

# Health Systems Trust

Annual Report  
2004/05



## Who we are

*T*he Health Systems Trust (HST) is a non governmental organisation, which supports the transformation and development of health systems and services since its inception in 1992.

Our approach is to embrace a public health perspective with a focus on Primary Health Care. We support health systems development through research and disseminate information that influences both policy and practice. By facilitating supportive interventions and sharing 'best practice', we improve quality of care in priority health programmes.

HST advocates for equity, efficiency and effectiveness in health services delivery and for empowerment of the health service users.

We are guided by an independent Board of Trustees. Board members collectively comprise a diverse group of individuals with professional standing and expertise in health systems development and public health.

## *Vision*

"Health systems supporting health for all in southern Africa"

## *Mission*

"HST actively supports the development of comprehensive, effective, efficient and equitable national and district health systems"

## *Core Values*

Our work is guided by the following key values:

- ❖ Transparency and accountability
- ❖ Innovation and responsiveness
- ❖ Integrity and nurturance
- ❖ Embracing diversity
- ❖ Participatory democracy

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# Chairperson's Report 2004/05

This Annual Report of the Health Systems Trust (HST) reflects an extensive programme of research and development initiatives during the 2004/05 financial year, responding to priority health needs in South Africa and the broader SADC region. The following four strategic areas received particular attention during this year:

- i. the supply and distribution of human resources in the public health sector;
- ii. planning processes at district and provincial levels to meet the requirements of the National Health Act, as well as the utilisation of health information systems to support planning, monitoring and evaluation of performance in the health sector;
- iii. the prevention and treatment of HIV and AIDS, as well as sexually transmitted infections (STIs); and
- iv. the continued development of strategic partnerships within the country and the region.

In response to critical staffing shortages in certain areas of the public health system, the tenth edition of the South African Health Review adopted the theme of "Human Resources for Health". Causes for these shortages were explored in the Review, and key recommendations were made in relation to how this issue may be satisfactorily addressed. HST has also been the theme coordinator for an Equinet project on the distribution of human resources for health in the SADC region.

Implementation of the new National Health Act has entailed new responsibilities for health service planning at national, provincial and district levels. In this regard, HST has contributed to the development of national District Planning Guidelines and has directly supported provinces and districts in the development of plans. Given the importance of health information systems to planning processes, HST has also continued providing support to the national and provincial departments of health to strengthen health information systems, in partnership with the Health Information Systems Project.



The focus on HIV and AIDS, as well as STIs, has continued in this year. HST has provided ongoing training and support to provinces in the implementation of a monitoring and evaluation system for the Comprehensive HIV and AIDS Care, Management and Treatment Plan for South Africa. In partnership with the Medical Research Council and the University of the Western Cape, HST has also continued to engage in national operational research on Prevention of Mother-to-Child Transmission. A new contract has also been entered into with the Mpumalanga Department of Health to strengthen HIV prevention strategies and to promote anti-retroviral literacy in the province.

In the SADC region, HST also continues to maintain and expand its support for programmes that address the challenges of STIs, HIV and AIDS. This includes involvement in a project supporting regional STI control, funded by the UK Department for International Development (DFID), and an International Development Research Centre (IDRC) project on public/private partnerships in STI control. In addition, HST has been a partner in a UNAIDS Technical Support Facility (TSF)

in the region with Health Development Agents (HDA) and Crown Agents SA. It has also partnered with the African Regional Sexuality Resource Centre in organising numerous seminars on human sexuality and health.

It is clear from the above that HST places much emphasis on expanding its network of partnerships with non-governmental organisations, research bodies and academic institutions in the implementation of a wide range of projects involving research, strengthening of district health systems, community development initiatives, and national initiatives such as the strengthening of health information systems. Apart from the partnerships discussed above, it is also important to mention the partnerships with Management Sciences for Health in the Integrated Primary Health Care Project funded by USAID, and with the University Research Co, LLC (URC) in the TB Technical Assistance Support Contract.

HST also appreciates the support and contribution made by various funders in ensuring the sustainability of its contribution to strengthening the health system. Atlantic Philanthropies is particularly acknowledged for playing a key role in supporting HST's activities during this period.

Finally, I would like to express my gratitude and congratulations to the management and staff of HST for their role in maintaining and strengthening the contribution of HST in South Africa and the region, despite increasing competition for the limited resources available for health systems research and development.



Message from the Chief Executive:

## an Overview of HST's Year



The year from July 2004 to June 2005 has been one of change, growth and consolidation of new projects, teams and structures in HST. HST celebrated South Africa's first 10 years of democracy, while also celebrating the organisation's achievements, strengths and future potential.

