-	46,297	46,297	-	100%	-	-	46,297	44,457	96.03%
Mpumalanga	40,265	-	-	40,265	40,265	-	100%	-	-	40,265	36,016	89.45%
Northern Cape	32,892	-	-	32,892	32,892	-	100%	-	-	32,892	32,892	100.00%
North West	35,000	-	-	35,000	35,000	-	100%	-	-	35,000	32,643	93.27%
Western Cape	1,076,724	-	-	1,076,724	1,076,724	-	100%	-	-	1,076,724	1,158,984	107.64%
Sub Total	3,994,774	-	-	3,994,774	3,994,774	-	100%	-	-	3,994,774	4,110,133	

HIV/AIDS	GRANT ALLOCATION				EXPENDITURE				SPENT			
	Division of Revenue Act	Adjustments Estimate	Roll Overs	Total Available	Actual Transfer	Amount not Transferred	% of Available Transferred	Capital	Current	Amount received by Province	Actual amount Spent	% of amount Transferred Spent
	R'000	R'000	R'000	R'000	R'000	R'000		R'000	R'000	R'000	R'000	
Eastern Cape	38,934	-	-	38,934	38,934	-	100%	-	-	38,934	36,702	94.27%
Free State	30,144	-	-	30,144	30,144	-	100%	-	-	30,144	29,904	99.20%
Gauteng	55,275	-	-	55,275	55,275	-	100%	-	-	55,275	53,246	96.33%
KwaZulu-Natal	85,591	-	-	85,591	85,591	-	100%	-	-	85,591	85,591	100.00%
Limpopo	28,962	-	-	28,962	28,962	-	100%	-	-	28,962	27,588	95.26%
Mpumalanga	26,287	-	-	26,287	26,287	-	100%	-	-	26,287	22,728	86.46%
Northern Cape	11,268	-	-	11,268	11,268	-	100%	-	-	11,268	11,268	100.00%
North West	32,891	-	-	32,891	32,891	-	100%	-	-	32,891	35,529	108.02%
Western Cape	24,204	-	-	24,204	24,204	-	100%	-	-	24,204	19,137	79.07%
Sub Total	333,556	-	-	333,556	333,556	-	100%	-	-	333,556	321,693	



Hospital Revitalisation	GRANT ALLOCATION			EXPENDITURE			SPENT			
	Division of Revenue Act	Adjustments Estimate	Roll Overs	Actual Transfer (1)	Amount not Transferred	% of Available Transferred	Current	Amount received by Province	Actual amount Spent	% of amount Transferred Spent
	R'000	R'000	R'000	R'000	R'000		R'000	R'000	R'000	
Eastern Cape	90,751	-	-	90,751	-	100%	90,751	90,751	93,131	102,62%
Free State	50,356	-	-	50,356	-	100%	50,356	50,356	36,054	71,60%
Gauteng	87,939	-	-	87,939	-	100%	87,939	87,939	67,336	76,57%
KwaZulu-Natal	129,860	-	-	129,860	-	100%	129,860	129,860	34,377	26,47%
Limpopo	96,239	-	-	96,239	-	100%	96,239	96,239	90,613	94,15%
Mpumalanga	65,666	-	-	65,666	-	100%	65,666	65,666	45,170	68,79%
Northern Cape	54,939	-	-	54,939	-	100%	54,939	54,939	33,275	60,57%
North West	59,939	-	-	59,939	-	100%	59,939	59,939	37,980	63,36%
Western Cape	81,939	-	-	81,939	-	100%	81,939	81,939	77,314	94,36%
Sub Total	717,628	-	-	717,628	-	100%	717,628	717,628	515,250	

(1) Hospital Revitalisation Grant
Public Works Related Problems

The grant funds mainly the Infrastructure and Equipment components of the Hospital Revitalisation Programme. The Infrastructure part is managed through the Department of Public Works that has challenges on delayed tendering processes and other contractors problems accounting for under expenditure reflected in the grant.

RT24 for purchasing equipment

The purchase of equipment is one major problem provinces are experiencing due to the delay in re-instating of the national tendering process for buying equipment provided by the RT24 tender process. Again equipment expenditure will rise at the end of the construction period.

