KWAZULU-NATAL PROVINCE

HEALTH

REPUBLIC OF SOUTH AFRICA

ANNUAL REPORT

2025/26



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KWAZULU-NATAL PROVINCE
HEALTH
REPUBLIC OF SOUTH AFRICA

DEPARTMENT OF HEALTH

PROVINCE OF KWAZULU-NATAL

VOTE NO. 7

ANNUAL REPORT

2025/2026 FINANCIAL YEAR

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SUBMITTING THE 2025/26 ANNUAL REPORT (VOTE 7) TO THE EXECUTIVE AUTHORITY

MEC for Health

KwaZulu-Natal Department of Health

I have the honour of submitting the KwaZulu-Natal Department of Health Annual Report for the period **1 April 2025 to 31 March 2026**, in accordance with section 40(1)(d) of the Public Finance Management Act, 1999; the Public Service Act, 1994 (as amended); and the National Treasury Regulations.



Mrs T.P Msimango
Accounting Officer
KwaZulu-Natal Department of Health

Date: 27/8/2026

PART A: GENERAL INFORMATION

DEPARTMENT'S GENERAL INFORMATION

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ABBREVIATIONS / ACRONYMS

Abbreviation	Description
AC	Audit Committee
AGSA	Auditor-General of South Africa
AIDS	Acquired Immune Deficiency Syndrome
APP	Annual Performance Plan
ART	Anti-Retroviral Therapy
BAS	Basic Accounting System
BBBEE	Broad-Based Black Economic Empowerment
CAE	Chief Audit Executive
CCMDD	Centralized Chronic Medicine Dispensing and Distribution
CDC	Communicable Disease Control
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CHC(s)	Community Health Centre(s)
CHE	Council on Higher Education
CHW	Community Health Worker
CIPC	Companies and Intellectual Property Commission
CLARC	Cluster Audit and Risk Committee
COVID-19	Coronavirus Disease first identified in 2019
CSD	Central Supplier Database
CUPs	Contracting Units for Primary Health Care
DHIS	District Health Information System
DIS	Departmental Investigation Services
DORA	Division of Revenue Act
DPC	Disease Prevention and Control
DPME	Department Planning Monitoring and Evaluation
DPSA	Department of Public Service and Administration
DR-TB	Drug Resistant Tuberculosis
EMS	Emergency Medical Services
EPWP	Expanded Public Works Programme
GBVF	Gender Based Violence and Femicide
GDP	Gross Domestic Product
HIV	Human Immunodeficiency Virus
HOD	Head of Department
HRD	Human Resource Development
HSE	Health, Safety and Environment
HTA	High Transmission Areas
HTS	HIV Testing Services
HVAC	Heating, ventilation, and air-conditioning

Abbreviation	Description
IALCH	Inkosi Albert Luthuli Central Hospital
ICT	Information and Communication Technology
IM&T	Information Management and Technology
IODSA	Institution of Directors in South Africa
KZN	KwaZulu-Natal
KZNCN	KwaZulu-Natal College of Nursing
LARC	Long-Acting Reversible Contraceptive
LOGIS	Local Government Information Systems
MASAC	Medical and Scientific Advisory Council
MCS	Modified Cash Standard
MCWH	Maternal Child and Women's Health
MDR-TB	Multi Drug Resistant Tuberculosis
MEC	Member of the Executive Council
MPSA	Minister of Public Service and Administration
MR	Measles Rubella
MTCT	Mother to child transmission
MTEF	Medium Term Expenditure Framework
NACH	National Anti-Corruption Hotline
NEMLC	National Essential Medicines List Committee
NHA	National Health Act
NHI	National Health Insurance
NPO	Nonprofit Organisation
OHS	Occupational Health and Safety
OHSC	Office of the Health Standards Compliance
OPD	Out-Patient Department
ORWOPS	Other Remunerative Work Outside the Public Service
OSS	Operation Sukuma Sakhe
OTP	Office of the Premier
PAMA	Public Administration Management Act
PARC	Provincial Audit and Risk Committee
PCR	Polymerase Chain Reaction
PDOH	Provincial Department of Health
PEPFAR	President's Emergency Plan for AIDS Relief
PFMA	Public Finance Management Act, Act 1 of 1999
PHC	Primary Health Care
PIAS	Provincial Internal Audit Services
POPD	Paediatric Outpatient Department
PPP	Public Private Partnerships
PPSD	Provincial Pharmaceutical Supply Depot
PTS	Patient Transport Services
PWD	People with disabilities
QAIP	Quality Assurance and Improvement Programme
RMC	Risk Management Committee
RMS	Rapid Mortality Survey conducted by Health Systems Trust

Abbreviation	Description
SA	South Africa
SAHPRA	South African Health Product Regulatory Authority
SAICA	South African Institute of Chartered Accountants
SAIPA	South African Institute of Professional Accountants
SAM	Severe Acute Malnutrition
SANC	South African Nursing Council
SAQA	South African Qualification Authority

FOREWORD BY THE MEC FOR HEALTH

It is my pleasure to present the KwaZulu-Natal Department of Health Annual Report for the 2025/26 financial year.

The year under review marked the beginning of a new five-year strategic planning cycle and provided an important opportunity to reaffirm our commitment to building a healthier KwaZulu-Natal. Despite continued fiscal constraints and increasing demand for public healthcare services, the Department remained focused on improving health outcomes, strengthening the health system and expanding equitable access to quality healthcare for all the people of our province.

Our work remained firmly aligned to Government's Medium-Term Development Plan, particularly Strategic Priority 2, which seeks to improve access to affordable, quality healthcare while advancing the well-being of all South Africans. Guided by our 2025/26 Annual Performance Plan, we continued to strengthen the client experience of care, reduce morbidity and mortality, and build a more responsive and resilient public health system.

During the year under review, the Department recorded encouraging progress across several priority programmes.

Our HIV and TB response continued to deliver positive results. Adult viral load suppression improved from 82.7% to 84.4%, while suppression among children increased significantly from 55.7% to 64.0%. Treatment success for patients with rifampicin-resistant and multidrug-resistant tuberculosis also improved markedly, rising from 69.2% to 84.6%.

Important gains were also recorded in maternal and child health. Early antenatal booking increased to 79.0%, postnatal care within six days improved to 88.7%, and the number of births to girls aged 10 to 14 years declined from 523 to 456, reflecting the positive impact of reproductive health services and community-based interventions. In addition, the Department screened more than 122 000 Grade R learners - far exceeding the annual target - and recorded a further reduction in the under-five diarrhoea case fatality rate.

The Department also continued investing in healthcare infrastructure as part of our commitment to improving access to quality healthcare services. During the reporting period, 41 capital infrastructure projects were completed, while 609 public health facilities underwent maintenance or refurbishment, strengthening the quality, accessibility and resilience of healthcare services across KwaZulu-Natal.

While these achievements are encouraging, they also remind us that there is still important work to be done. Certain service delivery areas require renewed focus to ensure that our performance consistently meets the expectations of the people we serve. These include improving immunisation coverage, strengthening patient retention in treatment programmes, enhancing Emergency Medical Services, improving medicine availability and continuing to invest in the development of our healthcare workforce.

The Department achieved 26 of its 48 annual performance indicators during the reporting period. Although this demonstrates progress in several strategic areas, it also highlights the need to accelerate implementation

in programmes that remain under pressure. To this end, management has already initiated targeted interventions aimed at improving operational performance, strengthening accountability and ensuring that corrective measures produce measurable and sustainable improvements.

Similarly, governance and financial management remain key priorities. Preliminary audit outcomes indicate that the Department received a qualified audit opinion. While this is not the outcome we had aspired to, we have responded decisively through the implementation of comprehensive Audit Recovery and Financial Recovery Plans designed to strengthen internal controls, improve financial discipline and reinforce a culture of accountability throughout the Department.

Looking ahead, our focus remains clear. We will continue strengthening health system performance, improving the patient experience, enhancing governance and accountability, and ensuring that every available resource delivers maximum value for the people of KwaZulu-Natal. Particular attention will be given to improving audit outcomes, strengthening Emergency Medical Services, enhancing medicine availability, addressing workforce pressures, expanding preventative healthcare services and accelerating reforms that advance Universal Health Coverage.

The implementation of the Provincial Turnaround Strategy and the work of the Provincial Transformation Task Team will play a central role in driving these improvements. Together, these initiatives provide a clear roadmap for addressing longstanding systemic challenges while positioning the Department to deliver sustainable improvements in healthcare delivery over the medium term.

None of this would be possible without the unwavering commitment of our healthcare workers, managers, organised labour, community structures, development partners and every stakeholder who continues to support the work of the Department. I extend my sincere appreciation to each one of you for your dedication, professionalism and resilience in serving the people of KwaZulu-Natal.

Together, we remain steadfast in our commitment to building a stronger, more responsive and more accountable public health system, while ensuring that every person in KwaZulu-Natal has access to quality healthcare services in line with the aspirations of the National Development Plan and the Medium-Term Development Plan.



Ms Nomagugu Simelane

MEC for Health: KwaZulu-Natal Department of Health

Date:

REPORT OF THE ACCOUNTING OFFICER

DEPARTMENTAL OVERVIEW

The 2025/26 financial year marks the first year of the new 5-year strategic planning cycle. The 2025/26-2029/30 Strategic Plan is aligned with the National Development Plan, the Medium-Term Strategic Framework, the Provincial Growth and Development Plan, legislative and policy mandates, and the burden of disease, which determines the needs and demands for health care in the Province.

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

In 2025/26, the policy priorities set out in the Annual Performance Plans (APP) were in line with two (2) over-arching outcomes that seek to achieve the IMPACT of “Increased Life Expectancy”. The outcomes are “Improved Client Experience of Care” and “reduced Morbidity and Mortality”.

Details of the actual performance of the Department during 2025/26 are included in the Annual Report, highlighting the achievements and challenges. The 2025/26 Annual Performance Plan (APP) Indicators Report for the KwaZulu-Natal Department of Health assesses performance against 48 key indicators aligned to improving health outcomes and patient experience. Overall, the Department achieved 26 out of 48 indicators (54.2%), while 22 indicators (45.8%) were not met, indicating moderate performance with critical areas requiring improvement.

Performance Highlights

Significant progress was recorded in clinical outcomes, particularly within HIV, TB, and maternal and child health programmes. HIV positivity rates declined among children (5–14 years) to 0.3%, outperforming the target of 0.6%, while youth (15–24 years) achieved 1.4% against a 1.8% target, reflecting effective prevention and awareness interventions

Treatment outcomes improved notably:

- Adult viral load suppression reached 84.4%, exceeding the 81.5% target
- Child viral suppression improved to 64%, above the 51.9% target
- Drug-resistant TB treatment success increased significantly to 84.6% against 68.1% target.
- Maternal and child health indicators also showed positive results.
- Early antenatal visits before 20 weeks reached 79.0% (target: 76.5%), and postnatal care within 6 days improved to 88.7% (target: 83.4%). Additionally, deliveries among girls aged 10–14 declined from 523 to 456, demonstrating progress in reducing teenage pregnancies.
- Infrastructure and system improvements were evident, with 41 capital projects completed (target: 40) and 609 facilities maintained or refurbished (target: 600). Preventative maintenance spending also exceeded the target at 50.1%.

Key Areas of Underperformance

Despite these achievements, several critical service delivery and system challenges affected overall performance. The audit outcome regressed from unqualified to qualified in the previous year, mainly due to irregular expenditure and asset management issues.

Preventive health services underperformed:

- Immunisation coverage declined to 81.0% against a 95% target
- Couple Year Protection Rate dropped to 56.5% (target: 64.0%) due to contraceptive stock-outs
- Cervical cancer screening achieved 68.0% (target: 69.6%)
- HIV programme challenges persist, particularly in retention:
- Adults remaining on ART fell short at 1.56 million vs 1.65 million target
- Children on ART were 22,667 against a 28,470 target, largely due to loss to follow-up in mobile populations
- Emergency Medical Services (EMS) performance remains a concern. Urban response times within 30 minutes declined to 29.7%, significantly below the 42.1% target, mainly due to aging ambulance fleets and maintenance delays, and poor performance of the service provider contracted for fleet maintenance and repairs through the National RT46 contract
- Medicine stock outs were noted in the earlier part of the financial year mainly due to supplier problems particularly for active ingredients for some of the pharmaceuticals. Medicine stock out rates were 4.0% at provincial depots and 2.7% at facility level.

Key Drivers

The main drivers of underperformance include:

- Budget constraints affecting staffing and training
- Pharmaceutical Companies Suppliers stock out particularly for active ingredients and departmental cash flow challenges resulting in late payments to suppliers
- High population mobility, impacting patient retention
- Aging infrastructure and EMS fleet limitations
- System and data management issues affecting reporting and monitoring

The Department delivered strong clinical and programme outcomes, particularly in HIV, TB, and maternal health, demonstrating effective interventions and service delivery improvements.

The Department has developed a Turnaround Strategy document that will be led by a Provincial Transformation and Change Management Team that will oversee and drive the turnaround of the systemic and resource challenges impacting on the achievement of the health outcomes

Enabling systems

Human Resources

The Department had 75,779 filled posts with a vacancy rate of 8.9% as of 31 March 2026 The ongoing budget cuts due to implementation of austerity measures have had a significant impact on the ability of the department

to fill vacant critical posts especially amongst clinical specialist (nurses and doctors), allied health professionals including in finance and human resource administrative posts. On a year-on-year basis, the average human resource headcount decreased. The decrease from the 2024/2025 of 4,565 is consistent with the budget cuts, normal retirements and resignations.

The Medium-Term Expenditure Framework allocation demonstrated the adverse impact of the continued reduction of the Compensation of Employees annual baselines, which will more likely persist over the medium-term, placing even more pressure on the Department to fund its Human Resource capacity requirements within its own allocation.

KwaZulu-Natal Nursing College

The KwaZulu-Natal College of Nursing is an accredited Nursing College within the KwaZulu-Natal Department of Health. The total number of students currently on training is 1112. Of the total 825 students are registered for the Diploma in Nursing and 287 are enrolled in the Advanced Diploma in Midwifery.

The college successfully hosted a graduation ceremony in the 2025/2026 financial year with a total of 432 graduates entering the nursing profession. The graduates included a total of 171 in the General Nurse Category and 261 in the Advanced Diploma in Midwifery. Graduation of students in the Advanced Diploma in Midwifery programme is a historical event for the college, as this was the first cohort of nurses graduating in this category from the college and will strengthen and enhance the quality of maternal care within our facilities.

The college has been making progress in the offering of the Post Graduate Diploma Programmes:
For the first time, in January 2026, the college has offered the following Post Graduate Diploma Programmes at a National Qualifications Framework Level 8, i.e., Post Graduate Diploma in Perioperative Nursing 21 students and Post Graduate Diploma in Adult Critical Care 30 students.

On 1st July 2026, the Post Graduate Diploma Programmes in Primary Care Nursing and Ophthalmic Nursing will commence. The Post Graduate Diploma in Nephrology, Orthopaedic and Mental Health Nursing has been accredited by the South African Nursing Council as well as the Council on Higher Education, has been registered with South African Qualification Authority (SAQA), and will commence when suitably qualified academic staff have been recruited.

The processes of accreditation and registration with SAQA is continuing for the Post Graduate Diplomas in Midwifery, Child Nursing and Emergency Nursing, as well as the Bachelor of Nursing Degrees.

Human Resources Development

In a bid to address the skills shortage and improve service delivery, the Department has appointed 31 Allied Bursary holders between January and April 2026. There are 40 bursary holders who are currently doing their

internship. There are 44 bursary holders inclusive of medical, pharmacy and allied professionals are currently in training at various universities.

The Department also provided bursaries to in-service employees to address critical skills shortage and improve employees' qualifications that is necessary to improve performance or compliance with professional bodies' requirements, 1 790 employees are currently studying under this training initiative, no new bursaries were awarded in January 2026.

The Department also implemented various training and development initiatives, which was reported in the Annual Training Report submitted to the Public Service Sector Education and Training Authority (PSETA) and Health and Welfare Sector Education and Training Authority (HWSETA). The number of beneficiaries for HWSETA are as follows:

- 68 Nurse training through the KwaZulu-Natal Nursing College.
- 100 Interns in various fields of Finance, Human Resources and Administrative placements.
- 125 Artisans recognition of Prior learning for tradesman and handyman
- 700 Nurses for Clinical Management
- 26 Administrative for Supervision management

Infrastructure

Programme 8 consists of six sub-programmes with the main aim being the facilities management of Community Health Facilities, District Hospital Services, Emergency Medical Services, Provincial Hospital Services, Central Hospital Services and Other Facilities. The key activities relate to the provision of new health facilities, rehabilitate, upgrade and maintain existing facilities in all sub-programmes, maintenance of grounds and gardens as well as the provision of major medical equipment.

To facilitate this, this programme receives the following conditional grant funding to fund its activities:

- Health Facilities Revitalisation Grant (HFRG)
- Expanded Public Works Programme Integrated Grant for Province

There are three (3) Implementing Agents currently being used by Department of Health to implement Projects.

- Department of Public Works - 204 Projects
- Department of Health -134 Projects
- Development Bank of South Africa – 17 Projects

Table 1: Expenditure Report as at end of 31 March 2026

Expenditure Report according to the Sources of Funding (31/03/2026)			
Sources of Funding	**Current Budget Allocation**	**Acc. Expenditure up to date**	**% Spent**
Health Facility Revitalization Grant (HFRG)	R1 716 920 000	R1 716 920 000	**100%**
EPWP Grant	R9 000 000	R9 000 000	**100%**
Equitable Share	R386 332 000	R351 684 415	**91%**
Sub Totals P8	**R2 112 252 000**	**R2 075 844 819**	**98%**

Table 2: Infrastructure development projects- practical completion

Project Name	Milestone Reached (IRM)	Total Project Cost	Total Project Expenditure to date	Progress to date
Government Provincial - Purchase 16 Portable Standby Disaster Management Generators Sets	Practical Completion	37 434 619,00	32 434 619,00	All 16 generators completed. Project on retention until August 2028.
King Dinuzulu Hospital - Construction of the Helistop	Practical Completion	14 393 822,00	13 393 822,00	Construction progress is 100 %, practical completion was taken on 31st January 2025.
Mfundo Arnold Lushaba CHC - Construction of New EMS Wash Bay	Practical Completion	8 032 128,00	5 085 285,00	Practical completion achieved 29 October 2025; Final completion will be achieved on 18 December 2025.
PPSD - Storm Damage Recovery 2022: Upgrades to Storm Water Reticulation	Practical Completion	4 726 987,00	4 556 835,00	Site handed over on 29 July 2023, and practical completion taken on 08 September 2025.
Prince Mshiyeni Memorial Hospital - Installation of 4 Boreholes and Water Storage System	Practical Completion	13 882 429,00	13 774 617,00	Practical Completion successfully completed on the 11 June 2025. Retention period ends 10 June 2026
Queen Nandi Hospital: Storm Damage Recovery	Practical Completion	2 536 958,00	2 151 782,00	Practical Completion was taken on 30 September 2025
Sokhela Clinic - Clinic Expansion to include HAST Unit and Midwife Obstetric Unit	Practical Completion	37 304 253,00	37 411 135,00	Practical Completion reached on 19 December 2025

Table 3: Infrastructure development projects- some of the projects on site

PROJECT NAME	PROJECT PROGRESS	TOTAL PROJECT COST	EXPENDITURE TO DATE	PROGRESS TO DATE
KwaMagwaza Hospital - Installation of 500KL & 20KL Water Tank & Fire Reticulation	Construction 76% - 99%	8 927 089,00	5 961 367,00	Site handover achieved 16 January 2025, Construction progress at 90%
Madadeni Hospital - Upgrades to Student Accommodation	Construction 51% - 75%	74 201 095,00	51 403 940,00	Construction progress is at 50%. Practical completion is anticipated to be at the end of March 2027
Midlands Regional Laundry - Renovations to Laundry Building	Construction 76% - 99%	4 186 558,00	2 524 254,00	Construction is at 96% progress.
Mosvold Hospital - Construction of Staff Accommodation & Paediatric Unit	Construction 26% - 50%	372 906 553,00	140 918 204,00	Progress on site is at 45%
Mpaphala Clinic - Construction of New Medium Clinic	Construction 26% - 50%	114 074 069,00	51 663 355,00	Progress is 57% against 72% timeline. Practical completion revised to 30 January 2027.
Mpolweni Clinic - Construction of New Small Clinic	Construction 26% - 50%	83 683 185,00	31 646 775,00	Progress at 58%.
Mseleni Hospital - Install 400KL & 20KL Water Storage	Construction 51% - 75%	7 466 672,00	3 506 811,00	Progress on site 40%, practical completion is anticipated for 29 September 2026.
Newtown CHC - Conversion of CHC into Extra Large Clinic	Construction 26% - 50%	113 977 218,00	17 288 921,00	Site handed over on 04 November 2024. Progress is estimated at 36%
Nyavini Clinic - Construction of a New Clinic	Construction 76% - 99%	84 074 162,00	41 320 481,00	Construction Physical Progress 80%, Practical Completion anticipated by the14th of June2026.
Port Shepstone Hospital - Conversion of Offices to Renal Ward	Construction 51% - 75%	1 800 000,00	353 409,00	Progress is at 100%

Table 4: Infrastructure development projects- some of the projects on design stage

Project Name	Milestone Reached (IRM)	Total Project Cost as captured on project page	Total Project Expenditure to date	Progress to date
Amajuba District EMS - Package 4: Construction of 3 Ambulance Base Wash-bays	Design	24 603 800,00	125 691,00	Concept report was presented and not approved at Des July 2025, PSP to resubmit concept report by 22 May 2026
Ceza Hospital - Installation of Elevated Steel Water Tank	Design	16 563 763,00	315 859,00	Project is on Design Stage to be submitted to the Design Committee on 15 May 2026
Dundee Hospital - Conversion of Building to Provide Accommodation for Com-Servs	Design	45 000 000,00	798 985,00	The concept was approved on 25 November 2025. PSPs are working on Stage 3 which anticipated to be completed by 31 May 2026.

Project Name	Milestone Reached (IRM)	Total Project Cost as captured on project page	Total Project Expenditure to date	Progress to date
Grey's Hospital - Upgrades to HVAC System for Theatres Phase 1	Design	34 200 000,00	4 087 670,00	Public Works is Finalizing the Design Development to be submitted at the end of May 2026
Ladysmith Hospital - Completion of Water Storage Tanks & Upgrade Water & Fire Reticulation	Design	91 000 000,00	1 028 590,00	Stage 4 design report is anticipated to be tabled at design committee by the 31 May 2026
Mtubatuba CHC - Construction of a New CHC	Design	544 731 382,00	20 686 535,00	The Project is in progress. There were adjustments of designs
Prince Mshiyeni Memorial Hospital - Construction of Mental Health Unit	Design	224 000 000,00	716 246,00	DOPW are preparing the Stage 2 reports for Design Committee
St Andrews Hospital - New Staff Accommodation	Design	72 967 495,00	902 497,00	Stage 3 presentation to HIAC on 23 January 2026. The project was not recommended. Stage 3 to be represented to Design Committee by 22 May 2026
St Apollinaris Hospital - Reconfigure Existing Building to provide for Neonatal Nursery	Design	84 000 000,00	7 763 379,00	Stage 3 was presented to Design Committee on 01 April 2026; the team is working on requested revisions. The approval is anticipated by 31 May 2026.
Umkhanyakude District EMS - Package 3: Construction of 2 EMS Wash-bays in 2 Facilities	Design	16 000 000,00	209 485,00	PSPs working on Stage 3 developments to be submitted to Design Committee by 22 May 2026
uMkhanyakude EMS - Construction of EMS Base & Wash Bay to Replace Parkhome in Manguzi Hospital	Design	25 162 560,00	1 176 837,00	PSPs working on Stage 3 developments to be submitted to Design Committee by 22 May 2026

Health Technology Services

Health Technology manages and controls the day-to-day operational functioning of this unit. This Component is responsible for providing a professional, cost effective and safe Clinical Engineering Service to all Health Institutions and Auxiliary Medical Services in the Province of KwaZulu-Natal, in line with the Departmental vision of ensuring quality health-care for all citizens of the Province.

Currently, Health Technology Services has twelve (12) regional satellite workshops that are fully operational

During the 2025/26 financial year, the procurement of medical equipment remained a priority, funded through both the Equitable Share budget and the Health Facility Revitalisation Grant (HFRG). These efforts focused on replacing and upgrading obsolete or malfunctioning medical and radiology hardware in strict alignment with the approved procurement plan.

To minimize equipment downtime and improve service continuity, the unit established several Service Level Agreements (SLAs) with specialized suppliers. These agreements cover the maintenance and support of Radiology, Oncology, Nuclear Medicine, and Imaging equipment.

Performance by the Infrastructure Development is as follows:

Challenges

- Continuous Flooding in eThekwini and uGu Districts is causing major damage on the infrastructure.
- Late payment of Contractors because of cash flow challenges is leading to contractors failing to deliver projects on time, some projects end up in termination.
- High staff turnover has a negative impact on overall performance
- Market-related challenges, including limited contractor capacity and pricing volatility, are affecting procurement outcomes.

Revenue

The Department exceeded its revenue collection target for 2025/26, by R9,940 million however this could have been higher, but the impact of economic downturn the delays in payments being received from the Road Accident (RAF) Fund has adversely affected the collection of Revenue. While progress has been made in rolling out patient revenue systems in hospitals, the IT infrastructure and connectivity still pose a challenge. The set revenue target of R281,180 million was over collected by R9,940 million.

The Department has developed a Revenue Enhancement Strategy which is focusing on all revenue streams including Rental payments by other entities using DOH Facilities e.g. NHLS, Home Affairs and Research institutions.

This also included the efforts that the Department is pursuing to collect outstanding payments from RAF. In addition, the strategy will ensure that each revenue generating service point has set targets and there is monthly reporting to HO Revenue section on amounts collected against targets for medical aid for service rendered, Road Accident Fund for treatment patients injured on public roads and other health services

rendered by hospital to patients and other departments. It also generates revenue from use Department facilities and accommodation by the staff which includes boarding fees, non-residents and parking fees.

During the previous financial years, the Department has seen substantial increase in collection from sale of goods and services because of concerted effort to ensure revenue recoveries and through provision of training to the institutions.

Tariff policy

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

Free Services

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

Supply chain management

The process to revive the efficiency within the Supply Chain Management (SCM) component of the Department is ongoing. A number of initiatives have been implemented to improve compliance with SCM amongst which are:

- The roll out of the LOGIS System in hospitals which will assist in improving efficiencies in financial management and expenditure, particularly to eliminate unauthorised expenditure.
- Reviewing and updating of SCM Policies and Guidelines to strengthen compliance and reduce the risk of irregular expenditure.
- An Irregular Expenditure Project Plan focusing on determination testing of historical irregular expenditure and strengthening compliance with the National Treasury framework
- Weekly Monitoring of implementation of prior year's audit findings improvement plans particularly in SCM and Asset management

Financial Management Improvements

The Department has developed a Financial Recovery Plan that will be implemented over a five-year period and is in line with the Provincial Financial Recovery Plan. This plan has been operationalised through an Annual Cost Savings Plan which has yielded a savings of more than R1billion.

Health Facilities are also implementing the cost saving strategy. Considering that the Department is likely to incur accruals throughout the MTEF, benchmarking exercises have been conducted in Western Cape and Gauteng on efficient measures to reduce and manage accruals, reducing fruitless and wasteful expenditure through effective stock management systems, reducing over expenditure on Compensation of Employees to ensure adequate cash flows monthly to meet the Departments financial obligations.

Financial Performance

Table 5: Departmental Receipts

Departmental receipts	2025/2026			2024/2025		
	Estimate	Actual Amount Collected	(Over)/ Under Collection	Estimate	Actual Amount Collected	(Over)/ Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Sale of goods and services other than capital assets	258,880	242,049	16,831	326,076	207,190	118,886
Fines, penalties and forfeits	92	50	42	88	43	45
Interest, dividends and rent on land	208	1,017	(809)	199	542	(343)
Sale of capital assets	5,700	13,427	(7,727)	10,280	25,513	(15,233)
Financial transactions in assets and liabilities	20,300	34,577	(14,277)	22,330	24,295	(1,965)
Total	**281,180**	**291,120**	**(9,940)**	**358,973**	**257,583**	**101,390**

Table 6: Programme Expenditure

Programme Name	2025/2026			2024/2025			Reasons for Variance
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	
Administration							Refer notes to the Appropriation Statement
Current payment	1,147,612	1,174,475	(26,863)	1,629,358	1,669,476	(40,118)	
Transfers and subsidies	28,803	11,463	17,340	27,701	20,792	6,909	
Payment for capital assets	62,302	44,468	17,834	52,247	19,038	33,209	
Payment for financial assets	-	5	(5)		0	0	
Total	**1,238,717**	**1,230,411**	**(8,306)**	**1,709,306**	**1,709,306**	**-**	
District Health Services							
Current payment	29,291,934	29,557,182	(265,248)	26,561,702	26,705,847	(144,145)	
Transfers and subsidies	617,857	560,322	57,535	477,939	477,997	(58)	
Payment for capital assets	409,068	199,801	209,267	240,458	95,719	144,739	
Payment for financial assets	-	1,554	(1,554)	0	536	(536)	
Total	**30,318,859**	**30,318,859**	**0**	**27,280,099**	**27,280,099**	**0**	
Emergency Medical Services							
Current payment	1,784,283	1,804,948	(20,665)	1,662,883	1,677,912	(15,029)	
Transfers and subsidies	11,372	6,730	4,642	7,137	6,490	647	
Payment for capital assets	83,760	67,691	16,069	93,569	79,080	14,489	
Payment for financial assets	-	46	(46)	0	107	(107)	

Programme Name	2025/2026			2024/2025			Reasons for Variance
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	
Total	**1,879,415**	**1,879,415**	**0**	**1,677,615**	**1,691,566**	**(13,951)**	
Provincial Hospital Services							
Current payment	14,274,335	14,414,695	(140,360)	13,239,699	13,388,785	(149,086)	
Transfers and subsidies	231,786	215,352	16,434	84,458	88,710	(4,252)	
Payment for capital assets	172,972	48,542	124,430	185,984	43,864	142,120	
Payment for financial assets	-	504	(504)	0	297	(297)	
Total	**14,679,093**	**14,679,093**	**0**	**13,510,141**	**13,521,656**	**(11,515)**	
Central Hospital Services							
Current payment	6,053,659	6,124,316	(70,657)	5,778,979	5,835,137	(56,158)	
Transfers and subsidies	45,971	22,631	23,340	52,743	26,274	26,469	
Payment for capital assets	80,926	33,131	47,795	76,422	46,663	29,759	
Payment for financial assets	-	478	(478)	0	70	(70)	
Total	**6,180,556**	**6,180,556**	**0**	**5,908,144**	**5,908,144**	**0**	
Health Science and Training							
Current payment	1,361,661	1,372,305	(10,644)	1,312,343	1,318,588	(6,245)	
Transfers and subsidies	43,512	40,641	2,871	69,705	69,705	-	
Payment for capital assets	14,319	6,175	8,144	8,688	2,443	6,245	
Payment for financial assets	-	11	(11)	0	0	0	
Total	**1,419,492**	**1,419,132**	**0**	**1,390,736**	**1,390,736**	**0**	

Refer notes to the appropriation Statement

Programme Name	2025/2026			2024/2025			Reasons for Variance
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	
Health Care Support Services							Refer notes to the appropriation Statement
Current payment	347,406	357,538	(10,132)	328,820	317,482	11,338	
Transfers and subsidies	4,266	454	3,812	991	1,419	(428)	
Payment for capital assets	13,439	603	12,836	1,643	1,038	605	
Total	**365,111**	**358,595**	**6,516**	**331,454**	**319,939**	**11,515**	
Health Facilities Management							
Current payment	422,242	727,199	(304,957)	746,613	832,939	(86,326)	
Transfers and subsidies	477	543	(66)	51	51	0	
Payment for capital assets	1,690,010	1,348,321	341,689	1,156,759	1,070,433	86,326	
Total	**2,112,729**	**2,076,063**	**36,666**	**1,903,423**	**1,903,423**	**0**	
Departmental Total	**58,193,972**	**58,142,124**	**51,848**	**53,796,892**	**53,796,892**	**0**	

Unauthorised Expenditure

The total historical balance of unauthorised expenditure of R1,388,499,000.00 disclosed is in the Annual report and is awaiting the approval of the relevant committees. In the 2025/2026 financial year, the Department did not incur any additional unauthorised expenditure.

Public Private Partnership

The Department has in place a public private partnership agreement with Impilo Consortium for the delivery of non-clinical services to the Inkosi Albert Luthuli Central Hospital. Details of the PPP and the transactions relating thereto are disclosed under notes of the financial statements.

Gifts And Donations

Donations, gifts and sponsorships to value of R 197 million were received and are reflected in the annexure to the Financial Statement as is utilised in accordance with the donor request. Aid assistance to value of R8,404 million was received from CDC (Centre's for Disease Control and Prevention) of the United States of America (USA).

Events After Reporting Date

No event subsequent to balance sheet date occurred.

Exemptions And Deviations Received From The National Treasury

The following exemptions have been obtained from the Provincial Treasury:

BAS/Persal reconciliation

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

Other Matters

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

Approval

The Annual Financial Statements set out on the pages 257 to 313 are hereby approved by the Accounting Officer of the Department of Health, KwaZulu-Natal.



Mrs T.P Msimango
Accounting Officer
KwaZulu-Natal Department of Health

Date: 27/8/2026

STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY OF THE ANNUAL REPORT

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

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

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

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

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

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

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

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

In my opinion, the Annual Report fairly reflects the operations, performance information, human resource information, and financial affairs of the Department for the financial year ended **31 March 2026**.

Yours faithfully



Mrs T.P Msimango

Accounting Officer

KwaZulu-Natal Department of Health

STRATEGIC OVERVIEW

VISION

A long and healthy life for all individuals and communities in KwaZulu-Natal.

MISSION

To **protect, promote, improve and maintain** the health of individuals and communities in KwaZulu-Natal through an integrated, multi-sectoral, sustainable and comprehensive health system at all levels.

VALUES

- Integrity
- Trustworthiness
- Innovation
- Social Justice
- Responsiveness
- Open communication
- Accountability
- Continuous learning
- Consultation
- Professionalism (including respect)
- Commitment to Quality
- Compassion

LEGISLATIVE AND OTHER MANDATES

CONSTITUTIONAL MANDATE

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

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

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

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

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

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

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

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

1) Everyone has the right to have access to:
a) Health care services, including reproductive health care.
b) Sufficient food and water; and
c) Social security, including, if they are unable to support themselves and their dependents, appropriate social assistance.
2) The state must take reasonable legislative and other measures, within its available resources, to achieve the progressive realization of each of these rights; and
3) No one may be refused emergency medical treatment.

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

LEGISLATIVE AND POLICY MANDATES (NATIONAL HEALTH ACT AND OTHER LEGISLATION)

LEGISLATION FALLING UNDER THE DEPARTMENT OF HEALTH'S PORTFOLIO

National Health Act, 2003 (Act No. 61 of 2003) Provides a framework for a structured health system within the Republic, taking into account the obligations imposed by the Constitution and other laws on the national, provincial and local governments with regard to health services. The objectives of the National Health Act (NHA) are to:

1. Unite the various elements of the national health system in a common goal to actively promote and improve the national health system in South Africa.
2. Provide for a system of co-operative governance and management of health services, within national guidelines, norms and standards, in which each province, municipality and health district must deliver quality health care services.
3. Establish a health system based on decentralized management, principles of equity, efficiency, sound governance, internationally recognized standards of research and a spirit of enquiry and advocacy which encourage participation.
4. Promote a spirit of co-operation and shared responsibility among public and private health professionals and providers and other relevant sectors within the context of national, provincial and district health plans; and
5. Create the foundation of the health care system, and understood alongside other laws and policies, which relate to health in South Africa.

Medicines and Related Substances Act, 1965 (Act No. 101 of 1965) - Provides for the registration of medicines and other medicinal products to ensure their safety, quality, and efficacy, and provides for transparency in the pricing of medicines.

Hazardous Substances Act, 1973 (Act No. 15 of 1973) - Provides for the control of hazardous substances, in particular those emitting radiation.

Occupational Diseases in Mines and Works Act, 1973 (Act No. 78 of 1973) - Provides for medical examinations on persons suspected of having contracted occupational diseases, especially in mines, and for compensation in respect of those diseases.

Pharmacy Act, 1974 (Act No. 53 of 1974) - Provides for the regulation of the pharmacy profession, including community service by pharmacists

Health Professions Act, 1974 (Act No. 56 of 1974) - Provides for the regulation of health professions, in particular medical practitioners, dentists, psychologists and other related health professions, including community service by these professionals.

Dental Technicians Act, 1979 (Act No. 19 of 1979) - Provides for the regulation of dental technicians and for the establishment of a council to regulate the profession.

Allied Health Professions Act, 1982 (Act No. 63 of 1982) - Provides for the regulation of health practitioners such as chiropractors, homeopaths, etc., and for the establishment of a council to regulate these professions.

SA Medical Research Council Act, 1991 (Act No. 58 of 1991) - Provides for the establishment of the South African Medical Research Council and its role in relation to health Research.

Academic Health Centres Act, 86 of 1993 - Provides for the establishment, management and operation of academic health centres.

Choice on Termination of Pregnancy Act, 1996 (Act No. 92 of 1996) - Provides a legal framework for the termination of pregnancies based on choice under certain circumstances.

Sterilization Act, 1998 (Act No. 44 of 1998) - Provides a legal framework for sterilization, including for persons with mental health challenges.

Medical Schemes Act, 1998 (Act No. 131 of 1998) - Provides for the regulation of the medical schemes industry to ensure consonance with national health objectives.

Council for Medical Schemes Levy Act, 2000 (Act 58 of 2000) - Provides a legal framework for the Council to charge medical schemes for certain fees.

Tobacco Products Control Amendment Act, 1999 (Act No. 12 of 1999) - Provides for the control of tobacco products, prohibition of smoking in public places and advertisements of tobacco products, as well as the sponsoring of events by the tobacco industry.

Mental Health Care 2002 (Act No. 17 of 2002) - Provides a legal framework for mental health in the Republic and in particular the admission and discharge of mental health patients in mental health institutions with an emphasis on human rights for mentally ill patients.

National Health Laboratory Service Act, 2000 (Act No. 37 of 2000) - Provides for a statutory body that offers laboratory services to the public health sector.

Nursing Act, 2005 (Act No. 33 of 2005) - Provides for the regulation of the nursing profession and for the establishment of a council to regulate these professionals, including community service by these professionals.

Higher Education Act (Act No. 101 of 1997) as amended: Provides for the regulation of Higher Education Institutions and its registration, including the formation of governance structures guiding education and training of students.

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

Traditional Health Practitioners Act, 2007 (Act No. 22 of 2007) - Provides for the establishment of the Interim Traditional Health Practitioners Council, and registration, training and practices of traditional health practitioners in the Republic.

Foodstuffs, Cosmetics and Disinfectants Act, 1972 (Act No. 54 of 1972) - Provides for the regulation of foodstuffs, cosmetics and disinfectants, in particular quality standards that must be complied with by manufacturers, as well as the importation and exportation of these items.

KwaZulu-Natal Health Act (Act No. 1 of 2009) and Regulations: Provides for a transformed Provincial Health System within framework of the National Health Act of 2003.

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

Disaster Management Act: Classification of a National Disaster: COVID-19 (coronavirus). Notice on the classification of the COVID-19 pandemic as a National Disaster based on the potential magnitude and severity of the COVID -19 pandemic on 15 March 2020.

OTHER LEGISLATION APPLICABLE TO THE DEPARTMENT INCLUDING POLICIES AND STRATEGIES

Criminal Procedure Act, 1977 (Act No. 51 of 1977), Sections 212 4(a) and 212 8(a) - Provides for establishing the cause of non-natural deaths.

Children's Act, 2005 (Act No. 38 of 2005) - The Act gives effect to certain rights of children as contained in the Constitution; to set out principles relating to the care and protection of children, to define parental responsibilities and rights, to make further provision regarding children's court.

Occupational Health and Safety Act, 1993 (Act No. 85 of 1993) - Provides for the requirements that employers must comply with in order to create a safe working environment for employees in the workplace.

Compensation for Occupational Injuries and Diseases Act, 1993 (Act No. 130 of 1993) - Provides for compensation for disablement caused by occupational injuries or diseases sustained or contracted by employees in the course of their employment, and for death resulting from such injuries or disease.

National Roads Traffic Act, 1996 (Act No. 93 of 1996) - Provides for the testing and analysis of drunk drivers.

Employment Equity Act, 1998 (Act No. 55 of 1998) - Provides for the measures that must be put into operation in the workplace in order to eliminate discrimination and promote affirmative action.

State Information Technology Act, 1998 (Act No. 88 of 1998) - Provides for the creation and administration of an institution responsible for the state's information technology system.

Skills Development Act, 1998 (Act No. 97 of 1998) - Skills Development Framework was developed with the purpose to make provision for education, training and development activities designed to help employees gain knowledge, skills and attitudes that would improve their performance in the respective portfolios/ positions/area of operation.

Public Finance Management Act, 1999 (Act No. 1 of 1999) - Provides for the administration of state funds by functionaries, their responsibilities and incidental matters.

Promotion of Access to Information Act, 2000 (Act No. 2 of 2000) - Amplifies the constitutional provision pertaining to accessing information under the control of various bodies.

Promotion of Administrative Justice Act, 2000 (Act No. 3 of 2000) - Amplifies the constitutional provisions pertaining to administrative law by codifying it.

Promotion of Equality and the Prevention of Unfair Discrimination Act, 2000 (Act No. 4 of 2000) Provides for the further amplification of the constitutional principles of equality and elimination of unfair discrimination.

Division of Revenue Act, (Act No. 7 of 2003) - Provides for the manner in which revenue generated may be disbursed.

Broad-based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003) - Provides for the promotion of black economic empowerment in the manner that the state awards contracts for services to be rendered, and incidental matters.

Labour Relations Act, 1995 (Act No. 66 of 1995) - Establishes a framework to regulate key aspects of *relationship* between employer and employee at individual and collective level.

Basic Conditions of Employment Act, 1997 (Act No. 75 of 1997) - Prescribes the basic or minimum conditions of employment that an employer must provide for employees covered by the Act.

The Preferential Procurement Policy Framework (Act 5 of 2000) and the Preferential Procurement Regulations of 2001 - Establishes the obligation of government to award preferential procurement points to enterprises owned by historically disadvantaged persons, including females.

Protection of Personal Information (Act 4 of 2013) - sets out the minimum standards regarding accessing and 'processing' of any personal information belonging to another.

HEALTH SECTOR POLICIES AND STRATEGIES OVER THE FIVE-YEAR PLANNING PERIOD

3.1 NATIONAL HEALTH INSURANCE (NHI) ACT 20 OF 2023

One of the main objectives of the Act is to establish the National Health Insurance (NHI) Fund that will purchase healthcare services for all users who are registered with it. The Act aims to realise Universal Health Coverage for all. This will mean that all citizens will have the right to access comprehensive healthcare services for free at the point of care at accredited health facilities. In May 2024, the President of the Republic of South Africa signed into law the NHI Act 20 of 2023.

3.2 PROVINCIAL STRATEGY ALIGNMENT TO THE REVISED DRAFT DEPARTMENT OF PLANNING, MONITORING AND EVALUATION (DPME) PLANNING FRAMEWORK

The Impact and Outcomes of the KZN Department of Health are listed below:

Impact: *Increased Life Expectancy*

Outcome: *Reduced Morbidity and Mortality*

Outcome: *Improved Client Experience of Care*

Universal Health Coverage (UHC) is an umbrella output, meaning that it is a culmination of all that the Department is producing or delivering for the improvement of client experience of care and reduction of morbidity and mortality.

Policy Mandates

- Clinical Policies and Guidelines: The Department is implementing and monitoring an extensive number of clinical health policies to ensure high quality of care and clinical outcomes.
- National and Provincial Data Management Policies: Provide the framework for effective management of health information at all levels of reporting.
- Financial Management Policies: The Department generates financial management policies that are aligned with legislation and Treasury Regulations.
- Provincial Health Research Policy and Guidelines: Provides the policy framework and guidelines for health research.
- Human Resource Policies: The Department contributes to and develops numerous Provincial Human Resource Policies to ensure compliance to human resource imperatives.
- Policy on National Health Insurance: Provides for systems strengthening to ensure universal access to health care.

- Policy on Management of Hospitals: Provides the policy imperatives for management of Public Hospitals.

- Regulations Relating to Classification of Hospitals: Provides the policy framework for classification of Public Health Hospitals.

Government Policy Frameworks that Govern the Department

- National Development Plan 2030
- The Sustainable Development Goals 2030
- Medium Term Strategic Framework 2014-2019
- The Provincial Growth and Development Strategy and Plan 2035
- Provincial Poverty Eradication Master Plan
- Negotiated Service Delivery Agreement for Health
- National Health Insurance White Paper
- Human Resources for Health Policies and Frameworks
- Provincial Strategic Goals and Objectives
- Infrastructure: KwaZulu-Natal Planning and Development Act, No 6 of 2008; Regulations Regarding Communicable Diseases 2008; Emergency Medical Services Regulations 2015: Construction Regulation 2014; and Space Planning Norms and Standards for Office Accommodation used by Organs of State 2005.

Alignment of the KwaZulu-Natal Department of Health Impact and Outcome Statements to Health Sector Policies and Strategies

The table below illustrates the alignment of the PDoH Impact and outcomes to Health Sector Policies and Strategies:

Table 7: Alignment of the PDoH Impact and outcomes to Priorities, Policies and Strategies

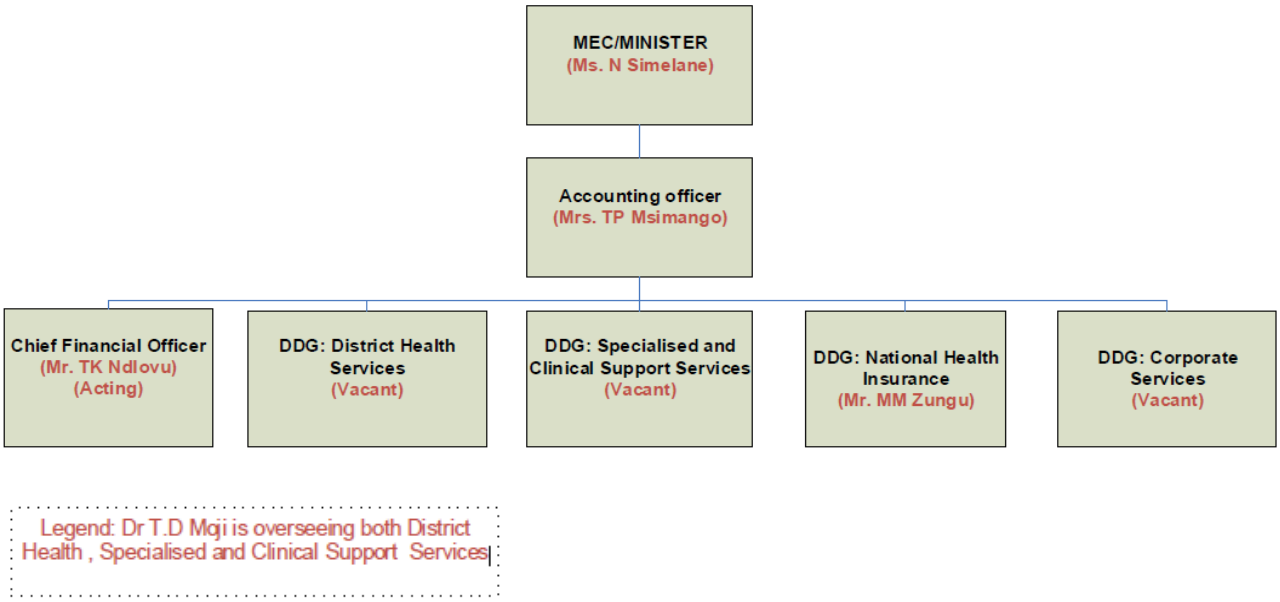
KZN DOH Impact and Outcome 2025-2030	Medium Term Development Plan 2024-2029	National Development Plan: Vision 2030 goals	Sustainable Development Goals	Health Sector's Proposed Outcomes 2024/2025 - 2030/31	State of the Nation (SONA) Priorities '25	State of the Province (SOPA) Priorities '25
Impact: Increased Life Expectancy Outcome: Reduced Morbidity & Mortality and Improved Client Experience of Care	**Strategic Priority 2: Reduce poverty and tackle the high cost of living** **Outcome: Improved access to affordable and quality healthcare:** *Promoting access to health care for all, and improving average life expectancy for South Africans to 70 years* *KZN Target: Promoting access to health care for all, and improving average life expectancy at birth for the citizens of KZN to 70 years*	**Goal 1**: Life expectancy at birth increases to 70 years **Goal 6**: Complete Health Systems reforms **Goal 8:** NHI-Universal health care coverage achieved. **Goal 6a**: Strengthen the district health system **Goal 7:** Primary Health care teams provide care to families and communities **Goal 9**: Fill posts with skilled, committed and competent individuals	**3.8 - Achieve universal health coverage (UHC)** **3.7 Ensure universal access to sexual and reproductive health-care services** **2.2 End all forms of malnutrition** **3.1 By 2030, reduce the global maternal mortality ratio to less than 70 per 100,000 live births** **3.2 By 2030, end preventable deaths of new-borns and children under 5 years of age** **3.3 By 2030, end the epidemics of AIDS, tuberculosis, malaria and**	**Outcome**: Increase access to and uptake of sexual and reproductive health services **Outcome**: Implement strategies aimed at ending preventable maternal, new-born and child deaths. **Outcome**: Ensure that all children are protected from vaccine-preventable diseases **Outcome**: TB Mortality reduced by 10% **Outcome**: Reduce TB incidence by 10%	**Investing in digital infrastructure** **Commence Prep work for the establishment of NHI** **First phase of single electronic health record** **Establish Ministerial Advisory Committees on health technology and health care benefits and an accredited framework for health Service Providers** **NHI will reduce inequalities in healthcare** **NHI package of service:**	Prudent Financial management 45) 8 focus areas with number 4 - Improving healthcare and education 97) Gender Based Violence and Femicide (GBVF) – Thuthuzela Care Centres (new build in Jozini) (Madadeni to be launched) 105) Access for persons living with disabilities 106) Working towards improvements IRO PSI, Availability of medicines, CCMDD (1 081 936 registered to date).

KZN DOH Impact and Outcome 2025-2030	Medium Term Development Plan 2024-2029	National Development Plan: Vision 2030 goals	Sustainable Development Goals	Health Sector's Proposed Outcomes 2024/2025 - 2030/31	State of the Nation (SONA) Priorities '25	State of the Province (SOPA) Priorities '25
		Goal 1a: Improvement in evidence-based preventative and therapeutic intervention for HIV. **Goal 2**: Progressively improve TB prevention and cure **Goal 3**: Maternal Mortality <100 per 100 000 live births, Infant mortality < 20 per 1000 live births. **Goal 4:** Reduce prevalence on non-communicable chronic diseases by 28% **Goal 5**: Reduce Injury, accidents and violence by 50 percent from 2010 levels.	**neglected tropical diseases (NTDs)** **3.7 Ensure universal access to sexual and reproductive health-care services,** **By 2030, reduce by one third premature mortality from non-communicable diseases** **3.5 Strengthen the prevention and treatment of substance abuse** **3.6 By 2020, halve the number of global deaths and injuries from road traffic accidents** **3.7 Ensure universal access to sexual and reproductive health-care services,** **3.9 Reduce the number of deaths and illnesses from hazardous**	**Outcome**: AIDS related deaths reduced by implementing the 95-95-95 strategy **Outcome**: Improve financial management	**Maternal and newborn care and services for people living with HIV, those with TB and those suffering from non-communicable diseases.** **Strengthen the health system and improve the quality of care** **Improve maintenance of existing health facilities and construction of new hospitals and clinics** **Supporting the victims of gender-based violence at Thuthuzela Care Centres**	108) Departmental commitment to medicines and hot line for reporting 109) Commitment of outreach for cancer, Hypertension, Diabetes and mental health screening; Maintaining community based outreach teams; Isibhedlela Kubantu; Increasing men's health facilities; strengthen youth friendly clinics and access to contraception; scaling up access to facilities with psychosocial support from social workers; implementing integrated strategy to reduce teenage pregnancy; increase access to specialist services through improved quality of healthcare; implement

KZN DOH Impact and Outcome 2025-2030	Medium Term Development Plan 2024-2029	National Development Plan: Vision 2030 goals	Sustainable Development Goals	Health Sector's Proposed Outcomes 2024/2025 - 2030/31	State of the Nation (SONA) Priorities '25	State of the Province (SOPA) Priorities '25
			chemicals and air, water and soil pollution and contamination			a single electronic health record 131) Mentions DDM indaba

ORGANISATIONAL STRUCTURE

Figure 1: Macro Organisational Structure



ENTITIES REPORTING TO THE MEC FOR HEALTH

Table 8: Entities that report to the Minister/MEC.

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

PART B: PERFORMANCE INFORMATION

AUDITOR GENERAL REPORT ON PREDETERMINED OBJECTIVES

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

Refer to page 242 to 253 of the Report of the Auditor General, published as Part F: Financial Information.

OVERVIEW OF DEPARTMENTAL PERFORMANCE

SERVICE DELIVERY ENVIRONMENT

National Health Insurance (NHI)

The achievement of this performance indicator was realised through funding administered by the National Department of Health as part of the phased implementation of the National Health Insurance (NHI) programme. Through effective collaboration between the National Department of Health, the Province, and the appointed implementing partner, seven districts were successfully capacitated, exceeding the annual target of four districts. This achievement enhanced provincial readiness for the establishment and operationalisation of Contracting Units for Primary Health Care (CUPs), thereby strengthening the foundation for the phased implementation of National Health Insurance in KwaZulu-Natal.

Key achievements during the reporting period.

During the 2025/26 reporting period, the programme made significant progress in strengthening the implementation of the National Health Insurance (NHI) through targeted district capacity-building initiatives aimed at establishing and operationalising Contracting Units for Primary Health Care (CUPs). A key achievement was the successful capacitation of seven districts, namely uMzinyathi, Ugu, Amajuba, uThukela, Zululand, King Cetshwayo and uMkhanyakude, on the implementation of NHI Contracting Unit sites. This exceeded the annual target of four districts by three districts, demonstrating strong programme performance and accelerated progress towards NHI implementation. The achievement reflects the Department's commitment to enhancing district preparedness, strengthening health system readiness, and supporting the phased rollout of NHI within the Province.

Progress made against planned objectives and targets

During the 2025/26 reporting period, the programme made significant progress in strengthening the implementation of the National Health Insurance (NHI) through targeted district capacity-building initiatives aimed at establishing and operationalising Contracting Units for Primary Health Care (CUPs). A key achievement was the successful capacitation of seven districts, namely uMzinyathi, Ugu, Amajuba, uThukela, Zululand, King Cetshwayo and uMkhanyakude, on the implementation of NHI Contracting Unit sites. This exceeded the annual target of four districts by three districts, demonstrating strong programme performance and accelerated progress towards the implementation of NHI. The achievement underscores the Department's commitment to enhancing district preparedness, strengthening health system readiness, and supporting the phased rollout of National Health Insurance across the Province, thereby contributing to improved access to equitable and quality healthcare services.

Challenges experienced

Although the programme exceeded its performance target, several challenges continue to affect the implementation of National Health Insurance (NHI). These include varying levels of readiness across districts, competing service delivery priorities, limited human resource capacity dedicated to NHI implementation, and the evolving national policy and legislative environment relating to the establishment and operationalisation of Contracting Units for Primary Health Care (CUPs). These factors have the potential to impact the pace and consistency of implementation across districts.

Remedial actions implemented or planned to address the challenges

To address these challenges, the Department continues to provide ongoing technical support, mentorship and capacity-building interventions to districts. Regular follow-up engagements are conducted to monitor progress, identify implementation gaps and facilitate corrective action where required. The programme will continue to collaborate closely with the National Department of Health, implementing partners and district stakeholders to strengthen district readiness and support the phased implementation of NHI reforms across the Province.

Any other information considered important and relevant to your programme

The Province remains committed to advancing Universal Health Coverage and strengthening the health system in preparation for the full implementation of National Health Insurance. The successful capacitation of seven districts during the reporting period demonstrates continued progress towards building the institutional and operational capacity required to support NHI implementation and improve equitable access to quality healthcare services for all citizens.

Community-Based Services

Primary Health Care (PHC) and Hospital Services

- The Department continues to provide comprehensive, nurse-driven Primary Health Care (PHC) services through a network of fixed and mobile clinics. While PHC utilisation rates have remained stable, there is a need to further strengthen referral pathways and redirect appropriate patients from hospitals to PHC facilities to ensure the efficient use of healthcare resources.
- KwaZulu-Natal continues to lead the country in PHC expenditure per capita, particularly in districts with a high HIV burden. The Department remains committed to sustaining and improving the quality of PHC services, as reflected by the achievement of a 97.9% Ideal Clinic status across PHC facilities.
- The provincial hospital network, comprising district, regional, tertiary and central hospitals, continues to provide essential inpatient and outpatient services. Efforts are underway to address the increasing number of non-referred patients presenting at outpatient departments (OPDs), thereby optimising hospital capacity and improving service delivery.
- Outreach services from regional, tertiary and central hospitals are being strengthened to enhance access to quality specialist clinical care at lower levels of the healthcare system. These initiatives support capacity-building, improve patient outcomes, and contribute to a more integrated continuum of care across the province.

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

Emergency Medical Services (EMS) operates at the frontline of the health system and plays a critical role in influencing patient outcomes during emergency situations. The programme aims to provide rapid and effective emergency medical care and transportation, as well as efficient and planned patient transport services, in accordance with national norms and standards.

EMS services are delivered across all 11 districts of KwaZulu-Natal, with emergency operations being the largest and most significant component of the programme.

During the 2025/26 financial year, the percentage of Priority 1 (P1) emergency responses achieved within the prescribed timeframes was 30% in urban areas (within 30 minutes) and 46% in rural areas (within 60 minutes). The programme continues to face significant resource constraints, with a population-to-operational ambulance ratio of 1 ambulance per 27 316 people, compared to the national norm of 1 ambulance per 10 000 people. To achieve the national standard, an additional 776 operational ambulances are required across the province.

Response times are influenced by several factors beyond the availability of ambulances, including challenging terrain, poor road infrastructure, high service demand, deep rural settlements with limited addressing systems, and adverse weather conditions. In addition, a sufficient pool fleet is required to accommodate scheduled maintenance, repairs, accident damage, routine decontamination, and vehicle servicing without compromising operational readiness.

Factors contributing to poor response times include:

- Delays in call-taking due to incomplete or inaccurate information provided by callers.
- Inappropriate triaging of emergency calls.
- Communication challenges.
- Boundary discrepancies affecting dispatching.
- Insufficient vehicle and staffing resources relative to service demand.
- Vehicle breakdowns and accidents while responding to incidents.
- Incorrect addresses and difficulty locating patients.
- Traffic congestion.

Challenges

The EMS programme continues to operate with an ageing fleet that requires urgent replacement. The increasing cost of maintaining older vehicles, coupled with prolonged repair periods, has resulted in reduced fleet availability and negatively affected service delivery.

Fleet maintenance services currently managed through Westbank have presented significant operational challenges, leading to prolonged vehicle downtime. Although ongoing engagements between EMS,

National EMS and the Central Fleet Management section have resulted in some improvements, these have not been sufficient to address the scale of the problem.