A major change has been the departure of longstanding Chief Executive, David Mametja who resigned after ten years of visionary and committed leadership of HST. David guided the ship from an initial period of facilitating and supporting progressive public health research during apartheid, to becoming a leading public health research and development NGO, supporting the new democratic government in its effort to improve health for all. This was an impressive task for which HST thanks and acknowledges David Mametja.

After a three year association with HST as Managing Director and acting CEO, I took over as Chief Executive in early 2005. I have found the task of managing a valuable and vibrant organisation like HST both challenging and exciting, and look forward to working with staff and the Board to maintain HST's achievements and to grow the organisation together.

During the year under review, HST has made considerable progress against the goals set in our Business Plan that was developed following a Strategic Review in 2003. Using a Balanced Score Card Approach, we are measuring our progress against four main areas. I report on a few highlights in each of these areas.

### *The Financial Perspective*

HST has experienced a significant growth in funding during the review period, with an almost 20% increase in income in 2004 over the previous year. With current funders extending their relationship with us and with new funders coming on board, we have secured a mix of short and medium term funding for projects as well as for core administration. This has strengthened the sustainability of HST. We are thankful to our past and current donors and welcome the new donors into our family.

HST has a strong reputation of fiduciary responsibility with sound financial management and auditing processes. The HST Board and its audit and financial subcommittees have played an important governance role in these areas. HST's trusteeship of lovelife ended in December 2004, through a mutually agreed upon disengagement from lovelife. We wish the new lovelife board a successful journey ahead and are confident that the two organisations will continue to support each other in the huge challenges presented by HIV for the youth of SA.

### *The Organisational Perspective*

HST has recognised the importance of marketing itself more vigorously in order to promote wider use of HST's work and to create opportunities for new work in supporting health systems development. To this end, we initiated a process in this period to "take HST to the people", that is, the donors, partners and clients. One initiative was a provincial "Road Show" by HST senior managers, through which we consulted with ministers and top government officials on how HST could assist government with strengthening PHC and the implementation of the Comprehensive HIV and AIDS Care, Management and Treatment Plan for South Africa. This will be continued and escalated in subsequent periods.

Our flagship publication, the South African Health Review (SAHR), was last year launched in corporate style in Cape Town, as a way of celebrating the "Ten Years of Democracy" theme of the SAHR 2004. The launch enabled us to inform a range of our stakeholders, and to get national media coverage of the important findings of the SAHR. The support of a new funder ensures that we are able to continue producing the SAHR, in particular the SAHR 2005 with its focus on the critical issue of "Human Resources for Health".

HST also successfully organised the International Society for Equity (ISEQ) conference in June 2004 in Durban, which was followed by the Global Equity Gauge Alliance (GEGA) conference.

### *The Stakeholder Perspective*

Through our partnerships with the National and Provincial Departments of Health, we have contributed to policy and improving quality of care in a variety of ways this year. HST organised two national conferences with government, on Strengthening Clinic Supervision and on Rural Health in 2004. Both these conferences focused on sharing lessons learnt in the field and on documenting progress made with strengthening interventions such as clinic supervision to improve quality of care.

HST remains a leader in communicating research findings and 'best practice' to influence policy and improve practice. A recent example is the development of training materials and a set of monitoring and evaluation tools for NDoH to assist managers in measuring progress in the implementation of the Comprehensive HIV and AIDS Care, Management and Treatment Plan for South Africa.

HST has also focused on extending its regional activities in southern Africa. Currently we are engaged in a major project with the Southern African Development Community (SADC) to reduce sexually transmitted infections in high transmission and cross-border areas. HST is assisting

HST also had the pleasure of welcoming Health-e and its acclaimed journalists into the organisation during this year. Although HST has fulfilled an important information dissemination role in the past, this relationship presents new challenges for both HST and Health-e who need to maintain independence in their coverage of health issues, while being part of a larger organisation such as HST.

### *Learning and Growth Perspective*

HST recognises that our staff are our greatest strength and that we need to continuously learn in order to grow as an organisation. The focus in the past year has been on enhanced health information skills training for staff, and training of senior staff in project management to help manage the complexities that come with our increasingly project-based approach. We also build capacity of researcher and public health development workers through the internships we have been hosting on an annual basis.

HST is committed to the goals of Employment Equity Act and has developed an Employment Equity Plan to guide the organisation. HST has made good progress, with black and women employees being well represented at all levels.



with the establishment of a UNAIDS Technical Support Facility in southern Africa (TSF), in partnership with Health and Development Africa (Pty) Ltd and Crown Agents SA. We are a founding member of the African Health Research Forum established in this year, and are assisting the forum to develop a Health Research Fellowship Program. HST also participated in the African Regional Platform on Human Resources for Health in Abuja (February 2005) and in Brazzaville (July 2005), and continues to contribute to regional dialogue on Equity through our support for country Equity Gauges and GEGA. We have also provided consultancies to several countries, including an assessment of the prevention of mother-to-child HIV transmission (PMTCT) programme in Rwanda.