Inadequate Management Capacity

The managed responsibilities of the grant both at National and Provincial levels requires adequate capacities. Provinces have already started establishing the process of Project Management Units where most provinces have appointed revitalisation project managers to improve expenditure and delivery performance. National Project Management capacity remains inadequate and require urgent attention.

Integrated Nutrition Programme	GRANT ALLOCATION			EXPENDITURE			SPENT			
	Division of Revenue Act	Adjustments Estimate	Roll Overs	Actual Transfer (1)	Amount not Transferred	% of Available Transferred	Current	Amount received by Province	Actual amount Spent	% of amount Transferred Spent
	R'000	R'000	R'000	R'000	R'000		R'000	R'000	R'000	
Eastern Cape	172,465	-	-	172,465	-	100%	172,465	172,465	173,230	100,44%
Free State	47,817	-	-	47,817	-	100%	47,817	47,817	46,731	97,73%
Gauteng	74,273	-	-	74,273	-	100%	74,273	74,273	76,417	102,89%
KwaZulu-Natal	176,646	-	-	176,646	-	100%	176,646	176,646	176,646	100,00%
Limpopo	146,433	-	-	146,433	-	100%	146,433	146,433	132,424	90,43%
Mpumalanga	62,789	-	-	62,789	-	100%	62,789	62,789	60,841	96,90%
Northern Cape	21,617	-	-	21,617	-	100%	21,617	21,617	17,900	82,81%
North West	71,967	-	-	71,967	-	100%	71,967	71,967	63,699	88,51%
Western Cape	34,653	-	-	34,653	-	100%	34,653	34,653	33,303	96,10%
Sub Total	808,660	-	-	808,660	-	100%	808,660	808,660	781,191	

Hospital Management and Quality Improvement	GRANT ALLOCATION			EXPENDITURE			SPENT			
	Division of Revenue Act	Adjustments Estimate	Roll Overs	Actual Transfer (1)	Amount not Transferred	% of Available Transferred	Current	Amount received by Province	Actual amount Spent	% of amount Transferred Spent
	R'000	R'000	R'000	R'000	R'000		R'000	R'000	R'000	
Eastern Cape	14,553	-	-	14,553	-	100%	14,553	14,553	5,270	36,21%
Free State	12,730	-	-	12,730	-	100%	12,730	12,730	7,921	62,22%
Gauteng	23,060	-	-	23,060	-	100%	23,060	23,060	28,509	123,63%
KwaZulu-Natal	16,375	-	-	16,375	-	100%	16,375	16,375	16,375	100,00%
Limpopo	13,337	-	-	13,337	-	100%	13,337	13,337	6,647	49,84%
Mpumalanga	13,337	-	-	13,337	-	100%	13,337	13,337	4,642	34,81%
Northern Cape	10,906	-	-	10,906	-	100%	10,906	10,906	1,128	10,34%
North West	12,730	-	-	12,730	-	100%	12,730	12,730	12,229	96,06%
Western Cape	16,376	-	-	16,376	-	100%	16,376	16,376	16,376	100,00%
Sub Total	133,404	-	-	133,404	-	100%	133,404	133,404	99,097	

(1) The Hospital Management and Quality Improvement Grant has a challenge because of the following reasons:

- A transition from the Grant being spread to many other institutions rather than allocated mainly for revitalisation sites.
- Some revitalisation sites are only at rudimentary phases, where ground infrastructure and installations are only commencing. Those sites can therefore not absorb the grant.
- Sometimes CFOs do not indicate to the programme managers how much money they have allocated for sites from the grant making it difficult to accurately report on expenditure.
- It is only in the 2004/05 financial year that we are putting stronger systems to channel and spend the money through vigilant business plans.

Division of Revenue Act	GRANT ALLOCATION			EXPENDITURE			SPENT					
	Roll Overs	Adjustments Estimate	Total Available	Actual Transfer	Amount not Transferred	% of Available Transferred	Capital	Current	Amount received by Province	Actual amount Spent	% of amount Transferred Spent	
	R'000	R'000	R'000	R'000	R'000		R'000	R'000	R'000	R'000		
Pretoria Academic Hospital	-	-	-	92,356	-	92,356	100%	92,356	-	92,356	100%	154,05%
Gauteng	-	-	-	92,356	-	92,356	100%	92,356	-	92,356	100%	
Sub Total	-	-	-	92,356	-	92,356	100%	92,356	-	92,356	100%	