A new service provider has been appointed, with the new maintenance contract scheduled to commence in July 2026, which is expected to improve fleet availability and operational efficiency.

The programme is also experiencing critical staffing shortages at both operational and supervisory levels. Qualified emergency care personnel are required across emergency operations, communications centres and Planned Patient Transport Services (PPTS), all of which operate on a 24-hour basis. The current shift roster contributes to high overtime expenditure, placing additional strain on limited resources. EMS is reviewing the roster system to identify efficiencies that will reduce overtime costs and create opportunities for the filling of critical vacant posts.

Furthermore, shortages of Advanced Life Support (ALS) practitioners, particularly in rural and remote districts, remain a significant challenge due to the scarcity of these specialised skills. Numerous supervisory positions, including Shift Leaders and Sub-District Managers, also remain vacant, impacting operational oversight and service delivery.

Remedial Actions

- Accelerate the replacement of ageing ambulances and improve fleet availability.
- Implement the new vehicle maintenance contract to reduce fleet downtime.
- Review and optimise staff rostering to reduce overtime expenditure.
- Prioritise the filling of critical operational, supervisory and Advanced Life Support posts.
- Strengthen call-taking, triage and dispatch processes to improve response times.
- Enhance collaboration with local authorities and communities to improve address location systems, particularly in rural areas.
- Continue monitoring operational performance and implementing corrective interventions to improve response time compliance

Hospital Services

The Hospital Services Programme continued to provide specialised and general hospital services across all levels of care despite ongoing fiscal constraints. Sustained budget reductions affected the replacement and recruitment of critical human resources, resulting in shortages across several clinical disciplines. The temporary suspension of post-basic nursing training programmes in speciality fields, including Critical Care Nursing, Paediatric and Neonatal Nursing, and Theatre Nursing Science, has further exacerbated skills shortages. These challenges have negatively impacted the functionality of critical service areas such as operating theatres and intensive care units, where specialised nursing competencies are essential for service delivery

Regional Hospitals

Despite budgetary pressures, Regional Hospitals achieved an average bed occupancy rate of 73 per cent during the reporting period. Several facilities continued to experience high demand, with bed utilisation rates ranging between 78 per cent and 99 per cent, including RK Khan Hospital, Port Shepstone Regional Hospital, Ladysmith Regional Hospital, Harry Gwala Regional Hospital and Dr Pixley ka Isaka Seme Memorial Hospital. These hospitals serve expansive catchment areas and receive direct referrals from Primary Health Care clinics and Community Health Centres, particularly in areas where there are no nearby district hospitals.

A key achievement during the year was the successful commissioning of neonatal services at Dr Pixley ka Isaka Seme Memorial Hospital in February 2026, strengthening specialised maternal and child health services within the district. The hospital now functions as a service complex with Mahatma Gandhi Memorial Hospital, which has been reclassified as a large District Hospital.

Quality of care remained a priority, with all five Regional Hospitals assessed by the Office of Health Standards Compliance (OHSC) during the 2025/26 financial year receiving Certificates of Compliance. This achievement builds on the seven Regional Hospitals that had already been accredited in previous years, bringing all Regional Hospitals within the province into compliance with prescribed quality standards.

Hospitals continue to experience significant surgical backlogs due to shortages of theatre-trained nurses, anaesthetists and other critical healthcare personnel. Furthermore, the increasing burden of complications associated with non-communicable diseases has created a growing demand for renal replacement therapy services. To improve access and reduce patient travel burdens, haemodialysis services are being decentralised, with Port Shepstone, Madadeni, Harry Gwala and Ladysmith Hospitals identified for development and implementation of these services.

Tuberculosis Hospitals

The utilisation of specialised Tuberculosis (TB) hospitals has declined substantially due to changes in TB treatment protocols and service delivery models favouring community-based and decentralised care. As a result, several TB hospitals have been decommissioned, merged with nearby facilities, or reclassified to provide alternative healthcare services.

Currently, only Greytown Hospital and Doris Goodwin Hospital remain as standalone specialised TB hospitals. The Department is in the process of merging Doris Goodwin Hospital with Harry Gwala Regional Hospital to improve service integration and operational efficiency.

Psychiatric and Mental Health Hospitals

Demand for mental health services continues to increase, placing significant pressure on existing psychiatric facilities. The province has experienced increased demand for both acute psychiatric beds and

forensic psychiatric services, highlighting the need for additional infrastructure and expanded mental healthcare capacity.

In response, the Department is implementing several mitigating interventions while simultaneously advancing the phased implementation of the 10-Year Mental Health Infrastructure Plan, which aims to expand infrastructure and improve access to specialised mental health services across the province.

Chronic Medical Hospitals

The province currently has one dedicated Chronic Medical Hospital, namely Hillcrest Hospital, following the reclassification of Clairwood Hospital to a District Hospital.

During the reporting period, the admission and discharge criteria of Hillcrest Hospital were reviewed, resulting in its gradual transition from a chronic medical care facility to a short-term physical rehabilitation hospital. Development of the hospital's rehabilitation services is ongoing and is expected to enhance patient recovery and continuity of care.

Central Hospital Services

Central Hospitals continued to implement measures aimed at improving service utilisation and operational efficiency. Historically low bed occupancy rates prompted a review of service packages and utilisation patterns. Corrective interventions have resulted in gradual improvements in bed occupancy, which will continue to be monitored in the forthcoming financial year.

Additional specialised services have been identified for commissioning, and recruitment of the required specialist skills is underway. The impact of these interventions will be assessed during the next reporting cycle.

A notable achievement was the successful assessment and accreditation of Central Hospitals by the OHSC during the 2025/26 financial year, confirming compliance with national quality standards.

Provincial Tertiary Hospital Services

Provincial Tertiary Hospitals successfully sustained service delivery despite ongoing shortages of medical specialists, specialised nurses and other critical healthcare personnel. While these shortages have contributed to prolonged waiting times for surgical procedures, hospitals have maintained the provision of highly specialised healthcare services across the province.

All three Provincial Tertiary Hospitals were assessed by the OHSC and successfully achieved certification during the reporting period, demonstrating continued commitment to quality improvement and patient care.

Grey's Hospital continued to operate and sustain the largest clinical outreach programme in the province, providing specialised support, capacity building and clinical governance to lower levels of care, thereby strengthening service delivery across the health system.

Key Challenges

- Ongoing budget reductions affecting recruitment and replacement of critical staff.
- Shortages of specialised nurses and medical specialists.
- Suspension of post-basic speciality nursing training programmes.
- Surgical backlogs due to limited theatre and anaesthetic capacity.
- Increasing demand for haemodialysis, mental health and forensic psychiatric services.
- Infrastructure constraints affecting expansion of specialised services.

Remedial Actions

- Prioritise the filling of critical clinical and specialist posts.
- Resume and strengthen speciality nursing training programmes as resources permit.
- Accelerate the decentralisation of haemodialysis services.
- Continue implementation of the Provincial Mental Health Infrastructure Plan.
- Enhance service package optimisation and bed utilisation strategies.
- Monitor and sustain compliance with OHSC standards across all hospital categories

Nursing Services and KZN College of Nursing (KZNCN)

KwaZulu-Natal College of Nursing (KZNCN)

The KwaZulu-Natal College of Nursing (KZNCN) continued to play a critical role in strengthening the provincial nursing workforce through the training and development of professional nurses across various disciplines.

During the 2025/26 financial year, the College admitted 270 students into the Diploma in Nursing Programme. Of the planned target of 240 first-year nursing bursaries, 221 bursaries were awarded, comprising 140 female and 81 male students, all of whom were from the youth category. In addition, 263 students were enrolled in the Advanced Diploma in Midwifery Programme to enhance the availability of specialised maternal and neonatal healthcare professionals within the province.

Significant progress was made in the implementation of the new nursing qualifications framework. The Postgraduate Diplomas in Adult Critical Care Nursing and Perioperative Nursing commenced in January 2026, with a combined enrolment of 51 students. Furthermore, the Postgraduate Diplomas in Primary Health Care, Nephrology Nursing and Ophthalmic Nursing received full accreditation from the South African Nursing Council (SANC) and the Council on Higher Education (CHE), positioning the College to expand the provision of specialised nursing training in the 2026/27 financial year.

A major milestone during the reporting period was the successful hosting of the KZNCN graduation ceremony, where a total of 432 graduates entered the nursing profession. This included 171 General Nurses and 261 graduates from the Advanced Diploma in Midwifery Programme.

The graduation of the first cohort of Advanced Diploma in Midwifery students marked a historic achievement for the College and contributes significantly towards strengthening maternal and child health services across the province.

Challenges

The Department continues to face financial constraints that have limited its ability to fill vacant posts. These budgetary restrictions have negatively affected both service delivery and training capacity across some College campuses, as critical replacement posts cannot be filled timeously. This has placed additional pressure on existing staff and may impact the College's ability to expand training programmes in line with provincial workforce requirements.

Remedial Actions

- Reprioritise student intake and training numbers in line with the Department's service delivery priorities and workforce needs.
- Optimise existing training resources to maintain programme delivery despite staffing constraints.
- Continue expanding specialised nursing programmes to address critical skills shortages within the health sector.
- Monitor workforce planning requirements to ensure nursing training remains responsive to provincial healthcare demands.

Key Achievements

- Admitted 270 students into the Diploma in Nursing Programme.
- Awarded 221 nursing bursaries to first-year students.
- Enrolled 263 students in the Advanced Diploma in Midwifery Programme.
- Introduced Postgraduate Diploma programmes in Adult Critical Care Nursing and Perioperative Nursing.
- Secured accreditation for Postgraduate Diploma programmes in Primary Health Care, Nephrology Nursing and Ophthalmic Nursing.
- Graduated 432 nurses, including the first cohort of Advanced Diploma in Midwifery graduates.

Nursing Directorate

The Nursing Directorate continued to advance nursing leadership development within the province through the implementation of the National Nursing Leadership Competency Framework. The Framework aims to strengthen nursing leadership capacity by defining the competencies required for effective nursing leadership, guiding professional development, supporting clinical governance, and aligning nursing practice with broader health system priorities. Ultimately, the Framework seeks to improve patient care outcomes, service quality, and overall health system performance.

The Framework serves as both an orientation and induction tool for newly appointed nurse leaders and a Continuing Professional Development (CPD) framework for existing nursing managers and leaders.

Its implementation is intended to enhance leadership capabilities, strengthen workforce performance, and promote effective governance across healthcare facilities.

During the 2025/26 financial year, the Directorate successfully completed the initial phase of the initiative through the development and costing of a comprehensive implementation plan. The implementation of the Framework is scheduled over the 2026/27 and 2027/28 financial years and will focus on building leadership capacity at all levels of nursing management within the province.

Challenges

The implementation of the Nursing Leadership Competency Framework is constrained by several factors, including:

- Limited financial resources available to support implementation and training activities.
- Resource constraints affecting programme rollout and sustainability.
- Shortage of trained facilitators, coaches and mentors to support leadership development initiatives.
- High workloads and staffing shortages, limiting the availability of nursing personnel to participate in training and development programmes.

Remedial Actions

- To support successful implementation of the Framework, the Directorate will:

- Strengthen and sustain Continuing Professional Development (CPD) initiatives to support ongoing leadership development.
- Integrate the Framework with existing health system priorities, strategies and performance improvement programmes.
- Enhance collaboration with Human Resource Development (HRD) to support training, mentorship and leadership succession planning.
- Identify and develop facilitators and mentors to strengthen implementation capacity.
- Promote leadership development opportunities across all levels of nursing management to ensure long-term sustainability.

Key Achievement

- Successfully developed and costed the implementation plan for the National Nursing Leadership Competency Framework during the 2025/26 financial year, laying the foundation for phased implementation in 2026/27 and 2027/28

Pharmaceutical Services

Programme Overview

The Pharmaceutical Services Programme is responsible for ensuring the uninterrupted availability of essential medicines across all levels of healthcare in KwaZulu-Natal. During the 2025/26 financial year, the programme continued to support medicine availability despite significant national and international supply chain challenges that impacted pharmaceutical procurement and distribution.

Key Achievements

Despite ongoing supply constraints, the programme achieved several milestones aimed at maintaining continuity of pharmaceutical services:

- Sustained the supply of essential medicines across the province through proactive stock management interventions.
- Implemented stock redistribution and rationing mechanisms to mitigate shortages and ensure equitable access to critical medicines.
- Maintained active engagement with national procurement structures to address medicine shortages through:
    - Bulk Section 21 import approvals from the South African Health Products Regulatory Authority (SAHPRA).
    - Identification and implementation of therapeutic alternatives recommended by the National Essential Medicines List Committee (NEMLC).
- Strengthened collaboration with national and provincial stakeholders to minimise the impact of medicine shortages on patient care and service delivery.

Progress Made Against Planned Objectives and Targets

The primary objective of the programme is to ensure the uninterrupted availability of essential medicines throughout the provincial health system.

Tracer Medicine Stock-Out Rate at the Provincial Pharmaceutical Supply Depot (PPSD)

Indicator	Target	Actual Performance
Tracer Medicine Stock-Out Rate at PPSD	≤ 2.4%	4.0%

Although the target was not achieved, the programme implemented several mitigation measures to optimise available stock and minimise disruptions to healthcare services.

Tracer Medicine Stock-Out Rate at Facilities (Hospitals, Community Health Centres and Clinics)

Indicator	Target	Actual Performance
Tracer Medicine Stock-Out Rate at Facilities	≤ 1.6%	2.7%

Medicine availability at facilities remained below the desired target due to supply constraints and delayed deliveries. However, ongoing stock management interventions, including redistribution and prioritisation of critical medicines, assisted in maintaining service continuity and reducing the impact on patient care.

Challenges Experienced

Several factors contributed to the underperformance against stock-out rate targets during the reporting period:

- Supply constraints experienced by suppliers and manufacturers as a result of:
    - Shortages of raw materials.
    - Manufacturing and production batch failures.
    - Global and national disruptions affecting medicine availability.
- Actual demand for medicines exceeded forecasted demand, resulting in increased pressure on available stock.
- Some suppliers withheld stock due to delayed payments.
- Increasing numbers of medicines were unavailable nationally, while certain suppliers did not participate in advertised tender processes.
- Human resource shortages at the Provincial Pharmaceutical Supply Depot affected adherence to distribution schedules and contributed to delays in deliveries to healthcare facilities.
- Ongoing procurement challenges impacted the timely replenishment of critical medicine stock.

Remedial Actions

To address the identified challenges and improve medicine availability, the following interventions were implemented:

- Continued redistribution and rationing of available stock to prioritise facilities experiencing critical shortages.
- Strengthened monitoring and management of supplier payments to ensure compliance with prescribed payment timelines and reduce the risk of stock withholding.
- Continued participation in national procurement interventions, including:
    - Requests for Section 21 medicine import approvals.
    - Identification and implementation of alternative therapeutic options where medicines were unavailable.
- Enhanced engagement with suppliers and national structures to improve supply chain responsiveness.
- The Provincial Pharmaceutical Supply Depot implemented overtime measures to address distribution backlogs and improve adherence to delivery schedules.
- Ongoing efforts to improve demand forecasting and inventory management to strengthen medicine planning and procurement processes.

Outlook and Areas for Improvement

The challenges experienced during the reporting period reflect broader national and global pharmaceutical supply chain constraints, including manufacturing disruptions, shortages of raw materials, and limited supplier participation in tender processes.

To improve performance and achieve the programme objective of uninterrupted medicine availability, the Department will continue to focus on:

- Strengthening demand forecasting and supply planning.
- Enhancing supplier performance management.
- Improving financial controls and supplier payment processes.
- Building human resource capacity within the Provincial Pharmaceutical Supply Depot.
- Strengthening distribution systems and logistics management.
- Enhancing collaboration with provincial, national and external stakeholders to improve medicine availability and reduce stock-out rates across all levels of care.

These interventions are expected to strengthen medicine availability, improve supply chain resilience, and support improved health outcomes for the population of KwaZulu-Natal.

Expanded Public Works Programme (EPWP) Incentive Grant

Programme Overview

The Expanded Public Works Programme (EPWP) Incentive Grant, funded by the National Department of Public Works and Infrastructure, is aimed at reducing poverty and unemployment through the creation of temporary work opportunities while providing income support and contributing to the development of sustainable community assets. During the 2025/26 financial year, the Department of Health successfully implemented the programme and achieved its planned performance targets.

Key Achievements

The programme successfully created 319 work opportunities for beneficiaries across the province, benefiting women, youth and men. In support of inclusive employment practices, 38 opportunities were allocated to persons with disabilities, thereby promoting equitable access to economic opportunities for vulnerable groups.

All planned Full-Time Equivalent (FTE) targets were achieved during the reporting period, demonstrating effective implementation and adherence to programme requirements.

The Department fully utilised the total grant allocation of R27.391 million, with no underspending recorded. This reflects sound financial management and effective planning, ensuring that all approved programme activities were implemented as intended and that performance targets were achieved.

Programme Management and Oversight

Robust monitoring and oversight mechanisms were implemented to ensure compliance with grant conditions and reporting requirements. These included:

- Beneficiary orientation and induction sessions.
- Regular site visits and physical verification of programme activities.
- Ongoing expenditure monitoring.
- Validation of participant information through the EPWP reporting system.
- Submission of quarterly performance and financial reports to the relevant authorities.

These measures contributed to improved accountability, transparency and effective programme administration.

Impact of the Programme

The successful implementation of the EPWP Incentive Grant contributed meaningfully to poverty alleviation and employment creation within communities across the province. Through the provision of temporary employment and income support, the programme enhanced the livelihoods of beneficiaries while supporting the delivery of health and community-based services.

The achievement of all planned targets, full expenditure of allocated funds, and strong governance practices underscore the programme's positive contribution to socio-economic development and service delivery improvement.

Challenges

While programme implementation was successful, sustaining employment opportunities remains dependent on the availability of grant funding and broader fiscal constraints affecting the public sector.

Remedial Actions and Future Focus

To sustain programme performance and maximise impact, the Department will:

- Continue strengthening monitoring and reporting mechanisms.
- Enhance verification processes to ensure data accuracy and compliance.
- Prioritise the creation of work opportunities targeting women, youth and persons with disabilities.
- Improve beneficiary support and skills development initiatives to enhance employability beyond the duration of the programme.
- Maintain prudent financial management to ensure full and effective utilisation of future grant allocations.

Key Performance Highlights

- 319 work opportunities created.
- 38 persons with disabilities benefited from the programme.
- 100% achievement of Full-Time Equivalent (FTE) targets.
- R27.391 million grant allocation fully spent.
- No underspending recorded.
- All planned activities and performance targets successfully achieved.

SERVICE DELIVERY IMPROVEMENT PLAN

Table 9: Main services and standards

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
Emergency Medical Services (EMS)	KwaZulu-Natal (KZN) Citizens	No quality self-assessments or peer inspections conducted in EMS and ambulance services	Conduct annual self-assessments and peer quality inspections	Situational analysis conducted to establish baseline and inform development of inspection tools
Ward-Based Primary Health Care Outreach Teams (WBPHOTs)	KZN Citizens	Lack of standardized supervision and reporting mechanisms	Develop and implement standardized supervision and reporting systems	SDIP indicators for WBPHOTs have been developed

Table 10: Batho Pele arrangements with beneficiaries (Consultation access etc)

Current/actual arrangements	Desired arrangements	Actual achievements
EMS services are not currently subjected to quality inspections	Conduct annual inspections of EMS bases and vehicles	Office of Health Standards Compliance (OHSC) has developed tools; training of EMS personnel scheduled for 23–25 June 2026
Compliance status is unknown	Measure and report on percentage compliance of EMS services	No self or peer quality inspections conducted to date

Table 11: Service delivery information tool

Current/actual information tools	Desired information tools	Actual achievements
No evidence of structured supervision of WBPHOTs	Establish management systems for fully functional WBPHCOTs	Monitoring tools with indicators for WBPHOT supervision have been developed
Absence of quality inspection tools	Ensure EMS base compliance with norms and standards	Situational analysis conducted at Grey's Hospital ambulance base

Table 12: Complaints mechanism

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
N/A	N/A	N/A

Note: *The current Service Delivery Improvement Plan (SDIP) is not complaints-based. As such, the complaints mechanism table is not applicable for this reporting period.*

ORGANISATIONAL ENVIRONMENT

Human Resources Management and Staffing

Key Achievements

The Department maintained a vacancy rate of **8.9% (6 662 vacant posts out of 75,779 approved posts)** at the end of the reporting period, remaining below the Cabinet-approved threshold of 10%.

To improve the availability of scarce and critical healthcare skills, the Department secured additional funding from the Provincial Cabinet, enabling the appointment of healthcare professionals and contributing to improved workforce density indicators. As a result:

- The ratio of Medical Officers per 100 000 population increased to 33.3, exceeding the target of 27.0.
- The ratio of Professional Nurses per 100 000 population reached 139 per 100 000 population, meeting the annual target.

The Department initially identified 685 critical posts, valued at R398.5 million, for filling during the reporting period. Following the allocation of additional funding from the Provincial Cabinet and the National Department of Health, this number increased to 936 critical posts.

Significant progress was made in the recruitment process, including:
- The appointment of 20 Medical Officers, who assumed duty on 1 November 2025.
- The successful filling of a further 749 critical posts across various occupational categories.
- Recruitment processes for the remaining posts continuing into the 2026/27 financial year.

In addition, the Department achieved a major milestone through the permanent appointment of 5 092 Community Health Workers (CHWs) at Level 2, strengthening community-based healthcare services throughout the province.

Challenges

- Budgetary constraints limiting the filling of all vacant and critical posts.
- Ongoing shortages of scarce and specialised healthcare professionals.
- Competition for critical clinical skills.
- High service demands placing additional pressure on existing staff.

Remedial Actions

- Continue prioritising the filling of critical and scarce-skill posts.
- Strengthen workforce planning and recruitment strategies.
- Explore additional funding opportunities to support frontline service delivery posts.
- Implement staff retention and succession planning initiatives.

Staff Development and Training Initiatives

The Department continued to invest in employee capacity building and skills development to strengthen organisational performance and service delivery.

During the reporting period:

- 612 Non-Clinical Interns participated in departmental programmes, comprising:
    - 468 females
    - 144 males
- 135 Work Integrated Learners (WILs) were accommodated, comprising:
    - 111 females
    - 24 males

A total of 22 647 employees participated in various training and development programmes funded through the Department's Skills Development Budget, including:

- 14 552 females
- 8 095 males

Management development and leadership training interventions included:

- 675 managers trained in:
    - Fundamentals of Clinical Leadership
    - Supervision in Nursing
    - Core Management Skills
    - Professionalism and Ethics in Nursing
- 20 managers trained in Monitoring and Evaluation.
- 24 managers trained in Advanced Project Management.
- 67 managers trained in Emotional Intelligence.

The Department also exceeded its annual target for PERSAL training, with **232 users trained** against a target of 20, comprising:

- 137 females
- 95 males
- 2 employees with disabilities

Key Achievement

The Department significantly exceeded its training targets and continued to strengthen leadership, management and administrative competencies across the organisation.

Employee Wellness and Labour Relations

Employee Health and Wellness

Employee Health and Wellness (EHW) Committees remained functional across the province and convened quarterly meetings to coordinate wellness interventions and monitor implementation.

A range of wellness initiatives was implemented during the reporting period, including:

- Health and wellness screening programmes.
- Wellness awareness and preventative campaigns.
- Financial wellness training reaching 3 774 employees.
- Work-life balance ("Work and Play") initiatives involving 9 592 employees.
- 2 783 Employee Health and Wellness educational sessions conducted across the province.
- Counselling and psychosocial support services provided to 26 553 employees.

In addition, the Department developed a Bereavement Policy, which is currently in the final stages of approval.

Labour Relations

The Department continued to foster constructive labour relations through regular engagement with organised labour structures.

Key achievements included:

- Hosting four Public Health and Social Development Sectoral Bargaining Council (PHSDSBC) Chamber meetings during the reporting period.
- Establishing Institutional and Management Labour Committees in all health districts.
- Conducting 146 labour relations workshops at healthcare facilities to strengthen compliance with labour legislation and promote workplace stability.

These interventions contributed to proactively addressing employee concerns and minimising labour disputes that could negatively impact service delivery.

Diversity Management and Employment Equity

The Department remained committed to promoting diversity, inclusion, gender equality and the empowerment of persons with disabilities.

Key Achievements

- The Gender Equality Strategic Framework Report for 2024/25 and the Gender Equality Strategic Framework Plan for 2025/26 were submitted to the Department of Public Service and Administration (DPSA) and the Office of the Premier (OTP) on 26 May 2025 and acknowledged by the DPSA.

- The Diversity Management Unit, in collaboration with the Departmental Women's Forum, successfully organised activities commemorating:
    - The 16 Days of Activism Against Gender-Based Violence Campaign.
    - The Departmental Women's Month Commemoration Programme, held in uThukela District on 28 August 2025.
- The Departmental Employees with Disabilities Forum and the Diversity Management Unit hosted the Departmental Empowerment Conference on Employment and Retention of Employees with Disabilities during Disability Rights Awareness Month, promoting disability inclusion and workplace accessibility.

Employment Equity

The Department's Annual Employment Equity Report for the period 1 September 2024 to 31 August 2025 was approved by the Head of Department on 12 December 2025 and submitted to the Department of Employment and Labour on 22 December 2025.

Additionally, the Employment Equity Plan for the period 1 September 2025 to 31 August 2030 was approved, providing a framework for achieving equitable representation and diversity within the workforce.

Performance Management and Compliance

The Department continued to strengthen compliance with performance management requirements across all occupational categories.

Senior Management Service (SMS)

Of the 81 SMS members:

- 77 signed performance agreements by the required deadline of 31 May 2025.
- 1 submitted after the deadline.
- 3 were non-compliant.

This resulted in an overall 96% compliance rate.

Employees on Salary Levels 1-12

Of the 68 046 employees on salary levels 1-12:

- 61 568 performance agreements were captured on PERSAL.
- 6 478 agreements were not captured.

This resulted in a 90% compliance rate.

Factors contributing to less than full compliance included:

- Newly appointed Community Health Workers, who have a three-month period to complete performance agreements.
- Network connectivity challenges.
- Prolonged employee absences.
- Occupational groups not participating in PMDS, such as student nurses and learners.

Performance outcomes reflected a positive workforce performance trend, with:

- 97% of employees rated as performing satisfactorily or above.
- 3% of employees rated as unsatisfactory.

Personal Development Plans (PDPs) were developed and implemented to support employees requiring performance improvement.

Senior Leadership Appointments

Several strategic leadership appointments were made during the reporting period, including:

- Head of Department
- District Director: uMzinyathi Health District
- CEO: Inkosi Albert Luthuli Central Hospital
- CEO: GJ Crookes/Mpanza Hospital
- CEO: Newcastle Hospital
- CEO: RK Khan Hospital
- Director: HAST
- Director: Maternal, Child and Women's Health (MCWH)
- Director: Primary Health Care (PHC)
- Director: Legal Services

These appointments strengthened leadership capacity and governance across the Department.

Overall Assessment

The Department made significant progress in maintaining workforce stability, strengthening human resource capacity, expanding employee development opportunities, promoting employee wellness, advancing diversity and inclusion, and improving performance management compliance. Continued investment in critical staffing, leadership development and employee support programmes will be essential to sustain service delivery and achieve organisational objectives in the coming financial years.

KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

During the 2025/26 financial year, several policy and legislative developments occurred at both departmental and national levels, with implications for governance, financial management, healthcare regulation, workforce management, and service delivery within the KwaZulu-Natal Department of Health.

Departmental Dress Code Policy

The Department's Dress Code Policy, developed by the Employee Health and Wellness Component within Human Resource Management Services, was approved by the Head of Department during the reporting period.

The policy provides guidance to all Departmental employees, including interns, in-service learners, part-time employees and sessional staff, on acceptable workplace attire. It outlines standards for professional dress and clearly identifies clothing that is considered inappropriate or prohibited in the workplace.

The policy seeks to:

- Promote professionalism as a core organisational value.
- Encourage employees to project a professional image to healthcare users and stakeholders.
- Ensure compliance with statutory and legislative requirements relating to uniforms and protective clothing.
- Enhance patient safety and protect healthcare workers from infections and occupational hazards.
- Standardise the wearing of uniforms by all uniformed personnel in accordance with prescribed requirements.

The implementation of the policy is expected to strengthen professional conduct and contribute to a safe and conducive healthcare environment.

Public Finance Management Act (PFMA), 1999

During June 2025, amendments to the Public Finance Management Act (PFMA) and related Treasury Regulations were introduced to strengthen public financial management and facilitate infrastructure development through Public Private Partnerships (PPPs).

Key amendments include:

- Exemption of PPP projects valued below R2 billion from Treasury Approval IIA and IIB requirements, thereby streamlining approval processes for smaller projects.
- Establishment of a PPP Advisory Unit within the Government Technical Advisory Centre to provide technical support and guidance throughout the PPP project lifecycle.
- Provision for the establishment of specialised PPP units within national departments to coordinate strategic infrastructure projects.
- Introduction of measures aimed at encouraging greater private-sector participation in infrastructure development and investment.

Additional financial management reforms introduced during the reporting period included:

- Enhanced Procurement Transparency: National Treasury issued SCM Instruction No. 10 of 2025/26, strengthening requirements relating to procurement planning, reporting and publication of bidding information.

- General Finance Laws Amendments: Proposed reforms seek to modernise the financial regulatory environment, including the transition from JIBAR to the ZARONIA benchmark reference rate.
- Public Administration Management Amendment Act, 2025: The Act introduced additional ethical and governance requirements, including prohibitions on public servants conducting business with organs of state.

These reforms are intended to strengthen accountability, improve governance, enhance transparency and support improved infrastructure delivery across the public sector.

National Health Act, 2003

A significant development during the reporting period was the Constitutional Court judgment declaring sections 36 to 40 of the National Health Act, 2003 unconstitutional.

The invalidated provisions related to the proposed Certificate of Need (CON) system, which would have required healthcare practitioners, private health facilities and hospitals to obtain approval from the Director-General of Health before establishing, relocating or expanding healthcare services.

Key implications of the ruling include:

- Healthcare practitioners retain their constitutional right to freely practise their profession without requiring a Certificate of Need.
- Private healthcare providers may continue to establish and operate facilities without obtaining prior government approval under the invalidated provisions.
- The ruling applies specifically to the National Health Act and does not invalidate the National Health Insurance (NHI) Act.

The judgment has implications for future health sector planning and approaches aimed at improving equitable distribution of healthcare services.

Related Health Sector Regulatory Developments

Several other regulatory reforms were implemented during the reporting period, including:

- Amendments to regulations governing Notifiable Medical Conditions, strengthening disease surveillance and public health response mechanisms.
- Publication of revised Environmental Health Norms and Standards, providing updated guidance for environmental health practice and inspections.
- Continued implementation of the foundational phase of the National Health Insurance (NHI), including the establishment of governance structures, advisory bodies and contracting frameworks.

State Liability Amendment Act, 2011

The State Liability Amendment Act continues to regulate the payment of monetary judgments awarded against the State.

The amendments aim to balance the constitutional rights of successful litigants with the need to protect government finances and ensure that service delivery is not compromised through the attachment of state assets. These provisions are particularly relevant in the health sector, which continues to experience significant medico-legal claims.

South African Dental Technicians Act, 1979

Amendments and regulatory updates to the South African Dental Technicians Act were introduced to strengthen governance and modernise the regulation of the profession.

The amendments focus on:

- Updating professional and operational requirements for dental laboratories.
- Revising annual licensing and registration fees.
- Strengthening regulatory oversight of dental laboratory operations and products.
- Enhancing quality assurance within dental technology services.

Medicines and Related Substances Act, 1965

Ongoing amendments and regulatory reforms under the Medicines and Related Substances Act continue to strengthen the regulation of medicines and health products in South Africa.

These amendments have:

- Strengthened the role and authority of the South African Health Products Regulatory Authority (SAHPRA).
- Expanded the regulation of medical devices and related products.
- Introduced measures aimed at improving access to affordable medicines.
- Enhanced oversight of the safety, quality and efficacy of medicines and medical products.

These regulatory developments support the Department's efforts to ensure the availability of safe, effective and quality healthcare products while strengthening pharmaceutical governance across the health sector.

Overall Impact

The policy and legislative developments during the 2025/26 financial year strengthened governance, accountability, workforce management, financial control, healthcare regulation and service delivery. Collectively, these reforms provide an enabling environment for improved health system performance and support the Department's commitment to delivering accessible, equitable and quality healthcare services to the people of KwaZulu-Natal.

PROGRESS TOWARDS ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

The KwaZulu-Natal Department of Health remains committed to improving the health and well-being of all residents through the provision of equitable, accessible, quality and people-centred healthcare services. During the 2025/26 financial year, the Department continued to make progress towards achieving its institutional impacts and outcomes despite ongoing fiscal constraints, rising service demands, and a complex disease burden.

The Department's strategic direction is guided by its commitment to building a resilient and responsive healthcare system that places patients at the centre of care. This commitment aligns with the National Health Act and the Department's 2025/26-2029/30 Strategic Plan, which focuses on improving healthcare access, strengthening service quality, reducing the burden of disease, and enhancing health outcomes for all citizens.

Progress achieved during the reporting period was evident across key health system priorities. The Department continued to expand access to healthcare services through the strengthening of Primary Health Care (PHC), hospital services, emergency medical services, pharmaceutical services, community-based healthcare, and workforce development initiatives. Significant investments in human resource capacity contributed to improvements in critical healthcare worker ratios, while employee development programmes strengthened leadership, management and clinical competencies throughout the health sector.

The Department maintained a strong focus on disease prevention and health promotion as fundamental pillars for improving health outcomes. Efforts to promote healthy lifestyles, encourage early health-seeking behaviour, improve immunisation coverage, strengthen maternal and child health services, and enhance HIV and tuberculosis interventions continued throughout the reporting period. These interventions support the long-term objective of reducing morbidity and mortality associated with communicable and non-communicable diseases.

The implementation of the National Health Insurance (NHI) preparatory activities, together with ongoing health system strengthening initiatives, continued to advance progress towards universal health coverage. The Department further strengthened collaboration with communities, traditional leaders, faith-based organisations, non-governmental organisations and other stakeholders to improve health awareness and facilitate greater community participation in healthcare programmes.

A key area of focus during the reporting period was the enhancement of patient experience and the quality of care provided within healthcare facilities. The Department continued to implement interventions aimed at improving responsiveness, accountability and service standards. Patient Experience of Care surveys continued to provide valuable feedback to support service improvements and strengthen patient-centred care practices.

Despite these achievements, several challenges continue to impact service delivery and health outcomes. Budgetary constraints have limited the filling of critical vacancies, infrastructure development, equipment replacement and fleet renewal. Furthermore, increasing demands associated with HIV/AIDS, tuberculosis, non-communicable diseases, maternal and child health challenges, mental health conditions and emergency medical services continue to place pressure on available resources.

The Department also recognises that long waiting times, communication challenges, and variability in patient experiences across facilities can undermine public confidence in the health system. In response, targeted interventions are being implemented to improve patient flow management, strengthen customer care, reduce waiting times and promote a culture of professionalism, accountability and compassionate care among healthcare workers.

Over the medium term, the Department will continue to focus on the following strategic priorities:

- Enhancing patient experience and quality of care.
- Strengthening Primary Health Care and preventative health services.
- Reducing the burden of communicable and non-communicable diseases.
- Improving maternal, neonatal, child and women's health outcomes.
- Strengthening mental health services and support programmes.
- Investing in healthcare workforce development and retention.
- Expanding digital health solutions and technological innovations.
- Improving infrastructure, equipment and fleet management.
- Advancing health system strengthening and National Health Insurance implementation.

The Department remains committed to increasing life expectancy and improving the quality of life of the people of KwaZulu-Natal. Achieving this vision requires collective action from government, healthcare workers, communities, civil society organisations and individuals. Through continued collaboration, innovation and accountable leadership, the Department will continue working towards a healthcare system that is equitable, responsive, sustainable and capable of meeting the health needs of present and future generations.

Looking ahead, the Department remains steadfast in its commitment to ensuring that every person in KwaZulu-Natal has access to timely, respectful and high-quality healthcare services. Continued investment in prevention, early intervention, community empowerment and patient-centred care will be essential in achieving the institutional impact of a healthier population and a stronger provincial health system.

TRANSFER PAYMENTS

TRANSFER PAYMENTS TO ALL ORGANISATIONS OTHER THAN PUBLIC ENTITIES.

Non-profit organisations receive significant transfer payments from the Department and serve as key implementing partners in the delivery of health services. These organisations function as front-line service providers, contributing meaningfully to improved access, service coverage, and health outcomes at community level.

Transfer payments are primarily directed towards priority programme areas, including disability and rehabilitation services, mental health services, palliative care, and primary health care services. Comprehensive details relating to participating organisations, services rendered, funds transferred and expended, as well as performance achievements, are presented in the table below.

The Department enters into formal Service Level Agreements (SLAs) with all funded organisations. These agreements clearly define:

- The scope and nature of services to be delivered
- Measurable deliverables and performance expectations
- Financial management and reporting requirements
- Monitoring and evaluation mechanisms, including monthly reporting obligations

Compliance with these agreements is monitored through structured oversight and performance management processes, including routine reporting, site visits, and financial reviews, to ensure accountability, transparency, and value for money.

During the 2025/26 reporting period, three organisations—DCMH Happy Hours Ninikhona, DCMH Happy Hours Durban North, and Rainbow Haven—were identified as persistently underperforming against agreed deliverables, despite targeted support and corrective interventions implemented by the Department.

Following due process and performance assessments, a decision was taken not to renew the Service Level Agreements with these organisations for the subsequent financial year. This action was taken to safeguard public resources and ensure that funding is allocated to organisations that demonstrate the capacity to deliver agreed services effectively and efficiently.

Table 13: Transfer of payments

Name of transferee	Type of organisation	Purpose for which the funds were to be used	Did the dept. comply with s 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity	Reasons for the funds unspent by the entity
CBR Education & Training for Empowerment (CREATE)	NPO	Community based rehabilitation services	Yes	874 000	874 000	All funds were spent
Disabled People South Africa KZN (CBR)	NPO	Community based rehabilitation services	Yes	1 284 000	1 284 000	All funds were spent
Disabled People South Africa KZN (WCR)	NPO	Wheelchair repair & maintenance programme	Yes	1 162000	1 162 000	All funds were spent
Ikhayalethu Health & Education Centre	NPO	Orientation & mobility services for visually impaired persons	Yes	1 910 000	1 910 000	All funds were spent
I–Matter Foundation	NPO	Community based rehabilitation services	Yes	655 000	655 000	All funds were spent
KZN Blind & Deaf Society	NPO	Orientation & mobility services for visually impaired persons	Yes	1 141 000	1 141 000	All funds were spent
Magaye Visually Impaired People's Association	NPO	Orientation & mobility services for visually impaired persons	Yes	874 000	874 000	All funds were spent
Nominated Disability Organisation	NPO	Community based rehabilitation services	Yes	393 000	393 000	All funds were spent
Rachel Swart Fund	NPO	Training of community-based rehabilitation workers	Yes	874 000	874 000	All funds were spent
South African Mobility for the Blind Trust	NPO	Orientation & mobility services for visually impaired persons	Yes	874 000	874 000	All funds were spent
Akehlulwa Lutho	NPO	Mental health community outreach services	Yes	743 000	743 000	All funds were spent
Clermont Day Care Centre	NPO	Mental health day care services for 30 clients	Yes	532 000	532 000	All funds were spent
Hlanganani Ngothando Organisation	NPO	Mental health day care services for 17 clients	Yes	502 000	502 000	All funds were spent

Name of transferee	Type of organisation	Purpose for which the funds were to be used	Did the dept. comply with s 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity	Reasons for the funds unspent by the entity
Ikhwezi Welfare Organisation	NPO	Mental health residential care services for 50 clients	Yes	2 149 000	2 149 000	All funds were spent
Indlu Youkuphephela Skills Training	NPO	Mental health day care services for 40 clients	Yes	715 000	715 000	All funds were spent
John Paetie House	NPO	Mental health residential care services for 50 clients	Yes	2 675 000	2 675 000	All funds were spent
Lynn & Imbali House	NPO	Mental health residential care services for 39 clients	Yes	1 579 000	1 579 000	All funds were spent
Othandweni Cerebral Palsy Organisation	NPO	Mental health day care services for 30 clients	Yes	464 000	464 000	All funds were spent
Rainbow Haven	NPO	Mental health residential care services for 24 clients	Yes	719 000	719 000	All funds were spent
Ramakrishna Umzamo Home	NPO	Mental health residential care services for 20 clients	Yes	827 000	827 000	All funds were spent
SCDIFA Centre	NPO	Mental health day residential services for 40 clients	Yes	2 296 000	2 296 000	All funds were spent
Solid Foundation for Rural Development (SORD)	NPO	Mental health community outreach services	Yes	846 000	846 000	All funds were spent
South Coast Hospice	NPO	Mental health residential care & outreach services	Yes	2 065 000	2 065 000	All funds were spent
Sparkes Estate	NPO	Mental health residential care services for 60 clients	Yes	2 640 000	2 640 000	All funds were spent
St Luke Home for Healing	NPO	Mental health residential care services for 21 clients	Yes	719 000	719 000	All funds were spent
Still A Time	NPO	Mental health community outreach services	Yes	234 000	234 000	All funds were spent

Name of transferee	Type of organisation	Purpose for which the funds were to be used	Did the dept. comply with s 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity	Reasons for the funds unspent by the entity
Sunfield Home	NPO	Mental health residential care services for 11 clients	Yes	330 000	330 000	All funds were spent
Talitha Cumi Special Needs & Development Care Centre	NPO	Mental health day care services for 20 clients	Yes	743 000	743 000	All funds were spent
The Word of God	NPO	Mental health residential care services for 52 clients	Yes	216 000	216 000	All funds were spent
DCMH – Austerville Halfway House	NPO	Mental health residential care services for 25 clients	Yes	745 000	745 000	All funds were spent
DCMH – Azalea House	NPO	Mental health residential care services for 20 clients	Yes	685 000	685 000	All funds were spent
DCMH – Happy Hours Amaoti	NPO	Mental health day care services for 40 clients	Yes	745 000	745 000	All funds were spent
DCMH – Happy Hours Durban North	NPO	Mental health day care services for 35 clients	Yes	621 000	621 000	All funds were spent
DCMH – Happy Hours KwaXimba	NPO	Mental health day care services for 22 clients	Yes	532 000	532 000	All funds were spent
DCMH – Happy Hours Ninikhona	NPO	Mental health day care services for 21 clients	Yes	371 000	371 000	All funds were spent
DCMH – Happy Hours Phoenix	NPO	Mental health day care services for 20 clients	Yes	354 000	354 000	All funds were spent
DCMH – Jona Vaughn Centre	NPO	Mental health residential care services for 79 clients	Yes	4 800 000	4 800 000	All funds were spent
DCMH – Madeline Manor	NPO	Mental health residential care services for 41 clients	Yes	1 190 000	1 190 000	All funds were spent
DCMH – Umlazi Halfway House	NPO	Mental health residential care services for 13 clients	Yes	490 000	490 000	All funds were spent

Name of transferee	Type of organisation	Purpose for which the funds were to be used	Did the dept. comply with s 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity	Reasons for the funds unspent by the entity
Blessed Gerard Care Centre	NPO	In-facility care services for clients with terminal illnesses	Yes	457 000	457 000	All funds were spent
Chatsworth Regional Hospice	NPO	In-facility care services for terminal illnesses	Yes	382 000	382 000	All funds were spent
Duduza Care Centre	NPO	In-facility & home-based care services for clients with terminal illnesses	Yes	961 000	961 000	All funds were spent
Ekukhanyeni Clinic	NPO	In-facility care services for clients with terminal illnesses	Yes	1 369 000	1 369 000	All funds were spent
Estcourt Hospice	NPO	Home-based care services for clients with terminal illnesses	Yes	721 000	721 000	All funds were spent
Ethembeni Care Centre	NPO	Home-based care services for clients with terminal illnesses	Yes	6 164 000	6 164 000	All funds were spent
Highway Hospice	NPO	Home-based care services for clients with terminal illnesses	Yes	860 000	860 000	All funds were spent
Hillcrest Aids Centre Trust	NPO	In-facility care services for clients with terminal illnesses	Yes	961 000	961 000	All funds were spent
Howick Hospice	NPO	Home-based care services for clients with terminal illnesses	Yes	817 000	817 000	All funds were spent
KwaHilda Ongcwele	NPO	Home-based care services for clients with terminal illnesses	Yes	331 000	331 000	All funds were spent
Ladysmith Hospice	NPO	Home-based care services for clients with terminal illnesses	Yes	611 000	611 000	All funds were spent
Msunduzi Hospice	NPO	Home-based care services for clients with terminal illnesses	Yes	1 100 000	1 100 000	All funds were spent
Ntokozweni Village for the Vulnerable	NPO	In-facility care services for clients with terminal illnesses	Yes	196 000	196 000	All funds were spent

Name of transferee	Type of organisation	Purpose for which the funds were to be used	Did the dept. comply with s 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity	Reasons for the funds unspent by the entity
Philanjalo Hospice	NPO	In-facility care services for clients with terminal illnesses	Yes	3 261 000	3 261 000	All funds were spent
South Coast Hospice	NPO	In-facility & home-based care services for clients with terminal illnesses	Yes	611 000	611 000	All funds were spent
TLC Hospice	NPO	Home-based care services for clients with terminal illnesses	Yes	382 000	382 000	All funds were spent
Thembalethu Care Association	NPO	Home-based care services for clients with terminal illnesses	Yes	328 000	328 000	All funds were spent
Woza Moya Organisation	NPO	Home-based care services for clients with terminal illnesses	Yes	403 000	403 000	All funds were spent
Matikwe Clinic	NPO	Primary health care services	Yes	667 000	667 000	All funds were spent
Mountain View	NPO	Primary health care services	Yes	4 000 000	4 000 000	All funds were spent
Philakade TLC	NPO	Primary health care services	Yes	1 570 000	1 570 000	All funds were spent

Table 14:Transfer payments budgeted for period 1 April 2025 to 31 March 2026

Name of transferee	Type of organisation	Purpose for which the funds were to be used	Amount budgeted for (R'000)	Amount transferred (R'000)	Reasons why funds were not transferred
N/A					

CONDITIONAL GRANTS

Table 15: Comprehensive HIV and AIDS Grant

Name of the Grant	Comprehensive HIV / AIDS Grant
Department who transferred the Grant	NATIONAL DEPARTMENT OF HEALTH
Purpose of the Grant	The purpose of the Comprehensive HIV conditional grant is to enable the public health sector to implement an expanded and effective response to HIV/AIDS, finance antiretroviral treatment (ART) programmes, support targeted prevention initiatives, and protect healthcare workers from workplace exposure.
Expected outputs of the grant	The expected outputs of the Comprehensive HIV/AIDS conditional grant (now integrated into the District Health Programmes Grant) are the delivery of scaled-up public health services, specifically providing antiretroviral treatment (ART), HIV testing services (HTS), and prevention of mother-to-child transmission (PMTCT) programs.
Actual outputs achieved	**Summary on non-financial performance** **The HIV Testing Services (HTS) program** HTS performance for 2025/26 was 3 259 665 out of the target of 2 748 700 clients to be tested in the KZN province. The target was exceeded by 18.5%. It is pleasing to report that the KwaZulu-Natal Department of Health is the one of the first provinces to reach the first 95% of people living with HIV and know their HIV status. The province is now at 98% on the first 95% which indicated that targets were met. **Condom Program** Condom programme is one of the biomedical HIV prevention interventions that seek to prevent unplanned pregnancy, sexually transmitted infections (STI) including HIV amongst sexually active individuals. The province distributed 90 612 000 male and 3 070 900 female condoms, just meeting the set target for the financial year. **High Transmission areas (HTAs)**

Name of the Grant	Comprehensive HIV / AIDS Grant
	HTA is an identified geographical area where HTA interventions are rendered, targeting people at high risk of acquiring or transmitting HIV/STIs/TB (Key Populations). These HTA intervention sites provide biomedical, structural, and behavioural interventions including comprehensive PHC service. The province has 99 HTA sites and 465 hotspots. In 2024/2025, 421268 people were offered services and in 2025/26, 479928 were seen meeting the set target. The surge in the number of clients see was due to the increase in the number of Hotspots from 436 to 465. **Vertical Transmission Prevention (VTP)** Vertical Transmission Prevention (VTP) is a four-pronged programme implemented to prevent and manage HIV and AIDS in HIV positive women (couples) and thus reduce morbidity & mortality in women and children. The program achieved the PCR rate of 0, 3% around 10 weeks and mother to child transmission of HIV (MTCT) rate of 0.3% PCR at birth. Province managed to improve antenatal care (ANC) ART initiation in the previous financial year 2024/25, from 98% in 23/24 FY to 99% which is also above the annual performance plan APP target of 98%. **Antiretroviral (ART) Therapy** Approximately 70% of the budget is allocated to the ARV Therapy. The overall provincial cascade achieved 97-86-92, indicating that 97% of PLHIV know their HIV status, 86% of those diagnosed are on ART, and 92% of clients on ART who completed viral load testing achieved viral suppression (VL<400 copies/ml). Despite high performance in diagnosis and viral suppression, ART coverage remains below the 95% target and continues to be the major gap within the cascade. Adult males recorded slightly lower performance than females, achieving 96-83-97. While HIV status awareness among males remained high, ART uptake among diagnosed men remains a major concern. Children under 15 years continue to represent the weakest performing population within the provincial HIV cascade. The paediatric cascade achieved 90-65-93, substantially below the UNAIDS targets. The total number of ART patients remaining in care (TROA) in the public health sector, as at the end of March 2026, was 1,578,140, representing 94.2% achievement against the annual target of 1,674,620. Although TROA targets

Name of the Grant	Comprehensive HIV / AIDS Grant
	were not fully achieved, the analysis suggests that the main challenge relates to the loss of clients from care, as reflected in the 12-month loss-to-follow-up rates, despite treatment initiation targets being met. Adherence remains a key priority in addressing this challenge. Adherence facilitators lead interventions aimed at strengthening patient retention strategies. In addition, a province-wide plan to institutionalise patient tracking and tracing is implemented through linkage officers and community health care workers. Expanded adherence support has also involved strong collaboration with allied healthcare workers to ensure that all patient-related factors are comprehensively addressed. KwaZulu-Natal (KZN) shows remarkable financial and non-financial success in driving down HIV, TB and STI transmission and a stride in achieving the 95–95–95 epidemic control targets.
Amount per amended DORA (R'000)	7,561,299
Amount received (R'000)	7,561,299
Reasons if amount as per DORA was not received	Not applicable
Amount spent by the Department (R'000)	7,561,299
Reasons for the funds unspent by the entity	Not applicable
Reasons for deviations on performance	Not applicable
Measures taken to improve performance	Not applicable
Monitoring mechanism by the receiving Department	Monthly monitoring of the Business plan activities, monthly variance report analysis and addressing deviations. Conducting monthly and quarterly feedback meetings with districts.

Table 16: National Tertiary Services Grant

Name of the Grant	National Tertiary Services Grant
Department who transferred the Grant	NATIONAL DEPARTMENT OF HEALTH
Purpose of the Grant	The purpose of the grant is to ensure provision of tertiary health services in South Africa and also to compensate tertiary facilities for the additional costs associated with the provision of tertiary services.
Expected outputs of the Grant	To enable provinces to plan, modernise and transform the tertiary health service delivery platform

Name of the Grant	National Tertiary Services Grant
Actual outputs achieved	• KZN Province was able to recruit Specialists for development and provision of highly specialized tertiary services despite limited funding. • Highly specialized units such as Operating theatre, Intensive care unit (ICU) and High care require Specialized Nurses and Allied support staff and through the grant, the Province was able to recruit such personnel. • Tertiary services require high-end medical equipment and through grant procurement of such equipment is made possible. • The ongoing provision of the grant makes it possible to sustain these very costly tertiary services. • The grant has also made it possible for the KZN population to access quality health care.
Amount per amended DORA (R'000)	2,289,556
Amount received (R'000)	2,289,556
Reasons if amount as per DORA was not received	The amount was received as per allocation letter.
Amount spent by the Department (R'000)	2,289,556
Reasons for the funds unspent by the entity	The KZN adhered to the NTSG framework and the DORA prescripts by ensuring that the grant is fully spent during 2025/26 financial year.
Reasons for deviations on performance	During the adjustment period the business plan was amended in line with the grant framework, to align it with service delivery priorities.
Measures taken to improve performance	• Ensuring users understand and know the responsibility that comes with NTSG. • Holding monthly and quarterly support visits and discussing performance with each facility. • Keep monitoring matters of procurement of medical equipment and expenditure trends monthly. • Electronic gatekeeping measures in place to minimize waste and reduce expenditure in areas such as Laboratory services. • Support visits to verify both financial and non-financial information
Monitoring mechanism by the receiving Department	• Monthly expenditure reviews are conducted at each facility level after every expenditure run. There is a monthly variance report that is drawn up which compares the expenditure against the budget allocated per item. The variance report is consolidated to one Provincial report and get signed by the CFO before submitting to NDoH. • Quarterly Patient Activity and Financial Performance Reports are submitted by the facilities to the Programme Manager and consolidated to one Provincial report and the report is reviewed by the Chief Director, CFO and Deputy Director General before being approved by the HOD. • There are governance teams at each facility who also monitor the service delivery outputs, budgeting process and expenditure reviews. The

Name of the Grant	National Tertiary Services Grant
	Programme Manager analyses these reports and consolidates them into one Provincial report that is signed by the HOD, prior to submitting to NDoH. • Site visits and walk abouts are also conducted by the office of the Chief Director and the Programme Manager monthly & quarterly to monitor the provision and quality of clinical services in line with the framework. • Quarterly meetings are held by the Province and benefiting facilities.

Table 17:Social Sector EPWP Incentive Grant for Provinces

Name of the Grant	EPW Integrated Grant to Province
Department who transferred the Grant	National Department of Public Works and Infrastructure
Purpose of the Grant	To reduce poverty through the alleviation and reduction of unemployment
Expected outputs of the Grant	The expected outputs of the Grant are aligned with the programme objectives: increased employment, income support, and asset creation.
Actual outputs achieved	- Work opportunities were created for 319 beneficiaries (women, youth and men), including 38 people living with disabilities. - FTE targets were met / achieved
Amount per amended DORA (R'000)	R 27 391 000.00
Amount received (R'000)	R 27 391 000.00
Reasons if amount as per DORA was not received	N/A
Amount spent by the Department (R'000)	R 27 391 000.00
Reasons for the funds unspent by the Entity	N/A
Reasons for deviations on performance	The budget is fully spent, and the target was met/ achieved.
Measures taken to improve performance	- Orientation - Sites Visits - Verifications
Monitoring mechanism by the receiving Department	- In Year Monitoring of the Expenditure - Uploading of the participants and validation - Submission of Quarterly reports and Annual Evaluation reports - Conducting physical site visits to facilities - physical verifications of beneficiaries

Table 18: Human Resources and Training Grant (Health)

Name of the Grant	mount per amended DORA (R'000)	Amount received (R'000)	Amount spent by the Department (R'000)
Statutory HR Component	R471,597	R471,597	R471,597
Training Component	R371,000	R371,000	R371,000
Human Resource & Training Grant TOTAL	R788,597	R788,597	R788,597

Table 19:National Health Insurance

Name of the Grant	Social Sector EPWP Incentive Grant for Provinces
Department who transferred the Grant	NATIONAL DEPARTMENT OF HEALTH
Purpose of the Grant	To expand the health care service benefits through the strategic purchasing of services from health care providers
Expected outputs of the Grant	Health Professionals Contracting • Number of health care providers contracted • Number of sessions covered by contracted health care providers Mental Health • Number of mental health care providers contracted (per category: psychiatrists, medical officers with a diploma in mental health or psychiatry, psychologists, registered counsellors, occupational therapists and, social workers • Number of users seen by the contracted mental health care providers • Number of forensic mental observations conducted by the contracted mental health care provide
Actual outputs achieved	Health Professionals Contracting • Number of health care providers contracted = 130 Medical Officers • Number of sessions covered by contracted health care providers = 76 136 • Number of patients seen = 316 786 Mental Health • Number of mental health care providers contracted (per category: o Psychiatrists = 2 o medical officers with a diploma in mental health or psychiatry = 1 o psychologists = 5 o registered counsellors = 22 o occupational therapists = 4 o social workers = 5

Name of the Grant	Social Sector EPWP Incentive Grant for Provinces
	• Number of users seen by the contracted mental health care providers = 29 643 • Number of forensic mental observations conducted by the contracted mental health care provider = 614
Amount per amended DORA (R'000)	89,818
Amount received (R'000)	89,818
Reasons if amount as per DORA was not received	Nil
Amount spent by the Department (R'000)	89,818
Reason for the funds unspent by the Entity	Nil
Reasons for deviations on performance	Target achieved
Measures taken to improve performance	Nil
Monitoring mechanism by the receiving Department	• Monthly report (financial and non-financial performance) • Monthly variance report • Quarterly reports • Annual Report Support visits

Table 20: Health Facility Revitalisation Grant

Name of the Grant	Health Facility Revitalisation Grant
Department who transferred the Grant	NATIONAL TREASURY
Purpose of the Grant	1. To help to accelerate maintenance, renovations, upgrades, additions, and construction of infrastructure in health 2. To help on replacement and commissioning of health technology in existing and revitalised health facilities 3. To enhance capacity to deliver health infrastructure 4. To accelerate the fulfilment of the requirements of occupational health and safety
Expected outputs of the Grant	1. Number of primary health care facilities constructed or revitalised 2. Number of hospitals constructed or revitalised 3. Number of facilities maintained or refurbished

Name of the Grant	Health Facility Revitalisation Grant
Actual outputs achieved	**Percentage of preventative maintenance expenditure (APP)** **Target 2025/2026** / **Actual 2025/2026** 23/24 Baseline 46.69% 2025/26 - Q1 47.56% 26.86% 2025/26 - Q2 47.56% 42.58% 2025/26 - Q3 47.56% 46.91% 2025/26 - Q4 47.56% 50.11% 2025/26 Annual 47.56% 50.11% **Number of Capital Infrastructure Projects completed (APP)** 23/24 Baseline 100 2025/26 - Q1 10 5 2025/26 - Q2 20 18 2025/26 - Q3 30 28 2025/26 - Q4 40 41 2025/26 Annual 40 41 **Number of public health facilities (clinics, hospitals, nursing colleges, EMS base station) maintained or refurbished (APP)** 23/24 Baseline New indicator 2025/26 - Q1 - 278 2025/26 - Q2 - 509 2025/26 - Q3 - 525 2025/26 - Q4 600 609 2025/26 Annual 600 609 **Number of Renovations, Refurbishment & Rehabilitation projects completed (APP)** 23/24 Baseline New indicator 2025/26 - Q1 - 3 2025/26 - Q2 - 7 2025/26 - Q3 - 1 2025/26 - Q4 12 1 2025/26 Annual 12 12
Amount per amended DORA (R'000)	1,716,920
Amount received (R'000)	1,716,920
Reasons if amount as per DORA was not received	-

Name of the Grant	Health Facility Revitalisation Grant
Amount spent by the Department (R'000)	1,716,920
Reasons for the funds unspent by the Entity	Grant 100% spent
Reasons for deviations on performance	Higher expenditure on category A is due to increased breakdowns of plant and equipment in health facilities. Slow/delayed progress on project sites due to delayed payments to service providers Positive deviation is due to the earlier than anticipated completion of the programme for the construction of sceptic tanks in 33 facilities. Positive deviation is due to the completion of the minor maintenance and additions programme. Over and above the various maintenance initiatives implemented by the Department (in 586 facilities), DOPW has completed the painting programme for maintenance in 23 Clinics.
Measures taken to improve performance	Institutions to service their machinery and equipment regularly to prevent breakdowns Meetings have been held with all districts to encourage the regular servicing of plant and equipment to prevent breakdowns. Performance is gradually improving An invoice tracking tool to fast-track payments has been implemented and is continually monitored. Continually engage SCM to pay contractors on time.
Monitoring mechanism by the receiving Department	Infrastructure End of Year Report 2025/26 Kwazulu-Natal Department of Health Annual Performance Plan 2025/26 – 2027/28

DONOR FUNDS

DONOR FUNDS RECEIVED

Table 21:Donor funds received

Name of the Donor: Centres for Disease Control and Prevention (CDC)	
Full amount of the funding	R 24 974 993 for 2026/27
Period of the commitment	Started in January 2022 – September 2026
Purpose of the funding	Provincial strengthening of HAST program implementation with the focus in men's health services, laboratory services, Adult and children HIV treatment, care and support.
Expected outputs	The expectation is to meet the UNAIDS HIV 95-95-95 goals - 95% knowing HIV status, 95% on antiretroviral treatment, and 95% virally suppressed.
Actual outputs achieved	The province has a total of 503 458 males and 21 920 children on HIV treatment. The HIV treatment cascade is at 97 – 88 – 92, 97%.
Amount received (R'000)	R 24 974 993 for 2026/27
Amount spent by the Department (R'000)	R 18 731 244.75 as of June 2026
Reasons for the funds unspent	Not Applicable
Monitoring mechanism by the Donor	Monthly and quarterly financial, non-financial performance review meetings. The donor also conducts physical verification site visits. The Auditor General South Africa also conducts annual financial and non-financial audits for this grant, and a clean audit has been achieved. The final and closeout audit will be conducted at the end of the project.
Name of the Donor: Health Systems Trust (HST)	
Full amount of the funding	R1 019 920 620 for 2026/27
Period of the commitment	Until March 2027
Purpose of the funding	Health Systems Strengthening: Integrating HIV and TB services into primary health care clinics to build long-term public health resilience. Monitoring and Evaluation: Collecting health data, tracking access to antiretroviral treatment (ART), and producing performance barometers like the District Health Barometer. Digital Health Innovation: Managing and expanding technological infrastructure—such as the SyNCH system—to streamline chronic medication delivery for patients living with HIV.