The success of HST also depends on the support of the HST Board, under the leadership of Mr Patrick Masobe supported by deputy chairpersons, Professor Barry Kistnasamy and Ms Jeanette Hunter. We are very grateful to Trustees for the professional skill and wisdom they have contributed and for the dedication and care they have shown in the task of governing and supporting HST.

Finally, I want to thank HST managers and all staff who have worked hard to make the past year a success. It is my pleasure to present our 2004/05 Annual Report with details of the exciting and valuable work we are engaged in.

# HST Projects 2004/05

## Research Projects

The research cluster in HST commissions and produces research that informs policy, that narrows the gap between policy and practice and that strengthens the health system.

### HIV/AIDS and STI Research

The Prevention of Mother to Child Transmission (PMTCT) research project has provided ongoing monitoring and evaluation, policy guidelines and technical support to the national PMTCT programme since its inception in 2001. The National Department of Health and the Centers for Disease Control (CDC) are the main funders. HST is in partnership with a consortium that includes University of Western Cape, the Medical Research Council and Centre for AIDS Development, Research and Evaluation (CADRE) with HST managing two of the three sentinel research sites (Paarl, Western Cape; Umlazi, Kwazulu-Natal and Rietvlei, Eastern Cape) The project is a collaboration with CDC, WHO and Tulane University in the USA.

The **Good Start Cohort Study** is a prospective study of 600 HIV positive mother-child pairs to determine infant feeding practices and HIV transmission. The study, completed in 2004, showed that the PMTCT programme is effective in operational settings. However, these gains are limited by the post-natal transmission of HIV, due to mixed feeding practices, as well as increased mortality due to poor antenatal and post natal care, especially in deprived socio-economic conditions.

Following a review of these findings, it was realised that the team needed to move from observational research to intervention research thus implementing solutions to the problems that were identified. The **Good Start Study and the PROMISE Study** were designed with this aim in mind. The two studies are managed as one large randomised controlled trial and the main funders are CDC and European Union (EU). The **Good Start Intervention Study** has a facility intervention that will test the new WHO integrated infant feeding counselling course and test a community intervention where peer counselors will visit HIV positive mother-child pairs to support exclusive infant feeding practices. The **PROMISE Study** component will evaluate the effectiveness of peer counsellor support on exclusive breastfeeding rates and infant morbidity (diarrhoea and pneumonia) at 3 months postpartum.

The **WHO Qualitative Infant Feeding Study** is a longitudinal study to examine infant feeding decision-making and whether factors like disclosure makes a difference. The **Community Situational Analysis on Maternal and Neonatal Care** is a descriptive cross-sectional study to investigate the factors associated with poor maternal and perinatal outcomes. Fieldwork was completed in early 2005. The PMTCT studies were presented to the NDoH and other stakeholders, at local and international conferences and in publications.

The **ARV Behavioural Study** (funded through the Treatment Monitor project), on the perceptions of HIV transmission risk among people receiving antiretroviral treatment, is underway. More than 300 patients





on ARV treatment at St Mary's Hospital in Marianhill, KwaZulu-Natal have been interviewed about disclosure of HIV status, safe sex practices and support networks. Data collection will be completed in November 2005 and the study report will be available in early 2006.

### *An Evaluation of Home-Based Care*

In a study commissioned by the Nelson Mandela Children's Fund, HST, together with the School of Public Health, University of Pretoria conducted an in-depth evaluation of three home-based care (HBC) projects in KwaZulu-Natal, Limpopo and Mpumalanga. The key finding is that the three HBC projects do not yet have the capacity to provide palliative care to children due to a wide range of factors such as shortage of funding, human resources and drugs, poor referral links and lack of transport. The findings were presented at a national seminar and the research report has been completed and published.

### *Assessing the Performance of Voluntary Counselling and Testing (VCT) Services*

As part of a VCT consortium with Africon Consulting, HST won a tender to conduct a rapid assessment of VCT services in 2004 at primary health care facilities in KwaZulu-Natal, Eastern Cape and Mpumalanga Provinces. The assessment was conducted at 100 facilities per province that were selected for an infrastructure audit. Infrastructure and performance improvements for VCT service delivery are being planned and implemented based on the findings of the assessments. The project was commissioned by the Development Bank South Africa and the NDoH, and undertaken in partnership with the provincial health departments.

### *The Initiative for Combating Sexually Transmitted Infections (STIs) in the Public and Private Sectors*

The STI Initiative, funded by the Kaiser Family Foundation, had two components, both of which involved going beyond research into supporting interventions that improve services at the point of delivery. The public sector work focused on the assessment of the quality of STI services and assisting with the implementation of remedial plans and the monitoring of progress. This work was concluded at the end of 2004. In partnership with the Reproductive Health Unit, HST compiled a set of guidelines for improving STI management in a health district.