Division of Revenue Act	GRANT ALLOCATION			EXPENDITURE			SPENT				
	Roll Overs	Adjustments Estimate	Total Available	Actual Transfer	Amount not Transferred	% of Available Transferred	Capital	Current	Amount received by Province	Actual amount Spent	% of amount Transferred Spent
	R'000	R'000	R'000	R'000	R'000		R'000	R'000	R'000	R'000	
Health Professional Training and Development	-	-	-	79,873	-	79,873	100%	-	79,873	79,873	86,80%
Eastern Cape	-	-	-	90,061	-	90,061	100%	-	90,061	90,061	100,00%
Free State	-	-	-	539,330	-	539,330	100%	-	539,330	539,330	100,00%
Gauteng	-	-	-	167,553	-	167,553	100%	-	167,553	167,553	100,00%
KwaZulu-Natal	-	-	-	40,414	-	40,414	100%	-	40,414	40,414	75,44%
Limpopo	-	-	-	34,421	-	34,421	100%	-	34,421	47,684	138,53%
Mpumalanga	-	-	-	30,007	-	30,007	100%	-	30,007	30,007	100,00%
Northern Cape	-	-	-	371,144	-	371,144	100%	-	371,144	35,248	94,90%
North West	-	-	-	314,696	-	314,696	100%	-	314,696	314,696	100,00%
Western Cape	-	-	-	1,333,499	-	1,333,499	100%	-	1,333,499	1,324,395	
Sub Total	-	-	-	34,500	-	34,500	100%	-	34,500	34,500	

Division of Revenue Act	GRANT ALLOCATION			EXPENDITURE			SPENT				
	Roll Overs	Adjustments Estimate	Total Available	Actual Transfer (1)	Amount not Transferred	% of Available Transferred	Capital	Current	Amount received by Province	Actual amount Spent	% of amount Transferred Spent
	R'000	R'000	R'000	R'000	R'000		R'000	R'000	R'000	R'000	
Drought Relief Programme	-	-	-	6,000	-	6,000	100%	-	6,000	6,000	0,00%
Eastern Cape	-	-	-	1,900	-	1,900	100%	-	1,900	1,900	0,00%
Free State	-	-	-	6,100	-	6,100	100%	-	6,100	6,100	0,00%
KwaZulu-Natal	-	-	-	6,100	-	6,100	100%	-	6,100	6,100	0,00%
Limpopo	-	-	-	5,000	-	5,000	100%	-	5,000	5,000	0,00%
Mpumalanga	-	-	-	6,000	-	6,000	100%	-	6,000	6,000	0,00%
Northern Cape	-	-	-	3,400	-	3,400	100%	-	3,400	3,400	0,00%
North West	-	-	-	34,500	-	34,500	100%	-	34,500	34,500	
Sub Total	-	-	-	34,500	-	34,500	100%	-	34,500	34,500	

(1) National Treasury allocated the R34.5 million to the National Department of Health only on 31 March 2004. Although the amounts were electronically paid to the Provinces the same day, the Provinces did not had any time to spend the grant.

Division of Revenue Act	GRANT ALLOCATION			EXPENDITURE			SPENT				
	Roll Overs	Adjustments Estimate	Total Available	Actual Transfer (1)	Amount not Transferred	% of Available Transferred	Capital	Current	Amount received by Province	Actual amount Spent	% of amount Transferred Spent
	R'000	R'000	R'000	R'000	R'000		R'000	R'000	R'000	R'000	
Medico-legal	-	-	-	1,000	-	1,000	100%	-	1,000	1,000	0,00%
Eastern Cape	-	-	-	1,000	-	1,000	100%	-	1,000	1,000	0,00%
Free State	-	-	-	1,000	-	1,000	100%	-	1,000	1,000	0,00%
Gauteng	-	-	-	1,000	-	1,000	100%	-	1,000	1,000	0,00%
KwaZulu-Natal	-	-	-	1,000	-	1,000	100%	-	1,000	65	6,50%
Limpopo	-	-	-	1,000	-	1,000	100%	-	1,000	1,000	0,00%
Mpumalanga	-	-	-	1,000	-	1,000	100%	-	1,000	1,000	0,00%
Northern Cape	-	-	-	1,000	-	1,000	100%	-	1,000	1,000	0,00%
North West	-	-	-	1,000	-	1,000	100%	-	1,000	1,000	0,00%
Western Cape	-	-	-	1,000	-	1,000	100%	-	1,000	1,000	0,00%
Sub Total	-	-	-	9,000	-	9,000	100%	-	9,000	304	30,40%
Grand Total	7,413,877	43,500	-	7,457,377	-	100%	809,984	6,647,393	7,457,377	7,394,398	97,81%