Expected outputs	The expectation is to meet the UNAIDS HIV 95-95-95 goals - 95% knowing HIV status, 95% on antiretroviral treatment, and 95% virally suppressed.				
Actual outputs achieved	District	Total population	Children (<15)	Adult males	Adult females
	eThekwini	98-86-78	91-64-68	98-82-78	99-89-78
	uMgungundlovu	98-87-88	91-63-92	97-82-88	98-90-88
	uThukela	97-86-89	92-66-93	97-81-89	98-89-89
	Zululand	98-92-85	94-73-60	97-88-85	98-94-85
Amount received (R'000)	R1 019 920 620 for 2026/27				
Amount spent by the Department (R'000)	The information is not available				
Reasons for the funds unspent	The information is not available				
Monitoring mechanism by the Donor	Monthly and quarterly financial, non-financial performance review meetings.				
Name of the Donor: Maternal, Adolescent & Child Health Institute (MatCH)					
Full amount of the funding	R416 265 180				
Period of the commitment	Until March 2027				
Purpose of the funding	Direct Service Delivery: Providing community- and facility-level HIV counseling, testing (reaching over 3 million clients), and treatment initiation (initiating roughly 7,000 new clients monthly). Antiretroviral Therapy (ART) Support: Maintaining and supporting approximately 450,000 clients actively on life-saving antiretroviral therapy. Targeted Prevention: Implementing specialized interventions like medical male circumcisions (exceeding 140,000 procedures) to reduce transmission rates. Capacity Building & Training: Training thousands of local healthcare workers and building sustainable management systems within South Africa's public health infrastructure				
Expected outputs	The expectation is to meet the UNAIDS HIV 95-95-95 goals - 95% knowing HIV status, 95% on antiretroviral treatment, and 95% virally suppressed.				
Actual outputs achieved	District	Total population	Children (<15)	Adult males	Adult females
	Harry Gwala	98-90-87	93-66-100	97-85-87	98-93-87
	King Cetshwayo	98-86-87	93-66-62	97-80-87	98-89-87

	uGu	98-88-84	93-66-63	97-82-84	98-91-84
Amount received (R'000)	R416 265 180				
Amount spent by the Department (R'000)	The information is not available				
Reasons for the funds unspent	The information is not available				
Monitoring mechanism by the Donor	Monthly and quarterly financial, non-financial performance review meetings.				

CAPITAL INVESTMENT

Table 22: Capital Investment, Maintenance and Asset Management Plan

Infrastructure Projects	2025/2026			2024/2025		
	Financial Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Financial Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
New and replacement assets	R213,115	R126,673	-R86,442	R219,320	R149,573	-R69,747
Existing infrastructure assets	R1,417,042	1,501,289	-R84,247	R1,504,836	R1,240,714	R264,122
Upgrades and additions	R615,385	R882,088	R266,703	R557,704	R452,821	-R104,884
Rehabilitation, renovations & refurbishment	R41,743	R21,270	-R20,473	R340,813	R257,837	-R82,976
Maintenance and repairs	R759,914	R597,931	-R161,983	R606,319	R530,056	-R76,263
Infrastructure transfer	-	-	-	-	-	-
Current	R635,965	R467,614	-R168,351	R595,922	R541,313	-R54,609
Capital	R994,192	R1,160,348	R166,157	R1,128,234	R848,974	-R279,260
Total	**1,630,157**	**1,627,962**	**R2,195**	**R1,724,156**	**R1,390,287**	**R333,869**

INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

PROGRAMME 1: ADMINISTRATION

Programme Purpose

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

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

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

Sub-Programme 1.2: Management

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

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

The Department received an audit qualification for the 2024/25 financial year, primarily relating to Irregular Expenditure and Immovable Tangible Capital Assets. In response, a comprehensive Audit Recovery Plan and Audit Improvement Plans have been developed and are being implemented to address the root causes of the findings. Furthermore, Internal Control Assessments are being conducted to strengthen governance, improve compliance, and enhance the effectiveness of internal controls to prevent the recurrence of similar findings in future audit cycles.

During the 2025/26 reporting period, the programme made significant progress towards strengthening the implementation of the National Health Insurance (NHI) by building district capacity to establish and implement Contracting Units for Primary Health Care (CUP). A key achievement was the successful capacitation of seven districts—uMzinyathi, uGu, Amajuba, uThukela, Zululand, King Cetshwayo and uMkhanyakude—on the implementation of NHI Contracting Unit sites, thereby exceeding the planned annual target of four districts by three districts. This achievement represents the Department's commitment to accelerating NHI implementation and ensuring that districts are adequately prepared for the establishment of Contracting Units for Primary Health Care.

Table 23: Outcome Indicators (Programme 1)

APP 2025/26: Page 76: Table 15								
Output	**No**	**Output Indicator Name**	**Audited Actual Performance 2023/24**	**Audited Actual Performance 2024/25**	**Planned Annual Target 2025/26**	**Actual 2025/26**	**Deviation from planned 2025/26 Target**	**Reasons for deviations**
OUTCOME: REDUCED MORBIDITY & MORTALITY AND IMPROVED CLIENT EXPERIENCE OF CARE								
Audit outcome for regulatory audit expressed by AGSA	**1.**	**Audit outcome for regulatory audit expressed by AGSA for the previous FY**	**Unqualified**	**Qualified**	**Unqualified**	**Qualified**	**Not achieved**	See Auditor General'
Pursue achievement of Universal Health Coverage through the implementation of the National Health Insurance to address inequity and financial hardship in accessing quality health care	**2.**	**Number of districts capacitated to implement NHI Contracting unit sites**	**Not monitored**	**Not monitored**	**4**	**7**	**3**	uMzinyathi, uGu, Amajuba, uThukela, Zululand and King Cetshwayo, and uMkhanyakude districts have been trained on Contracting Units for Primary Health Care (CUP).

Linking performance with budget

Table 24: Budget allocation Estimates 2025/26 (R'000) (Programme 1)

Programme per sub programme		2025/26			2024/25		
		Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
		R'000	R'000	R'000	R'000	R'000	R'000
1.1	Office of the MEC	27 127	27 026	101	24 686	23 443	1 243
1.2	Management	1 211 590	1 203 385	8 205	1 684 620	1 685 863	-1 243
	Total	**1 238 717**	**1 230 411**	**8 306**	**1 709 306**	**1 709 306**	**-**

Source: Annual Financial Statements and BAS

Strategy to overcome areas of under performance

An Audit Recovery Plan and Audit Improvement Plans have been developed and are being implemented. Internal Control Assessments are also underway to strengthen governance, improve compliance, and enhance the effectiveness of internal control.

To address these challenges, the Department continues to provide ongoing technical support, mentorship and follow-up engagements with districts. The programme will continue to work closely with national and district stakeholders to support the phased rollout of NHI reforms. The province is committed to advancing Universal Health Coverage and strengthening the health system in preparation for full implementation of the National Health Insurance.

PROGRAMME 2: DISTRICT HEALTH SERVICES

Programme Purpose

To render Primary Health Care and District Hospital Services. There are no changes to the Programme 2 structure.

Sub-Programme 2.1: District Management

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

Sub-Programme 2.2: Community Health Clinics

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

Sub-Programme 2.3: Community Health Centres

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

Sub-Programme 2.4: Community Based Service

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

Sub-Programme 2.5: Other Community Services

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

Programme 2.6: HIV and AIDS

Render a Primary Health Care service in respect of HIV and AIDS campaigns and special projects

Sub-Programme 2.7: Nutrition

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

Sub-Programme 2.8: Coroner Services

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

Sub-Programme 2.9: District Hospitals

Render hospital services at General Practitioner level

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

District Health Services

The eThekwini District experienced challenges with the Patient Experience Web System, whereby system-generated sample sizes were not accepted during the capturing of survey results. Although the matter was escalated for resolution, the National Department of Health was unable to reopen the system as it had already been closed for the 2025/26 reporting cycle. Consequently, while patient experience survey results were collected and included in the District Report for all facilities, the results could not be captured on the national system.

The Department strengthened cervical cancer prevention initiatives through the integration of screening services with Human Papilloma virus (HPV) vaccination campaigns. This integrated approach improved access to screening services, promoted early detection of cervical abnormalities, enhanced community awareness of cervical cancer prevention, and maximised the use of available resources during campaign activities.

HIV, AIDS, STI & TB CONTROL

The decline in the HIV positivity rate among children was driven by ongoing HIV and TB education provided through School Health Teams, community outreach initiatives, and increased screening and treatment initiation. Performance was further enhanced through mass media awareness campaigns, community dialogues, radio messaging, and the promotion of HIV prevention services, including PrEP, PEP, and condom distribution, which collectively strengthened prevention efforts and reduced new infections.

The **"**Know Your Child" Strategy has contributed positively to child retention in care by adopting a structured, child-centred approach that identifies and addresses individual needs through coordinated health, social, educational, and protection services. Ongoing monitoring, family engagement, and multidisciplinary support have strengthened treatment adherence, continuity of care, and overall child well-being.

Improved implementation of viral load literacy programmes and patient adherence plans has strengthened treatment compliance and patient retention in care. The continued implementation of the "Know Your Child" Strategy has also contributed to improved child retention in care through enhanced patient support, coordinated service delivery, and strengthened follow-up mechanisms.

Adult ART retention was affected by high loss to follow-up rates, particularly in eThekwini, iLembe, King Cetshwayo, Amajuba, uMgungundlovu, and uGu Districts. High population mobility and self-transfers between facilities, districts, provinces, and countries contributed significantly to these challenges.

Child ART retention was similarly impacted by loss to follow-up, particularly in eThekwini, iLembe, Ugu, and Amajuba Districts. Key contributing factors included adherence challenges related to disclosure, dependence on caregivers for clinic attendance, adolescent treatment interruption following delayed disclosure, and high levels of population mobility resulting in self-transfers between facilities.

The improved performance in DR-TB treatment outcomes can be attributed to the effective implementation of the six-month Bedaquiline, Pretomanid, Linezolid and Moxifloxacin (BPaL) regimen, which has strengthened treatment success rates and improved patient outcomes. The introduction of shorter, more tolerable treatment regimens has been associated with improved adherence, reduced loss to follow-up, and better clinical outcomes among patients receiving treatment for drug-resistant tuberculosis.

A decline in DR-TB mortality rates has been observed, reflecting improvements in clinical management, earlier treatment initiation, enhanced patient monitoring, and better tolerance of treatment regimens. Reductions in loss to follow-up have further contributed to improved treatment outcomes and programme performance.

Similar improvements have been reported across all provinces, demonstrating the effectiveness of the nationally adopted DR-TB treatment approach and confirming the positive impact of these interventions at a national level.

Although progress has been made, achievement against the indicator target remains challenging due to the ambitious nationally set targets linked to the End TB Campaign, which have widened the gap between actual performance and target attainment.

A national and global decline in TB notifications has also been observed. In KwaZulu-Natal, the largest reductions were recorded in eThekwini and King Cetshwayo Districts. This trend may reflect the positive impact of strengthened TB prevention and treatment interventions, including improved antiretroviral therapy (ART) coverage and the expansion of Tuberculosis Preventive Treatment (TPT) services.

However, case detection remains a challenge, as approximately 40% of TB cases in South Africa are asymptomatic, limiting the effectiveness of symptom-based screening approaches and increasing the likelihood of undiagnosed or missed cases. This underscores the need for enhanced case-finding strategies, targeted screening initiatives, and intensified community-based interventions to improve TB detection and treatment coverage.

The number of rifampicin-resistant TB patients started on treatment was below the target; however, this represents a favourable outcome, as the indicator reflects the burden of drug-resistant TB. The lower number of patients requiring treatment suggests progress in controlling DR-TB and indicates improved treatment effectiveness and prevention efforts.

Performance was supported by ongoing education and counselling of mothers on the importance of returning with their babies for postnatal care within six days of delivery, promoting early access to essential maternal and new-born health services.

Positive PCR results at birth were mainly associated with late or non-attendance of antenatal care, ART disengagement during pregnancy, poor treatment adherence, migration and stigma-related factors, as well as late maternal HIV diagnosis and initiation of treatment during the third trimester, limiting the opportunity to achieve viral suppression before delivery.

Performance challenges were observed in both Immunisation Under 1 Year Coverage and MR 2nd Dose Coverage. The lowest coverage rates were recorded in Harry Gwala and Amajuba Districts. The decline in vaccine uptake was partly attributed to persistent myths and misinformation regarding vaccine safety, which contributed to vaccine hesitancy among caregivers. In addition, missed immunisation opportunities, delayed clinic attendance, and challenges in tracing defaulters negatively affected coverage levels, particularly for the MR 2nd dose administered in the second year of life.

The favourable performance in the Child Under 5 Years Diarrhoea Case Fatality Rate can be attributed to effective case management, early recognition of danger signs, and adherence to standard clinical treatment guidelines. Improved management of diarrhoea cases, including appropriate assessment, rehydration therapy, zinc supplementation, and timely referral of severe cases, contributed to reduced mortality among children under five years of age.

The favourable performance in the Child Under 5 Years Pneumonia Case Fatality Rate can be attributed to effective case management, adherence to clinical treatment guidelines, and increased access to respiratory support services. Early diagnosis, prompt initiation of appropriate treatment, and improved clinical monitoring of children with severe pneumonia contributed to better patient outcomes and reduced mortality among children under five years of age.
The elevated Severe Acute Malnutrition (SAM) case fatality rate was primarily observed in Amajuba, King Cetshwayo, uThukela, eThekwini and iLembe Districts. The highest number of deaths was recorded in eThekwini District and was associated with co-morbid conditions such as cerebral palsy, congenital heart disease, trisomy disorders, tuberculosis (TB), and HIV infection, which increased the risk of poor clinical outcomes. Additional contributing factors included socio-economic challenges, food insecurity, poor infant and young child feeding practices, delayed health-seeking behaviour, and cases of neglect, all of which adversely affected the nutritional status and survival of vulnerable children under five years of age.

The under-performing districts for Cervical Cancer Screening Coverage were uMzinyathi, Amajuba and eThekwini. Performance was negatively affected by limited-service availability resulting from intermittent shortages of speculums, as suppliers were unable to consistently meet demand. These stock shortages reduced screening opportunities at health facilities and contributed to lower coverage levels.

Additional challenges included missed opportunities for screening during routine facility visits and low uptake of screening services among eligible women.

The malaria case fatality rate was adversely affected by the late presentation of patients to health facilities, resulting in delayed diagnosis and treatment of advanced disease. In addition, the non-utilisation of recommended malaria pre-exposure prophylaxis by travellers to malaria-endemic areas increased the risk of infection and severe disease. Delayed health-seeking behaviour and limited awareness of malaria prevention measures further contributed to poor outcomes among affected patients.

The improvement in the PHC Mental Disorders Treatment Rate can be attributed to enhanced recording and reporting practices at primary health care facilities. Continuous training, mentoring, and supportive supervision visits strengthened healthcare workers' capacity to accurately identify, manage, and record mental health conditions in the PHC tick registers, resulting in improved data quality and reporting of mental health service utilisation.

There was no deviation from the planned target for the Percentage of Community Health Centres (CHCs) with at least one mental health provider appointed. All targeted CHCs maintained the required mental health staffing levels, ensuring continued access to mental health services and support at primary healthcare level.

SUB-PROGRAMME: DISTRICT HEALTH SERVICES

Table 25:Primary Health Care Outputs, Output Indicators

APP 2025/26: Page 82: Table 18								
Output	**No**	**Output Indicator**	**Audited Actual Performance 2023/24**	**Audited Actual Performance 2024/25**	**Planned Annual Target 2025/26**	***Actual Achievement 2025/26**	**Deviation from planned target to Actual Achievement 2025/26**	**Reasons for deviations**
OUTCOME: REDUCED MORBIDITY & MORTALITY AND IMPROVED CLIENT EXPERIENCE OF CARE								
Patient Experience of Care survey rate	**1.**	**Patient Experience of Care survey rate - PHC**	**Not monitored**	**Not monitored**	**100%**	99.2%	(0.8%)	eThekwini District had Patient Experience Web system challenges, whereby the system-generated sample sizes were not being accepted with the capturing of the results. These challenges were only escalated after the system had closed, at which time National Department of Health (NDoH) was engaged to reopen the system, however indicated that it was not possible.
		Number of facilities where Patient Experience of Survey done	-		612	606		
		Fixed PHC clinics/fixed CHCs/CDCs	-		612	611[1]		
Strengthen Primary Health Care (PHC) system by ensuring that home and community-based services, as well as clinics and Community Health Centres are well-resourced and	**2.**	**Number of school grade R learners screened**	**Not monitored**	**Not monitored**	**63 000**	**122 199**	**59 199**	Integration of screening services with the Human Papilloma Virus (HPV) Campaigns.

[1] Change in denominator as Chesterville Provincial Clinic is not an active facility, although it still appears on the PEC facility list.

APP 2025/26: Page 82: Table 18								
Output	**No**	**Output Indicator**	**Audited Actual Performance 2023/24**	**Audited Actual Performance 2024/25**	**Planned Annual Target 2025/26**	***Actual Achievement 2025/26**	**Deviation from planned target to Actual Achievement 2025/26**	**Reasons for deviations**
appropriately staffed to provide the promotive, preventive curative, rehabilitative and palliative care services required for South Africa								

District Hospitals

Table 26: District hospital Outputs, Output Indicators

APP 2025/26: Page 83: Table 20								
Output	**No**	**Output Indicator**	**Audited Actual Performance 2023/24**	**Audited Actual Performance 2024/25**	**Planned Annual Target 2025/26**	***Actual Achievement 2025/26**	**Deviation from planned target to Actual Achievement 2025/26**	**Reasons for deviations**
OUTCOME: REDUCED MORBIDITY & MORTALITY AND IMPROVED CLIENT EXPERIENCE OF CARE								
Patient Experience of Care survey rate	**1.**	**Patient Experience of Care survey rate – District hospitals**	**Not monitored**	**Not monitored**	**100.0%**	**95.2%**	(4.8%)	eThekwini District had Patient Experience Web system challenges, whereby the system-generated sample sizes were not being accepted with the capturing of the results. These challenges were only escalated after the system had closed, at which time NDoH was engaged to reopen the system, however indicated that it was not possible.
		Number of facilities where Patient Experience of Survey done	-	-	*42*	*40*		
		District hospitals	-	-	*42*	*42*		

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

Table 27: HAST Outputs, Output Indicators

APP 2025/26: page 85 Table: 22								
Output	**No**	**Output Indicator**	**Audited Actual Performance 2023/24**	**Audited Actual Performance 2024/25**	**Planned Annual Target 2025/26**	***Actual Achievement 2025/26**	**Deviation from planned target to Actual Achievement 2025/26**	**Reasons for deviations**
OUTCOME: REDUCED MORBIDITY & MORTALITY AND IMPROVED CLIENT EXPERIENCE OF CARE								
HIV positive 5-14 years (excl. ANC) rate	**1.**	**HIV positive 5-14 years (excl. ANC) rate**	**Not monitored**	**Not monitored**	**0.6%**	**0.3%**	0.3%	The continued decline in the positivity rate is attributed to HIV and TB education by school health teams together with facility and community health activations; and screening and initiation of children on treatment. Mass media marketing awareness programmes targeting children and adolescents assisted in the sharing of prevention messages among themselves.
		HIV positive 5-14 years (excl. ANC)	-	-	*1 399*	638		
		HIV test 5-14 years (excl. ANC)	-	-	*220 857*	196 876		
HIV positive 15-24 years (excl. ANC) rate	**2.**	**HIV positive 15-24 years (excl. ANC) rate**	**1.8%**	**1.6%**	**1.8%**	**1.4%**	0.4%	The positive performance can be attributed to a number of activities including the marketing of prevention messages through radio, distribution of printed material at facility and community level, community activations on HIV prevention and community dialogues using Isibaya Samadoda or Ikhosomba Lamajita platforms; together with the use of new prevention methodologies including Pre-Exposure Prophylaxis (PrEP), Post-Exposure Prophylaxis (PEP) and scented condoms.
		HIV positive 15-24 years (excl. ANC)	*17 603*	*13 922*	*14 803*	10 755		
		HIV test 15-24 years (excl. ANC)	*951 514*	*872 421*	*843 648*	760 772		

APP 2025/26: page 85 Table: 22								
Output	**No**	**Output Indicator**	**Audited Actual Performance 2023/24**	**Audited Actual Performance 2024/25**	**Planned Annual Target 2025/26**	***Actual Achievement 2025/26**	**Deviation from planned target to Actual Achievement 2025/26**	**Reasons for deviations**
ART adult remain in care - total (ART quarterly outcome indicator)	**3.**	**ART adult remain in care rate [12 months]**	**67.4%**	**67.8%**	**67.9%**	**67.9%**	0	No deviation.
		ART adult remain in care – total	63 124	52 516	*70 005*	*44 444*		
		ART adult start minus cumulative transfer out	93 598	77 441	*103 049*	*65 475*		
ART child remain in care - total (ART quarterly outcome indicator)	**4.**	**ART child remain in care rate [12 months]**	**78.5%**	**80.3%**	**78.9%**	**83%**	*4.1%*	"Know Your Child" strategy is yielding positive results in child retention in care. This structured, collaborative, and child-centered process is used in health and social services to identify, assess, and address a child's unique needs. It involves coordinating care, connecting families with resources (mental health, education, protection), and monitoring progress to ensure the child's safety and well-being, particularly in vulnerable situations.
		ART child remain in care – total	1 545	1 261	*1 723*	*1 006*		
		ART child start minus cumulative transfer out	1 968	1 571	*2 184*	*1 212*		
ART Adult Viral load under 50	**5.**	**ART adult viral load suppressed rate (below 50) [12 months]**	**81.1%**	**82.7%**	**81.5%**	**84.4%**	2.9%	Improvement in the implementation of viral load literacy and patient adherence plan.
		ART adult viral load under 50	*43 401*	35 808	*43 835*	*32 830*		

APP 2025/26: page 85 Table: 22								
Output	**No**	**Output Indicator**	**Audited Actual Performance 2023/24**	**Audited Actual Performance 2024/25**	**Planned Annual Target 2025/26**	***Actual Achievement 2025/26**	**Deviation from planned target to Actual Achievement 2025/26**	**Reasons for deviations**
		ART adult viral load done	*53 538*	43 310	*53 806*	*38 905*		
ART Child Viral load under 50	**6.**	**ART child viral load suppressed rate (below 50) [12 months]**	**51.7%**	**55.7%**	**51.9%**	**64%**	12.1%	Implementation of "Know Your Child" strategy is continuing to show results.
		ART child viral load under 50	*700*	599	*707*	*578*		
		ART child viral load done	*1 354*	1 076	*1 361*	*903*		
All DS-TB client successfully completed treatment	**7.**	**All DS-TB client Treatment Success Rate**	**74.3%**	**75.8%**	**74.9%**	**77.0%**	2.1%	Consistent improvement in linkage to care.
		All DS-TB successfully completed treatment	*35 687*	*34 248*	*38 843*	*33 033*		
		All DS-TB Treatment Start	*48 026*	*45 204*	*51 868*	*42 901*		

APP 2025/26: page 85 Table: 22								
Output	**No**	**Output Indicator**	**Audited Actual Performance 2023/24**	**Audited Actual Performance 2024/25**	**Planned Annual Target 2025/26**	***Actual Achievement 2025/26**	**Deviation from planned target to Actual Achievement 2025/26**	**Reasons for deviations**
All RR-/MDR TB successfully completed treatment	**8.**	**TB - Rifampicin resistant/Multidrug-Resistant Treatment Success Rate (RR/MDR-TB outcome data is reported 12 months later)**	**67.4%**	***69.2%***	**68.1%**	**84.6%**	16.5%	• Effective implementation of the six-month Bedaquiline, Pretomanid, Linezolid and Moxifloxacin (BPaL) regimen has improved DR-TB outcomes. • Decline noted in mortality rates reflecting better clinical management and drug tolerance; as well as loss to follow-up. • Similar gains are seen across all provinces, confirming national effectiveness.
		TB Rifampicin Resistant/Multidrug Resistant successfully completed treatment	*1 079*	*1 203*	*1 101*	*786*		
		TB Rifampicin Resistant/Multidrug Resistant client started on treatment	*1 601*	*1 739*	*1 617*	*929*		
DS-TB Notifications	**9.**	**Number of DS-TB treatment start 5 years and older**	**Not monitored**	**Not monitored**	**49 276**	**36 182**	(13 094)	• The nationally set target is high as it includes the “END TB campaign”, which has widened the gap to actual performance. • A national and global decline in TB notifications has been noted. In KZN the highest reductions were observed in eThekwini and King Cetshwayo. This

APP 2025/26: page 85 Table: 22								
Output	**No**	**Output Indicator**	**Audited Actual Performance 2023/24**	**Audited Actual Performance 2024/25**	**Planned Annual Target 2025/26**	***Actual Achievement 2025/26**	**Deviation from planned target to Actual Achievement 2025/26**	**Reasons for deviations**
								decline reflects the impact of improved treatment and prevention interventions, including ART and Tuberculosis Preventive Treatment (TPT). • Approximately 40% of TB cases are asymptomatic (based on 2023 country report) in South Africa, limiting the effectiveness of symptom-based screening and potentially contributing to missed cases.
	10.	**Number of DS-TB treatment start under 5 years**	**Not monitored**	**Not monitored**	**2 592**	**1 353**	(1 239)	Same as above
RR-TB Notifications	**11.**	**TB Rifampicin resistant/Multidrug-Resistant treatment start**	**Not monitored**	**Not monitored**	**1 617**	**1 388**	(229)	Although the number of rifampicin resistant patients started on treatment is below the set target, this is favourable as it is a negative indicator. The performance demonstrates progress in controlling DR-TB and suggests improved treatment effectiveness for DR-TB.
ART adult remain on ART end of period	**12.**	**ART adult remain on ART end of period**	**1 532 605**	**1544057**	**1 646 150**	**1 555 473**	(90 677)	• Retention challenges observed through high Lost to follow-up (LTF) with the following districts contributing eThekwini, iLembe, King Cetshwayo District (KCD), Amajuba, uMgungundlovu and uGu. These districts attract individuals for employment opportunities.

APP 2025/26: page 85 Table: 22								
Output	**No**	**Output Indicator**	**Audited Actual Performance 2023/24**	**Audited Actual Performance 2024/25**	**Planned Annual Target 2025/26**	***Actual Achievement 2025/26**	**Deviation from planned target to Actual Achievement 2025/26**	**Reasons for deviations**
								• Highly mobile community which is evident in self-transfer out between neighbouring health care facilities, districts, provinces and countries.
ART child under 15 years remain on ART end of period	**13.**	**ART child under 15 years remain on ART end of period**	**27 925**	**25142**	**28 470**	**22 667**	(5 803)	• Lost to follow remains a challenge among children with the following districts mostly affected: eThekwini, iLembe, uGu and Amajuba. • Adherence issues such as disclosure (Where parents are not available and younger children cannot honour clinic visits and teenagers that are rebellious due to late disclosure). • Highly mobile community which is expressed through self-transfer out.

SUB-PROGRAMME: MATERNAL, WOMAN AND CHILD HEALTH INCLUDING NUTRITION (MCWHN)

Table 28: MCWHN Outputs, Output Indicators

APP 2025/26; page 90 Table: 24								
Output	**No**	**Output Indicator**	**Audited Actual Performance 2023/24**	**Audited Actual Performance 2024/25**	**Planned Annual Target 2025/26**	***Actual Achievement 2025/26**	**Deviation from planned target to Actual Achievement 2025/26**	**Reasons for deviations**
OUTCOME: REDUCED MORBIDITY & MORTALITY AND IMPROVED CLIENT EXPERIENCE OF CARE								
Couple Year Protection	**1.**	**Couple Year Protection Rate**	**63.4%**	**Not monitored**	**64.0%**	**56.5%**	(7.5%)	• Lowest performance noted in eThekwini and uGu Districts. • Stock-outs of contraceptives caused by manufactures e.g., Triphasil not meeting demand. • Low uptake due to myths, or poor male involvement in family planning (FP). • Facility service hours not convenient for the working population.
		Couple year protection	*2 016 303*		*2 223 982*	*1 962 409*		
		Population 15-49 years females	*3 180 357*		*3 475 173*	*3 475 173*		
Prevent Adolescent Pregnancy	**2.**	**Number of deliveries 10 - 14 years in facility**	**610**	**523**	**537**	**456**	81	• Implementation of the strategy to reduce child and teenage pregnancy together with the Integrated Multi-Stakeholder Health Promotion Strategy increased awareness and education amongst communities. • Districts conduct izimbizo and dialogues in schools and communities.
Increase Percentage (80%) of pregnant women attend ANC before 20 weeks	**3.**	**Antenatal 1st visit before 20 weeks rate**	**76.3%**	**78.5%**	**76.5%**	**79.0%**	2.5%	• Implementation of safer conception strategy and in-facility pregnancy testing with prompt referral for

APP 2025/26; page 90 Table: 24								
Output	**No**	**Output Indicator**	**Audited Actual Performance 2023/24**	**Audited Actual Performance 2024/25**	**Planned Annual Target 2025/26**	***Actual Achievement 2025/26**	**Deviation from planned target to Actual Achievement 2025/26**	**Reasons for deviations**
		Antenatal 1st visit before 20 weeks	*143 747*	*139 178*	*155 965*	*143 659*		antenatal care, to increase early booking.
		Antenatal 1st visit – total	*188 430*	*177 353*	*203 758*	*181 962*		
Increase Percentage (80%) of mothers attend postnatal care between 0 – 6 days	**4.**	**Mother postnatal visit within 6 days rate**	**83.2%**	**87.1%**	**83.4%**	**88.7%**	5.3%	Mothers educated on the importance of returning with their babies for post-natal care within 6 days of delivery.
		Mother postnatal visit within 6 days after delivery	*144 570*	*141 173*	*157 581*	*140 968*		
		Delivery in facility total	*173 756*	*162 142*	*189 056*	*159 010*		
Birth infant PCR positive rate <0.4%	**5.**	**Infant 1st PCR test positive at birth rate**	**Not monitored**	**Not monitored**	**0.35%**	**0.36%**	(0.01%)	• Women who did not attend ANC or attended ANC late i.e less than 4 weeks before labour, providing insufficient time to achieve viral suppression. • ART disengagement during pregnancy due to stigma, migration,
		Infant 1st PCR test positive at birth	-	-	*221*	*171*		

APP 2025/26; page 90 Table: 24								
Output	**No**	**Output Indicator**	**Audited Actual Performance 2023/24**	**Audited Actual Performance 2024/25**	**Planned Annual Target 2025/26**	***Actual Achievement 2025/26**	**Deviation from planned target to Actual Achievement 2025/26**	**Reasons for deviations**
		Infant 1st PCR test at birth	-	-	*63 970*	*47 156*		or poor adherence, resulting in unsuppressed viral loads at delivery. • Late maternal HIV diagnosis where seroconversion occurred in 3rd trimester and ART was initiated too late to prevent intrauterine transmission.
90% of children are fully immunised by one year of age	**6.**	**Immunisation under 1 year coverage**	**94.6%**	**85.5%**	**95%**	**81.0%**	(14.0%)	• The lowest coverage was recorded in Harry Gwala and Amajuba Districts. • A decline noted in the uptake of childhood vaccines due to myths and rumours regarding vaccine safety.
		Immunised fully under 1 year new	*238 928*	*215 122*	*249 679*	*212 805*		
		Population under 1 year	*252 494*	*251 511*	*262 851*	*262 851*		
95% of children receive two doses of measles containing vaccine	**7.**	**MR 2nd dose 1 year coverage**	**Not monitored**	**Not monitored**	**95.0%**	**82.6%**	(12.4%)	• The lowest coverage was recorded in Harry Gwala and Amajuba Districts. • A decline noted in the uptake of childhood vaccines due to myths and rumours regarding vaccine safety.
		MR 2nd dose	-	-	*246 900*	*214 721*		
		Target population 1 year	-	-	*259 894*	*259 894*		

APP 2025/26; page 90 Table: 24								
Output	**No**	**Output Indicator**	**Audited Actual Performance 2023/24**	**Audited Actual Performance 2024/25**	**Planned Annual Target 2025/26**	***Actual Achievement 2025/26**	**Deviation from planned target to Actual Achievement 2025/26**	**Reasons for deviations**
Deaths in children under five years of age from pneumonia; diarrhoea and malnutrition are reduced 5% annually	**8.**	**Child under 5 years diarrhoea case fatality rate**	**1.2%**	**1.2%**	**1.2%**	**1.1%**	0.1%	Effective case management and compliance with clinical guidelines.
		Diarrhoea death under 5 year	*127*	*121*	*117*	*92*		
		Diarrhoea separation under 5 year	*10 338*	*10 162*	*10 028*	*8 099*		
Deaths in children under five years of age from pneumonia; diarrhoea and malnutrition are reduced 5% annually	**9.**	**Child under 5 years pneumonia case fatality rate**	**2%**	**1.5%**	**2.0%**	**1.5%**	0.5%	Effective case management, compliance with clinical guidelines and increased access to respiratory support.
		Pneumonia death under 5 years	*222*	*143*	*211*	*142*		
		Pneumonia separation under 5 years	*10 840*	*9 831*	*10 786*	*9 509*		

APP 2025/26; page 90 Table: 24								
Output	**No**	**Output Indicator**	**Audited Actual Performance 2023/24**	**Audited Actual Performance 2024/25**	**Planned Annual Target 2025/26**	***Actual Achievement 2025/26**	**Deviation from planned target to Actual Achievement 2025/26**	**Reasons for deviations**
Deaths in children under five years of age from pneumonia; diarrhoea and malnutrition are reduced 5% annually	**10.**	**Child under 5 years severe acute malnutrition case fatality rate**	**6.9%**	**6.4%**	**6.7%**	**7.8%**	(1.1%)	• Severe Acute Malnutrition (SAM) case fatality is high in Amajuba, King Cetshwayo, uThukela, eThekwini and iLembe Districts. • The highest number of deaths recorded in eThekwini District as a result of co-morbid conditions like cerebral palsy, congenital heart disease, trisomy, TB and HIV. • Other contributing factors include socio-economic issues, poor infant and young child feeding or social ills of neglect.
		Severe acute malnutrition (SAM) death under 5 years	*149*	*118*	*136*	*110*		
		Severe acute malnutrition inpatient separation under 5 years	*2 159*	*1 857*	*2 029*	*1 418*		
Prevent Cervical Cancer	**11.**	**Cervical Cancer Screening Coverage**	**Not monitored**	**Not monitored**	**69.6%**	**68.0%**	(1.6%)	• Under-performing Districts include uMzinyathi, Amajuba and eThekwini. • Limited-service availability due to intermittent shortages of speculums as suppliers failed to meet the demand.
		Cervical cancer			*270 498*	*270 299*		

APP 2025/26; page 90 Table: 24								
Output	**No**	**Output Indicator**	**Audited Actual Performance 2023/24**	**Audited Actual Performance 2024/25**	**Planned Annual Target 2025/26**	***Actual Achievement 2025/26**	**Deviation from planned target to Actual Achievement 2025/26**	**Reasons for deviations**
		screening done						
		[(80% women aged 30-50yrs/10)+(20% women aged 20 years and above /3)			*388 411*	*397 444*		

SUB-PROGRAMME: DISEASE PREVENTION AND CONTROL (DPC)

Table 29: Disease Prevention and Control Outputs, Output Indicators

APP 2025/26: page 95 Table: 26								
Output	**No**	**Output Indicator**	**Audited Actual Performance 2023/24**	**Audited Actual Performance 2024/25**	**Planned Annual Target 2025/26**	***Actual Achievement 2025/26**	**Deviation from planned target to Actual Achievement 2025/26**	**Reasons for deviations**
OUTCOME: REDUCED MORBIDITY & MORTALITY AND IMPROVED CLIENT EXPERIENCE OF CARE								
Malaria deaths reported	**1.**	**Malaria case fatality rate**	**1.2%**	**0.6%**	**0%**	**0.5%**	(0.5%)	• Late presentation to health facilities with advanced disease; • Non-utilisation of pre-exposure prophylaxis for travellers to the malaria endemic countries.
		Malaria death reported	*12*	*4*	*0*	*5*		
		Malaria case reported	*1 013*	*695*	*842*	*910*		
PHC mental disorders treated	**2.**	**PHC Mental Disorders Treatment Rate New**	**Not monitored**	**0.04%**	**0.01%**	**0.15%**	0.14%	Recording on the PHC tick register has improved due to continuous training, mentoring and support visits.
		PHC client treated for mental disorders - new	**-**	*9 085*	*2 492*	*34 657*		
		PHC headcount - total	**-**	*24 246 619*	*24 925 939*	*23 127 000*		
Mental Health Care providers appointed at Primary Health Care	**3.**	**Percentage of Community Health Centres (CHCs) with at least one mental health provider**	**Not monitored**	**Not monitored**	**100%**	**100%**	0	No deviation.

APP 2025/26: page 95 Table: 26								
Output	**No**	**Output Indicator**	**Audited Actual Performance 2023/24**	**Audited Actual Performance 2024/25**	**Planned Annual Target 2025/26**	***Actual Achievement 2025/26**	**Deviation from planned target to Actual Achievement 2025/26**	**Reasons for deviations**
		appointed *(Psychiatrist, Medical Doctor with a post-basic diploma in psychiatry, Psychologist, Social Worker, Occupational Therapist, Registered Counsellor, and Psychiatric nurse)*						
		Community Health Centres (CHCs) with at least one mental health provider appointed	-	-	22	22		
		Community Health Centres (CHCs)			22	(22) [2]		

[2] Change in denominator as Newtown A CHC was decommissioned in May 2025

Linking performance with budget

Table 30: Budget Appropriation and Expenditure

Table: Budget allocation Estimates 2025/26 (R'000) (Programme 2)							
Programme per sub programme		2025/26			2024/25		
		Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
		R'000	R'000	R'000	R'000	R'000	R'000
2.1	District Management	398 394	395 934	2 460	374 277	402 250	-27 973
2.2	Community Health Clinics	6 393 791	6 388 905	4 886	5 136 487	5 120 180	16 307
2.3	Community Health Centres	2 601 162	2 595 138	6 024	2 323 122	2 301 696	21 426
2.4	Community Based Services	1 538 718	1 538 718	-	1 173 623	1 189 021	-15 398
2.5	Other Community Services	1 289 393	1 288 190	1 203	1 420 721	1 419 412	1 309
2.6	HIV and AIDS	6 893 853	6 932 686	38 833	6 661 021	6 618 248	42 773
2.7	Nutrition	33 240	32 700	540	25 261	23 458	1 803
2.8	Coroner Services	308 536	302 831	5 705	298 961	296 300	2 661
2.9	District Hospitals	10 861 773	10 843 757	18 016	9 866 626	9 909 534	-42 908
	Total	**30 318 859**	**30 318 859**	**-**	**27 280 099**	**27 280 099**	**-**

Source: Annual Financial Statements and BAS

Strategies to overcome areas of under-reporting

District Health Services

To mitigate future occurrences, districts have been advised to escalate system-related challenges immediately upon identification to allow for timely intervention. The National Department of Health has also been informed of the challenges experienced to ensure that corrective measures are implemented and similar system issues do not recur in subsequent reporting periods.

Districts have been advised to escalate system-related challenges immediately upon identification to enable timely resolution and minimise the impact on reporting processes. The National Department of Health (NDoH) was informed of the challenges experienced with the Patient Experience Web System to facilitate corrective action and prevent a recurrence in future reporting cycles. Although the results could not be captured on the national system due to the closure of the reporting period, all facility results were recorded and included in the relevant District Report to ensure complete reporting at district level.

HIV, AIDS, STI & TB CONTROL

To improve programme performance and strengthen tuberculosis (TB) prevention, detection, and treatment outcomes, the following interventions will be implemented:

- Targets will be reviewed and aligned to routine programme performance, with campaign-related targets reported separately to ensure more accurate performance measurement and assessment.
- The implementation of the Targeted Universal Testing for TB (TUTT) Standard Operating Procedures (SOPs) will be closely monitored across all districts to strengthen case detection and ensure consistent application of screening and testing protocols.
- Social mobilisation and community awareness campaigns will be intensified to improve knowledge of TB signs and symptoms, promote early healthcare-seeking behaviour, and encourage adherence to treatment.
- Access to diagnostic services will be strengthened through the expansion of digital X-ray capacity across all districts. Procurement processes are currently underway to provide digital X-ray services to the four districts that do not yet have access, thereby enhancing the detection of TB cases, particularly among asymptomatic individuals who may be missed through symptom-based screening alone.

The programme will intensify social mobilisation activities to improve awareness of TB signs and symptoms, promote early presentation for testing and treatment, and strengthen case detection. Districts will continue to receive mentoring and coaching to improve linkage to care, ensure timely and appropriate treatment initiation, and support treatment adherence to prevent the emergence of drug-resistant TB.

Adult ART: Retention and adherence interventions will be strengthened through adherence planning, convenient medicine collection options such as Ikhemisi Eduze Nawe, improved management of transferred patients, enhanced appointment monitoring and patient tracing, routine review of loss to follow-up during management meetings, and improved implementation of back-referral systems.

Child ART: The programme will strengthen implementation of the “Know Your Child” Strategy, expand data-driven support visits, improve disclosure practices, integrate HIV services within School Health Programmes, enhance caregiver support through digital platforms, and promote the use of the HIV toll-free helpline to improve retention and adherence among children receiving ART.

MCWNH

The lower performance in the Couple Year Protection Rate (CYPR), particularly in eThekwini and Ugu Districts, was attributed to contraceptive stock-outs caused by manufacturing and supply challenges, low uptake due to myths and misconceptions about family planning, limited male involvement in reproductive health programmes, and facility operating hours that were not always convenient for the working population. Performance will be improved through strengthened monitoring of contraceptive stock levels, prompt escalation of supply-chain challenges, daily family planning health education sessions, extended service hours at high-volume facilities, and the exploration of alternative service delivery models to improve access to contraceptive services and increase uptake.

Performance was supported by the implementation of the Strategy to Reduce Child and Teenage Pregnancy and the Integrated Multi-Stakeholder Health Promotion Strategy, which increased awareness and education on sexual and reproductive health. Districts also conducted izimbizo, school engagements, and community dialogues to strengthen awareness and promote the prevention of child and teenage pregnancies.

The implementation of the Safer Conception Strategy, together with routine in-facility pregnancy testing and prompt referral for antenatal care services, contributed to increased early antenatal bookings and improved performance against the antenatal first visit before 20 weeks indicator.

To improve Immunisation Under 1 Year Coverage and Measles-Rubella (MR) 2nd Dose Coverage, the following interventions will be implemented:

- Intensify community engagement and caregiver education on the importance of immunisation in preventing vaccine-preventable diseases, reducing morbidity and mortality, and preventing disease outbreaks.
- Strengthen health promotion initiatives to address myths, misconceptions, and misinformation regarding vaccine safety, thereby reducing vaccine hesitancy among caregivers.
- Conduct targeted immunisation catch-up campaigns through fixed, outreach, and mobile services, focusing on children who have missed scheduled vaccinations.

- Implement outreach immunisation services at Early Childhood Development (ECD) centres, schools, and communities to improve access to vaccination services.
- Utilise Community Health Workers (CHWs) to identify, trace, and refer defaulters for immunisation, including home visits where feasible.
- Strengthen the monitoring and tracking of immunisation defaulters through routine review of immunisation registers and follow-up mechanisms to ensure completion of the immunisation schedule, including the MR 2nd dose.

Reduce the infant PCR positivity rate at birth, the following interventions will be implemented:

- Strengthen early antenatal care (ANC) booking through Community Health Worker (CHW)-led pregnancy testing, active case finding, and household tracking of women of childbearing age who are receiving ART.
- Ensure same-day ART initiation for all HIV-positive pregnant women and provide intensive adherence support, including regular follow-up and monitoring until delivery to achieve viral suppression.
- Scale up repeat HIV testing during the third trimester for women who initially tested HIV-negative, to facilitate early detection of seroconversion and timely initiation of treatment.
- Conduct a root cause analysis for every infant with a positive PCR test at birth and present findings at perinatal review meetings to identify gaps and implement corrective actions.
- Strengthen monitoring of maternal viral load testing and ensure prompt management of unsuppressed viral loads during pregnancy.
- Enhance counselling and support services to improve ART adherence and retention in care throughout pregnancy and breastfeeding.

To reduce the Child Under 5 Years Severe Acute Malnutrition (SAM) Case Fatality Rate, the following interventions will be strengthened:

- Implement and monitor compliance with the KwaZulu-Natal Cerebral Palsy Guideline to improve the management and care of children with complex medical conditions and nutritional vulnerabilities.
- Intensify nutrition education and routine nutritional screening at household level and across the 213 Phila Mntwana Centres to facilitate early identification and management of children at risk of malnutrition.
- Strengthen the provision of Vitamin A supplementation and deworming services through Community Caregivers to improve child health and nutritional outcomes.
- Enhance caregiver education on appropriate infant and young child feeding practices, including the prevention and management of overweight, obesity, stunting, and acute malnutrition.
- Promote early detection, referral, and treatment of malnutrition through routine growth monitoring and community-based screening programmes.

- Strengthen intergovernmental and multisectoral collaboration to improve Food and Nutrition Security and address the underlying social determinants contributing to malnutrition.
- Conduct regular mortality reviews and implement corrective actions to address identified gaps in the management of children with severe acute malnutrition.

To improve Cervical Cancer Screening Coverage, the following interventions will be implemented:

- Strengthen stock management by conducting weekly monitoring of screening commodities and maintaining a minimum three-month buffer stock at facility level. Any potential stock shortages should be reported timeously through supply chain management processes for alternative sourcing.
- Conduct targeted community outreach and awareness campaigns, particularly during periods of low service uptake, to increase demand for cervical cancer screening services.
- Encourage districts to implement individual healthcare worker screening targets to improve accountability and increase screening volumes.
- Train additional nurses in cervical cancer screening and Pap smear collection to address staffing constraints and expand service availability.
- Integrate cervical cancer screening services into other outreach and community healthcare activities, where feasible and where adequate space and privacy can be ensured.
- Strengthen demand creation through health education initiatives that promote early detection and raise awareness of the importance of routine cervical cancer screening among eligible women.

To reduce the Malaria Case Fatality Rate, the following interventions will be strengthened:

- Intensify community engagement and health promotion activities to encourage early health-seeking behaviour, prompt diagnosis, and timely initiation of treatment for suspected malaria cases.
- Strengthen healthcare worker capacity to ensure adherence to malaria case management guidelines and improve the quality of care provided to affected patients.
- Conduct ongoing health education campaigns to raise awareness of malaria prevention measures, symptoms, and the importance of seeking medical attention as soon as symptoms develop.
- Educate travellers on the importance of taking malaria chemoprophylaxis before travelling to malaria-endemic areas and adhering to recommended preventive measures during travel.
- Promote the use of personal protective measures, including insecticide-treated mosquito nets, protective clothing, and insect repellents, particularly among travellers and communities at risk.
- Strengthen surveillance, case investigation, and follow-up of malaria cases to support early detection and prevent severe disease and malaria-related deaths.

PROGRAMME 3: EMERGENCY MEDICAL SERVICES

Programme Purpose

Rendering pre-hospital Emergency Medical Services, including Inter-hospital Transfers and Planned Patient Transport - The previous structure included Sub-Programme 3.3: Disaster Management which is a Municipal function.

Sub-Programme 3.1: Emergency Services

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

Sub-Programme 3.2: Planned Patient Transport

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

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

During 2025/26 a total of 30 new ambulances were purchased and 6 new patient transport buses.

Aeromedical services are available on contract and are used to support emergency operations, particularly for critical cases where definitive treatment is critical and travel time by road is extended. This service is accessed only when required and is approved on case-by-case basis at provincial level.

Performance against the EMS P1 urban and rural response time targets was adversely affected by ongoing challenges with the fleet management contract, resulting in extended turnaround times for vehicle repairs and maintenance. Approximately 60% of the emergency vehicle fleet has exceeded its optimal operational lifespan, leading to an increased frequency of mechanical breakdowns and prolonged vehicle downtime.

In addition, the same pool of operational emergency vehicles is utilised to respond to incidents in both urban and rural areas. Emergency vehicles are often only available for dispatch once a previous case has been completed, resulting in delays in responding to subsequent emergencies. This has had a significant impact on response times, particularly in urban areas where demand for emergency medical services is high and the volume of cases places additional pressure on available resources.

Table 31: Output Performance Indicators And MTEF Targets (EMS)

APP 2025/26: page 104 Table 29								
Output	**No**	**Output Indicator Name**	**Audited Actual Performance 2023/24**	**Audited Actual Performance 2024/25**	**Planned Annual Target 2025/26**	**Actual 2025/26**	**Deviation from planned 2025/26 Target**	**Reasons for Deviation**
OUTCOME: REDUCED MORBIDITY & MORTALITY AND IMPROVED CLIENT EXPERIENCE OF CARE								
EMS P1 urban response under 30 minutes	**1.**	**EMS P1 urban response under 30 minutes rate**	**41.5%**	**37.0%**	**42.1%**	**29.7%**	*(12.4%)*	• Challenges with the fleet management contract are ongoing contributing to long turn-around times for vehicle repairs and maintenance. • Approximately 60% of emergency vehicles are aged increasing the frequency of repairs and vehicle downtime. • The same operational emergency vehicles are dispatched to emergency cases in both urban and rural areas. Majority of the cases will only be dispatched when a vehicle completes the previous case and is available, this contributes to delays and has a significant negative impact on urban response times.
		EMS P1 urban response under 30 minutes	*40 403*	*30 390*	*43 054*	*22 245*		
		EMS P1 urban responses	*97 467*	*82 037*	*102 299*	*74 830*		
EMS P1 rural response under 60 minutes	**2.**	**EMS P1 rural response under 60 minutes rate**	**46.6%**	**44.9%**	**46.9%**	**46.5%**	(0.4%)	Same as above
		EMS P1 rural response under 60 minutes	*66 474*	*59 991*	*67 671*	*57 450*		
		EMS P1 rural responses	*142 744*	*133 714*	*144 268*	*123 654*		

Linking performance with budget

Table 32: Budget Appropriation And Expenditure

Programme per sub programme		2025/26			2024/25		
		Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
		R'000	R'000	R'000	R'000	R'000	R'000
3.1	Emergency Transport	1 600 284	1 600 286	2	1 520 350	1 514 567	5 783
3.2	Planned Patient Transport	279 131	279 129	2	243 239	249 022	5 783
	Total	**1 879 415**	**1 879 415**	**-**	**1 763 589**	**1 763 589**	**-**

Strategies to overcome areas of under-performance

Procure 38 new ambulances in 2026/27. Motivate for additional budget from general fleet for the purchase of new ambulances to allow replacement of aged fleet, this will be over and above the 38 ambulances procured from EMS budget. Procure 4 additional 65-seater buses to strengthen PPTS capacity.

Work closely with fleet management and the newly appointed service provider for fleet management (RT 46) in order to minimize delays and prevent service delivery disruptions.

Obtain approval for the implementation of the revised staff roster in order to improve staff availability and reduce compulsory overtime expenditure.

- Continuous engagement with Fleet Management and WesBank to improve turn-around times for vehicle repairs and maintenance.
- Procure ambulances annually to replace old ambulances to reduce downtime for repairs and

PROGRAMME 4: PROVINCIAL HOSPITALS SERVICES (REGIONAL AND SPECIALISED)

Programme Purpose

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

Sub-Programme 4.1: General (Regional) Hospitals

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

Sub-Programme 4.2: Tuberculosis Hospitals

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

Sub-Programme 4.3: Psychiatric- Mental Hospitals

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

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

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

Sub-Programme 4.5: Dental Training Hospital

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

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

The Patient Experience of Care Survey Rate performed well across all hospital categories during the reporting period. There were no reported deviations in Regional Hospitals, Psychiatric/Mental Hospitals, and Sub-Acute, Step-Down and Chronic Medical Hospitals, indicating that survey implementation and reporting processes were conducted as planned. Similarly, Tuberculosis Hospitals achieved the required survey rate and complied with prescribed reporting requirements. Overall, performance remained on target across all facility categories, demonstrating sustained monitoring of patient experiences and adherence to patient-centred care assessment processes.

SUB-PROGRAMME: REGIONAL HOSPITALS

Table 33: Regional (General) Outputs, Output Indicators

APP 2025/26: page 110 Table 32								
Output	**No**	**Output Indicator Name**	**Audited Actual Performance 2023/24**	**Audited Actual Performance 2024/25**	**Planned Annual Target 2025/26**	**Actual 2025/26**	**Deviation from planned 2025/26 Target**	**Reasons for deviations**
OUTCOME: REDUCED MORBIDITY & MORTALITY AND IMPROVED CLIENT EXPERIENCE OF CARE								
Patient Experience of Care survey rate	**1.**	**Patient Experience of Care survey rate - Regional hospitals**	**Not monitored**	**Not monitored**	**100%**	**100.0%**	0	No deviation.
		Number of facilities where Patient Experience of Survey done	-	-	*12*	*12*		
		Regional hospitals	-	-	*12*	*12*		

Table 34: Tuberculosis hospital Outputs, Output Indicators

APP 2025/26- page 110 Table 33								
Output	**No**	**Output Indicator Name**	**Audited Actual Performance 2023/24**	**Audited Actual Performance 2024/25**	**Planned Annual Target 2025/26**	**Actual 2025/26**	**Deviation from planned 2025/26 Target**	**Reasons for deviations**
OUTCOME: REDUCED MORBIDITY & MORTALITY AND IMPROVED CLIENT EXPERIENCE OF CARE								
Patient Experience of Care survey rate	**2.**	**Patient Experience of Care survey rate – Tuberculosis hospitals**	**Not monitored**	**Not monitored**	**100.0%**	**66.7%**	(33.3%)	Thulasizwe Hospital has been decommissioned, however still appears as a TB hospital on the system.
		Number of facilities where Patient Experience of Survey done	-	-	*3*	*2*		
		Tuberculosis hospitals	-	-	*3*	*3*		

Table 35: Psychiatric - Mental hospital Outputs, Output Indicators

APP 2025/26- page 111 Table 34								
Output	**No**	**Output Indicator Name**	**Audited Actual Performance 2023/24**	**Audited Actual Performance 2024/25**	**Planned Annual Target 2025/26**	**Actual 2025/26**	**Deviation from planned 2025/26 Target**	**Reasons for deviations**
OUTCOME: REDUCED MORBIDITY & MORTALITY AND IMPROVED CLIENT EXPERIENCE								
Patient Experience of Care survey rate	**3.**	**Patient Experience of Care survey rate – Psychiatric/Mental hospitals**	**Not monitored**	**Not monitored**	**100.0%**	**100.0%**	0	No deviation.
		Number of facilities where Patient Experience of Survey done	-	-	*5*	*5*		
		Psychiatric/Mental hospitals	-	-	*5*	*5*		

Table 36:Sub-acute, Step down and Chronic Medical hospital Outputs, Output Indicators

APP 2025/26 – page 111 Table 35								
Output	**No**	**Output Indicator Name**	**Audited Actual Performance 2022/23**	**Audited Actual Performance 2023/24**	**Planned Annual Target 2025/26**	**Actual 2025/26**	**Deviation from planned 2025/26 Target**	**Reasons for deviations**
OUTCOME: REDUCED MORBIDITY & MORTALITY AND IMPROVED CLIENT EXPERIENCE OF CARE								
Patient Experience of Care survey rate	**4**	**Patient Experience of Care survey rate - Sub-acute, Step down and Chronic Medical hospital**	**Not monitored**	**Not monitored**	**100.0%**	**100.0%**	0	No deviation.
		Number of facilities where Patient Experience of Survey done	-	-	*1*	*1*		
		Sub-acute, Step down and Chronic Medical hospitals	-	-	*1*	*1*		

Linking performance with budget

Table 37: Budget Appropriation And Expenditure

Programme per sub programme		2025/26			2024/25		
		Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
		R'000	R'000	R'000	R'000	R'000	R'000
4.1	General (Regional) Hospitals	12 605 580	12 609 835	4 255	11 557 303	11 607 512	-50 209
4.2	Tuberculosis Hospitals	423 811	421 325	2 486	396 799	394 982	1 817
4.3	Psychiatric /. Mental Hospitals	1 243 914	1 242 931	983	1 167 065	1 158 228	8 837
4.4	Chronic Medical Hospitals	385 870	385 223	647	370 107	342 067	28 040
4.5	Dental Training Hospitals	19 919	19 779	140	18 867	18 867	-
	Total	**14 679 093**	**14 679 093**	**-**	**13 510 141**	**13 521 656**	**-11 515**

Strategies to overcome areas of under-reporting

Performance of the Patient Experience of Care Survey Rate remained satisfactory across all hospital categories. Most facility types reported no deviations and achieved the prescribed survey targets. A reporting challenge was identified within Tuberculosis Hospitals due to the classification of decommissioned facilities on WebDHIS; however, the matter has been escalated to the National Department of Health for correction. Overall, the programme continues to demonstrate effective implementation of patient experience surveys and adherence to reporting requirements across hospital services.

PROGRAMME 5: CENTRAL AND TERTIARY HOSPITALS

Programme Purpose

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

Sub-Programme 5.1: Central Hospital Services

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

Sub-Programme 5.2: Provincial Tertiary Hospital Services

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

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

The Patient Experience of Care Survey Rate performed well across all hospital categories during the reporting period. No deviations were reported in Tertiary, Central, Overall, performance reflects sustained compliance with patient experience survey requirements and ongoing commitment to monitoring and improving patient-centred care across hospital services.

SUB-PROGRAMME: CENTRAL AND TERTIARY HOSPITALS

Table 38: Outcome Indicators (Programme 5)

APP 2025/26: page 118 Table 38								
Output	**No**	**Indicator Name**	**Audited Actual Performance 2023/24**	**Audited Actual Performance 2024/25**	**Planned Annual Target 2025/26**	**Actual 2025/26**	**Deviation from planned 2025/26 Target**	**Reasons for deviations**
OUTCOME: REDUCED MORBIDITY & MORTALITY AND IMPROVED CLIENT EXPERIENCE OF CARE								
Patient Experience of Care survey rate	**1.**	**Patient Experience of Care survey rate - Tertiary hospitals**	**Not monitored**	**Not monitored**	**100.0%**	**100.0%**	0	No deviation.
		Number of facilities where Patient Experience of Survey done	-	-	*3*	*3*		
		Tertiary hospitals	-	-	*3*	*3*		

Table 39: Output Performance Indicators And Mtef Targets (Programme 5)

APP 2025/26: page 118 Table: 39								
Output	**No**	**Output Indicator Name**	**Audited Actual Performance 2023/24**	**Audited Actual Performance 2024/25**	**Planned Annual Target 2025/26**	**Actual 2025/26**	**Deviation from planned 2025/26 Target**	**Reasons for deviations**
OUTCOME: REDUCED MORBIDITY & MORTALITY AND IMPROVED CLIENT EXPERIENCE OF CARE								
Patient Experience of Care survey rate	**2.**	**Patient Experience of Care survey rate - Central hospitals**	**Not monitored**	**Not monitored**	**100.0%**	**100.0%**	0	No deviation.
		Number of facilities where Patient Experience of Survey done	-	-	*1*	*1*		
		Central hospitals	-	-	*1*	*1*		

Linking performance with budget

Table 40: Budget Appropriation And Expenditure

Programme per sub programme		2025/26			2024/25		
		Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
		R'000	R'000	R'000	R'000	R'000	R'000
5.1	**Central Hospital Services**	2 837 693	2 846 534	- 8 841	2 775 643	2 775 643	-
5.2	**Provincial Tertiary Hospitals Services**	3 342 863	3 334 022	8 841	3 132 501	3 132 501	-
	Total	**6 180 556**	**6 180 556**	**-**	**5 908 144**	**5 908 144**	**-**

Strategies to overcome areas of under-reporting

Provincial hospitals have continued to sustain service delivery despite ongoing shortages of healthcare personnel, including medical specialists and specialised nurses. These workforce constraints have contributed to extended waiting times and growing waiting lists for surgical procedures. Notwithstanding these challenges, quality of care has been maintained, with all three tertiary hospitals successfully assessed and positively certified by the Office of Health Standards Compliance (OHSC) during the previous financial year. Furthermore, Grey's Hospital continues to sustain the largest clinical outreach programme in the province, strengthening specialist support and access to healthcare services across districts. Overall, the performance reflects resilience within the provincial hospital platform and a continued commitment to quality healthcare delivery despite resource constraints.

PROGRAMME 6: HEALTH SCIENCES AND TRAINING

Programme Purpose

Render training and development opportunities for actual and potential employees of the Department of Health - There are no changes to the Programme 6 structure.

Sub-Programme 6.1: Nursing Training Colleges

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

Sub-Programme 6.2: EMS Training Colleges

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

Sub-Programme 6.3: Bursaries

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

Sub-Programme 6.4: Primary Health Care Training

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

Sub-Programme 6.5: Training Other

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

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

The planned intake of 240 bursaries for first-year nursing students was not achieved due to budgetary constraints. As a result, one campus was unable to admit first-year nursing students during the reporting period, leading to a lower number of bursaries awarded than originally planned.

The target for awarding bursaries to internal employees was not achieved. Due to the financial constraints experienced by the Department, a decision was taken not to issue new in-service bursaries for the 2026 academic year. This decision was communicated through HRM Circular 50 of 2025, resulting in no new bursary awards being granted to internal employees during the reporting period.

Table 41: Output Performance Indicators and MTEF Targets (Programme 6)

APP 2025/26: page 124 Table 42								
Output	**No**	**Output Indicator Name**	**Audited Actual Performance 2023/24**	**Audited Actual Performance 2024/25**	**Planned Annual Target 2025/26**	**Actual 2025/26**	**Deviation from planned 2025/26 Target**	**Reasons for deviations**
OUTCOME: REDUCED MORBIDITY & MORTALITY AND IMPROVED CLIENT EXPERIENCE OF CARE								
Provision of funding to address skills shortage and improve performance	**1.**	**Number of Bursaries awarded to first year nursing students**	**160**	**239**	**240**	**221**	(19)	The planned intake of 240 bursaries being awarded to 1st time nursing students could not be met due to budget constraints resulting in one campus not having an intake for 1st year nursing students.
	2.	**Number of internal employees awarded bursaries**	**480**	**480**	**240**	**0**	(240)	Due to financial constraints being experienced by the Department, a decision was taken not to issue new in-service bursaries for the 2026 academic year. HRM Circular 50 of 2025 was issued to this effect.

Linking performance with budget

Table 42: Budget Appropriation And Expenditure

Programme per sub programme		2025/26			2024/25		
		Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
		R'000	R'000	R'000	R'000	R'000	R'000
6.1	Nursing Training Colleges	250 580	250 580	-	230 031	229 979	52
6.2	EMS Training Colleges	29 502	29 502	-	30 650	26 924	3 726
6.3	Bursaries	29 699	29 699	-	49 417	53 934	-4 517
6.4	Primary Health Care Training	34 777	34 417	360	35 387	34 648	739
6.5	Training Other	1 074 934	1 074 934	-	1 045 251	1 045 251	-
	Total	**1 419 492**	**1 419 132**	**360**	**1 390 736**	**1 390 736**	**-**

Strategies to overcome areas of under-reporting

The Department will review and reprioritise available funding to maximise student intake within the available budget. In addition, bursary allocations and training numbers will be aligned with service delivery priorities and workforce requirements to ensure the development of critical nursing skills needed across the health system.

The Department will continue to assess funding availability and explore opportunities to support employee development within budgetary constraints. Bursary allocations will be reviewed as part of future budget planning processes, with priority given to critical skills and service delivery requirements.

PROGRAMME 7: HEALTH CARE SUPPORT SERVICES

Programme Purpose

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

Sub-Programme 7.1: Medicine Trading Account

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

Sub-Programme 7.2: Laundry Services

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

Sub-Programme 7.3: Orthotic and Prosthetic Services

Render specialised orthotic and prosthetic services.

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

Supply constraints were experienced for some tracer medicines due to supplier and manufacturer-related issues, including shortages of raw materials, batch failures, and packaging challenges.
Actual demand for certain medicines exceeded the forecasted demand, placing additional pressure on available stock levels and resulting in stock-outs.

Tracer medicine stock-outs at facility level were influenced by supply constraints experienced at the Provincial Pharmaceutical Supply Depot, coupled with increased demand for certain medicines. These challenges affected the continuous availability of some tracer medicines across hospitals, community health centres, and clinics.

Table 43: Output Performance Indicators and MTEF Targets (Programme 7)

APP 2025/26: page 130 Table 45								
Output	**No**	**Output Indicator Name**	**Audited Actual Performance 2023/24**	**Audited Actual Performance 2024/25**	**Planned Annual Target 2025/26**	**Actual 2025/26**	**Deviation from planned 2025/26 Target**	**Reasons for deviations**
OUTCOME: REDUCED MORBIDITY & MORTALITY AND IMPROVED CLIENT EXPERIENCE OF CARE								
Uninterrupted supply of essential medicines	**1.**	**Tracer Medicine Stock-Out Rate at the Provincial Pharmaceutical Supply Depot (PPSD)**	**2.5%**	**1.9%**	**2.4%**	**4.0%**	(1.6%)	Some items had supply constraints emanating from suppliers/ manufacturers having shortage of raw materials, batch failures, packaging challenges, etc. Actual demand exceeded the forecasted demand.
		Number of medicines out of stock	*23*	*18*	*22*	*37*		
		Total number of tracer medicines expected to be in stock	*924*	*924*	*924*	*924*		
	2.	**Tracer Medicine Stock-Out Rate at facilities (hospitals, community health centres and clinics)**	**1.9%**	**1.9%**	**1.6%**	**2.7%**	(1.1%)	Same as above
		Number of Tracer medicines stock out in bulk store	*12 812*	*11 773*	*12 171*	*20 439*		
		Number of tracer medicines expected to be stocked in the bulk store	*687 906*	*624 681*	*749 577*	*770 034*		

Linking performance with budget

Table 44: Budget Appropriation And Expenditure

Programme per sub programme		2025/26			2024/25		
		Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
		R'000	R'000	R'000	R'000	R'000	R'000
7.1	**Medicine Trading Accounts**	89 878	93 837	3 959	75 372	75 372	-
7.2	**Laundry Services**	215 091	205 874	9 217	196 719	185 204	11 515
7.3	**Orthotic and Prosthetic Services**	60 142	58 884	1 258	59 363	59 363	-
	Total	**365 111**	**358 595**	**6 516**	**331 454**	**319 939**	**11 515**

Source: Annual Financial Statements and BAS

Strategies to overcome areas of under-reporting

- Strengthen demand forecasting and stock monitoring processes to improve alignment between projected and actual medicine requirements.
- Enhance engagement with suppliers and manufacturers to proactively identify and address potential supply disruptions.
- Maintain adequate buffer stock levels for critical tracer medicines and implement early warning systems for products at risk of stock-out.
- Monitor medicine availability regularly and expedite procurement and redistribution processes where shortages are identified.
- Facilities to monitor tracer medicine stock levels weekly and report potential shortages timeously.
- Strengthen redistribution of stock between facilities to minimise stock-outs and ensure continuity of patient care.
- Improve forecasting and ordering practices at facility level to align with actual consumption patterns.
- Escalate supply challenges promptly through the supply chain management and pharmaceutical services structures for intervention.

PROGRAMME 8: HEALTH FACILITIES MANAGEMENT

Programme Purpose

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

Sub-Programme 8.1: Community Health Facilities

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

Sub-Programme 8.2: District Hospital Services

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

Sub-Programme 8.3: Emergency Medical Services

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

Sub-Programme 8.4: Provincial Hospital Services

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

Sub-Programme 8.5: Central Hospital Services

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

Sub-Programme 8.6: Other Facilities

Construction of new facilities and refurbishment, upgrading and maintenance of other health facilities including Forensic Pathology facilities and Nursing Colleges and Schools

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

The programme performed well during the reporting period, with significant progress achieved in infrastructure development and maintenance initiatives. Increased servicing of plant and equipment contributed to the improved functionality and reliability of health infrastructure.

The programme for the construction of septic tanks at 33 facilities was successfully completed, improving sanitation infrastructure and supporting service delivery. In addition, extensive maintenance activities were undertaken across 586 public health facilities, while the Department of Public Works completed the clinic painting maintenance programme in 23 clinics, further enhancing the condition of healthcare facilities.

Number of Renovation, Refurbishment and Rehabilitation Projects Completed: No deviation was reported, indicating that planned projects were completed in accordance with the approved programme and implementation schedule.

Table 45:Output Performance Indicators and MTEF Targets (Programme 8)

APP 2025/26: page 138 Table 48								
Output	**No**	**Output Indicator Name**	**Audited Actual Performance 2023/24**	**Audited Actual Performance 2024/25**	**Planned Annual Target 2025/26**	**Actual 2025/26**	**Deviation from planned 2025/26 Target**	**Reasons for deviations**
OUTCOME: REDUCED MORBIDITY & MORTALITY AND IMPROVED CLIENT EXPERIENCE OF CARE								
Provision of preventative infrastructure maintenance to prevent failure	**1.**	**Percentage of preventative maintenance expenditure**	**Not monitored**	**40.6%**	**47.6%**	**50.1%**	2.5%	Increased servicing of plant and equipment during this quarter.
		Expenditure on Preventative Maintenance Activities (R '000)		*R 87 190 085*	*R 105 000 000*	*R147 629 250*		
		Expenditure on Preventative Maintenance plus Day-to-day Maintenance (R '000)		*R 214 622 169*	*R 220 760 000*	*R294 616 718*		
	2.	**Number of Capital Infrastructure Projects completed**	**Not monitored**	**133**	**40**	**41**	1	The programme for the construction of sceptic tanks in 33 facilities was completed.
	3.	**Number of public health facilities (clinics, hospitals, nursing colleges, EMS base station) maintained or refurbished**	**Not monitored**	**Not monitored**	**600**	**609**	9	Over and above the various maintenance initiatives implemented by the Department (in 586 facilities), Department of Public Works (DOPW) has completed the painting programme for maintenance in 23 Clinics.

APP 2025/26: page 138 Table 48								
Output	**No**	**Output Indicator Name**	**Audited Actual Performance 2023/24**	**Audited Actual Performance 2024/25**	**Planned Annual Target 2025/26**	**Actual 2025/26**	**Deviation from planned 2025/26 Target**	**Reasons for deviations**
OUTCOME: REDUCED MORBIDITY & MORTALITY AND IMPROVED CLIENT EXPERIENCE OF CARE								
	4.	**Number of Renovations, Refurbishment & Rehabilitation projects completed**	**Not monitored**	**Not monitored**	**12**	**12**	0	No deviation.

Linking performance with budget

Table 46: Budget Appropriation and Expenditure

Programme per sub programme		**2025/26**			**2024/25**		
		Final Appropriation	**Actual Expenditure**	**(Over)/Under Expenditure**	**Final Appropriation**	**Actual Expenditure**	**(Over)/Under Expenditure**
		R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**
8.1	**Community Health Facilities**	338 992	258 584	80 408	470 237	470 237	-
8.2	**District Hospital Services**	525 038	482 641	42 397	351 593	351 593	-
8.3	**Emergency Medical Services**	-	-	-	-	-	-
8.4	**Provincial Hospital Services**	844 787	932 756	87 969	595 601	595 601	-
8.5	**Central Hospital Services**	25 788	101 814	76 026	125 525	125 525	-
8.6	**Other Facilities**	378 124	300 268	77 856	360 467	360 467	-
	Total	**2 112 729**	**2 076 063**	**36 666**	**1 903 423**	**1 903 423**	**-**

Source: Annual Financial Statements (BAS)

Strategies to overcome areas of under-reporting

Overall, the programme demonstrated sustained progress in maintaining and improving health infrastructure, thereby supporting the provision of safe, functional, and quality healthcare services across the province.

PART C: GOVERNANCE

INTRODUCTION

The KwaZulu-Natal Department of Health remains committed to upholding the highest standards of good governance, accountability, transparency, and ethical conduct in the management of public resources. This commitment is underpinned by the provisions of the Public Finance Management Act (PFMA), 1999 (Act No. 1 of 1999), as amended, and the associated Treasury Regulations, which provide the legislative framework for sound financial and performance management in the public sector.

In line with the PFMA and related prescripts, the Department recognises its responsibility to ensure that public resources are managed efficiently, effectively, and economically, and that appropriate systems of financial management, performance management, risk management, and internal control are implemented and maintained. These principles are fundamental to safeguarding public resources, ensuring compliance with applicable legislation, and achieving service delivery objectives in a manner that promotes value for money and accountability to the citizens of KwaZulu-Natal.

The Department has established and institutionalised governance structures and oversight mechanisms that are aligned with legislative and regulatory requirements. These include oversight by the Accounting Officer, supported by key governance committees such as the Audit Committee and the Risk Management Committee, as well as the Internal Audit function. These structures collectively provide independent assurance and oversight on the adequacy and effectiveness of internal controls, risk management processes, governance practices, and compliance with applicable laws and regulations.

Furthermore, the Department continues to strengthen its governance environment through the implementation of integrated risk management frameworks, fraud prevention and anti-corruption strategies, and robust internal control systems. These mechanisms are regularly reviewed and enhanced to address emerging risks, improve operational efficiency, and ensure sustained compliance with statutory and regulatory requirements.

The Department is also committed to fostering a culture of integrity, accountability, and ethical leadership, ensuring that all officials understand and discharge their responsibilities in accordance with applicable policies, codes of conduct, and legislative frameworks. This includes continuous awareness, training, and enforcement of ethical standards across all levels of the organisation.

This section of the Annual Report outlines the Department’s governance environment, including the functioning of oversight structures, risk management processes, internal audit activities, compliance management, and measures taken to strengthen internal controls. It demonstrates how the principles of the PFMA are embedded within the Department’s systems, processes, and organisational culture.

Overall, this section provides assurance to stakeholders that the Department is committed to maintaining effective and efficient governance practices, enhancing service delivery, and promoting public confidence through responsible financial and performance management. This commitment is further supported by independent oversight and assurance provided by institutions such as the Auditor-General of South Africa (AGSA) and Provincial Internal Audit Services.

RISK MANAGEMENT

The tone and culture of risk management within the Department are driven by the Accounting Officer, who provides leadership and oversight in fostering a strong risk management environment. Risk Management is a standing agenda item at the Departmental Management Committee meetings, ensuring that key risks and mitigation measures receive ongoing attention. Similarly, risk management is a standing agenda item at management meetings across institutions, where risks are regularly discussed and monitored.

The Department has approved and implemented a Risk Management Framework, Risk Management Policy, and Risk Management Strategy, together with an Implementation Plan. These documents are communicated to officials during risk assessment processes and are also accessible through the departmental intranet.

The Department conducts regular risk assessments at both Head Office and institutional levels to evaluate the effectiveness of its risk management strategy and to identify new and emerging risks. The risk assessment process includes the identification, analysis, evaluation, treatment, and monitoring of risks, which are recorded in risk registers. These risk registers are reviewed quarterly by the Risk Management Committee (RMC), which advises management on the overall effectiveness of the risk management system, particularly in relation to the mitigation of unacceptable levels of risk. The RMC is chaired by the Accounting Officer.

In addition, the Department submits quarterly risk management reports to the Cluster Audit and Risk Committee (CLARC). The Committee provides independent oversight and advice on the effectiveness of the Department's risk management processes and systems.

Despite the progress made, the Department continues to face challenges in adequately managing risks due to shortages of critical human and financial resources, as well as limited training opportunities. However, employees demonstrate a clear understanding of their risk management roles and responsibilities and continue to participate actively in risk management processes.

The Department has recorded improvement in the management of risks. During the fourth quarter of the 2025/26 financial year, the implementation rate of approved risk mitigation action plans reached 74%, reflecting ongoing efforts to strengthen risk management practices and enhance organisational resilience.

FRAUD AND CORRUPTION

The Department has developed and implemented a Fraud Prevention Plan aimed at preventing, detecting, and responding to fraud and corruption within the organisation. The Plan is informed by and aligned with the Department's approved fraud prevention governance framework, which includes the Fraud Prevention Strategy, Fraud Prevention Policy, and Whistle-Blowing Policy.

The Fraud Prevention Plan and its accompanying Implementation Plan focus on:

- Promoting ethical conduct and accountability;
- Providing fraud awareness and anti-corruption training to employees;
- Identifying and assessing areas vulnerable to fraud and corruption;
- Strengthening confidential reporting mechanisms for whistle-blowers;
- Investigating reported allegations of fraud and corruption; and
- Ensuring appropriate consequence management for transgressions.

During the 2025/26 financial year, the Department conducted engagements with 11 institutions to support the implementation of the Fraud Prevention Plan. The engagements focused on high-risk areas, including Finance and Supply Chain Management (SCM), Human Resource Management, Clinical Services, and Systems Management. The outcomes of these engagements and identified fraud risks were documented in institutional Fraud Risk Registers.

The Department noted a significant increase in the number of reported cases, indicating improved awareness among employees regarding fraudulent activities and the available mechanisms for reporting suspected misconduct.

The following reporting mechanisms are available for reporting fraud and corruption:

- Departmental Fraud Hotline Email: fraudline@kznhealth.gov.za
- Departmental Fax Number
- Departmental Call Centre
- National Anti-Corruption Hotline (NACH)

As part of the implementation of the Fraud Prevention Plan and the promotion of the Whistle-Blowing Policy, employees are continuously reminded of their responsibility to report suspected fraud and corruption. Awareness initiatives emphasise that failure to report corrupt activities may render an individual complicit in the offence, and that silence enables fraud and corruption to persist. To further strengthen awareness, a Fraud Prevention Newsletter was developed and circulated to all officials during the reporting period.

Cases are reported through the aforementioned channels or escalated through management structures at various levels. Reported cases are referred to the Departmental Investigation Services Unit for internal investigation where they fall within the Department's jurisdiction. Cases requiring external intervention are

referred to relevant law enforcement and oversight agencies, including the Office of the Premier, the South African Police Service (SAPS), the Directorate for Priority Crime Investigation (Hawks), and other competent authorities.

During the 2025/26 financial year, the Departmental Investigation Services database recorded a total of 152 registered cases. Of these, 74 cases were completed and finalised, while 78 cases remained under investigation at various stages, including preliminary assessment, examination, and reporting.

Subject to legal and confidentiality requirements, information regarding the outcomes of investigations and disciplinary processes is communicated on a "need-to-know" basis to ensure compliance with applicable legislation and the protection of affected parties.

Key Achievements During 2025/26

- Fraud Prevention Plan implemented across 11 institutions.
- Fraud risk assessments conducted and institutional Fraud Risk Registers updated.
- Increased employee awareness of fraud and corruption reporting mechanisms.
- Fraud Prevention Newsletter developed and distributed to officials.
- 152 cases registered and monitored through the Departmental Investigation Services database.
- 74 cases finalised during the reporting period.
- Continued promotion of ethical conduct, accountability, and whistle-blower protection across the Department.

MINIMISING CONFLICT OF INTEREST

The Department has developed a Handbook on Ethical Conduct in the Workplace for employees, which is informed by the legislative framework governing the Public Service, including the Code of Conduct for the Public Service, Section 195(1)(a) of the Constitution of the Republic of South Africa, 1996, the Batho Pele Principles, and the Integrity Management Framework for the Public Service, among other relevant prescripts.

The handbook outlines the principles of ethical behaviour and professional conduct expected of all employees and serves as a guide for promoting an ethical organisational culture across the Department. To reinforce ethical standards and ensure ongoing awareness, the Department conducts regular ethics workshops for employees at all levels.

These workshops focus on ethical conduct in the workplace, the identification and management of conflicts of interest, and consequence management for contraventions of the Public Service Regulations, 2016, particularly Chapter 2.

During the reporting period, the Provincial Ethics Committee was revived to strengthen ethics management and oversight within the Department. The Committee's purpose is to provide oversight of ethics and integrity management, ensure compliance with public service ethics requirements, and promote ethical behaviour throughout the organisation. The Ethics Committee derives its authority from the Head of Department (HoD) in terms of Public Service Regulation 23(2).

The objectives of the Provincial Ethics Committee are to:

- Ensure departmental compliance with ethics-related legislation, regulations, policies, and prescripts.
- Monitor and evaluate the effectiveness of ethics management policies, systems, and practices.
- Provide oversight and guidance on ethics and integrity matters referred to the Committee.
- Assess and address ethics-related risks that may negatively impact departmental operations and service delivery.
- Support the integration of ethics management functions into departmental governance and business processes.
- Promote accountability, transparency, integrity, and good governance across all departmental operations.

Through the implementation of ethics awareness initiatives, employee engagement programmes, and strengthened governance structures, the Department continues to foster a culture of ethical leadership, accountability, integrity, and transparency in support of effective service delivery and good governance.

Conducting Business with the State

The Department has established mechanisms to identify and manage instances where employees may have a direct conflict of interest arising from conducting business with the State. Where such cases are identified through audits, internal control processes, or other oversight mechanisms, formal communication is issued to the affected officials outlining the relevant provisions of the Public Service Regulations, 2016 and the Public Administration Management Act (PAMA), 2014.

Officials are afforded an opportunity to rectify the conflict of interest by deregistering the company from the Central Supplier Database (CSD) and/or resigning as a member or director of the company. This corrective intervention serves as a preventative measure to ensure compliance with the legislative framework governing ethical conduct in the Public Service.

Where officials fail to take corrective action or where the circumstances warrant further intervention, the matter is referred to the Departmental Labour Relations Unit for the implementation of the prescribed disciplinary processes. In cases where misconduct or irregularities are suspected, the matter may also be referred to the Departmental Investigation Services (DIS) for further investigation and appropriate action.

To strengthen monitoring and compliance, the Department has been granted oversight compliance access to the Central Supplier Database (CSD), enabling the identification of employees who may be registered as suppliers to the State. This verification exercise is conducted on a quarterly basis to facilitate the early detection and management of potential conflicts of interest and to promote compliance with applicable legislation and ethical standards.

Through these measures, the Department continues to uphold the principles of transparency, accountability, and ethical governance while mitigating the risks associated with conducting business with the State.

Key Actions Implemented

- Quarterly verification of departmental employees against the Central Supplier Database (CSD).
- Monitoring and identification of potential conflicts of interest involving employees conducting business with the State.
- Communication and corrective action processes instituted for affected officials.
- Referral of unresolved cases to Labour Relations for disciplinary action where required.
- Referral of suspected misconduct or irregular conduct to the Departmental Investigation Services (DIS) for investigation.
- Promotion of compliance with the Public Service Regulations and the Public Administration Management Act (PAMA).

Other Remunerative Work Outside the Public Service (ORWOPS)

The Department has developed and approved an Other Remunerative Work Outside the Public Service (ORWOPS) Policy to regulate and manage employees' participation in remunerative activities outside their official duties. To support the implementation of the policy, a Standard Operating Procedure (SOP) and a Supervisor Checklist/Assessment Tool have been developed to guide employees and supervisors through the application process and to ensure that all relevant considerations are taken into account before applications are recommended for approval.

The Provincial ORWOPS Committee is responsible for receiving and reviewing all ORWOPS applications and making recommendations to the Accounting Officer based on the information provided by applicants. As part of the assessment process, the Committee evaluates potential, perceived, actual, and direct conflicts of interest that may arise from the proposed outside employment or business activities. Applications that present a conflict of interest or have the potential to compromise the integrity of the Public Service or the delivery of departmental services are not recommended for approval.

To strengthen compliance and mitigate the risk of conflicts of interest, all ORWOPS applications are subjected to a Central Supplier Database (CSD) verification process. Where an official is found to be registered on the CSD or associated with a company conducting business with the State, the ORWOPS

application is rejected, and the matter is referred to the Departmental Investigation Services (DIS) for further investigation and appropriate action.

As an additional safeguard, the Department has introduced an ORWOPS Addendum, which must be signed by both the supervisor and the Chief Executive Officer (CEO) of the institution. Through this commitment, supervisors and CEOs undertake to monitor approved ORWOPS activities, report any emerging conflicts of interest, and recommend the withdrawal of approval where the outside work compromises service delivery, creates a conflict of interest, or otherwise contravenes applicable legislation and departmental policies.

Through these measures, the Department seeks to ensure that ORWOPS activities are managed effectively, while safeguarding ethical conduct, maintaining public trust, and protecting the integrity of service delivery.

Key Controls Implemented

- Approved ORWOPS Policy supported by a Standard Operating Procedure (SOP) and Supervisor Checklist.
- Review of all ORWOPS applications by the Provincial ORWOPS Committee.
- Assessment of potential, perceived, actual, and direct conflicts of interest.
- Mandatory Central Supplier Database (CSD) verification for all applicants.
- Referral of non-compliant cases to the Departmental Investigation Services (DIS).
- Monitoring and oversight through signed ORWOPS Addendums by supervisors and CEOs.
- Mechanisms to revoke ORWOPS approvals where conflicts of interest or service delivery risks arise.

Managing Conflict of Interest in the Recruitment and Selection Process

The Department has implemented measures to manage and mitigate conflicts of interest within the recruitment and selection process. Potential conflicts are identified and addressed through the completion of declarations of interest and, where appropriate, recusal processes by panel members involved in recruitment and selection activities.

As an additional control measure, all shortlisted candidates are required to complete a Recruitment Declaration Form, which serves to identify any potential conflicts of interest, misrepresentation, or other matters that may compromise the integrity of the recruitment process. Furthermore, personnel security screening is conducted by the Security Management Services Directorate to verify the suitability of candidates and safeguard the integrity of the Department's recruitment processes.

These measures contribute to ensuring fairness, transparency, accountability, and compliance with applicable legislation and public service prescripts.

Gifts, Donations and Sponsorships

The Department has developed a Policy on the Acceptance of Gifts, Donations and Sponsorships, which is currently undergoing the approval process. The policy aims to provide a clear framework for managing gifts, donations, and sponsorships in a manner that promotes transparency, accountability, and ethical conduct.

All gifts, donations, and sponsorships received by the Department must be declared on a monthly basis. The authority to approve the acceptance of gifts, donations, and sponsorships resides with the Accounting Officer.

The administration of the acceptance process is coordinated through the Ethics Office, which maintains a Departmental Gifts, Donations and Sponsorships Register. The Institutional and Business Unit registers are consolidated and submitted monthly to the Accounting Officer and the Finance Office to ensure that all transactions are appropriately recorded and disclosed in the Department's financial statements in accordance with applicable financial management requirements.

Financial e-Disclosures

The Department manages potential conflicts of interest through the Financial Disclosure Framework, which requires designated employees to disclose their financial interests annually. Identified potential conflicts of interest are assessed and addressed accordingly and, where warranted, may be referred for a lifestyle investigation in terms of Section 15(5) of the Public Administration Management Act, 2014.

The lifestyle assessment process commences with a verification and review of disclosed financial interests. This involves the validation of information against relevant third-party data sources, including:

- eNatis for registered motor vehicles;
- The Deeds Registry for immovable property and land ownership; and
- The Companies and Intellectual Property Commission (CIPC) for registered business interests and directorships.

Where discrepancies, inconsistencies, or non-disclosures are identified, employees may be subjected to an internal lifestyle investigation to assess potential conflicts of interest, unexplained wealth, or other integrity-related risks. Based on the outcome of the investigation, matters may be referred to external agencies for a formal lifestyle audit where necessary.

To strengthen compliance and enhance awareness of disclosure requirements, the Department, in collaboration with the Office of the Premier, conducts annual district-based workshops on the electronic financial disclosure process. These workshops, together with ongoing support provided by Ethics Officers during the disclosure period, contribute significantly to improving compliance levels among designated employees.

Key Controls and Achievements

- Implementation of declarations of interest and recusal processes during recruitment and selection.
- Mandatory completion of Recruitment Declaration Forms by shortlisted candidates.
- Personnel security screening conducted by the Security Management Services Directorate.
- Development of a Policy on Gifts, Donations and Sponsorships to strengthen ethical governance.
- Monthly declaration and monitoring of gifts, donations, and sponsorships through a dedicated register.
- Annual financial disclosure process for designated employees.
- Verification of disclosed interests against eNatis, Deeds Registry, and CIPC records.
- Investigation of identified discrepancies and potential conflicts of interest.
- Annual e-Disclosure workshops conducted in partnership with the Office of the Premier.
- Ongoing support provided to employees to promote compliance with ethics and integrity requirements.

CODE OF CONDUCT

Section 195 of the Constitution of the Republic of South Africa, 1996, sets out the democratic values and principles that govern public administration. In line with these principles, the Public Service Code of Conduct provides the standard of behaviour expected of all public servants and serves as a guide for ethical conduct, professionalism, and accountability in the execution of official duties.

The Code of Conduct serves as the ethical framework that governs the behaviour and professional standards of all employees within the Department. It promotes the core values of integrity, accountability, professionalism, transparency, fairness, and respect, ensuring that public services are delivered in a manner that upholds the public interest and maintains public trust. The Code further supports ethical decision-making and reinforces the responsibility of employees to conduct themselves in a manner consistent with the values and principles of the Public Service.

The Code of Conduct plays a significant role in shaping the Department's organisational culture, strengthening service delivery, and enhancing public confidence in the Department. By promoting ethical behaviour and professional accountability, the Code contributes to reducing the risk of misconduct, maladministration, and unethical practices, thereby safeguarding the Department's reputation and fostering a work environment characterised by fairness, discipline, and mutual respect.

The Department fully complies with the Public Service Code of Conduct as prescribed in Chapter 2 of the Public Service Regulations, 2016. All employees are required to adhere to these provisions and are expected to uphold the prescribed ethical and professional standards in the performance of their duties.

Any breach of the Code of Conduct is dealt with in accordance with the Disciplinary Code and Procedures for the Public Service. Alleged transgressions are subject to formal investigation, during which employees

are afforded an opportunity to respond to the allegations. Where misconduct is substantiated, disciplinary action is instituted in line with applicable legislative and regulatory requirements. Sanctions are applied consistently and proportionately, taking into account the nature and severity of the transgression.

To strengthen ethical conduct and integrity within the Department, a Code of Ethical Conduct Handbook has been developed for employees. The handbook is informed by the legislative framework governing the Public Service, including the Public Service Code of Conduct, the Batho Pele Principles, and the Integrity Management Framework for the Public Service, among other relevant prescripts. The handbook outlines the principles of ethics and good conduct expected in the workplace and serves as a practical guide for promoting an ethical organisational culture.

The Code of Ethical Conduct is regularly communicated and workshopped across all levels of the Department to enhance awareness and promote compliance. In addition, the Department has developed awareness posters highlighting key aspects of the Code of Conduct, including the expected standards governing relationships between employees and the public, as well as relationships among employees.

The Code of Conduct is readily accessible to all employees through the Departmental intranet, induction packs provided to newly appointed employees, and Human Resource offices. To further embed an ethical culture, ongoing awareness and advocacy initiatives are conducted to reinforce understanding of ethical obligations and encourage compliance with applicable policies and prescripts.

The Department has also implemented a standardised Employee Orientation and Re-orientation Programme, which is rolled out across all districts for newly appointed employees. The programme provides employees with a foundational understanding of the Public Service environment, the Department's expectations regarding ethical conduct, and key legislative and regulatory requirements. It also serves as a platform to communicate amendments to policies, procedures, and prescripts, while reinforcing compliance with the Public Service Regulations, 2016, and other applicable governance frameworks.

Key Initiatives Implemented During the Reporting Period

- Continued implementation and promotion of the Public Service Code of Conduct.
- Development and dissemination of the Code of Ethical Conduct Handbook.
- Ongoing ethics and code of conduct awareness workshops for employees at all levels. During this period a total of thirty-seven (37) workshops were held throughout the Province.
- Development and display of Code of Ethical Conduct awareness posters across departmental facilities.
- Accessibility of the Code of Ethical Conduct through the Departmental intranet, induction packs, and Human Resource offices.
- Implementation of a standardised Employee Orientation and Re-orientation Programme across all districts.

- Continuous promotion of ethical leadership, integrity, accountability, and professionalism throughout the Department.

HEALTH AND SAFETY AND ENVIRONMENTAL ISSUES

Occupational Health and Safety (OHS)

Occupational Health and Safety (OHS) is a critical component of effective organisational management and is aimed at creating and maintaining a safe, healthy, and conducive working environment for employees. The Department's approach to OHS is underpinned by the following principles:

- Preventative: Focused on preventing workplace accidents, injuries, and occupational diseases before they occur.
- Regulatory and Compliance-Based: Ensures compliance with applicable occupational health and safety legislation, regulations, and standards.
- Risk Management-Oriented: Involves the identification of hazards, assessment of risks, and implementation of appropriate control measures.
- Employee-Centred: Promotes the physical, mental, and psychosocial wellbeing of employees.
- Continuous and Proactive: Requires ongoing monitoring, training, reporting, evaluation, and improvement of workplace conditions and safety practices.

Effect of Occupational Health and Safety on the Department

Effective implementation of OHS has a significant positive impact on the Department's performance and service delivery. Key benefits include:

- Reduction in workplace accidents and injuries, resulting in fewer operational disruptions.
- Reduced absenteeism and sick leave, thereby improving staff availability and continuity of healthcare services.
- Improved employee productivity, morale, and engagement, as healthy and safe employees are better able to perform their duties effectively.
- Reduced expenditure associated with compensation claims, legal liabilities, overtime costs, and staff replacements.
- Enhanced compliance with statutory requirements, reducing legal and regulatory risks.
- Improved public confidence and organisational reputation through the promotion of safe and healthy workplaces.
- Strengthened service delivery, particularly within the healthcare environment where employee wellbeing directly influences the quality and continuity of patient care.

Effect of Poor Occupational Health and Safety

Where OHS systems are inadequate or poorly managed, the Department may experience several adverse consequences, including:

- Increased workplace accidents, injuries, and occupational illnesses.
- Higher levels of absenteeism, stress, fatigue, and employee burnout.
- Reduced staff morale, motivation, and productivity.
- Increased litigation, compensation claims, and associated financial costs.
- Interruptions to service delivery and operational inefficiencies.
- Reputational damage and reduced trust among employees, stakeholders, and the public.

Occupational Health and Safety Management

The Department recognises Occupational Health and Safety as a critical management function that contributes to employee wellbeing, organisational effectiveness, and the delivery of quality healthcare services. To support this commitment, the Department has approved Occupational Health and Safety policies, procedures, and guidelines that provide a framework for the effective management of workplace health and safety risks.

Functional Occupational Health and Safety Committees have been established at facility, district, and Head Office levels to oversee the implementation of OHS programmes, monitor compliance, and promote a culture of safety throughout the organisation. In addition, continuous monitoring and assessment of the implementation of OHS policies and procedures are undertaken to ensure compliance with legislative requirements and to identify areas requiring improvement.

Despite ongoing efforts, some facilities continue to experience challenges in meeting certain occupational health and safety standards due to ageing infrastructure. The Department remains committed to addressing these challenges and is prioritising infrastructure improvements and maintenance interventions to enhance compliance and provide safer working environments for employees, patients, and visitors.

Through the implementation of its OHS programmes and governance structures, the Department continues to promote safe and healthy workplaces, strengthen employee wellbeing, and support the effective and sustainable delivery of healthcare services.

Key Achievements and Controls

- Approved Occupational Health and Safety policies and procedures in place.
- Functional OHS Committees established at facility, district, and Head Office levels.
- Ongoing identification and management of workplace hazards and risks.
- Continuous monitoring of compliance with OHS requirements.
- Promotion of employee health, safety, and wellbeing through awareness and training initiatives.

- Prioritisation of infrastructure improvements to address identified safety risks.
- Continued commitment to maintaining safe working environments and supporting quality service delivery.

HEALTH AND SAFETY ENVIRONMENTAL ISSUES

Health, Safety and Environmental (HSE) Management

The Health, Safety and Environmental (HSE) function focuses on protecting people, property, and the environment within the workplace and the broader community. Within the KwaZulu-Natal Department of Health, HSE management is particularly important due to the nature of healthcare services, which involve direct patient care, the handling of hazardous substances, the generation of medical waste, and exposure to various occupational hazards.

Effective HSE management contributes to the provision of safe working conditions for employees, the protection of patients and visitors, and the promotion of environmental sustainability. Through the implementation of HSE programmes and controls, the Department seeks to improve service delivery, minimise risks, ensure legislative compliance, and maintain public confidence in the healthcare system.

Nature of Health, Safety and Environmental Issues

Health Issues

Health-related issues concern the physical, psychological, and emotional wellbeing of employees, patients, and the public. Common health challenges within the healthcare environment include:

- Exposure to infectious diseases such as Tuberculosis (TB), HIV/AIDS, COVID-19, and other communicable illnesses.
- Occupational stress, fatigue, and burnout among healthcare workers.
- Poor sanitation and hygiene conditions within healthcare facilities.
- Overcrowding in hospitals and clinics, which may increase health risks.
- Inadequate implementation of infection prevention and control measures.

Safety Issues

Safety management focuses on preventing workplace accidents, injuries, and unsafe working conditions. Key safety risks within healthcare facilities include:

- Needle-stick injuries and exposure to contaminated blood and bodily fluids.
- Slips, trips, falls, and other workplace accidents.
- Fire, electrical, and infrastructure-related hazards.
- Violence, aggression, and security risks affecting staff and patients.
- Unsafe handling, storage, and disposal of medical equipment, chemicals, and hazardous substances.

Environmental Issues

Environmental management seeks to minimise the impact of healthcare activities on the environment. Key environmental concerns include:

- Improper disposal of medical and hazardous healthcare waste.
- Water, air, and land pollution associated with healthcare operations.
- Excessive consumption of water, electricity, and other natural resources.
- Inadequate management of chemicals, pharmaceuticals, and other hazardous materials.
- Environmental risks associated with ageing infrastructure and facility operations.

Effect of Health, Safety and Environmental Issues on the Department

Health, Safety and Environmental issues can have a significant impact on the functioning, performance, and sustainability of the KwaZulu-Natal Department of Health.

The successful management of HSE risks contributes to the protection of employees and patients, supports uninterrupted service delivery, and enhances organisational performance. Conversely, inadequate management of HSE risks may result in:

- Reduced quality of healthcare services due to staff illness, injuries, or unsafe working environments.
- Increased operational costs arising from compensation claims, legal action, equipment damage, and waste management requirements.
- Higher levels of absenteeism and staff shortages resulting from occupational illnesses, injuries, stress, and burnout.
- Increased risk of healthcare-associated infections and disease outbreaks within healthcare facilities and surrounding communities.
- Environmental degradation and public health risks resulting from poor waste management and pollution.
- Damage to the Department's reputation and reduced public confidence in healthcare services.
- Non-compliance with occupational health, safety, environmental, and healthcare legislation, which may result in regulatory findings, penalties, or investigations.

The Department recognises Health, Safety and Environmental management as a critical component of good governance and effective healthcare service delivery. The Department has established policies, procedures, and monitoring mechanisms to promote compliance with relevant legislative requirements and to ensure a safe, healthy, and environmentally responsible working environment.

Through ongoing risk assessments, employee awareness programmes, safety inspections, infection prevention and control measures, waste management initiatives, and environmental monitoring, the Department continues to strengthen its HSE systems and mitigate identified risks.

The Department remains committed to fostering a culture of health, safety, environmental responsibility, and continuous improvement to protect employees, patients, visitors, and the communities it serves while supporting the sustainable delivery of quality healthcare services.

HEALTH PORTFOLIO COMMITTEE

Health Portfolio Committee Meetings 2025/26	Oversight visits by the Health Portfolio Committee 2025/26
1st April 2025	19th September 2025: Park Rynie Mortuary & Kloof Clinic
22nd May 2025	27th May 2025: MGMH, Stone Bridget Clinic & Osterville Clinic
22nd July 2025	19th November 2025, 21st November 2025 & 2nd December 2025: Festive Oversight – readiness of facilities
12th August 2025	12th December 2025: Stakeholder engagement in Ulundi on APP 2026/27 and Draft Budget 2026/27
23rd September 2025	19th February 2026: St Francis and Nkonjeni Hospitals
24th October 2025	
11th November 2025	
17th February 2026	
20th March 2026	

Matters Raised by the Portfolio Committee and Departmental Responses

The Member of the Executive Council (MEC) engaged with the Health Portfolio Committee to present and deliberate on the challenges and achievements experienced by the Department during the 2025/26 financial year.

The Health Portfolio Committee continues to exercise its oversight role by reviewing and monitoring the Department's quarterly financial and non-financial performance. At its meeting held on 22 July 2025, the Committee formally adopted the 2025/26 Annual Performance Plan (APP) and Budget of the Department.

The key strategic matters raised by the Health Portfolio Committee, together with the Department's responses, are outlined below:

Over-Expenditure, Irregular Expenditure and Accruals

The Committee raised concerns regarding the sustainability of the Department's financial management practices.

Departmental Response:

The Department developed and is implementing a Financial Recovery Plan to address over-expenditure, irregular expenditure, and accruals.

The Plan includes strengthened expenditure control measures, improved budget alignment, and enhanced financial monitoring and reporting processes.

2024/25 Audit Outcomes

Concerns were raised regarding audit findings and the need to strengthen internal controls.

Departmental Response:

The Department developed an Audit Recovery Plan to address audit findings and improve compliance.

Progress against the Plan is being continuously monitored, with a focus on strengthening internal controls, improving financial management practices, and ensuring compliance with applicable legislation.

Increasing Costs of Medico-Legal Litigation

The rising costs associated with medico-legal claims were highlighted as a significant financial risk.

Departmental Response:

An independent forensic investigation was commissioned to identify root causes and recommend corrective actions.

The Department is implementing a Medico-Legal Strategy, with specific emphasis on Alternative Dispute Resolution (ADR) to reduce litigation costs.

A dedicated Medico-Legal Unit has been established to manage and monitor litigation.

Clinical governance systems have been strengthened to improve patient care and reduce adverse incidents.

Emergency Medical Services (EMS) and Fleet Management

Following oversight visits, concerns were raised regarding EMS operations and fleet management challenges, including issues related to the RT46 contract.

Departmental Response:

The Department developed an Emergency Medical Services (EMS) Turnaround Strategy to address identified service delivery challenges.

Interventions have been implemented to improve fleet management, including strengthening contract management and operational oversight under the RT46 contract.

Ongoing monitoring mechanisms have been put in place to ensure improved efficiency and service delivery within EMS.

SCOPA RESOLUTIONS

Table 47: SCOPA Resolutions summary

Resolution Number	Subject	Details	Response by the Department	Resolved (Yes/No)
Resolution 7/2026	Officials Conducting Business with the State and Financial Disclosures (relating to resolution 68/2025).	- The Accounting Officer reports to the Committee by 30 June 2026 - Ten (10) officials were identified as conducting business with the State across various entities; - Disciplinary processes have been instituted against implicated officials; - The Public Service Commission confirmed 100% submission and verification of SMS financial disclosures; - Matters outside the Department's jurisdiction was referred to the Special Investigating Unit for further investigation.	Refer to the detailed responses submitted to the SCOPA	Refer to the detailed responses submitted to the SCOPA
Resolution 8/2026	Audit Improvement and Financial Recovery Plan	- Measurable improvements achieved as a result of the Audit Improvement Plan; - Progress in addressing repeat audit findings; - Remaining high-risk areas; and - Sustainability measures to institutionalise improvements.	Refer to the detailed responses submitted to the SCOPA	Refer to the detailed responses submitted to the SCOPA
Resolution 9/2026	Policy Committee and Governance Strengthening	- Policies reviewed and updated during the current financial year; - Compliance monitoring mechanisms to ensure implementation of revised policies; and - Impact of policy reforms on audit outcomes.	Refer to the detailed responses submitted to the SCOPA	Refer to the detailed responses submitted to the SCOPA
Resolution 10/2026	SCM Controls and Capacity	- Measurable improvements in procurement turnaround times; - Reduction in SCM-related audit findings; - Remaining SCM capacity gaps; and - Plans to ensure full SCM compliance across all facilities.	Refer to the detailed responses submitted to the SCOPA	Refer to the detailed responses submitted to the SCOPA
Resolution 11/2026	System Integration and LOGIS Implementation	- Timeline for full LOGIS rollout across all facilities; - System limitations affecting SCM processes; - Mitigation measures implemented pending full integration; - Impact of system integration on financial control improvements.	Refer to the detailed responses submitted to the SCOPA	Refer to the detailed responses submitted to the SCOPA
Resolution 12/2026	Forensic Investigations and Consequence Management	- A comprehensive schedule of all forensic investigations, including amounts involved and status; - Timeframes for finalisation of outstanding investigations; - Disciplinary, criminal and recovery actions taken; and - Measures implemented to prevent repeat irregularities.	Refer to the detailed responses submitted to the SCOPA	Refer to the detailed responses submitted to the SCOPA
Resolution 13/2026	Fleet Management and RT46	- Average turnaround times for ambulances and EMS vehicles; - Penalties imposed or corrective steps taken against underperforming service	Refer to the detailed responses	Refer to the detailed responses

Resolution Number	Subject	Details	Response by the Department	Resolved (Yes/No)
	Transversal Contract	providers; - Measures to ensure sustained fleet availability for health service delivery; and - Ongoing monitoring mechanisms under the RT46 contract.	submitted to the SCOPA	submitted to the SCOPA

PRIOR MODIFICATIONS TO AUDIT REPORTS

Table 48: Prior modifications to Audit reports

Nature of qualification, disclaimer, adverse opinion and matters of non-compliance	Financial year in which it first arose	Progress made in clearing / resolving the matter
Irregular Expenditure	2024/2025	The Department has developed an Improvement Plan to ensure the complete and accurate recording and disclosure of all irregular expenditure
Immovable Tangible Assets	2024/2025	Revised the opening balance of Immovable Tangible Assets. Correctly categorised projects that were in Work in Progress stage and completed and classified accordingly.

INTERNAL CONTROL UNIT

Strategic Role and Purpose of Internal Audit

The Department receives internal audit services from the KwaZulu-Natal Provincial Internal Audit Services (PIAS), a shared internal audit function established under section 38(1)(a)(ii) of the Public Finance Management Act, 1999 (Act No. 1 of 1999), as amended, read together with Treasury Regulation 3.2.

In accordance with Treasury Regulation 3.2.6, internal audit activities are conducted in compliance with the International Professional Practices Framework (IPPF), which comprises the Global Internal Audit Standards, Topical Requirements, and Global Guidance issued by the Institute of Internal Auditors (IIA).

PIAS provides independent, objective assurance and advisory services to add value and improve the Department's operations. It helps the Department achieve its objectives by evaluating and enhancing the effectiveness of governance, risk management, and internal control processes.

The Internal Audit Function (IAF) is led by the Chief Audit Executive (CAE). It operates under an Internal Audit Charter approved by the Provincial Audit and Risk Committee (PARC) and endorsed by the MEC for Finance.

INTERNAL AUDIT

Purpose and Mandate

Provincial Internal Audit Services (PIAS) provides independent and objective assurance and advisory services to assist the Department in strengthening governance, risk management and internal control processes. Through its assurance and consulting activities, PIAS supports management in achieving the Department's strategic and operational objectives while promoting accountability, transparency and good governance.

Strategy of the Internal Audit Function

PIAS's vision is to be a trusted and strategic partner that delivers insightful, innovative and high-quality internal audit services. The internal audit strategy is aligned to the Department's strategic objectives and focuses on providing risk-based assurance and advisory services that enhance governance, accountability, performance and service delivery.

Charter, Methodology and Internal Audit Plans

The following key internal audit documents were reviewed and approved during the year under review:

- Internal Audit Charter;
- Rolling Three-Year Strategic Internal Audit Plan; and
- Annual Operational Internal Audit Plan.

The audit plans were developed using a risk-based methodology and were aligned to the Department's strategic objectives, key risks and operational priorities.

Independence and Objectivity

The Chief Audit Executive (CAE) formally confirmed the independence of the Internal Audit Function for the reporting period. Internal auditors-maintained objectivity in the execution of their assignments, and no material impairments to independence or objectivity were reported during the year under review.

Internal Audit Modality

PIAS operates a shared internal audit service model comprising:

- In-house internal audit personnel;
- Co-sourced specialist service providers, where additional resources are required; and
- Outsourced service providers for specialised audit assignments requiring specific expertise.

During the period under review, PIAS utilised an outsourced resourcing model to implement the approved annual audit plan.

Staffing: Assurance Services

During the year under review, the Assurance Services Unit responsible for servicing all 13 provincial departments had the following establishment:

- Approved posts: 95
- Funded posts: 85
- Unfunded posts: 10
- Filled posts: 82
- Vacant posts: 3
- Recruitment in progress: 3

The Department was not previously included in the Provincial Centralised Internal Audit Service following the 2019 Cabinet Resolution, which required the Departments of Health, Education and Transport to establish their own Internal Audit Functions. The Department of Health implemented this resolution and operated an independent Internal Audit Function.

In July 2025, Cabinet rescinded the 2019 resolution and re-established a fully centralised Provincial Internal Audit Service. Consequently, the Departments of Health, Education and Transport were reintegrated into the provincial internal audit model. PIAS assumed responsibility for servicing the Department during the third quarter of the 2025/26 financial year and implemented a curtailed audit plan for the remainder of the reporting period.

The Internal Audit Function had an approved budget of R76.853 million to service all 13 provincial departments and incurred expenditure of R73.873 million during the year under review.

The Chief Audit Executive is satisfied that the collective skills, competencies and experience of internal audit personnel were appropriate to execute the approved internal audit plan effectively.

Quality Assurance and Improvement Programme

PIAS maintains a Quality Assurance and Improvement Programme (QAIP) to assess conformance with the Global Internal Audit Standards and identify opportunities for continuous improvement. The programme supports ongoing enhancement of the effectiveness, efficiency and quality of internal audit services.

Stakeholder Relationships

PIAS maintains constructive working relationships with:

- The Accounting Officer and Senior Management;
- The Audit Committee;
- The Provincial Executive Council;
- The Auditor-General of South Africa;
- Risk Management;
- Internal Control; and
- Other assurance providers.

These relationships contribute to improved coordination of assurance activities and strengthened governance across the Department.

Combined Assurance

PIAS supports departments in strengthening integrated assurance processes by providing customised combined assurance tools and templates, conducting training programmes, and participating in departmental Combined Assurance Forums and Risk Management Committee meetings. Internal Audit further supports these initiatives through collaboration with assurance providers and the sharing of relevant assurance insights.

Limitations to the Activities and Objectives of the Internal Audit Function

The effectiveness and efficiency of the Internal Audit Function and Risk Management support were constrained by the continued use of outdated audit management software and risk management systems. These limitations restricted automation, data analytics capability, risk aggregation and the overall optimisation of audit processes, resulting in greater reliance on manual procedures and reduced utilisation of technology-enabled auditing techniques.

Although initiatives to procure and implement updated systems were commenced, implementation was delayed due to procurement challenges associated with SITA. Despite these constraints, internal audit

activities were performed in accordance with approved plans, and mitigating measures were implemented to minimise the impact on audit coverage and audit quality.

Furthermore, capacity constraints within the Risk Management and Internal Control functions continue to limit the Department's ability to proactively identify, assess, monitor and respond to risks. This may result in control deficiencies, compliance failures, adverse audit outcomes and reduced achievement of strategic and service delivery objectives.

Value Added by Internal Audit

During the year under review, PIAS added value through:

- Identifying opportunities to strengthen internal controls;
- Enhancing governance and risk management processes;
- Supporting improved compliance with legislation, regulations and policies;
- Monitoring implementation of audit recommendations; and
- Providing advisory services on strategic initiatives, including combined assurance, risk management maturity assessments and risk register analyses.

Summary of Work Performed During the Reporting Period

During the 2025/26 financial year, the Internal Audit Function implemented a curtailed risk-based audit plan following the reintegration of the Department into the Provincial Internal Audit Services (PIAS) model during the third quarter of the reporting period.

A total of four (4) assurance engagements were planned for the year under review. Of these, two (2) engagements were completed, resulting in an overall audit plan completion rate of 50 per cent. No advisory engagements were planned or undertaken during the reporting period.

Planned and Completed Audits

Category	Planned	Completed	Completion Rate
Assurance Engagements	4	2	50%
Advisory Engagements	0	0	0%
Total	**4**	**2**	**50%**

The completed assurance engagements provided independent assurance on the adequacy and effectiveness of governance, risk management and internal control processes within the Department. Audit findings and recommendations were communicated to management, and corrective action plans were developed to address identified control weaknesses and enhance organisational performance.

The Internal Audit Function continued to support the Department through the provision of assurance services aimed at strengthening internal controls, promoting accountability, improving compliance with legislative requirements, and enhancing risk management practices. In addition, Internal Audit contributed to governance initiatives through participation in combined assurance activities and the monitoring of the implementation of agreed management action plans arising from both internal and external audit findings.

Audits Rolled Over

Two (2) audit engagements, namely Supply Chain Management and Performance Information, were not concluded by the end of the 2025/26 financial year as originally planned and have been rolled over into the subsequent financial year.

The delays were primarily attributable to the late commencement of the audit reviews, resulting from delays in the procurement and appointment of service providers required for the implementation of the related projects. Consequently, sufficient progress could not be achieved within the reporting period to enable the audits to be finalised as planned.

Management and Internal Audit will continue to monitor the progress of these engagements to ensure their completion during the next reporting cycle.

Ad Hoc Projects

No ad hoc audit assignments were initiated or completed during the reporting period.

Description	Initiated	Completed
Ad Hoc Assignments	0	0

Status of Audit Findings

The Internal Audit Function continued to monitor the implementation of agreed management action plans arising from both Internal Audit and Auditor-General of South Africa (AGSA) findings. Progress on the implementation of corrective actions was monitored throughout the reporting period and reported to the Audit Committee on a quarterly basis.

Audit Findings	Total Findings	Addressed	Not Yet Due	Not Addressed	Recurring Findings
Internal Audit Findings	318	249	52	17	0
AGSA Findings	85	22	63	0	0

Of the 318 Internal Audit action plans, 249 (78%) were successfully resolved during the reporting period, while 52 (16%) remained in progress and 17 (6%) were outstanding at year-end. No recurring Internal Audit findings were reported over the past three financial years.

AUDIT COMMITTEE

Purpose and Mandate

The Department is served by the Provincial Audit and Risk Committee (PARC) and the relevant Cluster Audit and Risk Committee (CLARC), established in terms of Section 77 of the Public Finance Management Act and Treasury Regulation 3.1.

The Audit Committee assists the Accounting Officer and Executive Authority by providing independent advice and oversight regarding:

- Governance;
- Risk management;
- Internal control;
- Internal audit;
- Financial and performance reporting;
- Compliance with laws and regulations;
- Information and Communication Technology (ICT) governance; and
- Combined assurance.

The Audit Committee operates in terms of an approved Audit Committee Charter.

Independence

The Audit Committee operated independently and without undue influence during the year under review. Conflicts of interest were declared at each meeting and appropriately managed in accordance with the Audit Committee Charter.

The Committee is satisfied that all members remained independent and free from any conflicts of interest that could impair their objectivity.

Protecting the Independence of the Internal Audit Function

The Audit Committee reviewed the organisational positioning and independence of the Internal Audit Function and confirmed that appropriate safeguards were in place to protect internal auditors from undue influence, interference or victimisation.

Performance Against Statutory Duties

The Audit Committee is satisfied that it fulfilled its responsibilities in accordance with:

- The Public Finance Management Act;
- Treasury Regulations;
- The Global Internal Audit Standards; and
- The approved Audit Committee Charter.

Combined Assurance

The Audit Committee considers the Department's overall assurance maturity to be low, primarily due to capacity constraints within the Risk Management Unit that have slowed the full implementation of the Provincial Combined Assurance Framework.

The Department has been advised to accelerate implementation of the framework to improve assurance coverage, identify assurance gaps, strengthen coordination among assurance providers, reduce duplication of effort and enhance governance, risk management and internal controls.

The Head of Department is responsible for driving this process through the establishment of appropriate governance structures, effective coordination of assurance activities and regular reporting to the Risk Management and Audit Committees on the effectiveness of assurance relating to key departmental risks.

Resolution of Audit Committee Recommendations

The Audit Committee monitors the implementation of its recommendations through formal quarterly reporting and follow-up processes within the CLARC structure. Progress is reviewed regularly, and outstanding matters remain subject to oversight until satisfactory corrective action has been implemented and formally closed.

Audit Committee Performance Evaluation

The Audit Committee conducted a bi-annual self-assessment of its performance and effectiveness during the reporting period to evaluate the extent to which it fulfilled its mandate and statutory responsibilities.

In addition, the effectiveness of the Audit Committee was independently assessed by the Auditor-General of South Africa as part of the annual audit process. The outcomes of these assessments confirmed that the Committee continued to operate effectively and provided independent and objective oversight to the Department.

Recommendation: The outstanding comment is likely requesting the Audit Committee membership and attendance table, which is a mandatory disclosure in most Annual Report templates. Once membership details and meeting attendance information are received, the placeholder section above can be completed and the reviewer comment closed.