(1) The medico-legal conditional grant was promulgated in the 2003 Adjustment DORA. The funds were earmarked to fund the planning of the medico-legal services, which is due to be implemented in 2005. It was always envisaged that the bulk of the funds would be used in the 2004/05 financial year.

ANNEXURE IB - VOTE 16 STATEMENT OF TRANSFERS TO PUBLIC ENTITIES AND INSTITUTIONS BY NATIONAL/PROVINCIAL DEPARTMENTS AS AT 31 MARCH 2004

Public Entity / Institution	GRANT ALLOCATION			EXPENDITURE					
	Appropriations Act R'000	Adjustments Estimate R'000	Roll Overs R'000	Total Available R'000	Actual Transfer R'000	Amount not Transferred R'000	% of Available Transferred	Capital R'000	Current R'000
Medical Research Council	156,695	6,500	-	163,195	163,195	-	100%	-	163,195
Council for Medical Schemes	2,673	-	-	2,673	2,673	-	100%	-	2,673
National Health Laboratory Services	23,704	24,790	-	48,494	48,494	-	100%	-	48,494
	183,072	31,290	-	214,362	214,362	-		-	214,362

ANNEXURE IC - VOTE 16 STATEMENT OF OTHER TRANSFERS BY NATIONAL/PROVINCIAL DEPARTMENTS AS AT 31 MARCH 2004

Entity / Institution	GRANT ALLOCATION			EXPENDITURE					
	Appropriations Act R'000	Adjustments Estimate R'000	Roll Overs R'000	Total Available R'000	Actual Transfer (1) R'000	Amount not Transferred R'000	% of Available Transferred	Capital R'000	Current R'000
SA Institute for Medical Research	287	-	-	287	287	-	100%	-	287
Medical Research Council (SAAVI)	10,000	-	-	10,000	10,000	-	100%	-	10,000
Health System Trust	2,000	-	-	2,000	2,000	-	100%	-	2,000
Subsidising Non-Governmental Organisations (Maternal, Child and Women's Health)	350	-	-	350	350	-	100%	-	350
Integrated Nutrition: Poverty Relief	15,000	-	-	15,000	6,500	8,500	43%	-	6,500
Subsidising Non-Governmental Organisations (Tuberculosis)	2,600	-	-	2,600	1,368	1,232	53%	-	1,368
Subsidising Non-Governmental Organisations (HIV/AIDS)	43,250	-	10,567	53,817	38,924	14,893	72%	-	38,924
Health Systems Trust: Love Life	25,000	-	-	25,000	25,000	-	100%	-	25,000
Life Line	11,000	-	-	11,000	10,437	563	95%	-	10,437
South African National AIDS Council	10,000	(10,000)	-	-	-	-	-	-	-
Subsidising Non-Governmental Organisations (Mental Health & Substance Abuse)	750	-	-	750	444	306	59%	-	444
SA Federation for Mental Health	200	-	-	200	200	-	100%	-	200
SACENDU	130	-	-	130	130	-	100%	-	130
Subsidising Non-Governmental Organisations (Health Promotion)	600	-	-	600	521	79	87%	-	521
Compensation Commissioner	8,805	-	-	8,805	3,000	5,805	34%	-	3,000
SA Council for the Blind	510	-	-	510	510	-	100%	-	510
Subsidising Non-Governmental Organisations (Environmental Health)	40	-	-	40	-	40	0%	-	-
Medical Research Council (Malaria)	5,000	-	-	5,000	5,000	-	100%	-	5,000
Medical Legal	52,000	(9,000)	15,000	58,000	-	58,000	0%	-	-
Medunsa	2,310	-	-	2,310	2,310	-	100%	-	2,310
University of Cape Town	1,000	-	-	1,000	1,000	-	100%	-	1,000
University of Free State	2,320	-	-	2,320	2,320	-	100%	-	2,320
	193,152	(19,000)	25,567	199,719	110,301	89,418		-	110,301

(1) The reason for underspending is that transfer payments such as Poverty Relief, Medical Legal, HIV and AIDS NGOs, etc. did not flow as anticipated. Furthermore these savings were also mentioned on the final report on revenue and expenditure and the request for roll-over was submitted for some of the unspent funds.