Table 49: Audit Committee Membership and Attendance

Name (Full name and Surname, including professional title)	Qualifications	Professional Affiliation (e.g. SAICA, IIA, IOD(SA))	Appointment: Term of Office		No. of meetings attended 20YY/ZZ		Has the AC member declared private and business interests in every meeting? (Yes/No)	Is the AC member an employee of an organ of state? (Yes / No)	No. of other ACs that the member served on during the reporting period (whether in the public sector or not)	No. of other governance structures the member served on during the reporting period, e.g. Boards, Risk Committee, IT Committee, etc, whether in this or any other institution(s)
			Start date	End Date	Ordinary meetings	Special Meetings				
Eugene V Jooste	B. Com (Acc), PGD: Acc. In – Practice, International Executive Development Programme (IeDP)	SAIPA, IODSA, IISA	1 July 2025	30 June 2028	3 of 4	4 of 4	Yes	No	6	3
Luyanda M Mangquku, CA(SA)	Bachelor of Accounting Sciences (Hon), bachelor's in commerce (Hon) (Accounting), Master of Business Leadership, Advanced Company Law I&II; and Chartered Accountant (South Africa)	SAICA	01 June 2024	31 May 2027	3 of 4	4 of 4	Yes	No	6	2
Dr Mdu Zakwe	CA (SA)	SAICA, IIA	4 Sept 2023	30 Sept 2026	3 of 4	4 of 4	Yes	No	3	1

Remuneration of Audit Committee Members

Audit Committee members are remunerated in accordance with applicable legislative requirements and approved government prescripts, as provided for in the Audit Committee Members' Memoranda of Agreement. The remuneration structure comprises a fixed-fee model approved by the Member of the Executive Council (MEC) for Finance.

In accordance with applicable policies and contractual arrangements, members who are employees of organs of state are not remunerated for serving on the Audit Committee.

The Audit Committee operates as a shared committee within the provincial governance framework and provides oversight services to a cluster of departments. Consequently, Audit Committee members perform duties across multiple departments and governance structures during the reporting period. As remuneration is not incurred exclusively for services rendered to a single department, the total expenditure relating to Audit Committee remuneration cannot be reliably apportioned or attributed to individual departments. Accordingly, Audit Committee remuneration is not disclosed at departmental level.

AUDIT COMMITTEE REPORT

The Provincial Audit and Risk Committee (PARC) serves as the shared audit and risk committee for provincial departments. In accordance with its approved Audit and Risk Committee Charter, which serves as the governance framework and terms of reference for both PARC and the Cluster Audit and Risk Committees, PARC fulfils its departmental audit and risk committee responsibilities through the designated Cluster Audit and Risk Committees (hereinafter referred to as the Audit and Risk Committee or the Committee). Members of PARC assigned to the relevant Cluster Audit and Risk Committee exercised audit and risk committee oversight of the Department during the year under review.

We present our report for the financial year ended 31 March 2026, prepared in terms of Treasury Regulation 3.1.13 and the National Treasury guide for the preparation of annual reports.

Part 1: The Audit and Risk Committee Reflections – 2026

- The Committee confirms that it operated independently and with due objectivity throughout the reporting period, maintaining an appropriate strategic focus in fulfilling its oversight responsibilities. The Committee provided independent counsel and advice to the Accounting Officer on governance, risk management, internal control, financial reporting and compliance matters. It actively monitored and managed conflicts of interest within its ranks in accordance with its Charter, and maintained constructive relationships with management, the Provincial Internal Audit Services (the Internal Audit Function and Risk Assurance Services) and the Auditor-General of South Africa (AGSA).
- The Committee ensured the independence of the Internal Audit Function and the objectivity of internal audit staff, while supporting the Chief Audit Executive in fulfilling responsibilities beyond internal auditing without compromising independence. The Committee confirms that, through the quarterly reports issued to the Executive Authority after each meeting, it consistently reported to and briefed the Accounting Officer and the Executive Authority on its meetings, including key matters discussed, challenges identified and recommendations for improvement. Four quarterly reports were issued in respect of the year under review but no briefing meetings with Executive Authority materialised.
- The Committee held separate engagements with the AGSA and with the Chief Audit Executive without management present, in line with leading governance practice.
- The Committee evaluated its performance for the year under review and is satisfied that it has effectively fulfilled its statutory responsibilities.
- The Committee also provided oversight on the transition of the outsourced Internal Audit Service of the Department to the Shared Provincial Internal Audit Service as per the cabinet resolution.

The Audit Committee:

- Confirms that it has met its obligations under section 38(1)(a)(ii) of the Public Finance Management Act and Treasury Regulation 3.1. The Committee has adopted formal terms of reference as its Audit Committee Charter, operated in accordance with that Charter, and discharged the responsibilities set out therein. No changes to accounting policies and practices were proposed by the Accounting Officer during the year under review, and accordingly no review of such changes was required.
- Recognises its duty to serve the public interest and confirms that it has diligently upheld this responsibility. It operated without hindrance, limitation or threat to its independence throughout the reporting period.
- Has integrated the relevant requirements of the Internal Audit Standards (IAS) into its operations and aligned the IAS with the Audit Committee Charter. The Committee confirms that it exercised professional scepticism in its duties, critically assessed the information provided, sought additional information where required, and regularly evaluated whether Internal Audit, management and other assurance providers upheld high ethical and professional standards.
- Confirms that it reviewed the annual financial statements, the annual performance report and the annual report of the Department prior to their submission, and that this report is submitted for inclusion in the annual report of the Department.

Part 2: Composition and Meeting Attendance

The Audit Committee is properly constituted, comprising three independent external members, providing a balanced representation of independence and a diverse mix of qualifications, expertise and experience, including financial reporting, internal auditing, risk management and governance. No member is an employee of the Department or of the Province. The Committee met as scheduled throughout the year, as set out below.

#	Name of member	Capacity	Scheduled meetings	Special meetings
1.	Mr E V Jooste	Chairperson — independent external member	4 of 4	2 of 2
2.	Dr M Zakwe	Independent external member	4 of 4	2 of 2
3.	Mr L M Mangquku	Independent external member	4 of 4	2 of 2

The special meetings were convened to consider the annual financial statements and the annual performance report, and the outcome of the regularity audit. The Committee's meetings were attended by the Accounting Officer and members of the executive management, the Chief Audit Executive and representatives of the AGSA.

Meetings with the Executive authority during the year under review did not materialise.

Part 3: Audit Committee Focus Areas

The following were reviewed during the year under review.

Effectiveness of the internal control systems

The Committee assessed the internal control environment through internal audit reports, quarterly reporting by the Accounting Officer, the AGSA's management report and audit report, and its own engagement with management. The system of internal control was not effective for the year under review. Significant deficiencies were identified in the following areas:

- Recording, prevention and prevention-focused control over irregular expenditure, which gave rise to the qualification of the audit opinion.
- Expenditure management, including the payment of suppliers within 30 days, which stood at 54% against the 95% norm at year end, and accruals of R1,5 billion, of which R501 million exceeded 90 days.
- Procurement and contract management, including the continued use of and payment on expired contracts, and repeat non-compliance with competitive bidding and preference point requirements.
- Consequence management, including the failure to investigate unauthorised, irregular and fruitless and wasteful expenditure, and the finalisation of only 95 of 205 misconduct cases (46%) during the year.
- Asset management, including control systems for safeguarding and maintenance, and processes for the effective use of departmental assets.
- The reliability of reported performance information in the district health services programme, and the absence of information systems to monitor progress towards targets and service delivery.
- Information and communication technology governance, which remained an unresolved audit action plan area throughout the year.

The Committee draws attention in particular to the monitoring of audit action plans which carried a number of unresolved actions in respect of the AGSA and the Internal Audit Logs. The AGSA identified the same matter as a root cause, reporting that leadership did not consistently enforce consequence management to prevent recurring non-compliance, that oversight and monitoring of audit action plans was not conducted effectively, and that management did not implement proper reviews and reconciliations to ensure that complete, relevant

and accurate information was available to support the financial statements, performance reporting and compliance.

The Committee acknowledges the progress achieved on the internal audit log with a significant number of actions being resolved. It considered the management interventions agreed with Internal Audit and urged the Department to implement them promptly to prevent recurrence of the related audit findings. The Committee has required a consolidated audit improvement plan based on the 2025/26 audit (external and internal), with named accountable executives and dates, to be tabled and monitored at each quarterly meeting during 2026/27.

Effectiveness of the Internal Audit Function

The Committee was satisfied with the quality, objectivity and independence of the internal audit assignments completed during the review period and confirms that Internal Audit remained independent and adhered to its quality assurance and improvement programme.

The Committee is not, however, satisfied with the extent of assurance coverage obtained. At year end 50% of the four audits planned in the 2025/26 annual audit plan had been completed, which to some extent could be attributed to the migration of the outsourced internal audit service to the provincial shared audit internal audit services. The two incomplete projects, Supply Chain Management and Performance Information, were not completed owing to resource constraints. The Committee notes with concern that these are precisely the areas in which the AGSA subsequently reported material findings, and that the level of coverage is not commensurate with the size, complexity and risk profile of the Department. The Committee has raised the resourcing of internal audit coverage for Vote 7 with the Provincial Internal Audit Services and the Accounting Officer and will monitor the adequacy of coverage and the delivery of the 2026/27 annual audit plan at each quarterly meeting.

Effectiveness of risk management

The Department has made progress in implementing the provincial risk management framework, achieving 82% compliance with the risk management standards and implementing 74% of the mitigation strategies documented in its risk register. To enable prompt risk mitigation, the Department was urged to delegate risk management duties to line management, so that business units and institutions are accountable for identifying, mitigating, monitoring and escalating risks to the relevant organisational levels and oversight structures, including the departmental risk management committee.

The Committee considers the following to be the Department's principal risk exposures, and has required that each be reflected in the 2026/27 risk register with costed and time-bound mitigation:

- Financial sustainability, including the funding constraints and delayed payments addressed in the going concern disclosure to the annual financial statements.
- Medico-legal litigation, with contingent liabilities of R6,58 billion disclosed at year end.
- Supply chain and contract management, including expired contracts and the resultant irregular expenditure.
- Information and communication technology, including the vacant Chief Information Officer post, cyber security, business continuity and the stalled e-Health project.
- Fraud, financial misconduct and ethics. The Committee notes the investigations being conducted by the Special Investigating Unit under Proclamation R74 of 2022, the forensic investigations of the Office of the Premier through quarterly in – committee meetings with the OTP and the Department, and the Department's own investigations into supply chain misconduct, ghost employees, recruitment irregularities, stock theft and fuel card abuse, some of which have resulted in criminal cases, disciplinary action and terminations of employment.

Adequacy, reliability and accuracy of financial and performance information

The Committee reviewed quarterly financial and performance reports at its meetings and considered the internal audit review of financial reporting processes, which received a satisfactory overall control rating. That review nevertheless identified weaknesses in review and approval controls at regional level, delayed submissions from districts, incomplete supporting schedules, manual financial processes with attendant version control risk, insufficient technical skills in regional finance units, and the absence of documented evidence of the review and approval of finance policies and standard operating procedures.

On performance information, the AGSA reported no material findings for the provincial hospital services programme. Material findings were reported for the district health services programme, where the reported achievements of ten indicators could not be confirmed, five being estimated as materially less and five as materially more than reported. The AGSA classified these as preventable material misstatements that were not corrected by management. The Committee records its continuing concern, raised in successive quarters, that expenditure has not translated proportionately into service delivery: district health services achieved 63% of targets while spending 100% of the budget, and the Department did not achieve its fourth quarter targets.

The Committee has required that, for 2026/27, the monitoring information systems contemplated in Public Service Regulation 25(1)(e) be implemented, and that reported performance information for district health services be independently verified quarterly by PIAS before the annual performance report is submitted for annual audit.

Adequacy and effectiveness of Information and Communication Technology (ICT) governance

The Committee reviewed ICT governance effectiveness through quarterly reports from the Accounting Officer and regulatory reviews conducted by the external auditors. No internal audit coverage of ICT was obtained during the year, which the Committee regards as an assurance gap to be addressed in the 2026/27 plan. All departments, including this Department, are urged to:

- Work together consistently to identify, assess, monitor and escalate cyber security risks in a coordinated manner;
- Align their ICT strategic plans with departmental performance and budgeting processes to support the successful execution of key ICT projects by applying effective project management principles; and
- Collaborate to coordinate and consolidate ICT strategies at provincial level, thereby promoting teamwork and synergy across similar IT systems.

Specific to this Department, the Committee records that the Chief Information Officer post remained unfilled at year end and is to be re-advertised, and that the Department is advised to fill this post and to appoint a Government Information Technology Officer without further delay, both being critical to key projects. The ICT strategy was not complete at year end. The e-Health project remained static for two consecutive quarters and LOGIS was not fully implemented. The Committee has urged the Accounting Officer to obtain a funding decision on e-Health, as the project cannot be sustained from the equitable share against competing priorities.

Accounting and auditing concerns identified as a result of internal and external audits

Neither the independent assurance providers nor the internal and external auditors encountered any scope limitation while performing their mandates in the 2025/26 financial year, and the Committee records the Department's cooperation in this regard.

The following accounting matters received the Committee's particular attention during the year:

- The completeness and accuracy of the irregular expenditure register, disclosed at R3,65 billion (2024-25: R3,03 billion), and the determination and condonation process undertaken with Provincial Treasury.

- Accruals and payables not recognised, including R932,50 million that exceeded the 30-day payment term and that would have constituted unauthorised expenditure had the amounts been paid when due.
- Contingent liabilities of R6,58 billion arising from medical negligence litigation and claims against the state, for which no provision was raised.
- The going concern assumption and the related disclosure, dealing with the possible effects of delayed payments and funding constraints on the Department's ability to discharge its liabilities and maintain service delivery.
- The accounting treatment and supporting records for immovable assets, capital work in progress and goods and services expenditure, each of which had been identified as a potential qualification area and was remediated during the audit.

Compliance with legal and regulatory provisions

The Committee is unable to report satisfactory compliance with applicable legislation for the year under review. The AGSA reported material findings on compliance under six themes, namely annual financial statements, expenditure management, asset management, strategic planning, procurement and contract management, and consequence management. Several of the procurement and contract management findings are repeat findings from the prior year.

The Department was urged to develop and implement remedial action plans that address the control deficiencies giving rise to the identified non-compliance, and to strengthen and align its processes with the applicable legislative and regulatory requirements to ensure full compliance and prevent recurrence. The Committee has required that the remedial action plans distinguish between findings capable of resolution within the current year and those requiring structural intervention, and that progress be reported to it quarterly.

The Committee notes that Provincial Treasury, through the Provincial Internal Audit Services, has developed a provincial compliance framework to promote a standardised and coordinated approach to compliance management across departments. All departments, including this Department, are encouraged to work with Provincial Treasury to implement the framework, so as to strengthen compliance governance, improve the consistency of compliance processes, and facilitate the timely identification and mitigation of compliance risks, including financial penalties, reputational damage and service delivery disruption.

The quality of in-year management and the monthly and quarterly reports submitted in accordance with legislation

The Committee reviewed the quarterly financial and performance reports at its meetings and was satisfied with their content and quality, and with the manner in which they were prepared and issued by the Accounting Officer during the year under review for purposes of in-year monitoring, in accordance with the PFMA and the Division of Revenue Act.

The Committee records, however, that the AGSA found that the financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and were not supported by full and proper records, and that material misstatements of disclosure items were corrected during the audit. In-year reporting is therefore not yet a reliable predictor of the year-end position. The Committee has required that reporting to it during 2026/27 that the Accounting authority continues focus and include, as standing items, the irregular expenditure register and determination progress, the accruals and 30-day payment position, and progress on the material irregularity and the audit improvement/action plan.

Combined assurance

The Department has made progress in implementing the provincial combined assurance framework, as evidenced by the establishment of the combined assurance forum and the designation of the Chief Risk Officer as the combined assurance champion. The Department is urged to fully adopt the principles of combined

assurance by aligning its key risks with the appropriate lines of defence in the model, so as to improve the framework's effectiveness and foster better coordination of assurance effort. The mapping of key risks to assurance providers, and the roll-out of the provincial internal control framework, remained in progress at year end and are to be finalised during 2026/27. The Committee has further requested that the AGSA and the Provincial Internal Audit Services engage to strengthen collaboration on approach, coverage, extent of procedures and timing in significant risk areas, so as to reduce duplication and increase assurance coverage.

Evaluation of the annual financial statements

The Committee has:

- Reviewed and discussed the annual financial statements, including the audit report, with the Accounting Officer, the AGSA and Internal Audit;
- Reviewed the AGSA's management report and management's responses to the matters raised therein;
- Reviewed the appropriateness of the accounting policies and practices applied, and the material adjustments arising from the audit;
- Reviewed the going concern assumption applied by the Accounting Officer and the related disclosure to the annual financial statements;
- Reviewed the disclosure of contingent liabilities, accruals and payables not recognised, and unauthorised, irregular and fruitless and wasteful expenditure;
- Reviewed the Department's processes for compliance with legal and regulatory provisions;
- Reviewed the conclusion regarding the usefulness and reliability of the performance information resulting from the Department's external audit; and
- Reviewed the other information in the annual report for consistency with the annual financial statements, the annual performance report and the audit report.

The Committee acknowledges that the material misstatements of disclosure items identified during the audit were corrected and the supporting records provided. It records, however, that uncorrected material misstatements relating to irregular expenditure resulted in the qualification of the audit opinion, and that the Department's financial statement preparation process requires strengthening so that the statements submitted for auditing are complete and supported by proper records at the point of submission.

Auditor-General's report

The AGSA expressed a qualified opinion on the annual financial statements of the Department for the year ended 31 March 2026. This outcome is unchanged from the prior year.

The basis for the qualified opinion is confined to irregular expenditure. The Department did not record all irregular expenditure incurred where there were contraventions of supply chain management legislation and, conversely, recognised irregular expenditure where no such contravention had occurred. Adequate internal controls were not in place to maintain the records of irregular expenditure, and the impact on the disclosed balance of R3,65 billion (2024-25: R3,03 billion) could not be determined. The Committee records that the qualification arises from a records and control failure rather than a finding that the disclosed amount is in its entirety improper, and that the resolution of this single matter is the decisive determinant of the 2026/27 audit outcome.

The Committee further notes:

- **Emphasis of matter:** the going concern disclosure dealing with delayed payments and funding constraints; contingent liabilities of R6,58 billion relating to medical negligence litigation and claims against the state; and payables not recognised of R932,50 million that exceeded the 30-day payment term and that would have constituted unauthorised expenditure had they been paid when due.

- **Performance information:** material findings on the district health services programme, classified as preventable material misstatements that were not corrected, and no material findings on the provincial hospital services programme.
- **Compliance with legislation:** material findings under six themes, being annual financial statements, expenditure management, asset management, strategic planning, procurement and contract management, and consequence management.
- **Internal control deficiencies:** inconsistent enforcement of consequence management by leadership, ineffective oversight and monitoring of audit action plans, and inadequate reviews and reconciliations by management.
- **Material irregularity:** the AGSA identified a material irregularity relating to unauthorised, irregular and fruitless and wasteful expenditure that was not investigated and notified the Accounting Officer in terms of material irregularity regulation 3(2). The Accounting Officer's responses were not yet due at the date of the audit report, and the matter will be carried into the 2026/27 audit report. The Committee regards the resolution of this material irregularity within the prescribed process as the Department's highest priority governance obligation for 2026/27 and has placed it as a standing item on its agenda.
- **Other reports:** investigations by the Special Investigating Unit into possible fraudulent medico-legal claims under Proclamation R74 of 2022; investigations by the Office of the Premier into alleged infrastructure irregularities, the non-functionality of a hospital board and irregular appointments; and the Department's own investigations into financial and supply chain misconduct.

The Committee acknowledges the work undertaken by the Accounting Officer and her team during the audit. The Department entered the audit with five matters identified as being at risk of qualification, namely irregular expenditure, contingent liabilities, immovable assets, capital work in progress and goods and services expenditure. Four of those exposures were resolved during the audit cycle and the qualification was contained to a single matter. The Committee records this improvement, while emphasising that the overall audit outcome has not moved and that the improvement will only be realised in the audit outcome if the irregular expenditure register, the expired contract portfolio and the investigation of unauthorised, irregular and fruitless and wasteful expenditure are addressed during 2026/27.

The Audit Committee concurs with and accepts AGSA's conclusions on the annual financial statements, and is of the opinion that the audited annual financial statements should be accepted and read together with the AGSA's report.

Conclusion

The Audit Committee appreciates the cooperation and support of the Department's management, the AGSA and Internal Audit in fulfilling the Committee's mandate and records its appreciation of the Accounting Officer and her executive team for their engagement with the Committee throughout a demanding year. The Committee remains committed to supporting the Department in strengthening its control environment and will continue to monitor the matters recorded in this report at each of its quarterly meetings during 2026/27.

Mr Eugene V. Looste
Chairperson: Audit and Risk Committee
Vote 7 – Department of Health

Date: 19 August 2026

B-BBEE COMPLIANCE PERFORMANCE INFORMATION

Table: 1B-BBEE Compliance performance information

Has the Department / Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	**Response Yes / No**	**Discussion (*include a discussion on your response and indicate what measures have been taken to comply*)**
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	No	The Department licences private emergency medical operators. Currently, the Department licences everyone who qualifies and meets the minimum standards that have been set. BBBEE is thus not applied in the province as yet. The Department is also currently not considering BBBEE in the licencing of private hospitals.
Developing and implementing a preferential procurement policy?	Yes	The Department has an approved Preferential Procurement Policy in line with Treasury directives.
Determining qualification criteria for the sale of state-owned enterprises?	No	Not applicable to the Department of Health. Department not involved in the sale of state-owned enterprises.
Developing criteria for entering into partnerships with the private sector?	No	There are currently no specific criteria for the Department when entering into partnerships. Most partnerships are with the non-government organisations (NGOs)
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	No	Not applicable to the Department of Health

PART D: HUMAN RESOURCES OVERSIGHT REPORT

INTRODUCTION

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

Human Resource Management Services (HRMS) endeavoured to pursue its strategic intent by aligning internal human resource processes to Government's human resource policies and strategies, to ensure the execution of the Department's mandated functions. In doing so, HRMS accomplished significant achievements in some areas whilst the most prominent challenge experienced related to the Compensation of Employees (CoE) budget allocation received.

OVERVIEW OF HUMAN RESOURCES

Achievements

The vacancy rate at the end of the reporting period was 8.9% (6 662/75 779).
To ensure the availability of staff with scarce skills in the Department, the ratio of Medical Officers and Professional Nurses per 100 000 population had an improved performance as follows during 2025/26. The improved performance can be ascribed to the Department having sourced additional funding through the Provincial Cabinet, additional posts were filled resulting in an increase in numbers and thus the target being met:

- The actual performance of Medical Officers was 33.3 / 100 000 against a target of 27.0.
- The actual performance of Professional Nurses was 139 / 100 000 against a target of 139.

The Department identified 685 critical posts at a cost of R398 513 497 in various occupations to be filled during 2025/26. Due to the Department having sourced additional funding through the Provincial Cabinet and the National Department of Health, 936 critical posts were identified for filling. These posts have been advertised, and the recruitment processes are proceeding. 20 Posts of Medical Officers were finalised and the candidates' assumed duties on 01/11/2025. A further 749 posts of other categories were finalised with processes still being undertaken to finalise the remaining posts during 2026/27. Additionally, 5092 Community Health Workers (CHWs) were appointed to level 2 on a permanent basis during the reporting period.

There are 612 Non-Clinical Interns of which 468 are female and 144 are males. There are 135 Work Integrated Learners (WIL) of which 111 are females and 24 are males. A total of 22 647 employees (14 552 females and 8095 males) has undergone various training and development initiatives during 2025/26 utilising the Department's skill development budget. Further, 675 Managers were trained on Clinical Leadership training in the following modules – Fundamental of Clinical Leadership and Supervision in Nursing and Core Management Skills, Professionalism and Ethics in Nursing whilst 20 Managers were trained on Monitoring and Evaluation, 24 Managers were trained on Advanced Project Management, and 67 Managers were trained on Emotional Intelligence. The target of 20 Persal Users attending training in

the 2025/2026 financial year was achieved, with 232 users trained, with 137 Female, 95 Male, and 2 Employees with Disability.

In respect of performance management, out of 81 SMS members, 77 were compliant with the signing of performance agreements by 31 May 2025, 1 submitted after the deadline date and 3 were non-compliant resulting in a 96% compliance rate. Non-compliant SMS members were issued with disciplinary letters and advised on non-qualification of package progression. Out of 68046 employees on salary levels 1 to 12, 61568 of the eligible employees' performance agreements were captured on PERSAL and 6478 were not captured which results in a 90% compliance rate. Reasons for not reaching 100% is due newly appointed CHWs who have 3 months in which to complete performance agreements, network challenges, prolonged leave of absence and staff not participating in PMDS (due to certain occupations being e.g. Student Nurses, Learners, etc. not being part of the PMDS). 97% of employees performed satisfactorily and above during the reporting period. Personal Development Plans have been put in place to address the performance for the 3% of non-satisfactory performing employees

The KwaZulu-Natal College of Nursing (KZNCN) awarded a total of 221 bursaries for first year nursing students, as opposed to a target of 240, due to financial constraints and insufficient academic staff in one campus. The 221 students comprised of 140 female and 81 males and all 221 are from the youth category.

KZNCN successfully hosted a graduation ceremony with a total of 432 graduates entering the nursing profession. The graduates included a total of 171 in the General Nurse Category and 261 in the Advanced Diploma in Midwifery, which is a historical event for the college, as this was the first cohort of nurses graduating in this category from the college. KZNCN has made further progress in the implementation of the new Nursing Qualifications with the Postgraduate Diplomas in Adult Critical Care and Perioperative Nursing commencing in January 2026 with a collective total of 51 students. The Postgraduate Diplomas in Primary Care, Nephrology and Ophthalmic Nursing have also been fully accredited by the South and African Nursing Council and the Council on Higher Education and will commence in the new financial year.

16 Students completed the Higher Certificate in Emergency Care in December 2025 allowing for them to be now registered with HPCSA as Emergency Care Assistants.

The senior appointments made in the Department for the reporting period were for the posts of Head of Department, District Director: uMzinyathi Health District, Chief Executive Officer (CEO): Inkosi Albert Luthuli Central Hospital, CEO: GJG Mpanza Hospital, CEO: Newcastle Hospital, CEO: RK Khan Hospital, Director: HAST, Director: MCWH, Director: PHC and Director: Legal Services.

The Departmental Annual Employment Equity (EE) Report for period 1 September 2024 to 31 August 2025 was approved by the Head of Department on 12 December 2025. The approved Annual EE Report was submitted to Department of Employment and Labour on 22 December 2025 electronically and acknowledgement letter was received. The Departmental Employment Equity Plan for period 1 September 2025 to 31 August 2030 was approved by the Head of Department on 12 December 2025.

In respect of Diversity Management compliance, the Gender Equality Strategic Framework Plan for 2025/26 were submitted to the Department of Public Service and Administration (DPSA) and the Office of the Premier (OTP) on 26 May 2025 and acknowledged by the DPSA on 27June 2025. The Gender Equality Strategic Framework Report for 2024/2025 and the Gender Equality Strategic Framework Plan for 2025/26 were submitted to the DPSA and OTP on 26 May 2025 and acknowledged by the DPSA on 27 May 2025. The Diversity Management Unit, together with the Departmental Women's Forum, planned and hosted a peaceful protest in commemoration of the 16 days of Activism. Additionally, the Diversity Management Unit together with the Departmental Employees with Disabilities Forum successfully planned and hosted the Departmental Empowerment Conference on Employment and Retention of employees with disabilities in the Department during the Disability Rights Awareness Month. In addition, the Diversity Management Unit together with the Departmental Women's Forum successfully planned and hosted the Departmental Women's Month Commemoration Programme that took place on 28 August 2025 in uThukela District.

The Medium-Term Expenditure Framework HR Plan for the period 1 April 2025 to 31 March 2028 was approved by the HOD on the 2 March 2026 and further submitted to the Office of the Premier on the 9 March 2026.

820 Community Service and 423 Medical Interns were appointed during the January 2026 intake whilst 180 Pharmacy internship posts and 30 Clinical Psychology posts were filled.

83 Registrars were appointed during the January 2026 intake with an additional 20 Registrar posts to be filled. These posts are funded through funding from the National Department of Health. This will increase the number of funded Registrar posts from 337 to 357.

Employee Health and Wellness (EHW) committees are functional and sit once a quarter. Health and wellness screenings were conducted as well as wellness preventative and awareness programs are implemented throughout the Province. For financial wellness training, 3774 employees were reached, for work and play 9592 employees participated and 2783 EHW educational sessions were conducted. Counselling services are available to employees with a total of 26 553 employees that received counselling support. The Bereavement policy has been developed and is in the final stages of approval.

Four Public Health and Social Development Sectoral Bargaining Council (PHSDSBC) Chamber meetings were held during 2025/26 between the employer and trade unions. The Department also established Institutional and Management Labour Committees in all Health Districts. These platforms seek to address transversal challenges affecting employees and the Department and prevents unnecessary industrial actions that may negatively impact service delivery imperatives. Furthermore, the Department conducted 146 labour relations workshops at health facilities in the Department with the aim of ensuring compliance with labour relations prescripts.

Challenges

- A decision has been taken that, due to financial constraints being experienced by the Department, no new in-service bursaries (to serving employees) will be issued for the 2026 academic year.
- 228 employees demised whilst 42 employees were discharged as a result of ill-health and 1 074 employees retired during the reporting period.
- The Department's inability to fill posts as a result of the limited budget allocations has a negative impact on service delivery as replacement posts cannot be filled immediately which implies that existing staff have to take on additional workloads which, consequently, has a negative impact on staff well-being as well as service delivery backlogs as a result of having vacant posts. The situation was compounded by the recent increased number of exits due to the early retirement and voluntary exit programme.
- There is a shortage of Investigating Officers and Presiding Officers to handle the large volume of misconduct cases. There are also numerous requests for postponements by parties. Additionally, there is a shortage of dedicated Labour Relations Practitioners in health facilities which adds to delays in finalizing misconduct cases.
- Due to the financial constraints faced by the Department, HRMS has been unable to conduct many planned activities, e.g. Support and Compliance visits and Audit support visits to institutions, awareness sessions on Gender and Disability.
- There is an increase in mental health challenges for employees with not enough practitioners to offer support. There is a desperate need for Psychologists based in District Offices to support facilities, EMS and FPS deal with mental health challenges as some facilities do not have Wellness Practitioners. Budgetary constraints make it difficult to implement the EHW program resulting in the EHW program having to rely on sponsorships to supplement activities.
- The department lacks stable computer network connectivity and widespread laptop usage to enable employees to attend online Persal training courses (currently only the Introduction Course is available for online training) and thus relies on in-person training sessions conducted by the KZN Office of the Premier.

HUMAN RESOURCES OVERSIGHT STATISTICS

Future Human Resource Plans/Goals

To ensure that the HR Management Service Unit provides strategic, value-added and timeous services to the Department.

1.1 Personnel related expenditure

The following tables summarise the final audited personnel related expenditure by programme and by salary bands. It provides an indication of the following:

- Amount spent on personnel
- Amount spent on salaries, overtime, homeowner's allowances, and medical aid.

Table 50: (3.1.1) Personnel expenditure by programme for the period 1 April 2025 - 31 March 2026

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and special services expenditure (R'000)	Personnel expenditure as a % of total expenditure	Average personnel cost per employee (R'000)
ADMINISTRATION	2 227 906,00	559 851,00	0,00	0,00	25,10	626,00
CENTRAL HOSPITAL SERVICES	6 106 004,00	3 717 521,00	0,00	0,00	60,90	694,00
DISTRICT HEALTH SERVICES	29 617 962,00	19 358 983,00	0,00	0,00	65,40	388,00
EMERGENCY MEDICAL SERVICES	1 879 290,00	1 389 520,00	0,00	0,00	73,90	500,00
HEALTH CARE SUPPORT SERVICES	465 301,00	177 663,00	0,00	0,00	38,20	418,00
HEALTH FACILITIES MANAGEMENT	2 073 684,00	99 794,00	0,00	0,00	4,80	25,00
HEALTH SCIENCES & TRAINING	1 423 297,00	1 282 025,00	0,00	0,00	90,10	448,00
PROVINCIAL HOSPITAL SERVICES	14 364 846,00	10 798 235,00	0,00	0,00	75,20	637,00
Total as on Financial Systems (BAS)	**58 158 290,00**	**37 383 592,00**	**0,00**	**0,00**	**64,30**	**450,00**

Source: Vulindlela HR Oversight Report extracted on 04/05/2026

Table 51: 3.1.2 Personnel costs by salary band for the period 1 April 2025 - 31 March 2026

Salary band	Personnel expenditure including transfers (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Lower skilled (Levels 1-2)	1 099 380	3	7441	147 7460
Skilled (Levels 3-5)	8 435 914	22	23790	354 599
Highly skilled production (Levels 6-8)	9 280 599	25	18680	496 820
Highly skilled supervision (Levels 9-12)	15 529 148	41	14231	109 1220
Senior management (Levels >= 13)	117 673	0	76	1 548 329
Other	170 374	1	297	573 650
Contract (Levels 1-2)	9 731	0	45	216 244
Contract (Levels 3-5)	40 834	0	239	170 854
Contract (Levels 6-8)	253 846	1	863	294 144
Contract (Levels 9-12)	1 808 286	5	1813	997 400
Contract (Levels >= 13)	7 590	0	6	1 265 000
Contract Other	67 483	0	1137	59 352
Periodical Remuneration	89 790	0	597	150 377
Abnormal Appointment	621 330	2	13942	44 567
TOTAL	**37 531 978**	**100**	**83157[3]**	**451 340**

Source: Vulindlela HR Oversight Report extracted on 04/05/2026

[3] Please note that this number includes all categories of employees with all natures of appointments e.g. permanent, temporary, contract, abnormal appointments, etc.

Table 52: (3.1.3) Salaries, Overtime, Homeowners Allowance and Medical Aid by programme for the period 1 April 2025 - 31 March 2026

Programme	Salaries		Overtime		Homeowners Allowance		Medical Aid	
	Amount (R'000	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
ADMINISTRATION	500 431,00	82,40	4 587,00	0,80	12 508,00	2,10	27 263,00	4,50
CENTRAL HOSPITAL SERVICES	2 803 028,00	74,70	304 394,00	8,10	105 382,00	2,80	198 795,00	5,30
DISTRICT HEALTH SERVICES	15 241 292,00	77,90	562 348,00	2,90	758 915,00	3,90	1 245 376,00	6,40
EMERGENCY MEDICAL SERVICES	935 148,00	67,00	168 964,00	12,10	64 957,00	4,70	115 777,00	8,30
HEALTH CARE SUPPORT SERVICES	128 374,00	71,20	3 231,00	1,80	9 802,00	5,40	20 664,00	11,50
HEALTH FACILITIES MANAGEMENT	5 274,00	7,10	0,00	0,00	45,00	0,10	113,00	0,20
HEALTH SCIENCES & TRAINING	1 017 246,00	78,80	225 101,00	17,40	6 600,00	0,50	12 487,00	1,00
PROVINCIAL HOSPITAL SERVICES	8 123 779,00	74,60	851 493,00	7,80	331 153,00	3,00	629 021,00	5,80
TOTAL	**28 754 572,00**	**76,20**	**2 120 118,00**	**5,60**	**1 289 362,00**	**3,40**	**2 249 496,00**	**6,00**

Source: Vulindlela HR Oversight Report extracted on 04/05/2026

Table 53: (3.1.4) Salaries, Overtime, Homeowners Allowance and Medical Aid by salary band for the period 1 April 2025 - 31 March 2026

Salary band	Salaries		Overtime		Homeowners Allowance		Medical Aid	
	Amount (R'000	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Lower skilled (Levels 1-2)	791 278,00	72,00	1 352,00	0,10	86 982,00	7,90	116 815,00	10,60
Skilled (Levels 3-5)	5 978 973,00	70,60	142 530,00	1,70	555 533,00	6,60	1 002 881,00	11,80
Highly skilled production (Levels 6-8)	7 164 749,00	76,60	148 656,00	1,60	416 947,00	4,50	706 790,00	7,60
Highly skilled supervision (Levels 9-12)	12 143 062,00	77,70	1 433 441,00	9,20	227 783,00	1,50	420 328,00	2,70
Senior management (Levels >= 13)	101 385,00	83,90	2 157,00	1,80	543,00	0,40	681,00	0,60
Other	167 745,00	97,90	327,00	0,20	304,00	0,20	716,00	0,40
Contract (Levels 1-2)	9 382,00	96,40	53,00	0,50	86,00	0,90	72,00	0,70
Contract (Levels 3-5)	39 880,00	97,10	123,00	0,30	185,00	0,50	298,00	0,70
Contract (Levels 6-8)	249 238,00	98,00	2 467,00	1,00	252,00	0,10	715,00	0,30
Contract (Levels 9-12)	1 397 535,00	77,20	389 008,00	21,50	747,00	0,00	200,00	0,00
Contract (Levels >= 13)	7 119,00	90,20	0,00	0,00	0,00	0,00	0,00	0,00
Contract Other	67 479,00	99,10	3,00	0,00	0,00	0,00	0,00	0,00
Periodical Remuneration	89 778,00	93,50	0,00	0,00	0,00	0,00	0,00	0,00

Salary band	Salaries		Overtime		Homeowners Allowance		Medical Aid	
	Amount (R'000	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Abnormal Appointment	546 970,00	88,00	0,00	0,00	0,00	0,00	0,00	0,00
TOTAL	**28 754 573,00**	**76,20**	**2 120 117,00**	**5,60**	**1 289 362,00**	**3,40**	**2 249 496,00**	**6,00**

Source: Vulindlela HR Oversight Report extracted on 04/05/2026

1.2 Employment and Vacancies

The tables in this section summarise the position with regard to employment and vacancies.

The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate, and whether there are any staff that are additional to the establishment.

This information is presented in terms of three key variables:

- programme
- salary band
- critical occupations (see definition in notes below).

Departments have identified critical occupations that need to be monitored. In terms of current regulations, it is possible to create a post on the establishment that can be occupied by more than one employee. Therefore, the vacancy rate reflects the percentage of posts that are not filled.

Table 54: (3.2.1) Employment and vacancies by programme as on 31 March 2026

Programme	Number of posts on approved establishment[4]	Number of posts filled[5]	Vacancy Rate	Number of employees additional to the establishment[6]
ADMINISTRATION	815	733	10,10	147
CENTRAL HOSPITAL SERVICES	6245	5344	14,40	5
DISTRICT HEALTH SERVICES	41358	38029	8,00	1467
EMERGENCY MEDICAL SERVICES	3107	2777	10,60	0
HEALTH CARE SUPPORT SERVICES	453	425	6,20	0
HEALTH FACILITIES MANAGEMENT	3	3	0,00	0
HEALTH SCIENCES & TRAINING	402	311	22,60	3188
PROVINCIAL HOSPITAL SERVICES	18564	16800	9,50	91
TOTAL	**70947**	**64422**	**9,20**	**4898**

Source: Vulindlela HR Oversight Report extracted on 04/05/2026

[4] These are actual Posts on Persal. Organograms are not captured to ensure compliance with Cabinet Resolution to keep vacancy rates below 10%.
[5] This refers to filled posts. Please note that more than one sessional employee may occupy a post.
[6] Please note that as per a DPSA Directive, employees in training ranks e.g. Medical Interns and Community Service ranks e.g. Community Service Pharmacists are employed on contract and their posts are created as additional to the establishment in addition to additional to employment posts.

Table 55: (3.2.2) Employment and vacancies by salary band as on 31 March 2026

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Lower Skilled (Levels 1-2)	7936	7325	7,70	132
Skilled (Levels 3-5)	24695	23618	4,40	172
Highly Skilled Production (Levels 6-8)	20261	18629	8,10	52
Highly Skilled Supervision (Levels 9-12)	17408	14225	18,30	6
Senior Management (Levels >= 13)	98	76	22,40	0
Other, Permanent	299	299	0,00	1819
Contract (Levels 1-2)	5	5	0,00	40
Contract (Levels 3-5)	30	30	0,00	209
Contract (Levels 6-8)	19	19	0,00	845
Contract (Levels 9-12)	191	191	0,00	1622
Contract (Levels >= 13)	5	5	0,00	1
TOTAL	**70947**	**64422**	**9,20[7]**	**4898**

Source: Vulindlela HR Oversight Report extracted on 04/05/2026

[7] Please note that the actual vacancy rate is 8.9% (6 662/75 779) as the DPSA who have revised the calculation of vacancy rates in the Public Service where frozen posts are now excluded from the calculation of vacancy rates. This Vulindlela data table will be updated by the DPSA and National Treasury.

Table 56: (3.2.3) Employment and vacancies by critical occupations as on 31 March 2026

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment[8]
Artisan	368	326	11,41%	
Audiologist	87	82	5,75%	38
Chiropodist	1	1	0,00%	
Dentist	115	110	4,35%	44
Dietician	162	158	2,47%	45
EMRS	3018	2693	10,77%	
Engineer	51	37	27,45%	1
Environmental Health	83	78	6,02%	24
Medical Physicist	9	8	11,11%	
Medical Practitioner	4633	4048	12,63%	1302
Medical Specialist	948	633	33,23%	
Medical Technician/Technologist	108	95	12,04%	
Nurse Professional	20059	16716	16,67%	19
Nutritionist	21	21	0,00%	
Occupational Therapist	120	105	12,50%	75
Optometrist	65	64	1,54%	1
Oral Hygienist	28	26	7,14%	
Pharmacist	775	749	3,35%	196
Physiotherapist	239	231	3,35%	73
Psychologist	70	64	8,57%	8

[8] Please note that as per a DPSA Directive, employees in training ranks e.g. Medical Interns and Community Service ranks e.g. Community Service Pharmacists are employed on contract and their posts are created as additional to the establishment in addition to additional to employment posts.

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment[8]
Radiographer	610	564	7,54%	63
Social Worker	255	248	2,75%	26
Speech Therapist	61	57	6,56%	47
Grand Total	**31886**	**27114**	**14,97%**	**1962**

Source: Vulindlela HR Oversight Report extracted on 04/05/2026

a. Filling of SMS Posts

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

Table 57: (3.3.1) SMS post information as on 31 March 2026

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/Head of Department	1	1	100%	0	0%
Salary Level 16	1	1	100%	0	0%
Salary Level 15	7	4	57%	3	43%
Salary Level 14	21	11	52%	10	48%
Salary Level 13	89	64	72%	25	28%
Total	**119**	**81**	**68%**	**38**	**32%**

Source: PERSAL Establishment Report 31/03/2026

Table 58: (3.3.2) SMS post information as on 30 September 2025

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/Head of Department	1	0	0%	1	100%
Salary Level 16	1	1	100%	0	0%
Salary Level 15	7	4	57%	3	43%
Salary Level 14	21	12	57%	9	43%
Salary Level 13	89	66	74%	23	26%
Total	**119**	**83**	**70%**	**36**	**30%**

Source: PERSAL Establishment Report 30/09/2025

Table 59: (3.3.3) Advertising and filling of SMS posts for the period 1 April 2025 - 31 March 2026

SMS Level	Advertising	Filling of Posts	
	Number of vacancies per level advertised in 6 months of becoming vacant	Number of vacancies per level filled in 6 months of becoming vacant	Number of vacancies per level not filled in 6 months but filled in 12 months
Director-General/Head of Department	0	0	2
Salary Level 16	0	1	1
Salary Level 15	0	0	0
Salary Level 14	0	0	0
Salary Level 13	0	0	0
Total	**0**	**1**	**3**

Source: Acting Director: HR Practices and Administration

Table 60: (3.3.4) Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2025 - 31 March 2026

Reasons for vacancies not advertised within six months
Due to budgetary constraints.

Reasons for vacancies not filled within twelve months
Due to budgetary constraints.

Source: Acting Director: HR Practices and Administration

Table 61: 3.3.5) Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2025 - 31 March 2026

Reasons for vacancies not advertised within six months
Due to budgetary constraints.

Reasons for vacancies not filled within six months
Due to budgetary constraints

Source: Acting Director: HR Practices and Administration

b. Job Evaluation

Within a nationally determined framework, executing authorities may evaluate or re-evaluate any job in his or her organisation. In terms of the Regulations all vacancies on salary levels 9 and higher must be evaluated before they are filled. The following table summarises the number of jobs that were evaluated during the year under review. The table also provides statistics on the number of posts that were upgraded or downgraded.

Table 62: (3.4.1) Job Evaluation by Salary band for the period 1 April 2025 - 31 March 2026

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower Skilled (Levels 1-2)	7936	5056	63,70	0	0,00	0	0,00
Skilled (Levels 3-5)	24695	0	0,00	3	100,00	0	0,00
Highly Skilled Production (Levels 6-8)	20261	0	0,00	0	0,00	0	0,00
Highly Skilled Supervision (Levels 9-12)	17408	0	0,00	2	0,00	0	0,00
Senior Management Service Band A	72	10	0,00	0	0,00	0	0,00
Senior Management Service Band B	19	3	0,00	0	0,00	0	0,00
Senior Management Service Band C	6	2	0,00	0	0,00	0	0,00
Senior Management Service Band D	1	0	0,00	0	0,00	0	0,00
Other	299	0	0,00	1	100,00	0	0,00
Contract (Levels 1-2)	5	0	0,00	0	0,00	0	0,00
Contract (Levels 3-5)	30	0	0,00	0	0,00	0	0,00
Contract (Levels 6-8)	19	0	0,00	0	0,00	0	0,00
Contract (Levels 9-12)	191	0	0,00	0	0,00	0	0,00
Contract Band A	3	0	0,00	0	0,00	0	0,00
Contract Band B	1	0	0,00	0	0,00	0	0,00
Contract Band D	1	0	0,00	0	0,00	0	0,00
TOTAL	**70947**	**5071**	**7,10**	**6**	**66,67**	**0**	**0,00**

Source: Vulindlela HR Oversight Report extracted on 04/05/2026 and Director: Organisational Efficiency Services

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

Table 63: (3.4.2) Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2025 - 31 March 2026

Gender	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	**0**

Employees with a Disability	0

Source: Vulindlela HR Oversight Report extracted on 04/05/2026 and Acting Director: HR Practices and Administration

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

Table 64: (3.4.3) Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2025 - 31 March 2026

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
CLERICAL SUPPORT WORKERS	10	3-10	5-12	Grade Progression
ELEMENTARY	2	2	3-4	Grade Progression
MANAGERS	3	12-13	13-15	Head hunting/retention
PROFESSIONALS	356	6-12	7-14	Grade Progression/ OSD implementation
PROTECT RESCUE SOCIAL HEALTH SCIENCE SUPPORT PERS	263	2-10	3-11	Grade Progression/ OSD implementation
SKILL AGRI FORES FISH CRAFT RELATED TRADES WORKERS	2	6	7	Grade Progression/ OSD implementation

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
TECHNICIANS & ASSOCIATE TECHNICAL OCCUPATIONS	133	3-9	4-10	Grade Progression/ OSD implementation
Total number of employees whose salaries exceeded the level determined by job evaluation				**769**
Percentage of total employed				**1.12%**

Source: Vulindlela HR Oversight Report extracted on 04/05/2026 and Acting Director: HR Practices and Administration

The following table summarises the beneficiaries of the above in terms of race, gender, and disability.

Table 65: (3.4.4) Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2025 - 31 March 2026

Gender	African	Asian	Coloured	White	Total
Female	483	42	7	7	539
Male	201	26	1	2	230
Total	**684**	**68**	**8**	**9**	**769**
Employees with a disability	0	0	0	0	0

Source: Vulindlela HR Oversight Report extracted on 04/05/2026 and Acting Director: HR Practices and Administration

Employment Changes

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

Table 66: (3.5.1) Annual turnover rates by salary band for the period 1 April 2025 - 31 March 2026

Salary band	Number of employees at beginning of period-1 April 2025	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower Skilled (Levels 1-2)	3324	4513	88	2,60
Skilled (Levels 3-5)	25069	209	674	2,70
Highly Skilled Production (Levels 6-8)	18063	170	633	3,50
Highly Skilled Supervision (Levels 9-12)	14580	338	802	5,50
Senior Management Service Band A	58	0	4	6,90
Senior Management Service Band B	12	0	0	0,00
Senior Management Service Band C	5	0	1	20,00
Senior Management Service Band D	2	0	1	50,00
Other	1427	739	643	45,10
Contract (Levels 1-2)	56	0	1	1,80
Contract (Levels 3-5)	127	173	35	27,60
Contract (Levels 6-8)	780	482	408	52,30
Contract (Levels 9-12)	1958	1060	1100	56,20
Contract Band A	3	1	0	0,00
Contract Band B	1	0	0	0,00
TOTAL	**65465**	**7685**	**4390**	**6,70**

Source: Vulindlela HR Oversight Report extracted on 04/05/2026

Table 67: (3.5.2) Annual turnover rates by critical occupation for the period 1 April 2025 - 31 March 2026

Critical occupation	Number of employees at beginning of period-April 2025	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
ALL ARTISANS IN THE BUILDING METAL MACHINERY ETC.	174	0	9	5,20
AMBULANCE AND RELATED WORKERS	2655	4	81	3,10
AUDIOLOGIST	119	41	39	32,80
DENTIST	146	51	46	31,50
DIETICIAN	207	40	43	20,80
ENGINEERS AND RELATED PROFESSIONALS	31	9	16	51,60
ENVIRONMENTAL HEALTH OFFICER	99	23	21	21,20
HEAD OF PROVINCIAL GOVERNMENT COMPONENT	1	0	0	0,00
MEDICAL PRACTITIONERS	3846	1141	982	25,50
MEDICAL SPECIALISTS	1043	182	171	16,40
MEDICAL TECHNICIANS/TECHNOLOGISTS	107	1	6	5,60
NUTRITIONIST	32	0	1	3,10
OCCUPATIONAL THERAPIST	177	73	67	37,90
OPTOMETRIST	63	3	1	1,60
ORAL HYGIENIST	26	0	0	0,00
PHARMACISTS	1035	225	307	29,70
PHYSICIST	8	0	0	0,00
PHYSIOTHERAPIST	312	79	83	26,60
PODIATRIST	1	0	0	0,00
PROFESSIONAL NURSE	17216	288	815	4,70
PSYCHOLOGISTS AND VOCATIONAL COUNSELLORS	98	26	26	26,50

Critical occupation	Number of employees at beginning of period-April 2025	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
RADIOGRAPHY	637	66	80	12,60
SENIOR MANAGERS	10	0	0	0,00
SOCIAL WORK AND RELATED PROFESSIONALS	262	13	1	0,40
SPEECH THERAPIST	112	53	59	52,70
TOTAL	**28417**	**2318**	**2854**	**10,00**

Source: Vulindlela HR Oversight Report extracted on 04/05/2026

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

Table 68: (3.5.3) Reasons why staff left the department for the period 1 April 2025 - 31 March 2026

Termination Type	Number	% of Total Resignations
Death	228	5,20
Resignation	878	20,00
Expiry of contract	2052	46,70
Transfers	1	0,00
Dismissal-operational changes[9]	1	0,00
Discharged due to ill health	42	1,00
Dismissal-misconduct	92	2,10
Dismissal-inefficiency	3	0,10
Retirement	1074	24,50
Other	19	0,40
TOTAL	**4390**	**100,00**
Total number of employees who left as a % of total employment		**6.40**

Source: Vulindlela HR Oversight Report extracted on 04/05/2026 and Acting Director: Service Conditions

[9] The incorrect termination type was captured on PERSAL and the code is being corrected.

Table 69: (3.5.4) Promotions by critical occupation for the period 1 April 2025 - 31 March 2026

Occupation	Employees 1 April 2025	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
ALL ARTISANS IN THE BUILDING METAL MACHINERY ETC.	193	0	0,00	100	51,80
AMBULANCE AND RELATED WORKERS	2655	0	0,00	1524	57,40
AUDIOLOGIST	119	0	0,00	62	52,10
DENTIST	146	0	0,00	79	54,10
DIETICIAN	207	0	0,00	123	59,40
ENGINEERS AND RELATED PROFESSIONALS	33	0	0,00	4	12,10
ENVIRONMENTAL HEALTH OFFICER	99	0	0,00	69	69,70
HEAD OF PROVINCIAL GOVERNMENT COMPONENT	1	0	0,00	0	0,00
MEDICAL PRACTITIONERS	3846	12	0,30	1471	38,20
MEDICAL SPECIALISTS	1111	35	3,20	355	32,00
MEDICAL TECHNICIANS/TECHNOLOGISTS	107	0	0,00	80	74,80
NUTRITIONIST	32	0	0,00	12	37,50
OCCUPATIONAL THERAPIST	177	0	0,00	77	43,50
OPTOMETRIST	63	0	0,00	45	71,40
ORAL HYGIENIST	26	0	0,00	23	88,50
PAEDIATRICS NURSE	1250	2	0,20	633	50,60
PHARMACISTS	1509	1	0,10	430	28,50
PHYSICIST	8	0	0,00	2	25,00
PHYSIOTHERAPIST	312	0	0,00	182	58,30
PODIATRIST	1	0	0,00	1	100,00
PROFESSIONAL NURSE	15966	55	0,30	7212	45,20
PSYCHOLOGISTS AND VOCATIONAL COUNSELLORS	98	0	0,00	43	43,90

Occupation	Employees 1 April 2025	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
RADIOGRAPHY	637	0	0,00	455	71,40
SENIOR MANAGERS	10	0	0,00	0	0,00
SOCIAL WORKER	1270	0	0,00	421	33,10
SPEECH THERAPIST	112	0	0,00	45	40,20
TOTAL	**29988**	**105**	**0,40**	**13448**	**44,80**

Source: Vulindlela HR Oversight Report extracted on 04/05/2026

Table 70: (3.5.5) Promotions by salary band for the period 1 April 2025 - 31 March 2026

Salary Band	Employees 1 April 2025	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Lower Skilled (Levels 1-2)	3324	0	0,00	2044	61,50
Skilled (Levels 3-5)	25069	2	0,00	14578	58,20
Highly Skilled Production (Levels 6-8)	18063	31	0,20	10634	58,90
Highly Skilled Supervision (Levels 9-12)	14580	68	0,50	7223	49,50
Senior Management (Levels >= 13)	77	6	7,80	2	2,60
Other, Permanent	1427	0	0,00	4	0,30
Contract (Levels 1-2)	56	0	0,00	4	7,10
Contract (Levels 3-5)	127	0	0,00	39	30,70
Contract (Levels 6-8)	780	0	0,00	88	11,30
Contract (Levels 9-12)	1958	7	0,40	34	1,70
Contract (Levels >= 13)	4	0	0,00	0	0,00

Salary Band	Employees 1 April 2025	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
TOTAL	**65465**	**114**	**0,20**	**34650**	**52,90**

Source: Vulindlela HR Oversight Report extracted on 04/05/2026

Employment Equity

Table 71: (3.6.1) Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2026

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
CLERKS	1	0	0	0	7	0	0	0	8
SERVICE SHOP AND MARKET SALES WORKERS	8	0	1	0	46	0	0	0	55
LABOURERS AND RELATED WORKERS	44	0	0	0	80	0	0	1	125
CLERICAL SUPPORT WORKERS	2672	34	197	9	4682	90	293	42	8019
ELEMENTARY	1418	20	94	10	2202	14	51	4	3813
MANAGERS	289	6	26	14	272	6	21	12	646
PLANT & MACHINE OPERATORS & ASSEMBLERS	354	3	26	1	19	0	1	0	404
PROFESSIONALS	4817	73	928	189	16890	385	2311	373	25966
PROTECT RESCUE SOCIAL HEALTH SCIENCE SUPPORT PERS	4656	33	320	5	20360	97	260	17	25748
SKILL AGRI FORES FISH CRAFT RELATED TRADES WORKERS	180	8	7	1	24	1	1	0	222
TECHNICIANS & ASSOCIATE TECHNICAL OCCUPATIONS	1204	18	157	7	1906	29	270	21	3612
TOTAL	**15643**	**195**	**1756**	**236**	**46488**	**622**	**3208**	**470**	**68618**

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Employees with disabilities	**189**	**3**	**31**	**5**	**187**	**4**	**24**	**5**	**448**

Source: Vulindlela HR Oversight Report extracted on 04/05/2026 and Acting Director: HR Strategy & Planning

Table 72: (3.6.2) Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2026

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	5	0	0	0	2	0	0	0	7
Senior Management	30	0	5	2	32	0	3	3	75
Professionally qualified and experienced specialists and mid-management	3493	70	856	173	8942	263	1934	313	16 044
Skilled technical and academically qualified workers, junior management, supervisors, foremen	4175	55	502	19	14734	227	865	120	20 697
Semi-skilled and discretionary decision making	6742	61	375	42	16547	118	390	34	24 309
Unskilled and defined decision making	1198	9	18	0	6231	14	16	0	7 486
TOTAL	**15643**	**195**	**1756**	**236**	**46488**	**622**	**3208**	**470**	**68618**

Source: Vulindlela HR Oversight Report extracted on 04/05/2026 and Acting Director: HR Strategy & Planning

Table 73: (3.6.3) Recruitment for the period 1 April 2025 to 31 March 2026

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Management	0	0	0	1	0	0	0	0	1
Professionally qualified and experienced specialists and mid-management	416	6	122	21	577	23	178	55	1398
Skilled technical and academically qualified workers, junior management, supervisors, foremen	233	3	13	0	717	13	63	38	1080

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Semi-skilled and discretionary decision making	128	7	85	21	392	4	50	6	693
06 Unskilled and defined decision making, Permanent	227	1	2	0	4267	8	8	0	4513
TOTAL	**1004**	**17**	**222**	**43**	**5953**	**48**	**299**	**99**	**7685**
Employees with disabilities	**4**	**0**	**0**	**0**	**4**	**0**	**0**	**0**	**8**

Source: Vulindlela HR Oversight Report extracted on 04/05/2026 and Acting Director: HR Strategy & Planning

Table 74: (3.6.4) Promotions for the period 1 April 2025 to 31 March 2026

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	1	0	0	0	1
Senior Management	2	0	0	0	5	0	0	0	7
Professionally qualified and experienced specialists and mid-management	1640	33	416	83	3927	122	980	131	7332
Skilled technical and academically qualified workers, junior management, supervisors, foremen	2259	36	304	9	7553	111	438	44	10754
Semi-skilled and discretionary decision making	4363	40	196	13	9670	81	244	15	14622
Unskilled and defined decision making	658	6	10	0	1367	3	4	0	2048
TOTAL	**8922**	**115**	**926**	**105**	**22523**	**317**	**1666**	**190**	**34764**
Employees with disabilities	**138**	**2**	**16**	**1**	**123**	**2**	**14**	**4**	**300**

Source: Vulindlela HR Oversight Report extracted on 04/05/2026 and Acting Director: HR Strategy & Planning

Table 75: (3.6.5) Terminations for the period 1 April 2025 to 31 March 2026

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	2	0	0	0	0	0	0	0	2
Senior Management	0	0	0	1	3	0	0	0	4
Professionally qualified and experienced specialists and mid-management	449	16	133	41	921	38	247	57	1902
Skilled technical and academically qualified workers, junior management, supervisors, foremen	335	4	40	7	882	29	102	53	1452
Semi-skilled and discretionary decision making	315	5	85	13	456	5	54	8	941
Unskilled and defined decision making	19	0	0	0	70	0	0	0	89
TOTAL	**1120**	**25**	**258**	**62**	**2332**	**72**	**403**	**118**	**4390**
Employees with disabilities	**13**	**0**	**3**	**4**	**6**	**0**	**1**	**1**	**28**

Source: Vulindlela HR Oversight Report extracted on 04/05/2026 and Acting Director: HR Strategy & Planning

Table 76: (3.6.6) Disciplinary action for the period 1 April 2025 to 31 March 2026

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Abscondments	6	0	1	0	1	0	0	0	8
Corrective counselling	01	0	0	0	5	0	0	0	06
Demotion	01	0	0	0	0	0	0	0	01
Dismissal	32	0	5	0	16	0	1	0	54
Final written warning	50	0	4	0	79	0	2	0	135
Not guilty	06	0	3	0	22	0	0	0	31
One month suspension without pay	28	1	0	0	34	1	2	0	66
Three months suspension without pay and final written warning	25	0	0	1	16	0	0	0	42

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Two months suspension without pay and final written warning	23	0	1	0	13	0	1	0	38
Two weeks suspension without pay and final written warning	01	0	0	0	1	0	0	0	2
Verbal warning	06	0	0	0	11	0	0	0	17
Withdrawn	41	0	5	1	53	2	1	0	103
Written warning	20	0	0	0	59	0	1	0	80
TOTAL	**240**	**1**	**19**	**2**	**310**	**3**	**8**	**0**	**583**

Source: FOSAD Report and Director Labour Relations

Table 77: (3.6.7) Skills development for the period 1 April 2025 to 31 March 2026

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	503	6	33	10	845	11	36	11	1455
Professionals	1511	16	71	25	5357	86	242	42	7350
Technicians and associate professionals	3085	68	610	8	3484	42	142	13	7452
Clerks	950	7	21	5	1508	11	23	2	2527
Service and sales workers	330	4	16	4	1104	4	5	0	1467
Skilled agriculture and fishery workers	7	0	0	0	1	0	0	0	8
Craft and related trades workers	77	0	3	0	21	0	2	0	103
Plant and machine operators and assemblers	36	1	2	0	12	0	0	0	51
Elementary occupations	78	0	2	0	78	2	3	1	164
Total	**6577**	**102**	**758**	**52**	**12410**	**156**	**453**	**69**	**20577**

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Employees with disabilities	-	-	-	-	-	-	-	-	**43**[10]

Source: Acting Director: HRD

c. Signing of Performance Agreements by SMS Members

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

Table 78: (3.7.1) Signing of Performance Agreements by SMS members as on 31 May 2025

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General/Head of Department	1	0	0[11]	0%
Salary Level 16	1	1	0[12]	0
Salary Level 15	6	4	3	75%
Salary Level 14	20	13	12	92%
Salary Level 13	80	61	56	92%
Total	**108**	**79**	**71**	**86%**

Source: Acting Director: HRD

[10] The source document template, the Annual Training Report, only provides distribution by race only and not gender for PWDs, hence only total PWDs were provided.
[11] The post of Head of Department was vacant.
[12] The Performance agreement for the MEC is administered by the Office of the Premier.

Table 79: (3.7.2) Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2026

Reasons
2 SMS member were suspended
2 SMS members were non-compliant
3 SMS members submitted after the deadline
7 SMS member did not sign performance agreements

Source: Acting Director: HRD

Table 80: (3.7.3) Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2026

Reasons
Disciplinary letters were issued and non-payment of pay progression to those employees that were non-compliant.

Source: Acting Director: HRD

d. Performance Rewards

To encourage good performance, the department has granted the following performance rewards during the year under review. The information is presented in terms of race, gender, disability, salary bands and critical occupations (see definition in notes below).

Table 81: (3.8.1) Performance Rewards by race, gender and disability for the period 1 April 2025 to 31 March 2026

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African, Female	0	46301	0,00	0,00	0,00
African, Male	0	15454	0,00	0,00	0,00
Asian, Female	0	3184	0,00	0,00	0,00
Asian, Male	0	1725	0,00	0,00	0,00
Coloured, Female	0	618	0,00	0,00	0,00
Coloured, Male	0	192	0,00	0,00	0,00

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
Total Blacks, Female	0	50103	0,00	0,00	0,00
Total Blacks, Male	0	17371	0,00	0,00	0,00
White, Female	0	465	0,00	0,00	0,00
White, Male	0	231	0,00	0,00	0,00
Employees with a disability	0	448	0,00	0,00	0,00
TOTAL	**0**	**68618**	**0,00**	**0,00**	**0,00**

Source: Vulindlela HR Oversight Report extracted on 04/05/2026

Table 82: (3.8.2) Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2025 to 31 March 2026

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Lower Skilled (Levels 1-2)	0	7421	0,00	0,00	0,00	0
Skilled (Levels 3-5)	0	23605	0,00	0,00	0,00	0
Highly Skilled Production (Levels 6-8)	0	18337	0,00	0,00	0,00	0
Highly Skilled Supervision (Levels 9-12)	0	13570	0,00	0,00	0,00	0
Other	0	1386	0,00	0,00	0,00	0
Contract (Levels 1-2)	0	45	0,00	0,00	0,00	0
Contract (Levels 3-5)	0	237	0,00	0,00	0,00	0
Contract (Levels 6-8)	0	861	0,00	0,00	0,00	0
Contract (Levels 9-12)	0	1806	0,00	0,00	0,00	0
TOTAL	**0**	**67268**	**0,00**	**0,00**	**0,00**	**0**

Source: Vulindlela HR Oversight Report extracted on 04/05/2026

Table 83: (3.8.3) Performance Rewards by critical occupation for the period 1 April 2025 to 31 March 2026

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
ALL ARTISANS IN THE BUILDING METAL MACHINERY ETC.	0	193	0	0	0
AMBULANCE AND RELATED WORKERS	0	2655	0	0	0
AUDIOLOGIST	0	119	0	0	0
DENTIST	0	146	0	0	0
DIETICIAN	0	207	0	0	0
ENGINEERS AND RELATED PROFESSIONALS	0	33	0	0	0
ENVIRONMENTAL HEALTH OFFICER	0	99	0	0	0
HEAD OF PROVINCIAL GOVERNMENT COMPONENT	0	1	0	0	0
MEDICAL PRACTITIONERS	0	3846	0	0	0
MEDICAL SPECIALISTS	0	1111	0	0	0
MEDICAL TECHNICIANS/TECHNOLOGISTS	0	107	0	0	0
NUTRITIONIST	0	32	0	0	0
OCCUPATIONAL THERAPIST	0	177	0	0	0
OPTOMETRIST	0	63	0	0	0
ORAL HYGIENIST	0	26	0	0	0
PAEDIATRICS NURSE	0	1250	0	0	0
PHARMACISTS	0	1509	0	0	0
PHYSICIST	0	8	0	0	0
PHYSIOTHERAPIST	0	312	0	0	0

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
PODIATRIST	0	1	0	0	0
PROFESSIONAL NURSE	0	15966	0	0	0
PSYCHOLOGISTS AND VOCATIONAL COUNSELLORS	0	98	0	0	0
RADIOGRAPHY	0	637	0	0	0
SENIOR MANAGERS	0	10	0	0	0
SOCIAL WORKER	0	1270	0	0	0
SPEECH THERAPIST	0	112	0	0	0
TOTAL	**0**	**29988**	**0**	**0**	**0**

Source: Vulindlela HR Oversight Report extracted on 04/05/2026

Table 84: (3.8.4) Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2025 to 31 March 2026

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Band A	0	59	0,00	0,00	0,00	0,00
Band B	0	12	0,00	0,00	0,00	0,00
Band C	0	5	0,00	0,00	0,00	0,00
Band D	0	2	0,00	0,00	0,00	0,00
TOTAL	**0**	**78**	**0,00**	**0,00**	**0,00**	**0,00**

Source: Vulindlela HR Oversight Report extracted on 04/05/2026

e. Foreign Workers

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

Table 85: (3.9.1) Foreign workers by salary band for the period 1 April 2025 - 31 March 2026

Salary band	01 April 2025		31 March 2026		Change	
	Number	% of total	Number	% of total	Number	% Change
Highly skilled production (Levels 6-8)	0	0,0	1	7,7	1,0	-16,7
Highly skilled supervision (Levels 9-12)	16	84,2	10	76,9	-6,0	100,0
Lower skilled (Levels 1-2)	0	0,0	0	0,0	0,0	0,0
Other	3	15,8	2	15,4	-1,0	16,7
Senior management (Levels 13-16)	0	0,0	0	0,0	0,0	0,0
Skilled (Levels 3-5)	0	0,0	0	0,0	0,0	0,0
TOTAL	**19**	**100,0**	**13**	**100,0**	-6,0	-16,7

Source: Vulindlela HR Oversight Report extracted on 04/05/2026

Table 86: (3.9.2) Foreign workers by major occupation for the period 1 April 2025 - 31 March 2026

Major occupation	01 April 2025		31 March 2026		Change	
	Number	% of total	Number	% of total	Number	% Change
Administrative Office Workers	0	0,00	0	0,00	0	0,00
Craft And Related Trades Workers	0	0,00	0	0,00	0	0,00
Elementary Occupations	0	0,00	0	0,00	0	0,00
Managers	1	5,30	1	7,70	0	0,00
Other Occupations	0	0,00	0	0,00	0	0,00
Professionals	18	94,70	11	84,60	-7	116,70
Professionals And Managers	0	0,00	0	0,00	0	0,00
Social Natural Technical and Medical Sciences + Supp	0	0,00	0	0,00	0	0,00
Technicians & Associate Technical Occupations	0	0,00	1	7,70	1	- 16,70

Major occupation	01 April 2025		31 March 2026		Change	
	Number	% of total	Number	% of total	Number	% Change
Technicians And Associated Professionals	0	0,00	0	0,00	0	0,00
Total	**19**	**100,00**	**13**	**100,00**	**-6**	**100,00**

Source: Vulindlela HR Oversight Report extracted on 04/05/2026

f. Leave utilisation

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

Table 87: (3.10.1) Sick leave for the period 1 January 2025 to 31 December 2025

Salary band	Total days	% Days with Medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Contract (Levels 1-2)	309	79,10	48	0,10	6	222
Contract (Levels 13-16)	11	100,00	2	0,00	6	59
Contract (Levels 3-5)	639	76,50	109	0,20	6	658
Contract (Levels 6-8)	3674	62,20	668	1,20	5	4375
Contract (Levels 9-12)	9669	65,40	1808	3,30	5	24784
Contract Other	2066	75,40	510	0,90	4	571
Highly skilled production (Levels 6-8)	153871	85,90	15695	28,70	10	266148
Highly skilled supervision (Levels 9-12)	122594	83,30	12585	23,10	10	416475
Lower skilled (Levels 1-2)	25121	88,70	2576	4,70	10	19197
Other	129	80,60	12	0,00	11	334
Senior management (Levels 13-16)	381	84,00	50	0,10	8	2043
Skilled (Levels 3-5)	206265	86,20	20534	37,60	10	232946
TOTAL	**524727**	**85,00**	**54597**	**100**	**10**	**967812**

Source: Vulindlela HR Oversight Report extracted on 04/05/2026

Table 88: (3.10.2) Disability leave (temporary and permanent) for the period 1 January 2025 to 31 December 2025

Salary band	Total days	% Days with Medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Contract (Levels 3-5)	22	100	1	0,10	22	19
Contract (Levels 6-8)	158	100	4	0,40	40	316
Contract (Levels 9-12)	300	100	13	1,30	23	958
Highly skilled production (Levels 6-8)	15600	100	287	28,80	54	27137
Highly skilled supervision (Levels 9-12)	16854	100	267	26,80	63	56250
Lower skilled (Levels 1-2)	2119	100	47	4,70	45	1651
Senior management (Levels 13-16)	170	100	3	0,30	57	873
Skilled (Levels 3-5)	22412	100	374	37,60	60	25400
TOTAL	**57635**	**100**	**996**	**100**	**58**	**112605**

Source: Vulindlela HR Oversight Report extracted on 04/05/2026

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

Table 89: (3.10.3) Annual Leave for the period 1 January 2025 to 31 December 2025

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Contract (Levels 1-2)	1 000,92	16	62
Contract (Levels 13-16)	71,00	14	5
Contract (Levels 3-5)	2 351,00	15	154
Contract (Levels 6-8)	14 047,76	16	864
Contract (Levels 9-12)	35 528,40	17	2083
Contract Other	18 899,00	18	1058

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Highly skilled production (Levels 6-8)	489 626,20	26	18480
Highly skilled supervision (Levels 9-12)	386 200,91	27	14566
Lower skilled (Levels 1-2)	79 245,91	23	3402
Other	392,00	23	17
Senior management (Levels 13-16)	1 803,00	23	80
Skilled (Levels 3-5)	633 654,31	26	24725
TOTAL	**1 662 820,41**	**25**	**65496**

Source: Vulindlela HR Oversight Report extracted on 04/05/2026

Table 90: (3.10.4) Capped leave for the period 1 January 2025 to 31 December 2025

Salary band	Total days of capped leave taken	Number of Employees using capped leave	Average number of days taken per employee	Average capped leave per employee as on 31 March 2026
Contract (Levels 1-2)	0,00	0	0	0
Contract (Levels 13-16)	0,00	0	0	0
Contract (Levels 3-5)	0,00	0	0	0
Contract (Levels 6-8)	0,00	0	0	0
Contract (Levels 9-12)	0,00	0	0	0
Contract Other	0,00	0	0	0
Highly skilled production (Levels 6-8)	366,00	48	8	39
Highly skilled supervision (Levels 9-12)	380,75	81	5	37
Lower skilled (Levels 1-2)	0,00	0	0	10
Other	5,00	1	5	30
Senior management (Levels 13-16)	0,00	0	0	50
Skilled (Levels 3-5)	138,00	38	4	35

Salary band	Total days of capped leave taken	Number of Employees using capped leave	Average number of days taken per employee	Average capped leave per employee as on 31 March 2026
TOTAL	**889,75**	**168**	**5**	**37**

Source: Vulindlela HR Oversight Report extracted on 04/05/2026

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

Table 91: (3.10.5) Leave pay-outs for the period 1 April 2025 - 31 March 2026

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
ANNUAL - DISCOUNTING WITH RESIGNATION (WORKDAYS)	18 718,00	567	33 012,00
ANNUAL - DISCOUNTING: CONTRACT EXPIRY (WORKDAYS)	144,00	10	14 400,00
ANNUAL - DISCOUNTING: UNUSED VACATION CREDITS (WORKDAYS)	132,00	2	66 000,00
ANNUAL - GRATUITY: DEATH/RETIREMENT/MEDICAL RETIREMENT (WORK	55 382,00	1258	44 024,00
ANNUAL - HEAD OF DEPARTMENTS: DISCOUNTING (WORKDAYS)[13]	154,00	2	77 000,00
CAPPED - GRATUITY: DEATH/RETIREMENT/MEDICAL RETIREMENT (WORK	43 900,00	513	85 575,00
Total	**118 430,00**	**1 853,00**	

Source: Vulindlela HR Oversight Report extracted on 04/05/2026 and Acting Director: Service Conditions

g. HIV/AIDS & Health Promotion Programmes

Table 92: (3.11.1) Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
• The Department has a pool of employees in the childbearing age; these are most likely to have unprotected sex and get exposed to HIV/AIDS/STIs. • With the introduction of prophylactic HIV/AIDS treatment (Prep), the risk of HIV infections has significantly decreased, the number of other STIs is on the increase.	• Aggressive awareness on HIV/AIDS &STI. • Continuous distribution of condoms. • Continuous awareness on Prep and its limitations. • Prevention and treatment programmes.

[13] Payment is in relation to leave discounting on resignation and Persal Code is being corrected.

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
The other group is that of employees who work off site for the longest period. Since they are away from their partners for longest period, the risk is higher of them engaging in extra spousal sexual relations and contracting sexually transmitted diseases. • Healthcare workers who use sharps /needles. • Any person exposed to bodily fluids. • The Department is also seeing an increase in mental health issues. Some of these present with impulsive and risk-taking behaviour. So, these are at risk in case decision making and negotiating for safe sexual engagement. • Some employees use substances as coping mechanism when stressed and when intoxicated, present with poor judgment and risk engaging in unsafe risky behaviour.	• Train on strict procedure on how to handle and dispose sharps. • Training on IPC procedures. • Emphasize on Mental Health awareness programmes. • Substance abuse awareness and stress management programs.

Source: Director: EH&W

Table 93: (3.11.2) Details of Health Promotion and HIV/AIDS Programmes (tick the applicable boxes and provide the required information)

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	**Yes**		Dr Nokuthula Dlamini
2. Does the department have a dedicated unit, or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	**Yes**		Director Employee Health and Wellness. Four (4) Deputy Directors responsible for: 1. Individual wellness 2. Organizational wellness 3. Spiritual wellness 4. Occupational health and Safety

Question	Yes	No	Details, if yes
			The unit also have wellness Practitioner, Safety Officer, AD Occupational Health, OHN, Data Capture and an Administrator. Budget is still a serious challenge, which makes it hard to implement some programmes. Furthermore, to strengthen the program, Professional Wellness Interns (Psychology and Social Work) have been recruited.
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	**Yes**		• Counselling services on personal and work-related issues. • Organizational wellness including work and play programme. • Personal Finance Management programme. • HIV/AIDS Programme. • Occupational Health and Safety. • Health & Productivity Management.
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	**Yes**		• EHW and OHS committee • Priya Lallupersad (Corporate services) • Nokuthula Dlamini (EHW) • General Dladla (Security) • Nontuthuzelo Bhengu (OHS) • Nonhlanhla Fihlela (OHC) • Happy Kwela (Wellness) • Reverend Shangase (spiritual wellness) • Sibusiso Ngubane (Safety officer)
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	**Yes**		• HIV Policy and Wellness Policy • OHS POLICY • Wellness Policy • Health and productivity policy • Substance abuse policy

Question	Yes	No	Details, if yes
			• Bereavement policy • Currently developing Employee Mental Health policy
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	**Yes**		• An HIV/AIDS policy is in place. The policy clearly outlines that discrimination on the basis on of HIV status is and prohibited. • Education and awareness around the issue of HIV/AIDS also assist in dealing with some of the misconceptions and myths around HIV/AIDS. • The Department also has an open-door policy where at any time an HIV positive employee can come and discuss his/her concerns. • The Department also have the behaviour change programme, stigma fighting programme and human rights programme. • Furthermore, with the implementation of Harassment policy, the department clearly declares zero tolerance on any form of harassment including discrimination.
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.	**Yes**		• The Department is vigorously encouraging Health Counselling and Testing (HCT) for all employees, and the response has been very positive. The unit can pin the success of this program to the stigma and behaviour change programs that the department has. • The unit had planned to reach 75% of our staff, however due to financial challenges, and glitches with the sponsors like GEMS who also had their internal challenges therefore could not support. • For 2026/27 there is positive commitment from GEMS to support, however we are reducing the target to 30% to accommodate the terms given by GEMS
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	**Yes**		• Monitoring the use of sick and vacation leave. • Monitor the attendance of wellness sessions, analyse data from case work to see how many were successfully closed. • Monitor the quality of awareness sessions and training session to ensure updated and relevant quality.

Source: Director: EH&W

h. Labour Relations

Table 94: (3.12.1) Collective agreements for the period 1 April 2025 - 31 March 2026

Total number of Collective agreements	None

Source: Director: Labour Relations

The following table summarises the outcome of disciplinary hearings conducted within the department for the year under review.

Table 95: (3.12.2) Misconduct and disciplinary hearings finalised for the period 1 April 2025 - 31 March 2026

Outcomes of disciplinary hearings	Number	% of total
Abscondment	8	1.37%
Corrective counsell**ing**	6	1.03%
Demotion and final written warning	1	0.17%
Dismissal	54	9.26%
Final written warning	135	23.16%
Not guilty	31	5.32%
One month suspension without pay and final written warning	66	11.32%
Three months suspension without pay and final written warning	42	7.20%
Two months suspension without pay and final written warning	38	6.52%
Two months suspension without pay and final written warning	2	0.34%
Verbal warning	17	2.92%
Withdrawn	103	17.67%
Written warning	80	13.72%
Total	**583**	**100%**

Source: Director: Labour Relations

Table 96: (3.12.3) Types of misconduct addressed at disciplinary hearings for the period 1 April 2025 - 31 March 2026

Type of misconduct	Number	% of total
Absenteeism	122	20.93%
Abuse of power	9	1.54%
Assault	18	3.09%
Bullying of staff	2	0.34%
Communicating with media	1	0.17%
Conflict of interest	1	0.17%
Desertion of work duty	4	0.69%
Disclosure of confidential information	5	0.86%
Dishonest	2	0.34%
Drunk on duty	19	3.26%
Failure to perfume duties	25	4.29%
Fraud	26	4.46%
Harassment	10	1.72%
Inciting staff to strike	2	0.34%
Insolent behaviour	33	5.66%
Insubordination	35	6.00%
Insult and defamation of character	1	0.17%
Insurance claim on a decease's hospital patient without family consent	3	0.51%
Irregular appointment	3	0.51%
Issued expired medication to patients	9	1.54%
Late coming	4	0.69%
Loss of vehicle keys	1	0.17%
Misuse of state property	40	6.86%
Negligence	41	7.03%

Type of misconduct	Number	% of total
Noncompliance with PMDS	1	0.17%
Non-compliance with financial disclosure	89	15.27%
Conduction of RWOPS	2	0.34%
Poor work performance due to incapacity	15	2.57%
Racial discrimination	2	0.34%
Sleeping on duty	2	0.34%
Theft	41	7.03%
Threat	6	1.03%
Victimisation of staff	2	0.34%
Unauthorised meeting held in an institution with political party	1	0.17%
Misrepresentation	6	1.03%
Total	**583**	**100%**

Source: Director Labour Relations

Table 97: (3.12.4) Grievances logged for the period 1 April 2025 - 31 March 2026

Grievances	Number	% of Total
Number of grievances resolved	184	63.01%
Number of grievances not resolved	108	36.99%
Total number of grievances lodged	**292**	**100.%**

Source: Director: Labour Relations

Table 98: (3.12.5) Disputes logged with Councils for the period 1 April 2025 - 31 March 2026

Disputes	Number	% of Total
Number of disputes upheld	6	3,23%
Number of disputes dismissed	32	17,20%
Cases withdrawn	35	18,82%
Cases withdrawn due to jurisdictional ruling	27	14,52%
Settlement agreements	18	9,68%
Cases pending	68	36,56%
Total number of disputes lodged	**186**	**100%**

Source: Director Labour Relations

Table 99: (3.12.6) Strike actions for the period 1 April 2025 - 31 March 2026

Total number of persons working days lost	**Nil**
Total costs working days lost	
Amount recovered as a result of no work no pay (R'000)	

Source: Director Labour Relations

Table 100: (3.12.7) Precautionary suspensions for the period 1 April 2025 - 31 March 2026

Number of people suspended	12
Number of people whose suspension exceeded 30 days	6
Average number of days suspended	172.5
Cost of suspension (R'000)	R 8 284 431.7

Source: Director: Labour Relations

i. Skills development

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

Table 101: (3.13.1) Training needs identified for the period 1 April 2025 - 31 March 2026

Occupational category	Gender	Number of employees as at 1 April 2025	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials, and managers	Female	275	0	935	36	971
	Male	239	0	648	33	681
Professionals	Female	20000	0	8182	942	9124
	Male	5755	0	3381	389	3770
Technicians and associate professionals	Female	2146	0	3058	451	3509
	Male	1394	0	1362	251	1613
Clerks	Female	5151	0	2219	552	2771
	Male	2956	0	1361	354	1715
Service and sales workers	Female	16758	0	1495	174	1669
	Male	5053	0	800	69	869
Skilled agriculture and fishery workers	Female	33	0	4	2	6
	Male	215	0	10	3	13
Craft and related trades workers	Female	752	0	18	12	30
	Male	411	0	99	44	143
Plant and machine operators and assemblers	Female	12	0	48	6	54
	Male	380	0	200	12	212
Elementary occupations	Female	2126	0	121	15	136
	Male	1442	0	115	91	206
Sub Total	**Female**	47253	0	**16080**	**2190**	**18270**
	Male	17935	0	**7976**	**1246**	**9222**
Total		**65 188**	**0**	**24 056**	**3436**	**27 492**

Source: Acting Director: HRD

Table 102: (3.13.2) Training provided for the period 1 April 2025 - 31 March 2026

Occupational category	Gender	Number of employees as at 1 April 2025	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	275	0	903	24	927
	Male	239	0	552	18	570
Professionals	Female	20 000	0	5 727	789	6 516
	Male	5 755	0	1 623	295	1 918
Technicians and associate professionals	Female	2 146	0	3 681	404	4 085
	Male	1 394	0	3 771	171	3 942
Clerks	Female	5 151	0	1 544	81	1 625
	Male	2 956	0	983	36	1 019
Service and sales workers	Female	16 758	0	1 113	81	1 194
	Male	5 053	0	354	36	390
Skilled agriculture and fishery workers	Female	33	0	1	1	2
	Male	215	0	7	0	7
Craft and related trades workers	Female	752	0	23	35	58
	Male	411	0	80	23	103
Plant and machine operators and assemblers	Female	12	0	12	5	17
	Male	380	0	39	1	40
Elementary occupations	Female	2 126	0	84	44	128
	Male	1 442	0	80	26	106
Sub Total	**Female**	**47 253**	0	13 088	1 464	14 552
	Male	**17 935**	0	7 489	606	8 095
Total		**65 188**	**0**	**20 577**	**2 070**	**22 647**

Source: Acting Director: HRD

j. Injury on duty

The following tables provide basic information on injury on duty.

Table 103: (3.14.1) Injury on duty for the period 1 April 2025 - 31 March 2026

Nature of injury on duty	Number	% of total
Required basic medical attention only	521	96,48%
Temporary Total Disablement	18	3,33%
Disablement	1	0,19%
Fatal	0	0,00%
Total	**540**	**100%**

Source: Acting Director: Service Conditions

k. Utilisation of Consultants

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

(a) The rendering of expert advice;

(b) The drafting of proposals for the execution of specific tasks; and

(c) The execution of a specific task which is of a technical or intellectual nature but excludes an employee of a department.

Table 104: (3.15.1) Report on consultant appointments using appropriated funds for the period 1 April 2025 - 31 March 2026

Project title	Total number of consultants that worked on project	Duration (workdays)	Contract value in Rand
Medico	Deneys (Norton Rose Fulbright Attorneys)	Not applicable due to the nature of the work	R 28 510 314.89 (amount paid in 2025/26)
	Linda Mazibuko Attorneys		R 723 337.50 (amount paid in 2025/26)
Appointment of multidisciplinary professional team for the replacement of rainwater good, ceiling, electrical works, asbestos and corrugated iron roofs: Townhill Hospital	Sakhisizwe Architects	N/A due to nature of work	R 843 4084,38

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
46 cases	Deneys (Norton Rose Fulbright Attorneys)	Not applicable due to the nature of the work	R 28 510 314.89 (amount paid in 2025/26)
1 case	Linda Mazibuko Attorneys		R 723 337.50 (amount paid in 2025/26)
1 Project	6	N/A due to nature of work	R 8 434 084,38

Comment: It should be noted that Legal Services does not utilise Conditional Grant Funding for payment to these law firms. Payments are made to these law firms utilising appropriated funds from the Legal Services Budget allocation.

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
Internal Audit Review	1	90	R1 918 400.00
Internal Audit Review	1	90	R998 400.00
High Level Strategic and Advisory services to the KZN Department of Health	1	12 months	R3 629 120.00

Table 105: (3.15.2) Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2025 - 31 March 2026

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
Appointment of multidisciplinary professional team for the replacement of rainwater good, ceiling, electrical works, asbestos and corrugated iron roofs: Townhill Hospital	100%	100%	50%

I. Severance Packages

Table 106: (3.16.1) Granting of employee-initiated severance packages for the period 1 April 2025 - 31 March 2026

Salary band	Number of applications received	Number of applications referred to the MPSA	Number of applications supported by MPSA	Number of packages approved by department
Lower Skilled (Levels 1-2)	0	0	0	0
Skilled (Levels 3-5)	0	0	0	0
Highly Skilled Production (Levels 6-8)	0	0	0	0
Highly Skilled Supervision (Levels 9-12)	0	0	0	0
Senior Management (Levels 13-16)	0	0	0	0
TOTAL	**0**	**0**	**0**	**0**

Source: Vulindlela HR Oversight Report extracted on 05/05/2025, Acting Director: Service Conditions

PART E: PFMA COMPLIANCE REPORT

IRREGULAR, FRUITLESS AND WASTEFUL, UNAUTHORISED EXPENDITURE AND MATERIAL LOSSES

Irregular expenditure

a) Reconciliation of irregular expenditure

Description	2025/2026	2024/2025
	R'000	R'000
Opening balance	**24 017 809**	**21 679 965**
Prior period error	690 147	0
AS Restated	**24 707 956**	**21 679 965**
Add: Irregular expenditure confirmed	3 654 215	2 337 844
Less: Irregular expenditure condoned		0
Less: Irregular expenditure not condoned and removed		0
Less: Irregular expenditure recoverable		0
Less: Irregular expenditure not recovered and written off for prior Years	5 438 141	0
Closing balance	**22 924 030**	**24 017 809**

Irregular Expenditure written off in 2024/2025 for prior years was not recorded on Irregular Expenditure part E notes, as the Information were not provided to AGSA for review, hence recorded in the 2025/2026 financial year.

Reconciling notes

Description	2025/2026	2024/2025
	R'000	R'000
Irregular expenditure that relates to 2024/25 and identified in 2025/26		**690 147**
Irregular expenditure for the current year	3 560 114	2 337 844
Total	3 654 215	**3 027 991**

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

Description[14]	2025/2026	2024/2025
	R'000	R'000
Irregular expenditure under assessment	333 799	**574 443**
Irregular expenditure under determination	**0**	**0**
Irregular expenditure under investigation	**0**	**0**

[14] Group similar items

Description[14]	2025/2026	2024/2025
	R'000	R'000
Total 15	3339	5743

c) Details of current and previous year irregular expenditure condoned

Description	2025/2026	2024/2025
	R'000	R'000
Irregular expenditure condoned	**0**	**0**
Total	**0**	**0**

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

Description	2025/2026	2024/2025
	R'000	R'000
Irregular expenditure NOT condoned and removed	**0**	**0**
Total	**0**	**0**

e) Details of current and previous year irregular expenditure recovered

Description	2025/2026	2024/2025
	R'000	R'000
Irregular expenditure recovered	**0**	**0**
Total	0	0

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

Description	2025/2026	2024/2025
	R'000	R'000
Irregular expenditure written off for prior years	**5 438 141**	**0**
Total	**5 438 141**	**0**

Irregular Expenditure written off in 2024/2025 for prior years was not recorded on Irregular Expenditure part E notes, as the Information were not provided to AGSA for review, hence recorded in the 2025/2026 financial year.

[15] Total unconfirmed irregular expenditure (assessment), losses (determination), and criminal conduct (investigation)

Additional disclosure relating to Inter-Institutional Arrangements

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

Description
Total: Nil

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

Description	2025/2026	2024/2025
	R'000	R'000
None	**0**	**0**
Total	**0**	**0**

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

Disciplinary steps taken
None

Fruitless and wasteful expenditure

a) Reconciliation of fruitless and wasteful expenditure

Description	2025/2026	2024/2025
	R'000	R'000
Opening balance	**9 927**	**5 074**
Add: Fruitless and wasteful expenditure confirmed	4 455	11 198
Less: Fruitless and wasteful expenditure written off	9 927	6 333
Less: Fruitless and wasteful expenditure recoverable		12
Closing balance	**4 455**	**9 927**

Reconciling notes

Description	2025/2026	2024/2025
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment in 2025/26	0	0
Fruitless and wasteful expenditure that relates to 2024/25 and identified in 2025/26	0	0
Fruitless and wasteful expenditure for the current year	4 455	4 865
Total	**4 455**	**4 865**

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

Description[16]	2025/2026	2024/2025
	R'000	R'000
Fruitless and wasteful expenditure under assessment	**0**	**0**
Fruitless and wasteful expenditure under determination	**0**	**0**
Fruitless and wasteful expenditure under investigation	**0**	**0**
Total[17]	**0**	**0**

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

Description	2025/2026	2024/2025
	R'000	R'000
Fruitless and wasteful expenditure recovered	**0**	**12**
Total	0	12

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

[16] Group similar items
[17] Total unconfirmed fruitless and wasteful expenditure (assessment), losses (determination), and criminal conduct (investigation)

Description	2025/2026	2024/2025
	R'000	R'000
Fruitless and wasteful expenditure written off	4 455	6 333
Total	**4 455**	**6 333**

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

Disciplinary steps taken
None
Total

Unauthorised expenditure

a) Reconciliation of unauthorised expenditure

Description	2025/2026	2024/2025
	R'000	R'000
Opening balance	**1 388 499**	**1 247 520**
Add: unauthorised expenditure confirmed	0	11 515
Add: Prior Period Error	0	129 464
Less: unauthorised expenditure approved with funding	0	0
Less: unauthorised expenditure approved without funding	0	0
Less: unauthorised expenditure recoverable	0	0
Less: unauthorised not recovered and written off[18]	0	0
Closing balance	**1 388 499**	**1 388 499**

Overspending of the Vote

Description	2025/2026	2024/2025
	R'000	R'000
Unauthorised expenditure that was under assessment	**0**	**0**

[18] This amount may only be written off against available savings

Description	2025/2026	2024/2025
	R'000	R'000
Unauthorised expenditure that relates to 2023/24 and identified in 2024/25	**0**	**129464**
Unauthorised expenditure for the current year	0	11 515
Total	**0**	**140 979**

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

Description[19]	2025/2026	2024/2025
	R'000	R'000
Unauthorised expenditure under assessment	**0**	**0**
Unauthorised expenditure under determination	**0**	**0**
Unauthorised expenditure under investigation	**0**	**0**
Total[20]	**0**	**0**

Additional disclosure relating to material losses in terms of PFMA Section 40(3)(b)(i) &(iii))

a) Details of current and previous year material losses through criminal conduct

Material losses through criminal conduct	2025/2026	2024/2025
	R'000	R'000
Theft	**0**	**0**
Other material losses	**0**	**0**
Less: Recovered	**0**	**0**
Less: Not recovered and written off	**0**	**0**
Total	**0**	**0**

b) Details of other material losses

Nature of other material losses	2025/2026	2024/2025
	R'000	R'000
Nil	**0**	**0**
Total	0	0

c) Other material losses recovered

[19] Group similar items
[20] Total unconfirmed unauthorised expenditure (assessment), losses (determination), and criminal conduct (investigation)

Nature of losses	2025/2026	2024/2025
	R'000	R'000
None	0	0
Total	0	0

d) Other material losses written off

Nature of losses	2025/2026	2024/2025
	R'000	R'000
None	0	0
Total	0	0

LATE AND / OR NON-PAYMENT OF SUPPLIERS

Description	Number of invoices	Consolidated Value
		R'000
Valid invoices received	**118 078**	**13,534,974**
Invoices paid within **30 days or agreed period**	**68 795**	**7,510,336**
Invoices paid after **30 days or agreed period**	**49 283**	**6,024,638**
Invoices older than 30 days or agreed period (*unpaid and without dispute***)**	**21 769**	**975,942**
Invoices older than 30 days or agreed period (*unpaid and in dispute***)**	**0**	**0**

The delays in payments are due to budget constraints that the Department is experiencing.

SUPPLY CHAIN MANAGEMENT

Contract variations and expansions

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
Installation of treatment plant for boreholes at PMMH	Ilanga Lezintaba Zolwandle Consol	Dev Variation	ZNB5354/2023-HOR-002483	R4,758,444.44	R324,000.00	R0.00
Commercial & Electronic media space (radio & TV airtime) for 6 months: June - November 2025	SABC Ukhozi FM OR-004769	Deviation	ZNQ/HOH/0164/25/26	R2,639,995.00	R0.00	R0.00
Commercial & Electronic media space for 6 months: June - November 2025	Vuma 103 FM OR-004775	Deviation	ZNQ/HOH/0169/25/26	R1,297,000.00	R0.00	R0.00
Commercial & Electronic media space including outside broadcast for 6 months: June - November 2025	Radio Igagasi 996 OR-004771	Deviation	ZNQ/HOH/0167/25/26	R1,474,261.69	R0.00	R0.00
Commercial & Electronic media space for 6 months: June - November 2025	SABC Ukhozi FM OR - 004784	Deviation	ZNQ/HOH/0142/25/26	R2,758,876.00	R0.00	R0.00
Learning Management system and plagiarism detection tool - KZNCN	Microsoft Ireland OR-004708	Deviation	ZNB5178/2024-H	R8,728,500.00	R0.00	R0.00

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
Installation of generator - PPSD	Bobcon Builders OR-003807	Deviation	ZNB9991/2021-H	R7,013,716.55	R0.00	R0.00
Commercial & Electronic media space for 6 months: June - November 2025	Radio Igagasi 995 OR-004785	Deviation	ZNQ/HOH/0141/25/26	R2,191,042.56	R0.00	R0.00

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
Maintenance, service & repair SLA 5 years for Varian Clinic - 1 x Clinical Linear Accelerator for Addington Hospital	Siemans Healthcare	Deviation	27/2023HR OR-004798	R5,832,128.11	R0.00	R0.00
Maintenance, service & repair SLA 3 year for Statscan Whole Body Scanner - Various Institutions	Lodox Systems	Deviation	14/8/3/1 (2240) OR-004799	R1,080,603.60	R0.00	R0.00
Remedial work to waterproofing on flat roof and full bores - Northdale Hospital	Mcanyana Strategic Investments	Deviation	ZNB5237/2025-H OR-005311	R2,500,000.00	R0.00	R0.00
Urgent repairs to asbestos roof at PMMH, Block E, Maternity and Nursery Ward	Melmoth Cartage & Cement Products (Pty) Ltd	Deviation	ZNB5076/2025	R68,944,224.55	R0.00	R0.00
Extension of advertising of Departmental message show SABC/Ukhozi-Corporate Communications	SABC	Deviation	ZNQ/HOH/0562/25/26 OR-005501	R2,502,916.50	R0.00	R0.00

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
Extension of advertising and broadcasting of Departmental messages	Igasasi FM	Deviation	ZNQ/HOH/0566/25/26 OR-005504	R1,990,059.91	R0.00	R0.00
Extension of DOH chat live show SABC/Ukhozi FM - Corporate Communications	SABC	Deviation	ZNQ/HOH/0568/25/26 OR-005501	R1,795,718.75	R0.00	R0.00
Extension of outside broadcasting and advertising Departmental messages using vans	Igagasi FM	Deviation	ZNQ/HOH/0569/25/26 OR-005497	R1,076,468.45	R0.00	R0.00
				R116,583,9561	**R324,0000**	**R0.00**

Note: This total is not an actual amount but estimated figure, the actual amount will occur as a when each procuring institution issues an order.

PART F: FINANCIAL INFORMATION

REPORT OF THE AUDITOR-GENERAL

AUDITOR-GENERAL
SOUTH AFRICA

AUDIT REPORT

Department of Health

2025-26

Report of the auditor-general to KwaZulu-Natal Provincial Legislature on vote no. 7: Department of Health

Report on the audit of the financial statements

Qualified opinion

1. I have audited the financial statements of Department of Health (the Department) set out on pages 257 to 313, which comprise the appropriation statement, statement of financial position as at 31 March 2026, statement of financial performance, statement of changes in net assets and the cash flow statement for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, except for the effects of the matters described in the basis for qualified opinion section of my report the financial statements present fairly, in all material respects, the financial position of the Department of Health as at 31 March 2026 and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard (MCS) as issued by the National Treasury of South Africa and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the Division of Revenue Act 2 of 2025 (Dora).

Basis for qualified opinion

Irregular expenditure

3. The department did not record all irregular expenditure incurred as required by section 40(3)(b)(i) of the PFMA, although there were contraventions of supply chain management legislation. In addition, the department recognised irregular expenditure incurred even though there were no contraventions of supply chain management legislation. Adequate internal controls were not in place to maintain records of irregular expenditure. I was unable to determine the impact on irregular expenditure stated at R3,65 billion (2024-25: R3,03 billion) in note 25 of the financial statements as it was impracticable to do so.

Context for opinion

4. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.

5. I am independent of the department in accordance with the International Ethics Standards Board for Accountants' *International Code of ethics for Professional Accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

6. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of matters

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

Going concern

8. As disclosed in note 35 to the financial statements the department deals with the possible effects of delayed payments and funding constraints on the department's ability to discharge its liabilities and provide quality and efficient service thereby avoiding disruption of service delivery and reduction of efficient service. Management have described how these circumstances are being addressed, including the key assumptions and actions considered in concluding that no material uncertainty exists.

Contingent liabilities

9. As disclosed in note 19 the department is a defendant on various litigation matters relating to medical negligence and claims against the state amounting to R6,58 billion. The ultimate outcome of these matters could not be determined and no provision for any liability that may result was made in the financial statements.

Accruals and payables not recognised

10. As disclosed in note 21 to the financial statements, payables not recognised of R932,50 million exceeded the payment term of 30 days, as required by treasury regulation 8.2.3. This amount would therefore have constituted unauthorised expenditure had the amounts due been paid on time.

Other matter

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

Unaudited supplementary schedules

12. The supplementary information set out on pages 314 to 351 do not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

Responsibilities of the accounting officer for the financial statements

13. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the MCS and the requirements of the PFMA and Dora and for

such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

14. In preparing the financial statements, the accounting officer is responsible for assessing the department's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the department or to cease operations, or has no realistic alternative but to do so.

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

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

16. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page 254, forms part of my auditor's report.

Report on the audit of the annual performance report

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

18. I selected the following programmes presented in the annual performance report for the year ended 31 March 2026 for auditing. I selected programmes that measure the department's performance on its primary mandated functions and that are of significant national, community or public interest.

Programme	Page numbers	Purpose
Programme 2: District health services	89 to 115	To render primary health care and district hospital services.
Programme 4: Provincial hospital services	120 to 124	To deliver hospital services, that are accessible, appropriate, and effective and provide general specialist services, including specialised rehabilitation services, as well as a

Programme	Page numbers	Purpose
		platform for training health professionals and research.

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

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

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

22. I did not identify any material findings on the reported performance information for the provincial hospital services programme.

23. The material findings on the reported performance information for the district health services programme are as follows:

District health services

Various indicators

24. Based on the audit evidence, the actual achievements for five indicators did not agree to what was reported. I could not determine the actual achievements, but I estimated them to be materially less. Consequently, the targets were not achieved, the under-achievements on the targets were more than reported and the achievements against the targets were lower than reported.

Indicator	Target	Reported achievement
HIV positive 15-24 years (excl. ANC) rate	1,8%	1,4%
All DS-TB client Treatment Success Rate	74,9%	77,0%
Couple Year Protection Rate	64,0%	56,5%
Antenatal 1st visit before 20 weeks rate	76,5%	79,0%
Child under 5 years severe acute malnutrition case fatality rate	6,7%	7,8%

Various indicators

25. Based on the audit evidence, the actual achievements for five indicators did not agree to what was reported. I could not determine the actual achievements, but I estimated them to be materially more. Consequently, it is likely that the achievement against the target was better than reported.

Indicator	Target	Reported achievement
HIV positive 5-14 years (excl. ANC)	0,6%	0,3%
Mother postnatal visit within 6 days rate	83,4%	88,7%
Immunisation under 1 year coverage	95,0%	81,0%
MR 2nd dose 1 year coverage	95,0%	82,6%
Child under 5 years diarrhoea case fatality rate	1,2%	1,1%

Other matters

26. I draw attention to the matters below.

Achievement of planned targets

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

28. The tables that follow provides information on the achievement of planned targets and lists the key service delivery indicators that were not achieved as reported in the annual performance report. The reasons for any underachievement of targets are included in the annual performance report on pages 42 to 138.

District health services

Targets achieved: 63% Budget spent: 100%		
Key service delivery indicator not achieved	**Planned target**	**Reported achievement**
Couple Year Protection Rate	64%	57%
Infant 1st PCR test positive at birth rate	0,35%	0,36%
Immunisation under 1 year coverage	95%	81%
MR 2nd dose 1 year coverage	95%	83%
Child under 5 years severe acute malnutrition case fatality rate	6,7%	7,8%
Cervical Cancer Screening Coverage	69,6%	68%
Malaria case fatality rate	0%	0,5%

Material misstatements

29. I identified preventable material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for district health services programme. Management did not correct the misstatements, and I reported material findings in this regard.

Report on compliance with legislation

30. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial

management and other related matters. The accounting officer is responsible for the department's compliance with legislation.

31. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.

32. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the department, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

33. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Annual financial statements

34. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and supported by full and proper records, as required by section 40(1)(a) and (b) of the PFMA. Material misstatements of disclosure items identified by the auditors in the submitted financial statements were corrected and the supporting records were provided, but the uncorrected material misstatements resulted in the financial statements receiving a qualified opinion.

Expenditure management

35. Effective and appropriate steps were not taken to prevent irregular expenditure, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1. As reported in the basis for the qualified opinion the full extent of the irregular expenditure could not be quantified. The majority of the irregular expenditure disclosed in the financial statements was as a result of the continued use and payments made on expired contracts and various non compliances with Supply Chain Management (SCM) prescripts.

36. Payments were not made within 30 days or an agreed period after receipt of an invoice, as required by treasury regulation 8.2.3.

Asset management

37. Proper control systems were not in place at the department to ensure the safeguarding and maintenance of assets, as required by section 38(1)(d) of the PFMA.

38. Processes and procedures were not in place at the department for the effective use of the institution's assets, as required by treasury regulation 10.1.2.

Strategic planning

39. Specific information systems were not implemented to enable the monitoring of progress made towards achieving targets, core objectives and service delivery as required by public service regulation 25(1)(e)(i) and (iii).

Procurement and contract management

40. Some goods and services of a transaction value above R1 000 000 were procured without inviting competitive bids and deviations were approved by the accounting officer but it was practical to invite competitive bids, as required by Treasury Regulation 16A6.1, paragraph 3.3.1 of NTI 02 of 2021/22, paragraph 4.1 of NTI 03 of 2021/22 and TR 16A6.4. Similar non-compliance was also reported in the prior year.
41. Some contracts were awarded to bidders based on evaluation criteria that were not stipulated and differed from those stipulated in the original invitation for bidding and quotations as required by treasury regulation 16A6.3(b). Similar non-compliance was also reported in the prior year.

42. Some contracts and quotations were awarded to bidders based on preference points that were not allocated and calculated in accordance with the requirements of the Preferential Procurement Policy Framework Act 5 of 2000 and Preferential Procurement Regulations 2017 and 2022. Similar non-compliance was also reported in the prior year.

43. Some of the contracts and quotations were awarded to bidders that did not score the highest points in the evaluation process, as required by section 2(1)(f) of PPPFA and Preferential Procurement Regulation 2022.

Consequence management

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

45. Investigations were not conducted into all allegations of financial misconduct committed by some of the officials, as required by treasury regulation 4.1.1.

Other information in the annual report

46. The accounting officer is responsible for the other information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported on in this auditor's report.

47. My opinion on the financial statements, and my reports on the audit of the annual performance report and compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.

48. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

49. The other information I obtained prior to the date of this auditor's report are the accounting officer's report, the strategic overview, the performance information for all other programmes not selected for audit. The Member of Executive Council's (MEC) report, governance report and human resources oversight report are expected to be made available to me after 31 July 2026.

50. If, based on the work I have performed on the other information that I obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

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

Internal control deficiencies

52. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.

53. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion, the material findings on the annual performance report and the material findings on compliance with legislation included in this report.

54. Leadership did not consistently enforce consequence management to prevent recurring instances of non-compliance. Furthermore, leadership oversight and monitoring of audit action plans were not conducted in an effective manner. Consequently, previously reported significant internal control deficiencies relating to financial and performance management were not adequately addressed and remained unresolved.

55. Management did not effectively implement proper reviews and reconciliation to ensure that complete, relevant and accurate information was accessible and available to support the financial statements, performance reporting and compliance with legislation.

Material irregularities

56. In accordance with the PAA and the Material Irregularity Regulations, I have a responsibility to report on material irregularities identified during the audit.

Material irregularities identified during the audit

57. The material irregularities identified are as follows:

UIFW expenditure not investigated

58. I identified a material irregularity during the audit and notified the accounting officer of this, as required by material irregularity regulation 3(2). By the date of this auditor's report, the responses of the accounting officer were not yet due. This material irregularity will be included in next year's auditor's report.

Other reports

59. I draw attention to the following engagements conducted by various parties. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.

60. The Special Investigating Unit is conducting investigations into possible fraudulent medical legal claims as mandated in terms of *Proclamation No. R74 of 2022*. The investigation covers the period 01 January 2013 to 22 July 2022. Some of the investigations have been finalised and have been referred.

61. The Office of the Premier is performing investigations relating to allegations on irregularities in infrastructure and non-functionality of hospital board due to political interference and irregular appointment of service providers and general workers. The investigations cover the period April 2025 to March 2026 and was still in progress at the date of my report.

62. There are various internal investigations being carried out by the department into allegations of improper conduct by SCM officials, financial misconduct, ghost employees, irregularities in recruitment processes, theft of stock, abuse of fuel cards, and improper conduct in SCM by suppliers. The investigations cover the period April 2024 to March 2026. Some of the investigations have been concluded resulting in criminal cases being opened, disciplinary action against officials and some officials' employment being terminated.

Pietermaritzburg

31 July 2026



Annexure to the auditor's report

The annexure includes the following:

- The auditor-general's responsibility for the audit
- The selected legislative requirements for compliance testing

Auditor general's responsibility for the audit

Professional judgement and professional scepticism

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

Financial statements

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the department's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the department to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause the department to cease operating as a going concern.

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

Communication with those charged with governance

I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act 1 of 1999	Section 1; 38(1)(b); 38(1)(c)(i); 38(1)(c)(ii); 38(1)(d); 38(1)(f); 38(1)(h)(iii); 39(1)(a); 39(2)(a); 40(1)(a); 40(1)(b); 40(1)(c)(i); 43(1); 43(4); 44; 45(b)
Treasury Regulations, 2005	Regulation 4.1.1; 4.1.3; 5.1.1; 5.2.1; 5.2.3(a); 5.2.3(d); 5.3.1; 6.3.1(a); 6.3.1(b); 6.3.1(c); 6.3.1(d); 6.4.1(b); 7.2.1; 8.1.1; 8.2.1; 8.2.3; 8.4.1; 9.1.1; 9.1.4; 10.1.1(a); 10.1.2; 11.4.1; 11.4.2; 11.5.1; 12.5.1; 15.10.1.2(c); 16A3.2; 16A3.2(a); 16A6.1; 16A6.2(a); 16A6.2(b); 16A6.3(a); 16A6.3(b); 16A6.3(c); 16A 6.3(e); 16A6.4; 16A6.5; 16A6.6; 16A7.1; 16A7.3; 16A8.3; 16A8.4; 16A9.1(b)(ii); 16A 9.1(d); 16A 9.1(e); 16A9.1(f); 16A9.2; 16A9.2(a)(ii); 17.1.1; 18.2; 19.8.4
Construction Industry Development Board Regulations, 2004	Regulation 17; 25(7A); 25(9)(a); 25(10)
Division of Revenue Act 2 of 2025	Section 11(6)(a); 12(5); 16(1); 16(3); 16(3)(a)(i); 16(3)(a)(ii)(bb)
National Treasury SCM Instruction No. 4A of 2016/17	Paragraph 6
National Treasury SCM Instruction No. 03 of 2021/22	Paragraph 4.1; 4.2 (b); 4.3; 4.4(a); 4.17; 7.2; 7.6
National Treasury SCM Instruction No. 2 of 2021/22	Paragraph 3.2.1; 3.2.4; 3.2.4(a); 3.3.1
National Treasury Practice Note 5 of 2009/10	Paragraph 3.3
National Treasury Practice Note 7 of 2009/10	Paragraph 4.1.2
Preferential Procurement Regulation, 2022	Regulation 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)
Public Service Regulations, 2016	Regulation 18(1); 18(2); 25(1)(e)(i); 25(1)(e)(iii)
State Information Technology Agency Act 88 of 1998	Section 7(3)

ANNUAL FINANCIAL STATEMENTS

ANNUAL FINANCIAL STATEMENTS

FOR

KWAZULU-NATAL DEPARTMENT OF HEALTH

VOTE 7

FOR THE YEAR ENDED 31 MARCH 2026

APPROPRIATION STATEMENT

For the year ended 31 March 2026

Appropriation per programme										
		2025/26							2024/25	
Voted funds and Direct charges		Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual Expenditure
		R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
	Programme									
1	ADMINISTRATION	1 346 432	-	(107 715)	1 238 717	1 230 411	8 306	99,3%	1 709 306	1 709 306
2	DISTRICT HEALTH SERVICES	30 148 715	-	170 144	30 318 859	30 318 859	-	100,0%	27 280 099	27 280 099
3	EMERGENCY MEDICAL SERVICES	1 894 277	-	(14 862)	1 879 415	1 879 415	-	100,0%	1 763 589	1 763 589
4	PROVINCIAL HOSPITAL SERVICES	14 546 560	-	132 533	14 679 093	14 679 093	-	100,0%	13 510 141	13 521 656
5	CENTRAL HOSPITAL SERVICES	6 226 923	-	(46 367)	6 180 556	6 180 556	-	100,0%	5 908 144	5 908 144
6	HEALTH SCIENCES AND TRAINING	1 528 549	-	(109 057)	1 419 492	1 419 132	360	100,0%	1 390 736	1 390 736
7	HEALTH CARE SUPPORT SERVICES	389 787	-	(24 676)	365 111	358 595	6 516	98,2%	331 454	319 939
8	HEALTH FACILITIES MANAGEMENT	2 112 729	-	-	2 112 729	2 076 063	36 666	98,3%	1 903 423	1 903 423
	Programme sub total	58 193 972	-	-	58 193 972	58 142 124	51 848	99,9%	53 796 892	53 796 892
	Statutory Appropriation									
	TOTAL	58 193 972	-	-	58 193 972	58 142 124	51 848	99,9%	53 796 892	53 796 892
Reconciliation with Statement of Financial Performance										
Add:										
	Departmental receipts				291 120				257 583	
	NRF Receipts				-				-	
	Aid assistance				8 404				8 979	

APPROPRIATION STATEMENT

For the year ended 31 March 2026

Actual amounts per Statement of Financial Performance (Total Revenue)	**58 493 496**		**54 063 454**	
Add: Aid assistance		8 404		8 979
Prior year unauthorised expenditure approved without funding				
Actual amounts per Statement of Financial Performance Expenditure		**58 150 528**		**53 805 871**

Appropriation per economic classification

	2025/26							2024/25	
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	**54 683 132**	**-**	**-**	**54 683 132**	**55 532 658**	**-849 526**	**101,6%**	**51 260 397**	**51 746 166**
Compensation of employees	36 880 117	-	283 869	37 163 986	37 383 872	-219 886	100,6%	34 557 705	35 744 351
Goods and services	17 802 457	-	-283 869	17 518 588	18 143 133	-624 545	103,6%	16 695 718	15 994 397
Interest and rent on land	558	-	-	558	5 653	-5 095	1013,1%	6 974	7 418
Transfers and subsidies	**984 044**	**-**	**-**	**984 044**	**858 136**	**125 908**	**87,2%**	**720 725**	**691 438**
Provinces and municipalities	308 887	-	-	308 887	308 408	479	99,8%	294 870	276 270
Departmental agencies and accounts	27 772	-	-	27 772	27 772	-	100,0%	26 849	26 730
Non-profit institutions	67 771	-	-	67 771	67 771	-	100,0%	67 693	65 002
Households	579 335	-	-	579 335	453 960	125 375	78,4%	331 313	323 436

APPROPRIATION STATEMENT

For the year ended 31 March 2026

Payments for capital assets	**2 526 796**	**-**	**-**	**2 526 796**	**1 748 732**	**778 064**	**69,2%**	**1 815 770**	**1 358 278**
Buildings and other fixed structures	1 661 106	-	-105 212	1 555 894	1 219 312	336 582	78,4%	974 217	889 812
Machinery and equipment	865 690	-	105 212	970 902	529 420	441 482	54,5%	841 553	468 466
Payment for financial assets	**-**	**-**	**-**	**-**	**2 598**	**-2 598**	**-**	**-**	**1 010**
Total	**58 193 972**	**-**	**-**	**58 193 972**	**58 142 124**	**51 848**	**99,9%**	**53 796 892**	**53 796 892**

APPROPRIATION STATEMENT

For the year ended 31 March 2026

Programme 1: Administration

	2025/26							2024/25	
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1 **Office Of The Member Of The Executive Council**	27 127	-	-	27 127	27 026	101	99,6%	24 686	23 443
2 **Management**	1 319 305	-	-107 715	1 211 590	1 203 385	8 205	99,3%	1 684 620	1 685 863
Total	**1 346 432**	**-**	**-107 715**	**1 238 717**	**1 230 411**	**8 306**	**99,3%**	**1 709 306**	**1 709 306**
Economic classification									
Current payments	**1 255 327**	**-**	**-107 715**	**1 147 612**	**1 174 475**	**-26 863**	**102,3%**	**1 629 358**	**1 669 476**
Compensation of employees	534 978	-	-	534 978	556 165	-21 187	104,0%	536 081	536 081
Goods and services	720 349	-	-107 715	612 634	618 449	-5 815	100,9%	1 086 837	1 126 955
Interest and rent on land	-	-	-	-	-139	139	-	6 440	6 440
Transfers and subsidies	**28 803**	**-**	**-**	**28 803**	**11 463**	**17 340**	**39,8%**	**27 701**	**20 792**
Provinces and municipalities	5 187	-	-	5 187	5 728	-541	110,4%	4 965	4 898
Departmental agencies and accounts	-	-	-	-	-	-	-	1	-
Public corporations and private enterprises	1	-	-	1	-	1	-	-	-
Households	23 615	-	-	23 615	5 735	17 880	24,3%	22 735	15 894
Payments for capital assets	**62 302**	**-**	**-**	**62 302**	**44 468**	**17 834**	**71,4%**	**52 247**	**19 038**
Machinery and equipment	62 302	-	-	62 302	44 468	17 834	71,4%	52 247	19 038

APPROPRIATION STATEMENT

For the year ended 31 March 2026

Payment for financial assets	-	-	-	-	5	-5	-	-	-
Total	**1 346 432**	**-**	**-107 715**	**1 238 717**	**1 230 411**	**8 306**	**99,3%**	**1 709 306**	**1 709 306**

Programme 2: District Health Services

	2025/26							2024/25	
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1 **DISTRICT MANAGEMENT**	398 394	-	-	398 394	395 934	2 460	99,4%	374 277	402 250
2 **COMMUNITY HEALTH CLINICS**	6 597 425	-	-203 634	6 393 791	6 388 905	4 886	99,9%	5 136 487	5 120 180
3 **COMMUNITY HEALTH CENTRES**	2 606 912	-	-5 750	2 601 162	2 595 138	6 024	99,8%	2 323 122	2 301 696
4 **COMMUNITY BASED SERVICES**	1 341 076	-	197 642	1 538 718	1 538 718	-	100,0%	1 173 623	1 189 021
5 **OTHER COMMUNITY SERVICES**	1 456 056	-	-166 663	1 289 393	1 288 190	1 203	99,9%	1 420 721	1 419 412
6 **HIV AND AIDS**	6 786 766	-	107 087	6 893 853	6 932 686	-38 833	100,6%	6 661 021	6 618 248
7 **NUTRITION**	33 240	-	-	33 240	32 700	540	98,4%	25 261	23 458
8 **CORONER SERVICES**	320 573	-	-12 037	308 536	302 831	5 705	98,2%	298 961	296 300
9 **DISTRICT HOSPITALS**	10 608 274	-	253 499	10 861 773	10 843 757	18 016	99,8%	9 866 626	9 909 534
Total	**30 148 715**	**-**	**170 144**	**30 318 859**	**30 318 859**	**-**	**100,0%**	**27 280 099**	**27 280 099**