ANNEXURE 2 - VOTE 16 STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2004

DOMESTIC

Guaranteed institution	Guarantee in respect of	Original Guaranteed capital amount R'000	Opening Balance 01/04/2003 R'000	Guarantees issued during the year R'000	Guarantees Released during the year R'000	Guaranteed interest outstanding as at 31/03/2004 R'000	Closing Balance 31/03/2004 R'000	Realised losses i.r.o. claims paid out R'000
Seannic	Motor/Vehicles	1,102	1,102	-	906	-	196	-
Standard Bank	Housing	677	677	76	275	-	478	-
Nedbank Ltd	Housing	350	350	230	96	-	484	-
Firstrand Bank (FNB)	Housing	712	712	56	223	-	545	-
ABSA	Housing	1,255	1,255	25	451	-	829	15
Old Mutual Finance Ltd	Housing	191	191	-	31	-	160	-
Peoples Bank	Housing	49	49	-	-	-	49	-
Old Mutual (Permanent Bank)	Housing	379	379	-	50	-	329	-
Boe Bank Ltd (Includes NBS)	Housing	224	224	57	87	-	194	-
Ithala Bank	Housing	-	-	51	-	-	51	-
Meeg Bank	Housing	7	7	-	-	-	7	-
Community Bank	Housing	10	10	-	10	-	-	-
		4,956	4,956	495	2,129	-	3,322	15

ANNEXURE 3 - VOTE 16

PHYSICAL ASSET MOVEMENT SCHEDULE (Not including inventories)

PHYSICAL ASSETS ACQUIRED DURING FINANCIAL YEAR 2003/04

	Opening Balance R'000	Additions R'000	Disposals R'000	Transfers In R'000	Transfers Out R'000	Closing Balance R'000
LAND AND BUILDINGS	7,769	-	-	-	-	7,769
Non-Residential Buildings	7,769	-	-	-	-	7,769
MACHINERY AND EQUIPMENT	11,128	20,312	-	-	-	31,440
Computer equipment	3,601	8,517	-	-	-	12,118
Furniture and office equipment	1,557	6,867	-	-	-	8,424
Other machinery and equipment	5,620	4,928	-	-	-	10,548
Transport assets	350	-	-	-	-	350
	18,897	20,312	-	-	-	39,209

PHYSICAL ASSETS ACQUIRED DURING FINANCIAL YEAR 2002/03

	Opening Balance R'000	Additions R'000	Disposals R'000	Transfers In R'000	Transfers Out R'000	Closing Balance R'000
LAND AND BUILDINGS	-	7,769	-	-	-	7,769
Non-Residential Buildings	-	7,769	-	-	-	7,769
MACHINERY AND EQUIPMENT	-	11,128	-	-	-	11,128
Computer equipment	-	3,601	-	-	-	3,601
Furniture and office equipment	-	1,557	-	-	-	1,557
Other machinery and equipment	-	5,620	-	-	-	5,620
Transport assets	-	350	-	-	-	350
	-	18,897	-	-	-	18,897