APPROPRIATION STATEMENT

For the year ended 31 March 2026

	2025/26							2024/25	
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	**29 150 418**	**-**	**141 516**	**29 291 934**	**29 557 182**	**-265 248**	**100,9%**	**26 561 702**	**26 705 847**
Compensation of employees	19 034 005	-	269 860	19 303 865	19 365 214	-61 349	100,3%	17 490 148	18 437 032
Goods and services	10 115 859	-	-128 344	9 987 515	10 190 520	-203 005	102,0%	9 071 024	8 268 289
Interest and rent on land	554	-	-	554	1 448	-894	261,4%	530	526
Transfers and subsidies	**589 229**	**-**	**28 628**	**617 857**	**560 322**	**57 535**	**90,7%**	**477 939**	**477 997**
Provinces and municipalities	299 987	-	-	299 987	300 270	-283	100,1%	286 351	269 519
Departmental agencies and accounts	-	-	-	-	-	-	-	61	84
Public corporations and private enterprises	63	-	-	63	87	-24	138,1%	-	-
Non-profit institutions	67 771	-	-	67 771	67 771	-	100,0%	67 693	65 002
Households	221 408	-	28 628	250 036	192 194	57 842	76,9%	123 834	143 392
Payments for capital assets	**409 068**	**-**	**-**	**409 068**	**199 801**	**209 267**	**48,8%**	**240 458**	**95 719**
Machinery and equipment	409 068	-	-	409 068	199 801	209 267	48,8%	240 458	95 719
Payment for financial assets	**-**	**-**	**-**	**-**	**1 554**	**-1 554**	**-**	**-**	**536**

APPROPRIATION STATEMENT

For the year ended 31 March 2026

Total	**30 148 715**	**-**	**170 144**	**30 318 859**	**30 318 859**	**-**	**100,0%**	**27 280 099**	**27 280 099**

APPROPRIATION STATEMENT

For the year ended 31 March 2026

Programme 3: Emergency Medical Services

	2025/26							2024/25	
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1 **EMERGENCY SERVICES**	1 622 643	-	-22 359	1 600 284	1 600 286	-2	100,0%	1 520 350	1 514 567
2 **PLANNED PATIENT TRANSPORT**	271 634	-	7 497	279 131	279 129	2	100,0%	243 239	249 022
Total	**1 894 277**	**-**	**-14 862**	**1 879 415**	**1 879 415**	**-**	**100,0%**	**1 763 589**	**1 763 589**
Economic classification									
Current payments	**1 784 283**	**-**	**-**	**1 784 283**	**1 804 948**	**-20 665**	**101,2%**	**1 662 883**	**1 677 912**
Compensation of employees	1 349 116	-	-	1 349 116	1 389 259	-40 143	103,0%	1 296 010	1 313 456
Goods and services	435 167	-	-	435 167	415 686	19 481	95,5%	366 873	364 449
Interest and rent on land	-	-	-	-	3	-3	-	-	7
Transfers and subsidies	**26 234**	**-**	**-14 862**	**11 372**	**6 730**	**4 642**	**59,2%**	**7 137**	**6 490**
Provinces and municipalities	3 713	-	-	3 713	2 298	1 415	61,9%	3 554	1 853
Public corporations and private enterprises	2	-	-	2	-	2	-	-	-
Households	22 519	-	-14 862	7 657	4 432	3 225	57,9%	3 581	4 637
Payments for capital assets	**83 760**	**-**	**-**	**83 760**	**67 691**	**16 069**	**80,8%**	**93 569**	**79 080**

APPROPRIATION STATEMENT

For the year ended 31 March 2026

Machinery and equipment	83 760	-	-	83 760	67 691	16 069	80,8%	93 569	79 080
Payment for financial assets	**-**	**-**	**-**	**-**	**46**	**-46**	**-**	**-**	**107**
Total	**1 894 277**	**-**	**-14 862**	**1 879 415**	**1 879 415**	**-**	**100,0%**	**1 763 589**	**1 763 589**

Programme 4: Provincial Hospital Services

	2025/26							2024/25	
	Adjusted Budget	Shifting of Funds	Virements	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1 **GENERAL (REGIONAL) HOSPITALS**	12 448 635	-	156 945	12 605 580	12 609 835	-4 255	100,0%	11 557 303	11 607 512
2 **TUBERCULOSIS HOSPITALS**	461 666	-	-37 855	423 811	421 325	2 486	99,4%	396 799	394 982
3 **PSYCHIATRIC-MENTAL HOSPITALS**	1 230 818	-	13 096	1 243 914	1 242 931	983	99,9%	1 167 065	1 158 228
4 **SUB-ACUTE, STEP-DOWN AND CHRONIC MEDICAL HOSPITALS**	386 970	-	-1 100	385 870	385 223	647	99,8%	370 107	342 067
5 **DENTAL TRAINING HOSPITAL**	18 472	-	1 447	19 919	19 779	140	99,3%	18 867	18 867
Total	**14 546 560**	**-**	**132 533**	**14 679 093**	**14 679 093**	**-**	**100,0%**	**13 510 141**	**13 521 656**
Economic classification									
Current payments	**14 224 530**	**-**	**49 805**	**14 274 335**	**14 414 695**	**-140 360**	**101,0%**	**13 239 699**	**13 388 785**
Compensation of employees	10 632 368	-	46 450	10 678 818	10 790 001	-111 183	101,0%	10 143 903	10 304 725
Goods and services	3 592 158	-	3 355	3 595 513	3 620 353	-24 840	100,7%	3 095 792	3 083 672
Interest and rent on land	4	-	-	4	4 341	-4 337	108525,0%	4	388

APPROPRIATION STATEMENT

For the year ended 31 March 2026

Interest (Incl. interest on unitary payments (PPP))	4	-	-	4	4 341	-4 337	108525,0%	4	388
Transfers and subsidies	**149 058**	**-**	**82 728**	**231 786**	**215 352**	**16 434**	**92,9%**	**84 458**	**88 710**
Provinces and municipalities	-	-	-	-	92	-92	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	118	14
Public corporations and private enterprises	123	-	-	123	84	39	68,3%	-	-
Households	148 935	-	82 728	231 663	215 176	16 487	92,9%	84 340	88 696
Payments for capital assets	**172 972**	**-**	**-**	**172 972**	**48 542**	**124 430**	**28,1%**	**185 984**	**43 864**
Machinery and equipment	172 972	-	-	172 972	48 542	124 430	28,1%	185 984	43 864
Payment for financial assets	**-**	**-**	**-**	**-**	**504**	**-504**	**-**	**-**	**297**
Total	**14 546 560**	**-**	**132 533**	**14 679 093**	**14 679 093**	**-**	**100,0%**	**13 510 141**	**13 521 656**

Programme 5: Central Hospital Services

	2025/26							2024/25	
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1 **CENTRAL HOSPITAL SERVICES**	2 818 052	-	19 641	2 837 693	2 846 534	-8 841	100,3%	2 775 643	2 775 643
2 **PROVINCIAL TERTIARY HOSPITAL SERVICES**	3 408 871	-	-66 008	3 342 863	3 334 022	8 841	99,7%	3 132 501	3 132 501

APPROPRIATION STATEMENT

For the year ended 31 March 2026

Total	**6 226 923**	**-**	**-46 367**	**6 180 556**	**6 180 556**	**-**	**100,0%**	**5 908 144**	**5 908 144**
Economic classification									
Current payments	**6 078 839**	**-**	**-25 180**	**6 053 659**	**6 124 316**	**-70 657**	**101,2%**	**5 778 979**	**5 835 137**
Compensation of employees	3 749 954	-	-	3 749 954	3 717 652	32 302	99,1%	3 564 843	3 625 752
Goods and services	2 328 885	-	-25 180	2 303 705	2 406 664	-102 959	104,5%	2 214 136	2 209 328
Interest and rent on land	-	-	-	-	-	-	-	-	57
Transfers and subsidies	**67 158**	**-**	**-21 187**	**45 971**	**22 631**	**23 340**	**49,2%**	**52 743**	**26 274**
Provinces and municipalities	-	-	-	-	19	-19	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	86	51
Public corporations and private enterprises	90	-	-	90	54	36	60,0%	-	-
Households	67 068	-	-21 187	45 881	22 558	23 323	49,2%	52 657	26 223
Payments for capital assets	**80 926**	**-**	**-**	**80 926**	**33 131**	**47 795**	**40,9%**	**76 422**	**46 663**
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	80 926	-	-	80 926	33 131	47 795	40,9%	76 422	46 663
Payment for financial assets	**-**	**-**	**-**	**-**	**478**	**-478**	**-**	**-**	**70**
Total	**6 226 923**	**-**	**-46 367**	**6 180 556**	**6 180 556**	**-**	**100,0%**	**5 908 144**	**5 908 144**

Programme 6: Health Sciences and Training

	2025/26	2024/25

APPROPRIATION STATEMENT

For the year ended 31 March 2026

	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1 **NURSING TRAINING COLLEGES**	253 168	-	-2 588	250 580	250 580	-	100,0%	230 031	229 979
2 **EMS TRAINING COLLEGES**	27 740	-	1 762	29 502	29 502	-	100,0%	30 650	26 924
3 **BURSARIES**	108 649	-	-78 950	29 699	29 699	-	100,0%	49 417	53 934
4 **PRIMARY HEALTH CARE TRAINING**	43 133	-	-8 356	34 777	34 417	360	99,0%	35 387	34 648
5 **TRAINING OTHER**	1 095 859	-	-20 925	1 074 934	1 074 934	-	100,0%	1 045 251	1 045 251
Total	**1 528 549**	**-**	**-109 057**	**1 419 492**	**1 419 132**	**360**	**100,0%**	**1 390 736**	**1 390 736**
Economic classification									
Current payments	**1 397 568**	**-**	**-35 907**	**1 361 661**	**1 372 305**	**-10 644**	**100,8%**	**1 312 343**	**1 318 588**
Compensation of employees	1 296 770	-	-29 083	1 267 687	1 278 440	-10 753	100,8%	1 243 368	1 243 368
Goods and services	100 798	-	-6 824	93 974	93 865	109	99,9%	68 975	75 220
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	**116 662**	**-**	**-73 150**	**43 512**	**40 641**	**2 871**	**93,4%**	**69 705**	**69 705**
Provinces and municipalities	-	-	-	-	1	-1	-	-	-
Departmental agencies and accounts	27 772	-	-	27 772	27 772	-	100,0%	26 581	26 581
Households	88 890	-	-73 150	15 740	12 868	2 872	81,8%	43 124	43 124
Social benefits	5 756	-	-523	5 233	2 362	2 871	45,1%	3 389	3 476
Other transfers to households	83 134	-	-72 627	10 507	10 506	1	100,0%	39 735	39 648
Payments for capital assets	**14 319**	**-**	**-**	**14 319**	**6 175**	**8 144**	**43,1%**	**8 688**	**2 443**
Machinery and equipment	14 319	-	-	14 319	6 175	8 144	43,1%	8 688	2 443

APPROPRIATION STATEMENT

For the year ended 31 March 2026

Transport equipment	7 549	-	-	7 549	5 348	2 201	70,8%	2 225	2 229
Other machinery and equipment	6 770	-	-	6 770	827	5 943	12,2%	6 463	214
Payment for financial assets	**-**	**-**	**-**	**-**	**11**	**-11**	**-**	**-**	**-**
Total	**1 528 549**	**-**	**-109 057**	**1 419 492**	**1 419 132**	**360**	**100,0%**	**1 390 736**	**1 390 736**

Programme 7: Health Care Support Services

	2025/26							2024/25	
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1 **MEDICINE TRADING ACCOUNT**	89 878	-	-	89 878	93 837	-3 959	104,4%	75 372	75 372
2 **LAUNDRY SERVICES**	234 913	-	-19 822	215 091	205 874	9 217	95,7%	196 719	185 204
3 **ORTHOTIC AND PROSTHETIC SERVICES**	64 996	-	-4 854	60 142	58 884	1 258	97,9%	59 363	59 363
Total	**389 787**	**-**	**-24 676**	**365 111**	**358 595**	**6 516**	**98,2%**	**331 454**	**319 939**
Economic classification									
Current payments	**369 925**	**-**	**-22 519**	**347 406**	**357 538**	**-10 132**	**102,9%**	**328 820**	**317 482**
Compensation of employees	178 522	-	-3 358	175 164	177 664	-2 500	101,4%	175 985	175 985
Goods and services	191 403	-	-19 161	172 242	179 874	-7 632	104,4%	152 835	141 497
Interest and rent on land	-	-	-	-	-	-	-	-	-

APPROPRIATION STATEMENT

For the year ended 31 March 2026

Transfers and subsidies	**6 423**	**-**	**-2 157**	**4 266**	**454**	**3 812**	**10,6%**	**991**	**1 419**
Households	6 423	-	-2 157	4 266	454	3 812	10,6%	991	1 419
Payments for capital assets	**13 439**	**-**	**-**	**13 439**	**603**	**12 836**	**4,5%**	**1 643**	**1 038**
Machinery and equipment	13 439	-	-	13 439	603	12 836	4,5%	1 643	1 038
Payment for financial assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**389 787**	**-**	**-24 676**	**365 111**	**358 595**	**6 516**	**98,2%**	**331 454**	**319 939**

APPROPRIATION STATEMENT

For the year ended 31 March 2026

Programme 8: Health Facilities Management

	2025/26							2024/25	
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1 **COMMUNITY HEALTH FACILITIES**	516 266	-	-177 274	338 992	258 584	80 408	76,3%	470 237	470 237
2 **DISTRICT HOSPITAL SERVICES**	525 038	-	-	525 038	482 641	42 397	91,9%	351 593	351 593
3 **EMERGENCY MEDICAL SERVICES**	-	-	-	-	-	-	-	-	-
4 **PROVINCIAL HOSPITAL SERVICES**	687 237	-	157 550	844 787	932 756	-87 969	110,4%	595 601	595 601
5 **CENTRAL HOSPITAL SERVICES**	6 064	-	19 724	25 788	101 814	-76 026	394,8%	125 525	125 525
6 **OTHER FACILITIES**	378 124	-	-	378 124	300 268	77 856	79,4%	360 467	360 467
Total	**2 112 729**	**-**	**-**	**2 112 729**	**2 076 063**	**36 666**	**98,3%**	**1 903 423**	**1 903 423**
Current payments	**422 242**	**-**	**-**	**422 242**	**727 199**	**-304 957**	**172,2%**	**746 613**	**832 939**
Compensation of employees	104 404	-	-	104 404	109 477	-5 073	104,9%	107 367	107 952
Goods and services	317 838	-	-	317 838	617 722	-299 884	194,4%	639 246	724 987
Transfers and subsidies	**477**	**-**	**-**	**477**	**543**	**-66**	**113,8%**	**51**	**51**
Households	477	-	-	477	543	-66	113,8%	51	51
Payments for capital assets	**1 690 010**	**-**	**-**	**1 690 010**	**1 348 321**	**341 689**	**79,8%**	**1 156 759**	**1 070 433**
Buildings and other fixed structures	1 661 106	-	-105 212	1 555 894	1 219 312	336 582	78,4%	974 217	889 812
Machinery and equipment	28 904	-	105 212	134 116	129 009	5 107	96,2%	182 542	180 621
Total	**2 112 729**	**-**	**-**	**2 112 729**	**2 076 063**	**36 666**	**98,3%**	**1 903 423**	**1 903 423**

STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31 March 2026

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

Detail of these transactions can be viewed in note on Transfers and subsidies and Annexure 1 (A-H) to the Annual Financial Statements.

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

Detail of these transactions can be viewed in note 1 (Annual Appropriation) to the Annual Financial Statements.

3. Detail on payments for financial assets

Detail of these transactions per programme can be viewed in the note to Payments for financial assets to the
Annual Financial Statements.

4. Explanations of material variances from Amounts Voted (after Virement):

4.1 Per Programme:

	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
	R'000	R'000	R'000	%
ADMINISTRATION	1 238 717	1 230 411	8 306	0,67%
Mainly related to the Voluntary Exit Programme and the Early Retirement Programme funding that could not be paid in 2025/26 due to staff only exiting at the end of March 2026.				
DISTRICT HEALTH SERVICES	30 318 859	30 318 859	0	0%
Virements used for balanced outcome.				
EMERGENCY MEDICAL SERVICES	1 879 415	1 879 415	0	0%
Virements used for balanced outcome.				
PROVINCIAL HOSPITAL SERVICES	14 679 093	14 679 093	0	0%
Virements used for balanced outcome.				
CENTRAL HOSPITAL SERVICES	6 180 556	6 180 556	0	0%
Virements used for balanced outcome.				
HEALTH SCIENCES AND TRAINING	1 419 492	1 419 132	360	0%
Deferment of the Machinery and Equipment procurement processes to 2026/27 to remain within budget.				
HEALTH CARE SUPPORT SERVICES	365 111	358 595	6 516	1.78%
Deferment of the Machinery and Equipment procurement processes to 2026/27 to remain within budget.				
HEALTH FACILITIES MANAGEMENT	2 112 729	2 076 063	36 666	1.74%
Underspending was attributed to some projects being placed on hold as part of the Department's savings plan.				

APPROPRIATION STATEMENT

For the year ended 31 March 2026

		Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
4.2	**Per economic classification:**	**R'000**	**R'000**	**R'000**	**%**
	Current expenditure				
	Compensation of employees	37 163 986	37 383 872	-219 886	-0,59%
	Goods and services	17 518 588	18 143 133	-624 545	-3,57%
	Interest and rent on land	558	5 653	-5 095	-913,08%
	Transfers and subsidies				
	Provinces and municipalities	308 887	308 408	479	0,16%
	Departmental agencies and accounts	27 772	27 772	0	0,00%
	Public corporations and private enterprises	279	225	54	19,35%
	Non-profit institutions	67 771	67 771	0	0,00%
	Payments for capital assets				
	Buildings and other fixed structures	2 526 796	1 748 732	778 064	30,79%
	Machinery and equipment	970 902	529 420	441 482	45,47%
	Payments for financial assets	0	2 598	-2 598	-

Overspending against Compensation of Employees and Goods and Services due to the under-budgeted 2025 and 2026 wage agreement and the historical budget cuts. Interest and Rent on Land overspent is a result of the inability to pay municipal accounts on time due to cash blocking, as well as interest charged on medical-legal claims as part of the court order settlement amount. Underspending on Buildings and fixed structures is attributed to some projects being placed on hold as part of the Department's savings plan, while underspending on Machinery and Equipment is due to the deferment of procurement processes to 2026/27 to alleviate overall pressures within the department.

		Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
4.3	**Per conditional grant**	**R'000**	**R'000**	**R'000**	**%**
	National Tertiary Services Grant	2 289 556	2 289 556	0	0%
	Districts Programme Grant	7 561 299	7 561 299	0	0%
	Health Facility Revitalisation Grant	1 716 920	1 716 920	0	0%
	Human Resource & Training Grant	788 597	788 597	0	0%
	EPW Integrated Grant to Provinces	27 391	27 391	0	0%
	National Health Insurance	89 818	89 818	0	0%

All Conditional grants have been spent in accordance with the Business plans.

	Note	2025/26 R'000	2024/25 R'000

APPROPRIATION STATEMENT

For the year ended 31 March 2026

REVENUE			
Annual appropriation	1	58 193 972	53 796 892
Department Revenue	2	291 120	257 583
Aid Assistance	3	8 404	8 979
TOTAL REVENUE		**58 493 496**	**54 063 454**
EXPENDITURE			
Current expenditure			
Compensation of employees	4	37 383 872	35 744 302
Goods and services	5	18 143 013	15 994 397
Interest and Rent on land	6	5 774	7 419
Aid Assistance	3	8 404	8 979
Total current expenditure		**55 541 063**	**51 755 097**
Transfers and subsidies			
Transfers and subsidies	8	858 136	691 476
Total transfers & subsidies		**858 136**	**691 476**
Expenditure for capital assets			
Tangible assets	9	1 748 732	1 358 281
Total expenditure for capital assets		**1 748 732**	**1 358 281**
Unauthorised expenditure approved without funding		-	-
Payments for Financial Assets	7	2 597	1 017
TOTAL EXPENDITURE		**58 150 528**	**53 805 871**
SURPLUS/ (DEFICIT) FOR THE YEAR		**342 968**	**257 583**
Reconciliation of Net Surplus/ (Deficit) for the year			
Voted Funds		51 848	-
Annual Appropriation		51 848	-
Conditional grants		-	-
Departmental Revenue and NRF Receipts	14	291 120	257 583
SURPLUS / DEFICIT FOR THE YEAR		**342 968**	**257 583**

STATEMENT OF FINANCIAL POSITION

for the year ended 31 March 2026

	Note	2025/26 R'000	2024/25 R'000
ASSETS			
Current Assets		**24 342**	**22 131**
Cash and Cash Equivalent	10	278	336
Prepayments and advances	11	-	13
Receivables	12	23 162	21 217
Aid assistance prepayments		902	565
Non-Current Assets		**17 979**	**18 106**
Prepayments and advances	12	13	-
Receivables		17 966	18 106
TOTAL ASSETS		**42 321**	**40 237**
LIABILITIES			
Current Liabilities		**1 413 866**	**1 412 516**
Voted funds to be surrendered to the Revenue Fund	13	51 848	140 979
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	14	20 141	20 120
Bank overdraft	15	1 290 908	1 224 489
Payables	16	50 067	26 363
Aid assistance unutilised		902	565
TOTAL LIABILITIES		**1 413 866**	**1 412 516**
NET ASSETS		**-1 371 545**	**-1 372 279**
Represented by:			
Recoverable revenue		16 954	16 220
Unauthorised Expenditure		-1 388 499	-1 388 499
TOTAL		**-1 371 545**	**-1 372 279**

	Note	2025/26 R'000	2024/25 R'000
Recoverable revenue			
Opening balance		16 220	17 722
Transfers		**734**	**-1 502**
Debts revised		1 382	1 074
Debts recovered (included in departmental receipts)		-6 173	-7 549
Debts raised		5 525	4 973
Closing balance		**16 954**	**16 220**

	Note	2025/26 R'000	2024/25 R'000

STATEMENT OF CHANGES IN NET ASSETS
For the year ended 31 March 2026

Unauthorised Expenditure		
Opening balance	-1 388 499	-1 376 984
Unauthorised Expenditure – current year	-	-11 515
Relating to overspending of the vote or main division within the vote	-	-11 515
Closing Balance	**-1 388 499**	**-1 388 499**
Total	**-1 371 545**	**-1 372 279**

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2026

	Note	2025/26 R'000	2024/25 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		**58 480 069**	**54 037 941**
Annual appropriated funds received	1.1	58 193 972	53 796 892
Departmental revenue received	2	276 676	231 528
Interest received	2.3	1 017	542
Aid assistance received	3	8 404	8 979
Net (increase)/ decrease in working capital		21 899	191
Surrendered to Revenue Fund		-432 078	-247 416
Current payments		-55 535 289	-51 747 678
Interest paid		-5 774	-7 419
Payments for Financial Assets		-2 597	-1 017
Transfers and subsidies paid		-858 136	-691 476
Net cash flow available from operating activities	17	**1 668 094**	**1 343 126**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	9	-1 748 732	-1 358 281
Proceeds from sale of capital assets	2.4	13 427	25 513
(Increase)/decrease in non-current receivables		-	-
Net cash flows from investing activities		**-1 735 305**	**-1 332 768**
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/ (decrease) in net assets		734	-1 502
Net cash flows from financing activities		**734**	**-1 502**
Net increase/ (decrease) in cash and cash equivalents		-66 477	8 856
Cash and cash equivalents at beginning of period		-1 224 153	-1 233 009
Cash and cash equivalents at end of period	18	**-1 290 630**	**-1 224 153**

Summary of significant accounting policies

NOTES TO ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2026

The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. Management has concluded that the financial statements present fairly the department's primary and secondary information.

The historical cost convention has been used, except where otherwise indicated. Management has used assessments and estimates in preparing the annual financial statements. These are based on the best information available at the time of preparation.

Where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act (PFMA), Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the PFMA and the annual Division of Revenue Act.

1	**Basis of preparation** The financial statements have been prepared in accordance with the Modified Cash Standard.
2	**Going concern** The financial statements have been prepared on a going concern basis.
3	**Presentation currency** Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.
4	**Rounding** Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).
5	**Foreign currency translation** Cash flows arising from foreign currency transactions are translated into South African Rands using the spot exchange rates prevailing at the date of payment / receipt.
6	**Comparative information**
6.1	**Prior period comparative information** Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.
6.2	**Current year comparison with budget** A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the Appropriation statement.
7	**Revenue**
7.1	**Appropriated funds** Appropriated funds comprise of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation, which are direct charges against the Revenue Fund authorised in terms of enabling legislation). Appropriated funds are recognised as revenue in the Statement of Financial Performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the Statement of Financial Performance on the date those adjustments become effective. Appropriated funds are measured at the amounts receivable. The net amount of any appropriated funds due to / from the relevant Revenue Fund at the reporting date is recognised as a payable / receivable in the Statement of Financial Position.

7.2	**Departmental revenue** Departmental revenue is recognised in the Statement of Financial Performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise. Departmental revenue is measured at the cash amount received. In-kind donations received are recorded in the notes to the financial statements on the date of receipt and are measured at fair value. Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the Statement of Financial Position.
7.3	**Accrued departmental revenue** Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when: - it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and - the amount of revenue can be measured reliably. The accrued revenue is measured at the fair value of the consideration receivable. Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents. Write-offs are made according to the department's debt write-off policy.
8	**Expenditure**
8.1	**Compensation of employees**
8.1.1	**Salaries and wages** Salaries and wages are recognised in the statement of financial performance on the date of payment.
8.1.2	**Social contributions** Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment. Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.
8.2	**Other expenditure** Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the Statement of Financial Performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold. Donations made in kind are recorded in the notes to the financial statements on the date of transfer and are measured at cost or fair value.
8.3	**Accruals and payables not recognised** Accruals and payables not recognised are recorded in the notes to the financial statements at cost or fair value at the reporting date.

8.4	**Leases**
8.4.1	**Operating leases** Operating lease payments made during the reporting period are recognised as current expenditure in the Statement of Financial Performance on the date of payment. Operating lease payments received are recognised as departmental revenue. The operating lease commitments are recorded in the notes to the financial statements.
8.4.2	**Finance leases** Finance lease payments made during the reporting period are recognised as capital expenditure in the Statement of Financial Performance on the date of payment. Finance lease payments received are recognised as departmental revenue. The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions. At commencement of the finance lease term, finance lease assets acquired are recorded and measured at: - the fair value of the leased asset; or if lower, - the present value of the minimum lease payments. Finance lease assets acquired prior to 1 April 2024, are recorded and measured at the present value of the minimum lease payments.
9	**Aid Assistance**
9.1	**Aid assistance received** Aid assistance received in cash is recognised in the Statement of Financial Performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value. CARA Funds are recognised when receivable and measured at the amounts receivable. Aid assistance not spent for the intended purpose and any unspent funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the Statement of Financial Position.
9.2	**Aid assistance paid** Aid assistance paid is recognised in the Statement of Financial Performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the Statement of Financial Position.
10	**Cash and cash equivalents** Cash and cash equivalents are stated at cost in the statement of financial position. Bank overdrafts are shown separately on the face of the statement of financial position as a current liability. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.
11	**Prepayments and advances** Prepayments and advances are recognised in the Statement of Financial Position when the department receives or disburses the cash. Prepayments and advances are initially and subsequently measured at cost. Prepayments and advances expensed before 1 April 2024 are recorded until the goods, services, or capital assets are received, or the funds are utilised in accordance with the contractual agreement.

12	**Loans and receivables** Loans and receivables are recognised in the Statement of Financial Position at cost plus accrued interest, where interest is charged, less amounts already settled or written off. Write-offs are made according to the department's write-off policy.
13	**Financial assets**
13.1	**Impairment of financial assets** Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.
14	**Payables** Payables recognised in the Statement of Financial Position are recognised at cost.
15	**Capital assets**
15.1	**Immovable capital assets** Immovable assets reflected in the asset register of the department are recorded in the notes to the financial statements at cost or fair value [or R1000 for specific assets per MCS 11.72A] where the cost cannot be determined reliably. Immovable assets acquired in a non-exchange transaction are recorded at fair value at the date of acquisition. Immovable assets are subsequently carried in the asset register at cost and are not currently subject to depreciation or impairment. Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use. Additional information on immovable assets not reflected in the assets register is provided in the notes to financial statements.
15.2	**Movable capital assets** Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition. Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1. All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1. Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment. Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.
15.3	**Intangible capital assets** Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition. Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project. Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1. All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1. Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.

	Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.
15.4	**Project costs: Work-in-progress** Expenditure of a capital nature is initially recognised in the Statement of Financial Performance at cost when paid. Amounts paid towards capital projects are separated from the amounts recognised and accumulated in work-in-progress until the underlying asset is ready for use. Once ready for use, the total accumulated payments are recorded in an asset register. Subsequent payments to complete the project are added to the capital asset in the asset register. Where the department is not the custodian of the completed project asset, the asset is transferred to the custodian subsequent to completion.
16	**Provisions and contingents**
16.1	**Provisions** Provisions are recorded in the notes to the financial statements when a present legal or constructive obligation exists as a result of past events, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.
16.2	**Contingent liabilities** Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.
16.3	**Contingent assets** Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department.
16.4	**Capital commitments** Capital commitments are recorded at cost in the notes to the financial statements.
17	**Unauthorised expenditure** Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure. Unauthorised expenditure is recognised in the Statement of Changes in Net Assets until such time as the expenditure is either: - approved by Parliament or the Provincial Legislature with funding and the related funds are received; or - approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or - transferred to receivables for recovery. Unauthorised expenditure recorded in the notes to the financial statements comprise of - unauthorised expenditure that was under assessment in the previous financial year; - unauthorised expenditure relating to previous financial year and identified in the current year; and

	- unauthorised expenditure incurred in the current year.

18	**Fruitless and wasteful expenditure** Fruitless and wasteful expenditure receivables are recognised in the Statement of Financial Position when recoverable. The receivable is measured at the amount that is expected to be recovered and is de-recognised when settled or subsequently written off as irrecoverable. Fruitless and wasteful expenditure is recorded in the notes to the financial statements when and at amounts confirmed, and comprises of: - fruitless and wasteful expenditure that was under assessment in the previous financial year; - fruitless and wasteful expenditure relating to previous financial year and identified in the current year; and - fruitless and wasteful expenditure incurred in the current year.
19	**Irregular expenditure** Losses emanating from irregular expenditure are recognised as a receivable in the Statement of Financial Position when recoverable. The receivable is measured at the amount that is expected to be recovered and is de-recognised when settled or subsequently written off as irrecoverable. Irregular expenditure is recorded in the notes to the financial statements when and at amounts confirmed and comprises of: - irregular expenditure that was under assessment in the previous financial year; - irregular expenditure relating to previous financial year and identified in the current year; and - Irregular expenditure incurred in the current year.
20	**Changes in accounting policies, estimates and errors** Changes in accounting policies are applied in accordance with MCS requirements. Changes in accounting estimates are applied prospectively in accordance with MCS requirements. Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.
21	**Events after the reporting date** Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.
22	**Recoverable revenue** Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the Statement of Financial Performance when written off.
23	**Related party transactions** Related party transactions within the Minister/MEC's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length. The full compensation of key management personnel is recorded in the notes to the financial statements.

24	**Inventories (Effective from date determined by the Accountant-General)** At the date of acquisition, inventories are recognised at cost in the Statement of Financial Performance. Where inventories are acquired as part of a non-exchange transaction, the inventories are measured at fair value as at the date of acquisition. Inventories are subsequently measured at the lower of cost and net realisable value or were intended for distribution (or consumed in the production of goods for distribution) at no or a nominal charge, the lower of cost and current replacement value. The cost of inventories is assigned by using the weighted average cost basis.
25	**Public-Private Partnerships** Public Private Partnerships are accounted for based on the nature and or the substance of the partnership. The transaction is accounted for in accordance with the relevant accounting policies. A summary of the significant terms of the PPP agreement, the parties to the agreement, and the date of commencement thereof together with the description and nature of the concession fees received, the unitary fees paid, rights and obligations of the department are recorded in the notes to the financial statements.
26	**Employee benefits** The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is recorded in the Employee benefits note. Accruals and payables not recognised for employee benefits are measured at cost or fair value at the reporting date. The provision for employee benefits is measured as the best estimate of the funds required to settle the present obligation at the reporting date.
27	**Best Estimate** The amount disclosed as a provision and contingent shall be the best estimate of the funds required to settle the present obligation at the reporting date. The time value of money is ignored where the obligation will be settled sometime after the reporting date.

NOTES TO ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2026

1. Annual Appropriation

1.1 Annual Appropriation

Included are funds appropriated in terms of the Appropriation Act for Provincial Departments (Equitable Share).

Programmes	Final Budget R'000	2025/2026 Actual Funds received R'000	Funds not requested/ not received R'000	Final Budget R'000	2024/25 Appropriation received R'000	Funds not Requested/ not received R'000
Administration	1 238 717	1 238 717	-	1 709 306	1 709 306	-
District Health Services	30 318	30 318				
Emergency Medical Services	859	859	-	27 280 099	27 280 099	-
Provincial Hospital Services	1 879 415	1 879 415	-	1 763 589	1 763 589	-
Central Hospital Services	14 679	14 679				
Health Sciences and Training	093	093	-	13 510 141	13 510 141	-
Health Care Support Services	6 180 556	6 180 556	-	5 908 144	5 908 144	-
Health Facilities Management	1 419 492	1 419 492	-	1 390 736	1 390 736	-
	365 111	365 111	-	331 454	331 454	-
	2 112 729	2 112 729	-	1 903 423	1 903 423	-
Total	**58 193 972**	**58 193 972**	**-**	**53 796 892**	**53 796 892**	**-**

1.2 Conditional grants

	Note	2025/26 R'000	2024/25 R'000
Total grants received	*Annexure 1A*	12 473 581	11 913 831
Provincial Grants included in Total grants received		**27 391**	**29 639**

(It should be noted that Conditional grants are included in the amounts per the Total Appropriation in Note 1.1)

2. Departmental Revenue

		2025/26 R'000	2024/25 R'000
Sales of goods and services other than capital assets	*2.1*	242 049	207 190
Fines, penalties and forfeits	*2.2*	50	43
Interest, dividends and rent on land	*2.3*	1 017	542
Sales of capital assets	*2.4*	13 427	25 513
Transactions in financial assets and liabilities	*2.5*	34 577	24 295
Total Revenue Collected		**291 120**	**257 583**
Departmental revenue collected		**291 120**	**257 583**

	2025/26 R'000	2024/25 R'000

NOTES TO ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2026

2.1	**Sales of goods and services other than capital assets**	2		
	Sales of goods and services produced by the department		239 981	206 437
	Sales by market establishment		20 147	13 151
	Administrative Fees		11 833	12 434
	Other sales		208 001	180 852
	Sales of scrap, waste and other used current goods		2 068	753
	Total		**242 049**	**207 190**
2.2	**Fines, penalties and forfeits**	2		
	Penalties		48	40
	Forfeits		2	3
	Total		**50**	**43**
2.3	**Interest, dividends and rent on land**	2		
	Interest		1 017	542
	Total		**1 017**	**542**
2.4	**Sales of capital assets**	2		
	Tangible Capital Assets		**13 427**	**25 513**
	Machinery and Equipment		13 427	25 513
	Total		**13 427**	**25 513**
2.5	**Transactions in Financial assets and liabilities**	2		
	Receivables		34 565	24 284
	Other receipts including recoverable revenue		12	11
	Total		**34 577**	**24 295**

		2025/26	**2024/25**
2.6	**Gifts, donations and sponsorships received in-kind (not included in the main note or sub note)**	**R'000**	**R'000**
	Gifts	3	2
	Donations	193 208	279 009
	Sponsorships	3 701	8 489
	Closing balance	**196 912**	**287 500**

NOTES TO ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2026

3. Aid Assistance

3.1 Analysis of balance	2025/26 R'000	2024/25 R'000
Aid assistance prepayments (Not expensed)	-902	-565
Aid assistance unutilised	902	565
Closing balance	**-**	**-**

Refer to Annexure 1H

3.2 Aid assistance expenditure per economic classification	2025/26 R'000	2024/25 R'000
Current	8 404	8 979
Total aid assistance expenditure	**8 404**	**8 979**

Refer to Annexure 1H

4. Compensation of employees	2025/26 R'000	2024/25 R'000
4.1 Salaries and wages		
Basic Salary	23 383 016	22 440 099
Performance award	415	4 443
Service Based	39 736	28 505
Compensative/circumstantial	3 734 501	3 640 548
Periodic payments	91 163	83 973
Other non-pensionable allowances	4 986 622	4 806 001
Total	**32 235 453**	**31 003 569**

4.2 Social contributions	2025/26 R'000	2024/25 R'000
Employer contributions		
Pension	2 884 044	2 754 311
Medical	2 259 227	1 981 234
UIF	66	80
Bargaining council	5 051	5 101
Insurance	31	7
Total	**5 148 419**	**4 740 733**
Total compensation of employees	**37 383 872**	**35 744 302**
Average number of employees	**75 175**	**79 740**

NOTES TO ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2026

			2025/26 R'000	2024/25 R'000
5.	**Goods and services**			
	Administrative fees		10 941	13 571
	Advertising		7 977	33 321
	Minor Assets	5.1	17 452	17 214
	Bursaries (employees)		19 991	14 254
	Catering		14 651	14 212
	Communication		190 021	202 984
	Computer services	5.2	348 164	194 235
	Laboratory services		3 036 280	2 624 370
	Legal services		58 100	89 507
	Contractors		270 038	262 775
	Agency and support / outsourced services		1 485 371	1 534 631
	Audit cost - External	5.3	47 820	73 347
	Fleet services		565 732	499 090
	Inventory	5.4	7 022 816	6 085 052
	Consumables	5.5	324 338	291 767
	Operating leases		205 659	211 851
	Property payments	5.6	4 326 883	3 653 148
	Transport provided as part of the departmental activities		19 991	18 580
	Travel and subsistence	5.7	110 322	108 816
	Venues and facilities		418	223
	Training and development		16 871	18 577
	Other operating expenditure	5.8	43 177	32 872
	Total		**18 143 013**	**15 994 397**

		Note	2025/26 R'000	2024/25 R'000
5.1	**Minor Assets**	5		
	Tangible assets		**17 452**	**17 214**
	Machinery and equipment		17 452	17 214
	Total		**17 452**	**17 214**

		Note	2025/26 R'000	2024/25 R'000
5.2	**Computer services**			
	SITA computer services	5	83 558	45 997
	External computer service providers		264 606	148 238
	Total		**348 164**	**194 235**

NOTES TO ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2026

		Note	2025/26 R'000	2024/25 R'000
5.3	**Audit cost – external**	5		
	Regularity audits		30 963	29 826
	Investigation		16 857	43 521
	Total		**47 820**	**73 347**

		Note	2025/26 R'000	2024/25 R'000
5.4	**Inventory**	5		
	Food and food supplies		186 236	134 589
	Fuel, oil and gas		117 246	139 348
	Materials and supplies		235 904	211 498
	Medical supplies		2 551 478	2 189 427
	Medicine		3 931 952	3 410 190
	Total		**7 022 816**	**6 085 052**

		Note	2025/26 R'000	2024/25 R'000
5.5	**Consumables**	5		
	Consumable supplies		219 877	182 980
	Uniform and clothing		143 871	144 759
	Household supplies		53 840	9 674
	Building material and supplies		21 150	27 474
	IT consumables		340	582
	Other consumables		676	491
	Stationery, printing and office supplies		104 461	108 787
	Total		**324 338**	**291 767**

		Note	2025/26 R'000	2024/25 R'000
5.6	**Property Payment**	5		
	Municipal Services		1 357 824	1 113 487
	Property maintenance and repairs		411 192	503 274
	Other		2 557 867	2 036 387
	Total		**4 326 883**	**3 653 148**

NOTES TO ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2026

		Note	2025/26 R'000	2024/25 R'000
5.7	**Travel and subsistence**	5		
	Local		110 217	108 372
	Foreign		105	444
	Total		**110 322**	**108 816**

		Note	2025/26 R'000	2024/25 R'000
5.8	**Other operating expenditure**	5		
	Professional bodies, membership and subscription fees		3 292	3 070
	Resettlement costs		1 574	3 338
	Other		38 311	26 464
	Total		**43 177**	**32 872**

		2025/26 R'000	2024/25 R'000
6.	**Interest and Rent on Land**		
	Interest paid	5 774	7 419
	Total	**5 774**	**7 419**

		Note	2025/26 R'000	2024/25 R'000
7.	**Payment for Financial Assets**			
	Debts written off	7.1	2 597	1 017
	Total		**2 597**	**1 017**

		2025/26 R'000	2024/25 R'000
7.1	**Debts written off**	7	
	Nature of debts written off		
	Other debt written off		
	Staff Debt written off	2 597	1 017
	Total	**2 597**	**1 017**

NOTES TO ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2026

		Note	2025/26 R'000	2024/25 R'000
8.	**Transfers and subsidies**			
	Provinces and municipalities	Annexure 1B	308 407	276 270
	Departmental agencies and accounts	Annexure 1C	27 772	26 730
	Public corporations and private enterprises	Annexure D	225	-
	Non-profit institution	Annexure 1E	67 771	65 002
	Households	Annexure 1F	453 961	323 474
	Total		**858 136**	**691 476**

		Note	2025/26 R'000	2024/25 R'000
9.	**Expenditure for capital assets**			
	Tangible Capital Assets		**1 748 732**	**1 358 281**
	Buildings and other fixed structures	30	1 219 312	889 812
	Machinery and equipment	29	529 420	468 469
	Intangible assets		**-**	**-**
	Software		-	-
	Total		**1 748 732**	**1 358 281**

9.1 Analysis of funds utilised to acquire capital assets

	2025/2026 Voted Funds R'000	Aid assistance R'000	TOTAL R'000
Tangible Capital Assets	**1 748 732**	**-**	**1 748 732**
Buildings and other fixed structures	1 219 312		1 219 312
Machinery and equipment	529 420		529 420
Intangible assets	**-**	**-**	**-**
Software	-	-	-
Total	**1 748 732**	**-**	**1 748 732**

9.2 Analysis of funds utilised to acquire capital assets-

	2024/25 Voted Funds R'000	Aid assistance R'000	TOTAL R'000
Tangible Capital Assets	**1 358 281**	**-**	**1 358 281**
Buildings and other fixed structures	889 811	-	889 811
Machinery and equipment	468 470	-	468 470
Total	**1 358 281**	**-**	**1 358 281**

NOTES TO ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2026

		2025/26 R'000	2024/25 R'000
9.3	**Finance lease expenditure included in Expenditure for capital assets**		
	Tangible capital assets	**744**	**120**
	Machinery and equipment	744	120
	Intangible capital assets	**-**	**-**
	Total	**744**	**120**

		2025/26 R'000	2024/25 R'000
10.	**Cash and cash equivalents**		
	Consolidated Paymaster General Account	-	-
	Cash receipts	16	87
	Cash on hand	262	249
	Total	**278**	**336**

		2025/26 R'000	2024/25 R'000
11.	**Prepayments and advances**		
	Travel and subsistence	13	13
	Total	**13**	**13**
	Analysis of Total Prepayments and advances		
	Current Prepayments and advances	-	13
	Non-current Prepayments and advances	13	-
	Total	**13**	**13**

		Note	2025/2026 Current R'000	Non-current R'000	Total R'000	2024/2025 Current R'000	Non-current R'000	Total R'000
12.	**Receivable**							
	Claims recoverable	12.1	1 397	-	1 397	6 466	-	6 466
	Recoverable Expenditure	12.2	11 919	-	11 919	4 491	-	4 491
	Staff debt	12.3	9 846	17 966	27 812	10 260	18 106	28 366
	Total		**23 162**	**17 966**	**41 128**	**21 217**	**18 106**	**39 323**

NOTES TO ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2026

		Note	2025/26 R'000	2024/25 R'000
12.1	**Claims recoverable**	12		
	National departments			15
	Provincial departments		1 397	5 972
	Foreign Governments		-	-
	Public entities		-	475
	Private enterprises		-	4
	Total		**1 397**	**6 466**

		Note	2025/26 R'000	2024/25 R'000
12.2	**Recoverable Expenditure (disallowance accounts)**	12		
	Medsas Clearing account		-	2
	Salary Medical Aid		23	4
	Salary ACB Recalls		181	-
	Disallowances Damages and losses Recover: CA		391 693	238 080
	Disallowances Damages and losses: CA		-391 693	-238 080
	Salary Reversal Control		11 638	4 485
	Salary Income Tax		58	-
	Salary Finance Other Institutions		19	-
	Total		**11 919**	**4 491**

		Note	2025/26 R'000	2024/25 R'000
12.3	**Staff debt**	12		
	Breach of Contract Employees and Non-Employees		4 316	4 236
	Employee Debt Salary overpayment		19 614	21 113
	Fruitless and wasteful		157	20
	Government Accidents		420	125
	Fraud		138	71
	Supplier Debt		848	667
	Bursary Debt		134	123
	Tax Debt		2 149	1 968
	Losses and Damages Employees		36	43
	Total		**27 812**	**28 366**

		Note	2025/26 R'000	2024/25 R'000
12.4	**Impairment of receivables**	12		
	Estimate of impairment of receivables		13 041	14 873
	Total		**13 041**	**14 873**

Accounts that have prescribed

NOTES TO ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2026

		Note	2025/26 R'000	2024/25 R'000
13.	**Voted funds to be surrendered to the Revenue Fund**			
	Opening balance		140 979	129 464
	Prior period error		-	-
	As restated		140 979	129 464
	Transfer from Statement of Financial Performance (as restated)		51 848	-
	Add: Unauthorised expenditure for current year		-	11 515
	Received / (Paid) during the year		-140 979	-
	Closing balance		**51 848**	**140 979**

Rounding of in respect of Treasury pay overs.

		2025/26 R'000	2024/25 R'000
13.1	**Reconciliation of unspent Conditional grants**		
	Total Conditional grants received	12 473 581	11 913 831
	Total Conditional grants spent	-12 473 581	-11 913 831
	Due by the Revenue Fund	**-**	**-**

		2025/26 R'000	2024/25 R'000
14.	**Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund**		
	Opening balance	20 120	9 953
	As restated	20 120	9 953
	Transfer from Statement of Financial Performance (as restated)	291 120	257 583
	Paid during the year	-291 099	-247 416
	Closing balance	**20 141**	**20 120**

		2025/26 R'000	2024/25 R'000
15.	**Bank overdraft**		
	Consolidated Paymaster General Account	1 290 908	1 224 489
	Total	**1 290 908**	**1 224 489**

		Note	2025/26 R'000	2024/25 R'000
16.	**Payables - current**			
	Clearing accounts	*16.1*	50 067	26 363
	Total		**50 067**	**26 363**

NOTES TO ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2026

		Note	2025/26 R'000	2024/25 R'000
16.1	**Clearing account**	16		
	Sal ACB Recalls		13 232	3 708
	Sal Bargaining Council		9	2
	Sal Garnishee Order		76	36
	Sal Income Tax		9 216	2 144
	Salary Medical Aid / Salary Pension Fund		2 132	831
	Sal Disallowance Acc /Salary Official Unions / Salary Insurance Ded		18	2 218
	Adv: Dom/Prov KZN		8 965	3 596
	Sal Recoverable / Salary Deduction Control		1 893	141
	Sal Subscriptions and Prof Bodies		60	48
	Sal: GEH Refund Control Account		14 466	13 639
	Total		**50 067**	**26 363**

		2025/26 R'000	2024/25 R'000
17.	**Net cash flow available from operating activities**		
	Net surplus / (deficit) as per Statement of Financial Performance	342 968	257 583
	Add back non-cash movements/ movements not deemed operating activities:	1 325 126	1 085 543
	(Increase)/decrease in receivables	-1 805	4 197
	(Increase)/decrease in prepayments and advances	-	4
	Increase/(decrease) in payables – current	23 704	-4 010
	Proceeds from sale of capital assets	-13 427	-25 513
	Expenditure on capital assets	1 748 732	1 358 281
	Surrenders to Revenue Fund	-432 078	-247 416
	Net cash flow generated by operating activities	**1 668 094**	**1 343 126**

		2025/26 R'000	2024/25 R'000
18.	**Reconciliation of cash and cash equivalents for cash flow purposes**		
	Consolidated Paymaster General Account	-1 290 908	-1 224 489
	Cash receipts	16	87
	Cash on hand	262	249
	Total	**-1 290 630**	**-1 224 153**

			Note	2025/26 R'000	2024/25 R'000
19.	**Contingent liabilities and Contingent Assets**				
	Contingent liabilities				
19.1	**Liable to**	**Nature**			
	Housing loan guarantees	Employees	*Annex 2A*	45	-
	Claims against the department		*Annex 2B*	3 862 279	3 606 920
	Intergovernmental payables		*Annex 4*	156 452	19 792
	Other			2 717 810	2 707 116
	Total			**6 736 586**	**6 333 828**

Contingent Liabilities – Medico-Legal Claims

The Department is currently involved in various medico-legal claims.

As of 31 March 2026, the gross amount for assessed medico-legal claims totalled R9.4 billion, with the estimated best values of approximately R2.7 billion (2025/26): R2.6 billion (2024/25). However, the total gross amount of unassessed claims is R9.6 billion, and their related best estimates are not included in the contingent liability for the year, as per the relevant provisions of the Modified Cash Standard (MCS).

The above-mentioned amounts are inclusive of both letters of demand and summons.

The payments made per case are significantly below the gross amount. These cases are highly complex and typically require considerable time for resolution. Consequently, these claims do not pose a threat to the department's ability to continue as a going concern. Therefore, the going concern remains the appropriate basis for the preparation of the annual financial statements.

		2025/26 R'000	2024/25 R'000
19.2	**Contingent assets**		
	Nature of contingent asset		
	Transport and Civil in favour of the Department		
		23 070	22 375
	Total	**23 070**	**22 375**

NOTES TO ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2026

		2025/26 R'000	2024/25 R'000
20.	**Capital commitments**		
	Buildings and other fixed structures	2 919 437	2 341 151
	Machinery and Equipment	23 375	442 495
	Total	**2 942 812**	**2 783 646**

		30 Days R'000	30+ Days R'000	2025/2026 Total R'000	2024/25 Total R'000
21.	**Accruals, Payables not recognised**				
21.1	**Accruals Listed by economic classification**				
	Goods and services	631 806	57 673	689 479	813 274
	Capital Assets	8 050	705	8 755	37 571
	Total	**639 856**	**58 378**	**698 234**	**850 845**

	R'000	Note	2025/26 R'000	2024/25 R'000
Intergovernmental accruals (included above)		Annex 4	358 159	170 798

		30 Days R'000	30+ Days R'000	2025/2026 Total R'000	2024/25 Total R'000
21.2	**Payables not recognised**				
	Listed by economic classification				
	Goods and services	1 176 912	916 509	2 093 421	2 345 597
	Capital assets	15 423	1 055	16 478	115 438
	Total	**1 192 335**	**917 564**	**2 109 899**	**2 461 035**

	Note	2025/26 R'000	2024/25 R'000
Intergovernmental payables not recognised (included above)	Annex 4	1 031 321	599 365

NOTES TO ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2026

		2025/26 R'000	2024/25 R'000
22.	**Employee benefit**		
	Leave entitlement	1 439 638	1 456 229
	Service Bonus	915 485	868 326
	Capped leave	236 217	280 405
	Other	68 049	46 597
	Total	**2 659 389**	**2 651 557**

Intergovernmental employee benefits (included above)

23. Lease commitments

23.1 Operating leases expenditure

2025/2026	**Specialised military assets R'000**	**Land R'000**	**Buildings and other fixed structures R'000**	**Machinery and equipment R'000**	**Total R'000**
Not later than 1 year	-	-	75 846	-	75 846
Later than 1 year and not later than 5 years	-	-	92 775	-	92 775
Later than 5 years	-	-	10 059	-	10 059
Total lease commitmen	**-**	**-**	**178 680**	**-**	**178 680**

2024/25	**Specialised military assets R'000**	**Land R'000**	**Buildings and other fixed structures R'000**	**Machinery and equipment R'000**	**Total R'000**
Not later than 1 year	-	-	19 015	-	19 015
Later than 1 year and not later than 5 years	-	-	39 390	-	39 390
Later than five years	-	-	16 354	-	16 354
Total lease commitments	**-**	**-**	**74 759**		**74 759**

NOTES TO ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2026

		2025/26 R'000	2024/25 R'000
24.	**Accrued Departmental Revenue**		
	Sales of goods and services other than capital assets	299 815	307 781
	Other	58 770	57 081
	Total	**358 585**	**364 862**

		2025/26 R'000	2024/25 R'000
24.1	**Analysis of accrued departmental revenue**		
	Opening Balances	364 862	350 429
	Less: Amounts received	74 814	51 545
	Add: Amounts recorded	153 060	125 192
	Less: Amounts written off/reversed as irrecoverable	84 523	59 214
	Closing balance	**358 585**	**364 862**

		2025/26 R'000	2024/25 R'000
24.2	**Accrued Department Revenue written off**		
	Nature of losses		
	Write off of patient fees irrecoverable	15 545	16 908
	Reduction of Patient Accounts due to re-assessment	68 978	42 306
	Total	**84 523**	**59 214**

		2025/26 R'000	2024/25 R'000
24.3	**Impairment of accrued departmental revenue**		
	Estimate of impairment of accrued departmental revenue	26 585	18 978
	Total	**26 585**	**18 978**

Debt accounts exceeding 3 years that have prescribed are being considered for impairment

		2025/26 R'000	2024/25 R'000
25.	**Unauthorised, Irregular and Fruitless and Wasteful Expenditure**		
25.1	**Reconciliation of irregular expenditure**		
	Unauthorised Expenditure	-	11 515
	Irregular Expenditure	3 654 215	3 027 991
	Fruitless and Wasteful Expenditure	4 455	4 865
	Closing balance	**3 658 670**	**3 044 371**

Irregular expenditure and fruitless and wasteful expenditure is included in the annual report under the PFMA Compliance Report.

NOTES TO ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2026

		2025/26 R'000	2024/25 R'000
26.	**Key management personnel**		
	Political office bearers	2 306	2 215
	Officials:		
	EXCO	8 255	9 270
	MANCO	19 300	21 823
	Family members of key management personnel	7 928	7 318
	Total	**37 789**	**40 626**

		2025/26 R'000	2024/25 R'000
27.	**Public Private Partnership**		
	Unitary fee paid	**773 142**	**810 344**
	Indexed component	773 142	810 344
	Analysis of indexed component	**773 142**	**810 344**
	Goods and Services (excluding lease payments)	773 142	810 344
	Capital/(Liabilities)	**-**	**-**
	Plant and equipment	-	-
	Other	**2 498 228**	**2 563 451**
	Other obligations	2 498 228	2 563 451

Any guarantees issued by the department are disclosed in Note on Contingent Liabilities

Public Private Partnership

Inkosi Albert Luthuli Central Hospital PPP

For the financial year ended 31 March 2026, the Department had in place a Public Private Partnership Agreement with Impilo Consortium 2.0 (RF) Proprietary Limited, (the Private Party) for the provision of non-clinical services relating to Inkosi Albert Luthuli Central Hospital. The arrangement entails primarily the operation and maintenance of the existing hospital at the hospital precinct, together with the provision of the Services and Project Deliverables in accordance with the PPP Agreement and Output Specifications. The Department is satisfied that performance under the PPP Agreement was monitored in accordance with the monitoring, reporting and payment provisions of the Agreement.

Project Assets are to be managed in accordance with the Agreement and, on expiry or early termination, handed over to the Department in accordance with the hand back provisions. The Asset Replacement Account may not be encumbered, and the Private Party cedes its rights in that account to the Department as security for its obligations.

The Private Party is responsible for the provision of the following Services and Project Deliverables:

- provision, management, maintenance, repair, renewal and replacement of Project Assets, including Facilities Assets, Medical Assets and IM&T Systems, in accordance with the PPP Agreement and Output Specifications;
- provision and replacement of Medical Assets, Facilities Assets and IM&T Systems as required under the Agreement;
- provision of all Services necessary to manage the Project Assets and Facilities in accordance with Good Industry Practice and the Output Specifications;
- maintenance, repair, renewal and replacement of Project Assets and Facilities in terms of the Agreement and the approved Facilities and Project Assets Replacement Programme;
- provision or procurement of Utilities as pass-through costs, and the procurement, supply and replacement of Machine Specific Consumables, Medical Equipment Accessories, Medical Equipment Maintenance Consumables and Surgical Instruments where required under the Agreement; and
- provision of Facilities Management Services and IM&T related services in accordance with the Output Specifications.

The agreement was concluded with a view to provide the Department with the opportunity to concentrate on the delivery of clinical services at the highest standards in terms of quality, efficiency, effectiveness and patient-focused care, while the Private Party provides the non-clinical Services required under the Agreement.

The Department is responsible for the employment of Department Staff and for Clinical Services, including General Medical Consumables. The Private Party is responsible for the procurement, supply and replacement of Machine Specific Consumables, Medical Equipment Accessories and Medical Equipment Maintenance Consumables in accordance with the PPP Agreement and Output Specifications.

The Private Party is required, at its own cost and risk and in accordance with the Agreement, to provide, deliver, install, commission, manage, maintain, repair, renew and replace the Project Assets and Facilities, as applicable, so that the Services and Output Specifications are met and the Department is able to provide Clinical Services.

The replacement of assets over the period of the contract is based on the Facilities and Project Assets Replacement Programme, which operates on a rolling basis. The Private Party is required to submit the relevant replacement programme to the Asset Replacement Committee for approval in accordance with the periods required by the Agreement, and to implement the approved programme so that the Output Specifications continue to be met.

The Private Party has to ensure that, at the end of the Project Term, the Project Assets and Facilities comply with the requirements of the Agreement and are in a state of repair that is sound and operationally safe, fair wear and tear excepted, and that the items comprising each relevant level of Project Assets meet the hand back requirements of the Agreement.

The commencement date of the contract was 1st April 2025, with a final commissioning date for the hospital functions being 31st May 2036. The contract is for a period of 12 years from the commencement date.

The Agreement requires the Department to pay the Monthly Unitary Payment from the Service Commencement Date in accordance with Clause 34 and Schedule 13 of the Agreement. The Monthly Unitary Payment is subject to Penalty Deductions and other permitted deductions or set off. Utilities are dealt with separately as pass-through costs in accordance with the Agreement. The Asset Replacement Account is funded by the Private Party from the Monthly Unitary Payment in accordance with the Base Case Financial Model, and statements are provided quarterly or whenever requested by the Department.

NOTES TO ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2026

Capital Commitment

2025/2026 R 2,498,228,000.00

		2025/26 R'000	2024/25 R'000
28.	**Provisions**		
	Infrastructure	38 290	19 024
	Medical Legal	793 909	693 164
		832 199	**712 188**

Prior period Error UKZN should have been a payable not recognised instead of a Provision.