ANNEXURE 4 - VOTE 16 INTER-DEPARTMENTAL RECEIVABLES - CURRENT

Department	Confirmed balance outstanding		Unconfirmed balance outstanding	
	31/03/2004 R'000	31/03/2003 R'000	31/03/2004 R'000	31/03/2003 R'000
National Department of Agriculture	-	-	-	1
National Department of Arts, Culture, Science and Technology	-	-	-	32
National Department of Correctional Services	-	-	21	21
National Department of Housing	-	-	-	1
National Department of Education	-	-	2	2
National Department of Foreign Affairs	-	-	79	79
National Department of Land Affairs	-	-	2	2
National Department of Social Development	-	-	4	4
National Department of Trade and Industry	-	-	1	1
National Department of Transport	-	-	2	2
National Department of Water Affairs and Forestry	-	-	7	7
National Prosecuting Authority	-	-	-	1
Office of Public Service Commission	-	-	16	16
Public Service and Administration	-	-	34	34
SA Defence Force	-	-	5	5
SA Police Services	-	-	2	2
Statistics SA	-	-	2,504	2,504
Provincial Health Eastern Cape	-	-	904	904
Provincial Health Gauteng	-	-	3,041	3,041
Provincial Health KwaZulu-Natal	-	-	839	839
Provincial Health Mpumalanga	-	-	2,861	2,861
Provincial Health Northern Cape	-	-	807	807
Provincial Health Limpopo	-	-	73	73
Provincial Health North West	-	-	160	160
Provincial Health Western Cape	-	-	102	102
State Vaccine Institute	-	-	8	8
National Health Laboratory Services	-	-	31	31
Department of Land Affairs: Eastern Cape	-	-	10	10
Department of Science and Technology	-	-	4	4
Department of Education: Gauteng	-	-	11	11
Department of Housing: Gauteng	-	-	10	10
Department of Justice: KwaZulu-Natal	-	-	6,960	6,960
Department of Social Development: KwaZulu-Natal	-	-	-	-
Government Communication and Information System	-	-	-	-
TOTAL	-	-	18,593	6,326

ANNEXURE 5 - VOTE 16 INTER-DEPARTMENTAL PAYABLES - CURRENT

Department	Confirmed balance outstanding		Unconfirmed balance outstanding	
	31/03/2004 R'000	31/03/2003 R'000	31/03/2004 R'000	31/03/2003 R'000
Office of the Auditor-General	-	-	-	10
National Department of Foreign Affairs	-	-	3,929	-
Office of the President	-	-	28	-
National Treasury	-	-	143	143
SA Police Services	-	-	410	-
Provincial Health: Free State	-	-	128	-
Provincial Health: Mpumalanga	-	-	315	-
Provincial Health: Gauteng	-	-	16	-
South African Management Development Institute	-	-	4	-
Provincial Health: Western Cape	-	-	65	-
Mineral and Energy	-	-	2	-
TOTAL	-	-	5,050	143

Please note
The King George V Silver Jubilee Fund is audited separately. Financial Reports can be obtained from the Chief Financial Officer of the National Department of Health

SOUTH AFRICAN NATIONAL AIDS TRUST

REPORT OF THE BOARD OF TRUSTEES in respect of the year ended 31 March 2004

General review

The Trust was established in September 2002. The Trust deed stipulates that the Trust is to be controlled by a Board of Trustees who should administer all moneys obtained by way of donations, grants, loans, or subsidies in such a manner as to further the object of the Trust subject to the terms of conditions of the Trust deed.

Financial result and state of affairs

The financial results for the year under review are reflected in the Income Statement and the financial position of the Fund at 31 March 2004 is set out in the Balance Sheet.

No material fact or circumstances have occurred between the Balance Sheet date and the date of this report.

Trustees

The current members of the Board are:

Dr J G Zuma	Deputy President of Republic of South Africa
Dr M E Tshabalala-Msimang	Minister of Health
Ms M K Matsau	Acting Director-General of Health
Dr Z S T Skweyiya	Minister of Social Development
Dr P N Simelela	Cluster Manager: HIV/AIDS of National Department of Health

Dr Ntsaluba resigned from the Trust.

Signed on behalf of the Board of Trustees: South African National Aids Trust.



MS M K MATSAU
ACTING ACCOUNTING AUTHORITY
for BOARD OF TRUSTEES: SOUTH AFRICAN NATIONAL AIDS TRUST
Date: 28th May 2004

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE FINANCIAL STATEMENTS OF THE SOUTH AFRICAN NATIONAL AIDS TRUST FOR THE YEAR ENDED 31 MARCH 2004

1. AUDIT ASSIGNMENT

The financial statements as set out on pages 106 to 110, for the year ended 31 March 2004, have been audited in terms of section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), read with sections 3 and 5 of the Auditor-General Act, 1995 (Act No. 12 of 1995). These financial statements, the maintenance of effective control measures and compliance with relevant laws and regulations are the responsibility of the accounting officer. My responsibility is to express an opinion on these financial statements, based on the audit.

2. NATURE AND SCOPE

The audit was conducted in accordance with Statements of South African Auditing Standards. Those standards require that I plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement.