28.1 Reconciliation of movement in provisions - 2025/26

	Infrastructure R'000	Medical Legal R'000	Provision 3 R'000	Provision 4 R'000	Total provisions R'000
Opening balance	19 024	693 164	-	-	712 188
Increase in provision	19 266	332 391	-	-	351 657
Settlement of provision	-	-220 877	-	-	-220 877
Change in provision due to change in estimation of inputs	-	-10 769	-	-	-10 769
Closing balance	**38 290**	**793 909**	**-**	**-**	**832 199**

Reconciliation of movement in provisions - 2024/25

	Infrastructure R'000	Medical Legal R'000	Provision 3 R'000	Provision 4 R'000	Total provisions R'000
Opening balance	28 473	736 300	-	-	764 773
Increase in provision	12 115	85 400	-	-	97 515
Settlement of provision	-21 564	-141 324	-	-	-162 888
Change in provision due to change in estimation of inputs	-	12 788	-	-	12 788
Closing balance	**19 024**	**693 164**	**-**	**-**	**712 188**

29. Movable Tangible Capital Assets

Movement in movable tangible capital assets per asset register for the year ended 31 March 2026

	Opening balance	Value adjustments	Additions	Disposals	Closing balance
	Cost	Cost	Cost	Cost	Cost
	R'000	R'000	R'000	R'000	R'000
Machinery and Equipment	**7 779 603**	**-**	**630 729**	**170 296**	**8 240 036**
Transport Assets	1 938 596	-	210 058	113 170	2 035 484
Computer equipment	377 290	-	69 395	3 992	442 693
Furniture and Office equipment	84 105	-	6 393	355	90 143
Other machinery & Equipment	5 379 612	-	344 883	52 779	5 671 716
Finance Lease Assets	**4 834**	**-**	**744**	**4 261**	**1 317**
Finance lease assets	4 834	-	744	4 261	1 317
Total movable tangible assets	**7 784 437**	**-**	**631 473**	**174 557**	**8 241 353**

Movable Tangible Capital Assets under investigation

Included in the above total of the movable tangible capital assets per the asset register are assets that are under investigation:	Number	Value
		R'000
Machinery and equipment	11 777	287 842

NOTES TO ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2026

Movement for 2024/25

29.1 Movement in Movable Tangible Capital Assets Per Asset Register for The Year Ended 31 March 2025

	Opening balance Cost R'000	Prior period error Fair Value R'000	Additions Cost R'000	Disposals Cost R'000	Closing balance Cost R'000
Machinery and equipment	**7 037 977**	**42 106**	**913 883**	**-214 363**	**7 779 603**
Transport assets	1 897 724		189 041	-148 169	1 938 596
Computer equipment	339 063	-4 485	44 995	- 2 283	377 290
Furniture and Office equipment	72 879	1 024	10 297	- 95	84 105
Other machinery and equipment	4 728 311	45 567	669 550	-63 816	5 379 612
Finance Lease Assets	**7 445**	**502**	**120**	**- 3 233**	**4 834**
Finance lease assets	7 445	502	120	- 3 233	4 834
Total additional to movable	**7 045 422**	**42 608**	**914 003**	**-217 596**	**7 784 437**

29.1.1 Prior period error

Nature of prior period error	2024/2025 R'000
Affecting 2023/2024 Financial year opening balances	**42 608**
Finance lease assets that were erroneously omitted in Prior year 2023/2024 Financial year.	502
Machinery and Equipment newly identified	42 106
Total	**42 608**

NOTES TO ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2026

29.2 Minor assets

Movement In Minor Asset Per the Asset Register for The Year Ended 31 March 2026

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Finance lease assets	Total
	R'000	R'000	R'000	R'000	R'000		R'000
Opening balance	-	-	-	695 112	-	689	695 801
Additions	-	-	-	17 148	-	317	17 465
Disposals	-	-	-	7 916	-	73	7 989
TOTAL	**-**	**-**	**-**	**704 344**	**-**	**933**	**705 277**

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Finance lease assets	Total
	R'000	R'000	R'000	R'000	R'000		R'000
Number of R1 minor assets							
Number of minor assets at cost	-	-	-	505 604	-	280	505 884
TOTAL NUMBER OF MINOR ASSETS	**-**	**-**	**-**	**505 604**	**-**	**280**	**505 884**

Minor Capital Assets Under Investigation

	Numbers	Values R'000
Included in the above total of the minor capital assets per the asset register are assets that are under investigation:		
Machinery and equipment	**44 341**	**59 623**

NOTES TO ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2026

Minor assets

Movement in minor asset per the asset register for the year ended 31 March 2025

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Finance lease assets	Total R'000
Opening balance	-	-	-	665 082	-	-	665 082
Prior period error	-	-	-	-	-	468	468
Additions	-	-	-	30 030	-	221	30 251
Disposals	-	-	-	-	-	-	-
TOTAL	**-**	**-**	**-**	**695 112**	**-**	**689**	**695 801**

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Finance lease assets	Total R'000
Number of R1 minor assets				501			501
Number of minor assets at cost	-	-	-	044	-	53	097
TOTAL NUMBER OF MINOR ASSETS	**-**	**-**	**-**	**501 044**	**-**	**53**	**501 097**

29.2.1 **Prior period error**	2024/25 R'000
Nature of prior period error	**6 826**
Affecting 2023/2024 Financial year opening balances	6 826
Relating to 2024/25	**468**
Finance lease assets that were erroneously omitted in 2024/25 Financial year.	468
Total	**7 294**

NOTES TO ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2026

30. Immovable Tangible Capital Assets

Movement In Immovable Tangible Capital Assets Per Asset Register for The Year Ended 31 March 2026

	Opening balance	Value adjustments	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
Buildings And Other Fixed Structures	**9 374 535**	**-**	**440 876**	**-**	**9 815 411**
Dwellings					
Non-residential buildings	7 607 396	-	374 717	-	7 892 113
Other fixed structures	1 767 139	-	66 159	-	1 833 299
TOTAL	**9 374 535**	**-**	**440 876**	**-**	**9 815 411**

30.1 Movement for 2024/25

Movement In Immovable Tangible Capital Assets Per Asset Register for the Year Ended 31 March 2025

	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
Buildings And Other Fixed Structures	**7 231 625**	**1 192 057**	**1 104 547**	**-153 694**	**9 374 535**
Dwellings					
Non-residential buildings	6 411 104	771 264	564 208	-139 180	7 607 396
Other fixed structures	820 521	420 793	540 339	-14 514	1 76739
TOTAL	**7 231 625**	**1 192 057**	**1 104 547**	**-153 694**	**9 374 535**

30.1.1 Prior period error

	2024/2025 R'000
Relating to 2023/24 (affecting the opening balance) Reclassification of Projects	**1 192 057**
Reclassification of Projects - Project Completed 2024/2025	1 132 919
Project Completed in 2023/24 Financial Year	60 367
Project Completed in 2023/24 Financial Year	-1 229
Relating to 2024/25	**87 234**
Projects Completed in 2024/25	87 234
Total	**1 279 291**

NOTES TO ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2026

30.2 Immovable tangible capital assets: Capital Work-in-progress
CAPITAL WORK-IN-PROGRESS

Capital Work-In-Progress as of 31 March 2026

		Opening Balance 1 April 2025	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing Balance 31 March 2026
		R'000	R'000	R'000	R'000
Buildings and other fixed structures	Annex 6	699 283	881 519	- 440 876	1 139 926
Total		**699 283**	**881 519**	**- 440 876**	**1 139 926**

Payables not recognised relating to Capital WIP

	2025/26 R'000	2024/25 R'000
[Amounts relating to progress certificates received but not paid at year end and therefore not included in capital work-in-progress]	19 124	321
Total	**19 124**	**321**

Capital Work-In-Progress as of 31 March 2025

		Opening Balance	Prior period error	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	" Closing Balance 31 March 2025
			R'000	R'000	R'000	R'000
Buildings and other fixed structures	Annex 6	894 558	-109 513	1 018 785	-1 104 547	699 283
Total		**894 558**	**-109 513**	**1 018 785**	**-1 104 547**	**699 283**

NOTES TO ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2026

3
1. Changes in accounting estimates and Changes in accounting policies
3
1.
1 Change in accounting estimate

During the year the following changes were made to the estimations employed in the accounting for transactions, assets, liabilities, events and circumstances

	Value derived using the original estimate	Value derived using the amended estimate	R-value impact of change in estimate
Valuation of Assets of IALCH	-	17 296	17 296
Computer Equipment	-	523	523
Furniture and Office Equipment	-	107 236	107 236
Other Machinery and Equipment	-	-4 268	-4 268
Minor asset adjustment	-	-	-
Line item 5 affected by the change	-	-	-

Valuation of assets from (IALCH) Inkosi Albert Luthuli central Hospital- fully depreciated assets still in use

32. Prior period errors

Correction of prior period errors **Revenue: (e.g. Annual appropriation, Departmental revenue, Aid assistance, etc.)**	Note	**2024/25** Amount before error correction **R'000**	Prior period error **R'000**	Restated amount **R'000**
Aid Assistance Under utilised	3	-	565	565
Net effect		**-**	**565**	**565**
Assets: (e.g. Receivables, Investments, Accrued departmental revenue, Movable tangible capital assets, etc.)				
Immovable asset - Non-Residential Building	30.1	6 805 875	-464 453	6 341 422
Moveable tangible Assets	29.1	7 737 497	42 106	7 779 603
Minor Assets	29.2	23 204	6 826	30 030
Capital Work in progress	30.2	896 030	41 471	937 501
Net effect		**15 462 606**	**-374 050**	**15 088 556**

NOTES TO ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2026

Liabilities: (e.g. Payables current, voted funds to be surrendered, Commitments, Provisions, etc.)				
Aid Assistance Under utilised	*3*	-	565	565
UKZN Provision reversal	*27*	44 574	-44 574	-
UKZN reversal from Provisions to Payables not recognised	*21.2*	-	44 574	44 574
Net effect		**44 574**	**565**	**45 139**

Other: (e.g. Unauthorised expenditure, Irregular expenditure, fruitless and wasteful expenditure, etc.)				
Opening Balance 2024/2025	Stat Chg in NA	-1 247 520	-129 464	-1 376 984
Unauthorised Current year and relating to overspending of the Vote 24/25	Stat Chg in NA	-140 979	129 464	-11 515
Irregular Expenditure 2024/2025 correction	*25*	2 337 844	690 147	3 027 991
Net effect		**949 345**	**690 147**	**1 639 492**

33. BROAD BASED BLACK ECONOMIC EMPOWERMENT PERFORMANCE

Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information.

34. NATURAL DISASTER OR RELIEF EXPENDITURE	**Note**	**2025/26 R'000**	**2024/25 R'000**
Goods and services	*Annexure 7*	6 872	826
Expenditure for capital assets		66 392	78 645
Total		**73 264**	**79 471**

NOTES TO ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2026

35. Going concern

The Annual Financial Statements have been prepared on the basis that the department will continue to operate as a going concern for the foreseeable future.

Management has assessed the department's ability to continue as a going concern for at least 12 months from the date of approval of the annual financial statements.

The assessment considered, amongst others, the following:

- Approved appropriation or allocation over the MTEF period.
- Projected cash flows over the 12 months
- Existing commitments, accruals and payables and medico-legal claims
- Ability to settle invoices within the prescribed timeframes.
- Invoices authorized and not necessarily disbursed as of March 31, 2026, amounting to R1,2billion.

Despite the recent financial pressures directly emanating from budget cuts of the previous financial years, the department will continue to provide health care services based on the guaranteed funding from Treasury in line with the PFMA, notable efficiencies and improvements from the implementation of the financial recovery plan, encompassing expenditure optimization and reduction, revenue enhancement, governance, amongst others.

Furthermore, there are measures implemented to enhance supply chain management practices, and all these measures are aimed at ensuring the department's continued financial sustainability.

Based on the comprehensive assessment, including financial forecasts, risk mitigation measures, and ongoing operational reviews, management has concluded that the going concern basis of accounting remains appropriate for the preparation of the annual financial statements

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2026

ANNEXURE 1 A

STATEMENT OF CONDITIONAL GRANTS RECEIVED

NAME OF GRANT	GRANT ALLOCATION					SPENT				2024/25	
	Division of Revenue Act/Provincial Grants	Roll Over	DORA Adjustment	Other Adjustment	Total Available	Amount received by department	Amount spent by department	Under / (overspending)	% of available funds spent by dept.	Division of Revenue Act	Amount spent by department
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
National Tertiary Services Grant	2 289 556	-	-		2 289 556	2 289 556	2 289 556	-	100,0%	2 201 200	2 201 200
Districts Programme Grant	7 466 119	-	-	95 180	7 561 299	7 561 299	7 561 299	-	100,0%	7 367 534	7 367 534
Health Facility Revitalisation Grant	1 517 920	-	-	199 000	1 716 920	1 716 920	1 716 920	-	100,0%	1 458 192	1 458 192
Human Resource & Training Grant	788 597	-	-	-	788 597	788 597	788 597	-	100,0%	769 534	769 534
Social Sector EPWP Incentive Grant for Provinces	-	-	-	-	-	-	-	-		22 688	22 688
EPW Integrated Grant to Provinces	27 391	-	-	-	27 391	27 391	27 391	-	100,0%	6 951	6 951
National Health Insurance	89 818	-	-	-	89 818	89 818	89 818	-	100,0%	87 732	87 732
	12 179 401	**-**	**-**	**294 180**	**12 473 581**	**12 473 581**	**12 473 581**	**-**		**11 913 831**	**11 913 831**

ANNEXURE 1 B – NOTE 47

STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS TO MUNICIPALITIES

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2026

	2025/2026							2024/25	
	GRANT ALLOCATION				TRANSFER				
NAME OF MUNICIPALITY	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	DoRA and other Transfers	Actual Transfer
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	
eThekwini: Conditional Grant	163 115	-	-	163 115	163 115	-	-	155 942	138 516
eThekwini: Equitable Share	136 872	-	-	136 872	136 828	-	-	131 003	131 003
PD Vehicle Licences	8 900	-	-	8 900	7 959	-	-	8 519	6 751
PD: Fines and Penalties	-	-	-	-	507	-	-	-	-
TOTAL	**308 887**	**-**	**-**	**308 887**	**308 409**	**-**	**-**	**295 464**	**276 270**

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2026

ANNEXURE 1 B

STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2024/25	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by Municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	DoRA and other transfers	Actual Transfer
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000					
MUN / eThekwini: Conditional Grant	163 115	-	-	163 115	163 115	-	-	-	-	-	-	155 942	138 516
MUN / eThekwini: Equitable Share	136 872	-	-	136 872	136 828	-	-	-	-	-	-	131 003	131 003
PD Vehicle Licences	8 900	-	-	8 900	7 959	-	-	-	-	-	-	8 519	6 751
PD: Fines and Penalties	-	-	-	-	507	-	-	-	-	-	-	-	-
TOTAL	**308 887**	**-**	**-**	**308 887**	**308 409**	**-**	**-**	**-**	**-**	**-**		**295 464**	**276 270**

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2026

ANNEXURE 1C

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENT/AGENCY/ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2024/25	
	Adjusted Budget	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	Final Budget	Actual Transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Skills Development Levy	27 772	-	-	27 772	27 772	100,0%	26 581	26 581
TOTAL	**27 772**			**27 772**	**27 772**	**100,0%**	**26 581**	**26 581**

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2026

ANNEXURE 1D

STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2024/25	
	Adjusted Budget	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	Capital	Current	Final Budget	Actual Transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000		
Public corporations										
Transfers	**279**	**-**	**-**	**279**	**225**	**80,6%**	**-**	**224**	**273**	**149**
Com: SABC TV Licences	279	-	-	279	224	80,3%	-	224	273	149
Rounding	-	-	-	-	1		-	-	-	-
TOTAL	**279**	**-**	**-**	**279**	**225**	**80,6%**	**-**	**224**	**273**	**149**

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2026

ANNEXURE 1E

STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2024/25	
	Adjusted Budget	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	Final Budget	Actual Transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers	-	-	-	-	-	-		-
	-	**-**	**-**	**-**	**-**			**-**
Subsidies								
Austerville Halfway House	745	-	-	745	745	100,0%	713	709
Akehlulwa Lutho	743	-	-	743	743	100,0%	711	711
Azalea House	685	-	-	685	685	100,0%	656	641
The Bekimpilo Trust	-	-	-	-	-	0,0%	2 441	813
Budget Control Holding Funds	(18)	-	-	(18)	-	0,0%	1 545	-
Blessed Gerard Care Centre	457	-	-	457	457	100,0%	437	437
Chatsworth Regional Hospital	382	-	-	382	382	100,0%	366	366
Claremont Day Care Centre	532	-	-	532	532	100,0%	509	509
CREATE	874	-	-	874	874	100,0%	836	836
DPSA-Comm Based Rehab Project	1 284	-	-	1 284	1 284	100,0%	1 229	1 229
DPSA - Wheelchair repair &maint	1 162	-	-	1 162	1 162	100,0%	1 112	1 112
Duduza Care Centre	961	-	-	961	961	100,0%	920	920
Ekukhanyeni Clinic	1 369	-	-	1 369	1 369	100,0%	1 304	1 304

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2026

STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS - CONTINUE

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2024/25	
	Adjusted Budget	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	Final Budget	Actual Transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Estcourt Hospice	721	-	-	721	721	100,0%	690	690
Ethembeni Stepdown Centre	6 164	-	-	6 164	6 164	100,0%	5 870	5 870
Happy Hour Amaoti	745	-	-	745	745	100,0%	713	439
Happy Hour Durban North	621	-	-	621	621	100,0%	594	823
Happy Hour Kwaximba	532	-	-	532	532	100,0%	509	289
Happy Hour Ninikhona	371	-	-	371	371	100,0%	355	352
Happy Hour Phoenix	354	-	-	354	354	100,0%	339	230
Highway Hospice	860	-	-	860	860	100,0%	860	860
Hillcrest Aids Centre Trust	961	-	-	961	961	100,0%	920	920
Hlanganani Ngothando DCC	502	-	-	502	502	100,0%	480	480
Howick Hospice	817	-	-	817	817	100,0%	782	782
I-Matter Foundation	655	-	-	655	655	100,0%	627	627
Ikhwezi Cripple Care	2 149	-	-	2 149	2 149	100,0%	2 057	2 057
Ikhayalethu Health and Edu Centre	1 910	-	-	1 910	1 910	100,0%	1 828	1 828
Indulu Youkuphephela Skills Training	715	-	-	715	715	100,0%	684	684
John Peattie House	2 675	-	-	2 675	2 675	100,0%	2 560	2 560
Jona Vaughn Centre	4 800	-	-	4 800	4 800	100,0%	4 594	4 261
KZN Blind and Deaf Society	1 141	-	-	1 141	1 141	100,0%	1 092	1 092
Kwahilda Ongcwele	331	-	-	331	331	100,0%	315	315
Lynn House	1 579	-	-	1 579	1 579	100,0%	1 511	1 511

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2026

Ladysmith Hospice	611	-	-	611	611	100,0%	585	585
Madeline Manor	1 190	-	-	1 190	1 190	100,0%	1 139	1 095

STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS - CONTINUE

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2024/25	
	Adjusted Budget	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	Final Budget	Actual Transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Magaye School for the Blind	874	-	-	874	874	100,0%	836	836
Matikwe Oblate Clinic	667	-	-	667	667	100,0%	638	638
Mountain View Special Hospital	4 000	-	-	4 000	4 000	100,0%	4 000	4 000
Ntokozweni Vill for Vunerable	196	-	-	196	196	100,0%	188	188
Nominated Disability ORG	393	-	-	393	393	100,0%	376	376
Othandweni Cerebral Palsy Org	464	-	-	464	464	100,0%	444	444
Philanjolo Hospice	3 261	-	-	3 261	3 261	100,0%	3 106	3 106
Power of God	1 570	-	-	1 570	1 570	100,0%	1 503	1 503
Rachel Swart Fund	874	-	-	874	874	100,0%	-	836
Rainbow Haven	719	-	-	719	719	100,0%	688	688
Ramakrishna Umzamo Home	827	-	-	827	827	100,0%	792	792
Scadifa Centre	2 296	-	-	2 296	2 296	100,0%	2 197	2 197
SA Mobility Fund for the Blind	874	-	-	874	874	100,0%	-	836
South Coast Hospice	2 676	-	-	2 676	2 676	100,0%	2 561	2 561
Solid Found for Rural development	846	-	-	846	846	100,0%	810	810
Sparks Estate	2 640	-	-	2 640	2 640	100,0%	2 527	2 527

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2026

St. Lukes Home	719	-	-	719	719	100,0%	688	688
Talitha Cumi Spec Nedd & Devt	743	-	-	743	743	100,0%	711	711
Tender Loving Care	382	-	-	382	382	100,0%	366	366
The Word of God	285	-	-	285	267	93,7%	204	153
Thembalethu Care Org	328	-	-	328	328	100,0%	314	314
Sunfield Home	330	-	-	330	330	100,0%	316	316
Still A Time	234	-	-	234	234	100,0%	224	224

STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS – CONTINUE

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2024/25	
	Adjusted Budget	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	Final Budget	Actual Transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Umlazi Halfway House	490	-	-	490	490	100,0%	469	469
Unsunduzi Hospice	1 100	-	-	1 100	1 100	100,0%	1 100	1 100
Woza Moya Org	403	-	-	403	403	100,0%	386	386
	67 771	**-**	**-**	**67 771**	**67 771**		**67 327**	**65 002**
Total	**67 771**	**-**	**-**	**67 771**	**67 771**		**67 327**	**65 002**

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2026

ANNEXURE 1F

STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2024/25	
	Adjusted Budget	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	Final Budget	Actual Transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers								
Employee Social Benefits - Injury on Duty	1 104	-	-	1 104	1 373	124,4%	4 073	368
Employee Social Benefits - Leave Gratuity	163 669	-	-	163 669	122 521	74,9%	150 418	141 805
Employee Social Benefits - VEP Incentive	-	-	-	-	2 372	-	-	-
Employee Social Benefits - ERP Incentive	142 690	-	-	142 690	11 613	8,1%	-	-
Bursaries: Non-Employee	83 134	-	-	83 134	10 507	12,6%	125 880	39 648
Claims Against the State	188 738	-	-	188 738	305 575	161,9%	135 112	141 653
Total	**579 335**	**-**	**-**	**579 335**	**453 961**	**78,4%**	**415 483**	**323 474**

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2026

ANNEXURE 1G

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2025/26 R'000	2024/25 R'000
Received in cash			
Gifts		-	-
Total gifts		**-**	**-**
Donations		-	-
Prior year		-	2
Total donations		**-**	**2**
Sponsorships		**-**	**-**
Total sponsorships		**-**	**-**
Subtotal - received in cash		**-**	**2**
Received in kind			
Gifts			
Prior Year		-	-
Medicine South Africa (Pty) Ltd	Gift of Carol Boys pen set	1	-
Bobcon Group	3x A4 2026 diaries, 3x biscuits (1kg), 3x 2026 wall calendars and 2x no mane whiskey(750ml)	1	-
Umphumulo Hospital	Foot Spa	1	-
Total gifts		**3**	**-**

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2026

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED – CONTINUE

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2025/26 R'000	2024/25 R'000
Donations			
Prior year			279 009
Executive Support Services	Donation of 150 Round Neck T-shirts and caps	2	-
Health Systems Trust (HST)	Donation of 250 bucket hats and Golf T-shirts	100	-
National Department of Health	Donation of ARV medicines (TLD)	48 844	-
National Department of Health	Donation of 3 460 MVA-BN MPOX Vaccine	4 248	-
Health Systems Trust (HST)	Donation of ICT equipment	37	-
Thabzo Security Services	Donation of 9 Open View HD Decoders	15	-
Thabzo Security Services	Donation towards the Long Service Awards	30	-
Mrs E Khajee	Donation of 60 chairs	6	-
Bone SA	Donation of a chest freezer	3	-
Carte Blanche Making a Difference Trust	Donation of various medical equipment	2 387	-
Sir M Henderson	Donation of plastic urinals, spoons, milk and shampoo	1	-
Mr and Mrs Ntuli	Donation of 36 bottle body lotions	2	-
Take n Pay Community Welfare Initiative	Donation of 10 sleeper couches and hampers	46	-
Smith & Nephew (Pty) Ltd	Donation of optima offloading shoes (797 optima boots)	225	-
Gift of the Givers Foundation	Donation for the upgrade of Bergville Clinic	250	-
Avbob Mutual Society	Donation of 60 unit of 24 packs of 500ml drinking water	10	-
Dandelion Fund	Donation of glucose monitoring sensors	5	-
Mrs Nirvana Pillay	Donation of repairing and upholstering lazy boy chairs	10	-
UKZN College of Health Sciences	Donation of furniture	427	-
Sisters in Solidarity Islamic Organisation	Donation of pillows and pillow cases	12	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2026

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED – CONTINUE

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2025/26 R'000	2024/25 R'000
UKZN College of Health Sciences	Donation of a microwave and freezer	5	-
Boikanyo Dion Herson Foundation	Donation of 89 buggies	445	-
The Disa Life Science (Pty) Ltd	Donation of 8 medical equipment	52	-
Solventum	Donation of 10VAC Ultra Wound Therapy machines	437	-
AIDS Healthcare Foundation South Africa	Donation of various items and renovation of male and female rest rooms	300	-
Care for Cancer Foundation	Donation of lunch packs for patients	72	-
The Reach for a Dream Foundation	Donation of a 2 dream rooms	964	-
UKZN College of Health Sciences	Donation of medical equipment	200	-
Pharmacy Direct (Pty) Ltd	Donation of ICT equipment	36	-
National Department of Health	Donation of Diphtheria Antitoxin (Data)	7	-
Peters Safety Kwik	Donation of soccer and netball kits	11	-
Aquelle	Donation of bottled water	1	-
Mr ZR Meyiwa and Ms TZ Mnduna	Donation of money towards the Nurses Day	3	-
City Hill Church - Nation Changers	Donation of muffins and juice	2	-
Marriot Asset Management	Donation of bottled water and 20 clover 1 Litre custard	1	-
Marriot Asset Management	Donation of popcorn machine, popcorn kernels and spices	4	-
Icon Oncology Holdings (Pty) Ltd	Donation of Radiation treatment services for 6 radiation breast patients	1 236	-
Takeda/ Clinigen	Ponatinib 15mg tables for patient Mr S Ndebele	50	-
Takeda/ Clinigen	Ponatinib 15mg tables for patient Mr N Hlongwa	50	-
Dr R Kathrada	Donation of various office furniture	6	-
UKZN College of Health Sciences	Donation of various equipment	79	-
Altomundo Trade and Investment	Donation of bottled water	1	-
Richards Bay Minerals	Donation of construction of Nhlabane Clinic	5 000	-
Old Mutual Life Insurance	Donation of hundreds of Lumo thermal mugs for nurses	5	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2026

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED – CONTINUE

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2025/26 R'000	2024/25 R'000
Pharmacy Direct (Pty) Ltd	Donation of ICT Equipment to various institutions	56	-
National Department of Health	Donation of ICT equipment in support of RX-Solution system	2 333	-
Jackpersad & Partners INC	Donation of 18 brown chairs	3	-
Netcare St Annes Hospital	Donation of 10 beds	20	-
Dandelion Fund	Donation of glucose monitoring sensors	8	-
Mrs M Henderson	Donation of patients consumables	1	-
Takeda/ Clinigen	Donation of Ponatinib 15mg tablets	50	-
The Embassy Foundation	Donation of slush puppy machine	2	-
Icon Oncology Holdings (Pty) Ltd	Donation of Radiation Treatment services for 6x Radiation breast patients	1 208	-
Altomundo Trade and Investment	Donation of snack packs for the Women's Day celebration	3	-
National Department of Health	Donation of ICT equipment	710	-
National Department of Health	Donation of ICT equipment	835	-
Cowan House Prep School	Donation of 6 bags of new blankets	2	-
Mr Uresh Sumair	Donation of toys	2	-
RUDASA	Donation of consumable items	1	-
RUDASA	Donation of Emergency trolley	6	-
RUDASA	Donation of dental syringes	10	-
Isibindi Foundation Trust	Donation of various equipment	129	-
Africa Health Research Institute (AHRI)	Donation of air conditioners	19	-
SAME Foundation	Donation of medical equipment	647	-
Obsidian Health (Pty) Ltd	Donation of 10 Transanal Haemorrhoidal Dematerialization (THD) slide fast kit	49	-
JHPIEGO Corporation-Rise Program	Donation of ICT equipment and loudhailers	578	-
Pharmacy Direct	Donation of five delivery motorbikes	96	-
Hollard	Donation of R3500 towards the sport day event	3	-
SASOG	Donation of a Honorarium to Dr N Moran	5	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2026

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED – CONTINUE

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2025/26 R'000	2024/25 R'000
Health Systems Trust	Donation of ICT equipment to Ladysmith, Escort and Emmaus Hospitals	14	-
Pharmacy Direct	Donation of tablets	25	-
Health Systems Trust	Donation of ICT equipment	598	-
Rizpah - Hamba Vangeli	Donation of 45 teddy bears	3	-
Aquelle	Donation of 500 sparkling drinks and 500 natural water	7	-
Bidvest Catering Services	Donation of renovation various areas at the Hospital	319	-
Gift of the Givers Foundation	Donation of a borehole	250	-
Cancervive	Donation of dignity packs	20	-
Tansnat Durban Transport	Donation of a deco and catering	10	-
Old Mutual	Donation of 50 flask -cups	4	-
Denosa	Donation of 150 scarves	6	-
Ms Mkhwanazi	Donation of soft drinks and juice for Women's Day	1	-
Assupol	Donation of a cake for Women's Day	1	-
Mrs Z Mbhense	Donation of cosmetics for patients	2	-
Health Systems Trust	Donation of IT Equipment	21	-
Rotary Club of Kloof	Donation of personal care items	3	-
Jackpersad & Partners INC	Donation of 2 PET/CT scans	54	-
Prof M Daya	Donation of a coffee machine	7	-
UKZN School of Health Sciences	Donation of dental support equipment	200	-
UKZN School of Health Sciences	Donation of Video Bronchoscope	200	-
UKZN School of Health Sciences	Donation of various items	37	-
Metrodev	Donation of refurbishment of Paediatric doctors room	24	-
Jangala Ltd Trading	Donation of installation of Wi-Fi	16	-
Vilavoco (Pty) Ltd	Donation of a reception desk	2	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2026

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED – CONTINUE

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2025/26 R'000	2024/25 R'000
National Department of Health	Donation of SVS devices	829	-
Health Systems Trust (HST)	Donation of ICT equipment	332	-
Health Systems Trust (HST)	Donation of ICT equipment	328	-
Health Systems Trust (HST)	Donation of ICT equipment	772	-
Health Systems Trust (HST)	Donation of ICT equipment	746	-
Health Systems Trust (HST)	Donation of ICT equipment	640	-
Right to Care	Donation of stock of the VMMC programme	222	-
Right to Care	Donation of various equipment	175	-
OMS Medical (Pty) Ltd	Donation for the upgrade of the Stoma Clinic	40	-
Old Mutual	Donation for 160 participants towards the Hospital long service awards	40	-
Duncan Security Company	Donation for 40participants towards the Hospital long service awards	10	-
Bergh shire Wealth	Donation of 100 trophies	6	-
Friends of Greys NICU	Donation of three recliner chairs	9	-
Lomaen Medical	Donation of 50 trophies	15	-
Sodexo Southern Africa (Pty) Ltd	Donation of light snacks and refreshments towards the service excellence awards	5	-
HeartX Foundation	Donation of hearing Aids	20	-
Nkabanhle Health	Donation of filing cabinet	10	-
Aquelle	Donation of bottled water	3	-
Busamed Hillcrest Private Hospital	Donation of catering towards the Quality Day	8	-
Horeb Temple	Donation of 100 care packs	4	-
Gagasi FM	Donation of 35 pamper care hampers	40	-
Old Mutual	Donation of 50x A4 certificate frames	3	-
DKMS Africa	Donation of lumen LT catheter sets	23	-
Heartkids	Donation of 60 Christmas party packs	5	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2026

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED – CONTINUE

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2025/26 R'000	2024/25 R'000
Health Systems Trust (HST)	Donation of various ICT equipment	244	-
Dr R Kathrada	Donation of office furniture	7	-
Health Systems Trust (HST)	Donation of ICT equipment	304	-
Metropolitan	Donation of 100 athletic medals and 3 trophy's	2	-
Veelonds Communication Holdings	Donation of office furniture	4	-
Independent Community Pharmacy Association	Donation of a gift voucher	1	-
Gemini Isuzu	Donation towards the Provincial sport day	3	-
Discovery	Donation towards the music festival	23	-
Right to Care	Donation of male circumcision kits and consumables	11 233	-
Health Systems Trust	Donation of ICT SYNCH equipment	518	-
C.E. Pillay	Donation of a JVC TV	2	-
Roshan Meghrajh	Donation of a rechargeable speaker, charger and USB with music	1	-
Pam Golding Properties	Donation of teddy bears	8	-
Dandelion Fund	Donation of 20 CGM sensors	24	-
ICU Medical SA (Pty) Limited	Donation of expired disposables for simulation training	247	-
Ms S Robertson	Donation of clothes and cosmetics to patients	3	-
Learn with Mbali Foundation (NPO)	Donation of 60 teddy bears	10	-
Apostolic Empowerment Ministries	Donation of toys and gifts	20	-
Seva Bhakti Foundation	Donation of teddy bears, toiletries and party packs	13	-
Becton Dickinson (Pty) Ltd	Donation of light refreshments for a workshop	5	-
Lenmed EThekwini Hospital	Donation of 5 treatment carts	1	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2026

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED – CONTINUE

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2025/26 R'000	2024/25 R'000
Islamic Medical Association	Donation for refurbishment of some areas	155	-
Altomundo Trade and Investment	Donation of Christmas snack packs for 500 patients	10	-
Richards Bay Minerals (Pty) Ltd	Donation of construction of Hlabane Clinic	9 000	-
Consulens	Donation of 3 Plasma separator machines	2 400	-
South 32	Donation of social investment	80 000	-
Children of Fire	Donation of Isabella Garcia face wash	232	-
City Hill Church	Donation of gift bags	32	-
Rotary Club of Hibiscus Coast	Donation of 500 reading glasses	20	-
SLG Optometrists	Donation of 26 000 reading glasses	520	-
Bodasing Charitable Trust	Donation of 2 sound ear device	21	-
African Spear	Donation of a décor towards the Quality Day and Service Excellence Awards	1	-
Ivukusi Security Services	Donation of a décor towards the Quality Day and Service Excellence Awards	1	-
Intando Outdoor Advertising and Maintenance (Pty) Ltd	Donation of a cake towards the Quality Day and Service Excellence Awards	2	-
Mystique Fruit & Veg	Donation of vegetables towards the Quality Day and Service Excellence Awards	2	-
Footprints 2 Africa	Donation of 2000 Stoma bags	100	-
Lenmed EThekwini Hospital	Donation of 13 hospital beds and 9 over bed tables	10	-
Health Systems Trust (HST)	Donation of 25 mobile clinic vehicles	7 260	-
Pharmacy Direct (Pty) Ltd	Donation of a laptop	18	-
National Department of Health	Donation of equipment for cervical cancer treatment	1 853	-
Mrs Lynn Adams	Donation of TV and Open view decoder	8	-
Hilton College	Donation of installation of Wi-Fi and subscription for 12 months	15	-
PMB Paediatric Fund NPC	Donation of a colourful mural in the POPD wall	3	-
Dr Manga	Donation of three standing fans	1	-
Mr F Cassim	Donation for the refurbishment of the Clinical Psychology play room	12	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2026

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED – CONTINUE

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2025/26 R'000	2024/25 R'000
GFLC Foundation	Donation of refurbishment of patient's bedside lockers, mural painting and couch	15	
Quad Para Association of South Africa (QASA)	Donation of patient lifting device	15	
Gift of the Givers Foundation	Donation of 5 stainless steel procedure trolleys	27	
Jackpersad & Partners Inc.	Donation of 3 lead aprons	3	
KZN International Business Association (KIBA)	Donation of painting of children's clinic	22	
UKZN College of Health Sciences	Donation of video laryngoscope blades	235	
Baby line	Donation of baby packs	28	
KZN International Business Association (KIBA)	Donation of baby items	2	
Total donations		**193 208**	**279 009**
Sponsorships			
Prior year Balance			8 489
JICA	Sponsorship for Ms N Binase and Dr ZR Matyo to attend Study Tour in Thailand from 10th - 14th March 2025	330	-
Meril South Africa	Sponsorship for Dr R Sathiram to attend Global Surgery Summit to be held in Vapi, Gujarat, India from 8th - 10th May 2025	25	-
Obsidian Health (Pty) Ltd	Sponsorship for Professor R Perumal to attend the Interventional Bronchoscopy Workshop in Greece from 15th - 17th May 2025	55	-
Africa Health Research Institute (AHRI)	Sponsorship for Dr M Hbish to attend the 3rd International Post-Tuberculosis Symposium 2025 in Stellenbosch from 14th - 16th April 2025	4	-
Beiersdorf	Sponsorship for Dr M Ntsele to attend the Dermaforum to be held in Harmburg, Germany on the 13th - 17th May 2025	43	-
Eminence Corporate Solutions (Pty) Ltd	Sponsorship for Miss B Zungu to attend the 4th Annual Women in Emergency , Disaster Management and Fire Services Leadership Conference on the 7th - 8th August 2025 in Johannesburg	17	-
Chateau Gateaux	Sponsorship of 5 cakes towards the Nurses Day	2	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2026

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED – CONTINUE

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2025/26 R'000	2024/25 R'000
Supertech Motor Holdings T/A BMW Durban South	Sponsorship for refreshments towards the Nurses Day	6	-
UCT/ GSH Academic Complex	Sponsorship for Prof BP Phakathi to attend the Registrars Symposium to be held on the 17th - 18th June 2025 in Cape Town	4	-
Boston Scientific	Sponsorship for Dr M Govender to attend Endoscopic Ultrasound Taring Course on the 28th - 29th July 2025 in Ghent University Hospital in Germany	56	-
Smith & Nephew (Pty) Ltd	Sponsorship for Dr L Lenga and Dr L Sontangane to attend the Skeletal Trauma Symposium on the 19th - 22nd June 2025 in Cape Town	62	-
Netcare uMhlanga Hospital	Sponsorship for surgery for patient A Ngwenya (KZ00547829)	178	-
Palliative Care for the Children SA (PatchSA)	Sponsorship for Sir SS Madibi, Sir N Maphumulo and PH Shoba to attend the Paediatric and Perinatal Palliative Care Workshop held on the 18th June 2025 at Southern Sun Elangeni, Durban	4	-
World Health Organization (WHO)	Sponsorship for Mrs Ngozo and Mrs Baloyi to attend the WHO meeting on TB vaccine introduction in SA held at Radisson Blu Hotel in Sandton, Johannesburg on the 23rd - 24th July 2025	22	-
Society of Cardiothoracic Surgeons of South Africa	Sponsorship for Dr MB Ditoto-Kgomommu to attend the Hannes Meyer Symposium in Cape Town on the 11th - 14th September 2025	26	-
European Society of Cardiology	Sponsorship for Dr S Nadar to attend the 2025 ESC Congress in Madrid, Spain on the 29th of August - 1st September 2025	70	-
Critical Care Society of South Africa	Sponsorship for Dr S Singh to attend the 2025 CCSSA Congress held at the ICC in Durban from the 14th - 17th August 2025	7	-
Critical Care Society of South Africa	Sponsorship for Dr V Satyapal to attend the 2025 CCSSA Congress held at the ICC in Durban from the 14th - 17th August 2025	10	-
NNASA	Sponsorship for Ms R Davidge to deliver keynote presentation at the 9th National Neonatal Nurses Conference in Pretoria 17th - 20th September 2025	2	-
UKZN College of Health Science	Sponsorship for Dr N Moran to attend the 25th International Federation of Gynaecology and Obstetrics Congress in Cape Town to held on the 5th - 9th October 2025	20	-
South African of the Orthopaedic Association	Sponsorship for Dr K Sondovana to attend the 71st Congress of the South African Orthopaedics Association held in Pretoria from the 1st - 4th September 2025	22	-
UKZN School of Clinical Medicine	Sponsorship for Professional Nurse B Mkhizwana to attend the 32nd Congress of the Society of Neurosurgens of SA held at Umhlanga from the 29th - 31st August 2025	6	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2026

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED – CONTINUE

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2025/26 R'000	2024/25 R'000
DKMS Africa	Sponsorship for Dr J Karunakaram to attend the 17th Annual Haematology Oncology Conference to be held in Cape Town on the 19th - 21st September 2025	14	-
Neuronico	Sponsorship for Dr R Harrichandparsad to attend the NICO meeting to be held in Berlin, Germany on the 16th - 17th October 2025	30	-
Stryker South Africa	Sponsorship for Dr nl Mabaso to attend the Pelvic course in Gauteng on the 11th - 12 October 2025	5	-
Osteologix	Sponsorship for Dr A Nansook to attend the Mikai External Fixator Summit to be held in Italy from the 3rd - 4th November 2025	32	-
UKZN College of Health Sciences	Sponsorship for Dr L Gabela to attend the EANM Congress in Spain from the 4th - 8th October 2025	72	-
Johnson & Johnson Medical (Pty) Ltd	Sponsorship for Dr J De Kiewit for attending the AO Recon Course to be held in Cape Town on the 6th -7th October 2025	14	-
Siemens Healthcare Private Limited	Sponsorship for Dr S Cassimjee, Ms F Ally and Mr SG Munyai to attend the CS503EU Varian Advanced Techniques Clinical School held in Mubai from the 12th - 16th November 2025	1 311	-
South African Haemophilia Foundation	Sponsorship for Dr Y Goga to attend the MASAC Symposium to be held in Johannesburg on the 6th - 8th November 2025	6	-
Discovery Fund	Sponsorship for Ms BI Mathenjwa to attend the Neurodevelopmental Disorder Training to be held in Cape Town on the 30th - 31st October 2025	4	-
African Society of Humana Genetics	Sponsorship for Dr A Dube-Pule to attend the African Genomics Short Course held in Cape Town from the 1st - 10th December 20205	15	-
Durban University of Technology	Sponsorship for R 30 000 towards Women's Day celebration	30	-
SMG Umhlanga (Pty) Ltd	Sponsorship of 195 bottles of water towards Women's Day celebration	5	-
Smile Foundation	Sponsorship towards the Smile Week	550	-
South African Haemophilia Foundation	Sponsorship for Mr B Fredericks and Mrs K Singh to attend the MASAC Conference taking place in Protea Hotel, Johannesburg on the 6th - 8th November 2025	17	-
South African Haemophilia Foundation	Sponsorship for Mr M Dlamini to attend the MASAC Conference taking place in Protea Hotel, Johannesburg on the 6th - 8th November 2026	9	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2026

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED – CONTINUE

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2025/26 R'000	2024/25 R'000
SSEM Mthembu Medical	Sponsorship for Y Martin - Lewis, Z Zondi, L Beyers and B Cele to attend Critical Care Society of Southern Africa Conference to be held in Durban ICC on the 14th of August 2025	21	-
Olympus MEA FZ-LLC	Sponsorship for Dr F Khan to attend the Medical Expert Training in End bronchial Ultrasound in Germany on the 1st - 2nd December 2025	45	-
National Research Foundation	Sponsorship for Mrs SI Hlongwana to attend the Network Towards Unity for Health Conference taking place on the 11th - 17th August 2025 in United State of America, Greater Philadelphia	49	-
Cipla	Sponsorship for Dr MS Mamanyoha to attend EAN-AFAN Regional Teaching Course in Sub-Sahara Africa Conference held in Windhoek, Namibia on the 26th - 30th November 2025	17	-
Tongaat Hullet	Sponsorship towards the World Aids Day	55	-
University of KwaZulu-Natal (UKZN)	Sponsorship for Dr Hongo to attend the 7th Global Mental Health Summit in Cape Town on the 10th -12th November 2025	19	-
University of Cape Town	Sponsorship for Dr Y Goga to attend the Paediatric refresher course held in Cape Town on the 4th - 6th February 2026	20	-
The South African Haemophilia Foundation	Sponsorship for Dr Y Goga to attend the WHF World Congress 2026 held in Malaysia on the 16th - 22nd April 2026	47	-
Event Management Solution (Pty) Ltd	Sponsorship for Dr CJS Naidu to attend the ESMO Summit in Cape Town on the 6th - 8th February 2026	11	-
Africa Health Research Institute	Sponsorship for 9 representatives to participate in a workshop on Novel TB Vaccines delivery models on the 3rd March 2026 in Durban	39	
National Department of Health	Sponsorship for Ms B Mhlongo, Mrs G Ramchand, Ms S Nene, Mr X Shandu and Mr S Sanjay to attend the Public Health Emergency Operations Centre (PHEOC) Basic training from 23rd - 27th March 2026 in Johannesburg	70	-
TB Think Tank	Sponsorship for Mrs Z Radebe to attend the TB Think Tank Annual Stakeholder meeting on the 13th of March 2026 in Johannesburg	5	-
Merck (Pty) Ltd	Sponsorship for Dr AC Salvesen to attend the Merck Multiple Sclerosis Masters Forum to be held in Dublin, Ireland from the 22nd - 24th April 2026	23	-
University of KwaZulu-Natal	Sponsorship for Prof Hardcastle to attend the ISW 2026 Conference to be held in Mexico City, Mexico from 11th - 26th April 2026	175	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2026

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED – CONTINUE

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2025/26 R'000	2024/25 R'000
Stellenbosch University	Sponsorship for Dr Kuhn to attend the 25th Cape Temporal Bone Course in Cape Town from 8th - 11th April 2026	4	-
KZN International Business Association (KIBA)	Sponsorship for catering	10	-
Athromedix (Pty) Ltd	Sponsorship for Dr M Rankin to attend the Shoulder Arthroplasty lab in Cape Town on the 19th of March 2026	6	-
Total sponsorships		**3 701**	**8 489**
Subtotal - received in kind		**196 912**	**287 498**
			-
TOTAL GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED		**196 912**	**287 500**

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2026

ANNEXURE 1H
STATEMENT OF AID ASSISTANCE RECEIVED

NAME OF DONOR	PURPOSE	OPENING BALANCE	REVENUE	EXPENDITURE	PAID BACK ON/BY 31ST MARCH	CLOSING BALANCE
		R'000	R'000	R'000	R'000	R'000
Aid assistance received in cash						
PEPFAR	HIV/ TB	565	8 741	8 404	-	902
TOTAL AID ASSISTANCE RECEIVED		**565**	**8 741**	**8 404**	**-**	**902**

Opening balance restated from R2, 212 to R565 due to balance conversions on BAS

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2026

ANNEXURE 2A

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2026 - LOCAL

GUARANTOR INSTITUTION	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2025	Guarantees drawdowns during the year	Guaranteed repayments/ cancelled/ reduced during the year	Revaluation due to foreign currency movements	Closing balance 31 March 2026	Revaluations due to inflation rate movements	Accrued guaranteed interest for year ended 31 March 2026
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
SA Home Loans	Housing	45	-	-	-	-	45	-	-
Subtotal		**45**	**-**	**-**	**-**	**-**	**45**	**-**	**-**
TOTAL		**45**	**-**	**-**	**-**	**-**	**45**	**-**	**-**

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2026

ANNEXURE 2B

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2026

Nature of liability	Opening balance 1 April 2025	Liabilities incurred during the year	Liabilities paid/ cancelled/ reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing balance 31 March 2026
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
Medico Legal	2 766 356	1 235 009	1 311 206	-	2 690 159
Civil Claims	743 629	328 458	3 000	-	1 069 087
Transport Claims	6 803	3 638	385	-	10 056
Labour Claims	90 132	3 489	644	-	92 977
Subtotal	**3 606 920**	**1 570 594**	**1 315 235**	**-**	**3 862 279**
Other					
McCord's Hospital (Medical Legal Malpractice Claims)	75 000	-	-	-	75 000
National Health Laboratory Service	2 574 353	-	-	-	2 574 353
Government Employees Pension Fund	57 763	10 694	-	-	68 457
Subtotal	**2 707 116**	**10 694**	**-**	**-**	**2 717 810**
TOTAL	**6 314 036**	**1 581 288**	**1 315 235**	**-**	**6 580 089**

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2026

ANNEXURE 3

CLAIMS RECOVERABLE

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2025/26*	
	31/03/2026	31/03/2025	31/03/2026	31/03/2025	31/03/2026	31/03/2025	Receipt date up to six (6) working days after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
DEPARTMENTS								
Department of Education KZN	108	36	-	73	108	109		- -
Corporate Governance and Traditional Affairs	1 860	2 521	-	2 134	1 860	4 655		- -
Office of the Premier KZN	287	118	-	173	287	291		- -
Provincial Treasury	46	35	-	-	46	35		- -
Department of Sports, Arts and Culture	20	-	-	10	20	10		- -
Department of Correctional Services	-	42	-	-	-	42		- -
Department of KZN Legislator	-	-	-	3	-	3		- -
Gauteng - Health	-	97	73	154	73	251		- -
Eastern Cape - Health	-	-	768	556	768	556		- -
Mpumalanga - Health	-	41	26	-	26	41		- -
Western Cape - Health	-	124	-	-	-	124		- -
National Department of Health	1 414	-	-	645	1 414	645		- -
Department of Employment and Labour	-	15	-	-	-	15		- -
Department of Justice	-	-	-	2	-	2		- -
Department of Correctional Services Eastern Cape	-	-	57	-	57	-		- -
KZN Community, Safety & Liaison			-	-	- 12		-	12 - -
Department of Health Free State			-	-	99 99		99	99 - -
			3 735	**3 029**	**1 023**	**3 861**	**4 758**	**6 890**

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2026

CLAIMS RECOVERABLE - CONTINUE

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2025/26*	
	31/03/2026	31/03/2025	31/03/2026	31/03/2025	31/03/2026	31/03/2025	Receipt date up to six (6) working days after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
OTHER GOVERNMENT ENTITIES								
SITA	-	475	593	-	593	475	-	-
Ithala Limited	1 627	1 628	-	-	1 627	1 628	-	-
Golden Touch	-	1	1	-	1	1	-	-
Senzile Food and Catering	-	-	-	3	-	3	-	-
Development Bank of South Africa	2 932	-	-	-	2 932	-	-	-
	4 559	**2 104**	**594**	**3**	**5 153**	**2 107**		
Total	**8 294**	**5 133**	**1 617**	**3 864**	**9 911**	**8 997**		

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2026

ANNEXURE 4

INTER-GOVERNMENT PAYABLES

	Total		Cash in transit at year end 2025/26*	
GOVERNMENT ENTITY	**31/03/2026**	**31/03/2025**	**Receipt date up to six (6) working days after year end**	**Amount**
	R'000	**R'000**		**R'000**
DEPARTMENTS				
Contingent liabilities				
Department of Transport: KwaZulu- Natal	2 822	6 432	-	-
National Department of Health	-	13 360	-	-
Department of Justice and Constitutional Development	41 223	-	-	-
Subtotal	**44 045**	**19 792**		
Provisions				
Subtotal	**-**	**-**		
Accruals				
Department of Justice and Constitutional Development	8 361	8 385	-	-
Department of Transport: KwaZulu- Natal	7 326	19 654	-	-
Department of Public Works: KwaZulu-Natal	12 640	31 370	-	-
Office of the Premier KZN	1 057	354	-	-
KZN Provincial Treasury	-	481	-	-
Department of Health Eastern Cape	74	1 964	-	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2026

ANNEXURE 4

INTER-GOVERNMENT PAYABLES

	Total			Cash in transit at year end 2025/26*	
GOVERNMENT ENTITY	**31/03/2026**	**31/03/2025**		**Receipt date up to six (6) working days after year end**	**Amount**
	R'000	**R'000**			**R'000**
Department of Health Western Cape	193	140		-	-
Department of Health Gauteng	-	80		-	-
Subtotal	**29 651**	**62 428**			
Payables not recognised					
Department of Justice and Constitutional Development	17	-		-	-
Department of Transport: KwaZulu- Natal	1 093	-		-	-
Department of Public Works: KwaZulu-Natal	9 277	-		-	-
Office of the KZN Premier	134	-		-	-
Department of Health Eastern Cape	1 206	-		-	-
South African Police Services	63	-		-	-
Department of Health Western Cape	66	-		-	-
Department of Health Free State	37	-		-	-
Department of Health Mpumalanga	179	-		-	-
Subtotal	**12 072**	**-**			

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2026

ANNEXURE 4

INTER-GOVERNMENT PAYABLES

	Total		Cash in transit at year end 2025/26*	
GOVERNMENT ENTITY	**31/03/2026**	**31/03/2025**	**Receipt date up to six (6) working days after year end**	**Amount**
	R'000	**R'000**		**R'000**
Employee benefits				
Subtotal	-	-		
Total Departments	**85 768**	**82 220**	-	-
Contingent liabilities	44 045	19 792	-	-
Provisions	-	-	-	-
Accruals	29 651	62 428	-	-
Payables not recognised	12 072	-	-	-
Employee benefits	-	-	-	-
OTHER GOVERNMENT ENTITIES				
Contingent liabilities				
South African Blood Services	108 376		-	-
University of KwaZulu-Natal	4 031		-	-
Subtotal	**112 407**			

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2026

ANNEXURE 4

INTER-GOVERNMENT PAYABLES

	Total			Cash in transit at year end 2025/26*	
GOVERNMENT ENTITY	**31/03/2026**	**31/03/2025**		**Receipt date up to six (6) working days after year end**	**Amount**
	R'000	**R'000**			**R'000**
Accruals					
National Health Laboratory Services	265 721	87 793		-	-
South African National Blood Services	48 014	14 661		-	-
Auditor General - South Africa	-	4 601		-	-
SITA	-	1 315		-	-
University of KwaZulu-Natal	14 773	-		-	-
Subtotal	**328 508**	**108 370**			
Payables not recognised					
National Health Laboratory Services	930 367	554 791		-	-
Sita	19 069	-		-	-
University of KwaZulu-Natal	63 676	44 574		-	-
Auditor General of South Africa	6 137	-		-	-
Subtotal	**1 019 249**	**599 365**			

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2026

ANNEXURE 4

INTER-GOVERNMENT PAYABLES

	Total		Cash in transit at year end 2025/26*	
GOVERNMENT ENTITY	**31/03/2026**	**31/03/2025**	**Receipt date up to six (6) working days after year end**	**Amount**
	R'000	**R'000**		**R'000**
Employee benefits				
Subtotal	-	-		
Total Other Government Entities	**1 460 164**	**707 735**	-	-
Contingent liabilities	112 407	-	-	-
Provisions	-	-	-	-
Accruals	328 508	108 370	-	-
Payables not recognised	1 019 249	599 365	-	-
Employee benefits	-	-	-	-
TOTAL INTERGOVERNMENTAL CONTINGENT LIABILITIES, PROVISIONS, ACCRUALS, PAYABLES NOT RECOGNISED AND EMPLOYEE BENEFITS	**1 545 932**	**789 955**		

Change in the Template from 2024/2025 hence comparatives have changed to accommodate the new Template for 2025/2026

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2026

ANNEXURE 5

INVENTORY

INVENTORIES FOR THE YEAR ENDED 31 MARCH 2026	Note	Medicines	Surgical Supplies	Insert major category of inventory	Insert major category of inventory	TOTAL
		R'000	R'000	R'000	R'000	R'000
Opening balance		502 719	606 192	-	-	1 108 911
Add: Additions/Purchases - Cash		3 931 952	3 090 864	-	-	7 022 816
(Less): Disposals		(282)	(73)	-	-	(355)
(Less): Issues		(3 678 789)	(3 125 457)	-	-	(6 804 246)
Closing balance		**755 600**	**571 526**	**-**	**-**	**1 327 126**

Notes:
1. End Users comprises of the Wards and NSI Sections.
2. Inventory Management Principles, Techniques and Processes are being implemented on a phase in approach on Clinics and End Users

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2026

ANNEXURE 5

INVENTORY - CONTINUE

INVENTORIES FOR THE YEAR ENDED 31 MARCH 2025	Note	Medicines	Surgical Supplies	Insert major category of inventory	Insert major category of inventory	TOTAL
		R'000	R'000	R'000	R'000	R'000
Opening balance		752 444	689 423	-	-	1 441 867
Add: Additions/Purchases - Cash		3 410 190	2 671 582	-	-	6 081 772
(Less): Disposals		(2 134)	(410)	-	-	(2 544)
(Less): Issues		(3 657 781)	(2 754 403)	-	-	(6 412 184)
Closing balance		502 719	606 192	-	-	1 108 911

End Users	**34560**
Clinics	**57027**

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2026

ANNEXURE 6

MOVEMENT IN CAPITAL WORK-IN-PROGRESS

MOVEMENT IN CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2026

	Opening balance	Current Year Capital WIP	Ready for use (Asset register) / Contract terminated	Closing balance
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	**699 283**	**881 519**	**-440 876**	**1 139 926**
Non-residential buildings	417 974	799 540	-374 717	842 797
Other fixed structures	281 309	81 979	-66 159	297 128
TOTAL	**699 283**	**881 519**	**-440 876**	**1 139 926**

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2026

ANNEXURE 6 - CONTINUE

MOVEMENT IN CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2025

	Opening balance	Prior period errors	Current Year Capital WIP	Ready for use (Asset register) / Contract terminated	Closing balance
	R'000	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	**894 558**	**-109 513**	**1 018 785**	**-1 104 547**	**699 283**
Non-residential buildings	661 742	-107 257	427 697	-564 208	417 974
Other fixed structures	232 816	-2 256	591 088	-540 339	281 309
TOTAL	**894 558**	**-109 513**	**1 018 785**	**-1 104 547**	**699 283**

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2026

ANNEXURE 7
NATURAL DISASTER OR RELIEF EXPENDITURE

Per quarter and in total

Expenditure per economic classification	APRIL 2025 R'000	MAY 2025 R'000	JUN 2025 R'000	Subtotal Q1 R'000	JUL 2025 R'000	AUG 2025 R'000	SEPT 2025 R'000	Subtotal Q2 R'000	OCT 2025 R'000	NOV 2025 R'000	DEC 2025 R'000	Subtotal Q3 R'000	JAN 2026 R'000	FEB 2026 R'000	MAR 2026 R'000	Subtotal Q4 R'000	2025/26 TOTAL R'000	2024/25 TOTAL R'000
GOODS SERVICES	**-**	**-**	**-**	**-**	**-**	**-**	**610**	**610**	**-**	**301**	**886**	**1 187**	**939**	**1 879**	**2 257**	**5 075**	**6 872**	**826**
Please list all the applicable SCOA level 4 items:	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Property Payments	-	-	-	-	-	-	610	610	-	301	886	1 187	939	1 879	2 257	5 075	6 872	826
Transfers and subsidies	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Please list all the applicable SCOA level 4 items:	-	-	-	-	-	-	-	--	-	-	-	-	-	-	-	-	-	-
Expenditure for capital assets	**-**	**-**	**6 191**	**6 191**	**6 402**	**2 467**	**10128**	**18 997**	**11 846**	**10 311**	**4 797**	**26 954**	**4 810**	**4 652**	**4 788**	**14 250**	**66 392**	**78 645**
Please list all the applicable SCOA level 4 items:	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CONTRCTR: REFU&REH BUILDINGS	-	T f-	6 191	6 191	6 402	2 467	10 128	18 997	11 846	10 311	4 797	26 954	4 810	4 652	4 788	14 250	66 392	78 645
Other expenditure not listed above	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Please list all the applicable SCOA level 4 items	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL NATURAL DISASTER OR RELIEF EXPENDITURE	**-**	**-**	**6 191**	**6 191**	**6 402**	**2 467**	**10 738**	**19 607**	**11 846**	**10 612**	**5 683**	**28 141**	**5 749**	**6 531**	**7 045**	**19 325**	**73 264**	**79 471**

KWAZULU-NATAL PROVINCE
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REPUBLIC OF SOUTH AFRICA

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