An audit includes:

- examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements;
- assessing the accounting principles used and significant estimates made by management; and
- evaluating the overall financial statement presentation.

Furthermore, an audit includes an examination, on a test basis, of evidence supporting compliance in all material respects with the relevant laws and regulations, which came to my attention and are applicable to financial matters.

I believe that the audit provides a reasonable basis for my opinion.

3. QUALIFICATION

The South African National Aids Trust was established on 20 September 2002.

Inadequate progress was made in achieving the objectives of the Trust as set out in the Deed of Trust due to the following:

- Budgets were not submitted to the Board of Trustees as required by section 53(1)-(5) of the Public Finance Management Act, 1999 (Act No. 1 of 1999) PFMA;

- Monthly and quarterly reports on income and revenue were not provided;
- Operational activities during the financial year were limited; and
- Lack of monitoring and active involvement by Trustees.

Fruitless and wasteful expenditure, to an amount of R571 114, was incurred by renting premises that were not utilised for a period starting from 1 February 2003 to date. This has not been disclosed in the annual financial statements as required by the National Treasury guidance.

4. QUALIFIED AUDIT OPINION

In my opinion, except for the effect on the financial statements of the matters referred to in subparagraph 3, the financial statements fairly present, in all material respects, the financial position of the South African National Aids Trust at 31 March 2004 and the results of its operations and cash flows for the year then ended, in accordance with prescribed accounting practice and in the manner required by the PFMA.

5. APPRECIATION

The assistance rendered by the staff of the Trust during the audit is sincerely appreciated.

A H Muller
for Auditor-General

Pretoria

29 July 2004



SOUTH AFRICAN NATIONAL AIDS TRUST BALANCE SHEET at 31 March 2004

	Notes	2003/04 R	2002/03 R
Assets			
Current assets			
Cash and cash equivalents	4	32,838,433	30,736,714
Total assets		<u>32,838,433</u>	<u>30,736,714</u>
Equity			
Accumulated funds		32,838,433	30,736,714
Total Equity		<u>32,838,433</u>	<u>30,736,714</u>

SOUTH AFRICAN NATIONAL AIDS TRUST INCOME STATEMENT for the year ended 31 March 2004

	Notes	2003/04 R	2002/03 R
Income			
Donations received	1	769,917	30,000,000
Interest received		1,991,890	737,085
Net income		2,761,807	30,737,085
Expenses			
Administrative	2	572,264	371
Professional and Special Services	3	87,824	-
Nett surplus for the year		<u>2,101,719</u>	<u>30,736,714</u>



**SOUTH AFRICAN NATIONAL AIDS TRUST
STATEMENT OF CHANGES IN CAPITAL AND RESERVES
for the year ended 31 March 2004**

	2003/04 R	2002/03 R
Balance 1 April 2003	30,736,714	-
Net income for the year	2,101,719	30,736,714
Balance 31 March 2004	32,838,433	30,736,714

**SOUTH AFRICAN NATIONAL AIDS TRUST
CASH FLOW STATEMENT
for the year ended 31 March 2004**

	Notes	2003/04 R	2002/03 R
CASH FLOW FROM OPERATING ACTIVITIES			
Net cash flow generated by operating activities		32,838,433	30,736,714
Net cash flow from operating activities		32,838,433	30,736,714
Cash flows from investing activities		-	-
Cash flows from financing activities		-	-
Net increase in cash and cash equivalents		32,838,433	30,736,714
Cash and cash equivalents at beginning of period		-	-
Cash and cash equivalents at end of period	2	32,838,433	30,736,714



**SOUTH AFRICAN NATIONAL AIDS TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2004**

	2003/04 R	2002/03 R
I. Donation received		
South African Broadcasting Cooperation	769,917	-
National Department of Health	-	30,000,000
	<u>769,917</u>	<u>30,000,000</u>
2. Administrative		
Banking fees	1,150	371
Rent	571,114	-
	<u>572,264</u>	<u>371</u>
3. Professional and Special Services		
Conference	52,484	-
Consultants	35,340	-
	<u>87,824</u>	<u>-</u>
4. Cash and cash equivalents		
Corporate bank account	32,838,433	30,736,714
	<u>32,838,433</u>	<u>30,736,714</u>