The second component aimed to improve the quality of and access to STI services in the private sector. The HST facilitator worked through a consortium of several academic institutions, independent practitioner associations, individual general practitioners and policy makers to provide training and influence curricula. The project assessed the adequacy of training for undergraduate medical doctors on the management of STIs.



## Tuberculosis Research

### *The Technical Assistance Support Contract Tuberculosis (TASC TB) Project*

The TASC TB is a United States Agency for International Development (USAID) funded project that started in September 2004 and will run for a period of just over 4 years. The project is being implemented by a consortium of organisations consisting of the main partner, University Research Corporation (URC), along with Management Sciences for Health (MSH) and HST in five provinces identified by government. These are KwaZulu-Natal, Eastern Cape, Limpopo, North West and Mpumalanga. HST is providing staff responsible for Monitoring and Evaluation, for coordinating the project in the Eastern Cape and for operational research.

The TASC TB project aims to assist in improving the treatment of TB and AIDS. The five project objectives include improving the quality, availability, demand and management of support systems within the TB control programme, as well as testing innovative approaches for expanding DOTS (Directly Observed Treatment Short Course). Consultations to obtain buy-in from senior management in the five provinces started in early 2005 and districts and sub-district were selected for the project to focus on. In the Eastern Cape, the project is being implemented in three Local Service Areas (sub-districts) where baseline assessments were conducted in May 2005. Integration of the TB and HIV programmes is a major focus in the Eastern Cape and the North West provinces. HAST committees (HIV, AIDS, STIs, TB) are being established at sub-district, district and provincial levels to ensure efficient programme coordination.

## Health Systems Development Research

### *The Impact of Decentralisation on Reproductive Health Services in Africa*

The RHD project is a three-year study involving four African countries. It is coordinated by the Nuffield Institute for Health, University of Leeds, and funded by the European Union. The project compares the impact of different forms of decentralisation in two Anglophone (South Africa and Uganda) and Francophone (Burkina Faso and Mali) countries. HST is responsible for the South African study and a draft report has been submitted to Nuffield. There have been exchange visits between South Africa and Uganda and a comparative report will be published in 2006.

### *Assessing the Impact of Municipal Health Service Policies on Environmental Health*

The responsibility for delivering Municipal Health Services (MSH) as defined in the National Health Act, 2003, was given to metropolitan and district municipalities with effect from 1st July 2004. Port health, control of hazardous substances and malaria control, were however, retained as provincial government responsibilities. As Part B of this project, HST assessed the impact of implementing this MHS policy decision, by doing a baseline study in nine sites. Findings indicate that inadequate information and incomplete policies hamper the implementation. A report on developing measures to monitor equity in resource allocation of health services (Part C), was compiled by the Health Economics Unit of the University of Cape Town.



### *Barriers to Implementation of Choice of Termination of Pregnancy (CTOP) Study*

This research project was initiated in late 2004 with the support of the NDoH Directorate: Women's Health and Genetics and the NDoH Research Directorate. The aim of the study is to describe factors hindering the effective implementation of the CTOP Act. The research results will inform future content of the Value Clarification Workshops, and make recommendations for interventions at health service and community levels, including recommendations for a national awareness campaign on women's rights under the CTOP Act.

## Health System Intervention Projects

The Initiative for Sub-district Support (ISDS) cluster within HST provides facilitation and support for health systems interventions that strengthen PHC services and district health systems.

### *Rural District Health Support (RDHS) Project*

The Communication Strategy Tender was awarded to HST by the NDoH in March 2004, towards the end of ISDS's work in 13 of the



### *Health as a Human Right: A Monitoring Tool to Support Implementation of the Patients' Rights Charter in the Health Sector*

As part of a NDoH contract, HST has commissioned research for the development of a monitoring tool to enhance the implementation of the Patients' Rights Charter (PRC). A literature review of international models of PRCs has been completed, as well as a review of the PRC implementation in South Africa, including two provincial case studies. Preliminary findings indicate that the PRC does act as a trigger for the development of mutually supportive relationships between patients and providers.

### *An Evaluation of Public-Private Partnerships for Transport Services in Health*

The lack of adequate transport, particularly in rural and under resourced areas, contribute to failure of service delivery. Health Systems Trust, funded by the NDoH Research Directorate, is investigating the impact of outsourcing transport services to public-private partnerships (PPPs). Permission has been granted by the Eastern Cape Department of Health to undertake research in the Eastern Cape.

poorest rural districts. The aim was to strengthen communication systems to improve the functioning of district health services. HST's HealthLink and ISDS staff compiled a rapid appraisal on communication needs throughout the districts. Workshops were conducted in all 13 districts to build capacity in business communication. The topics included: how to run effective meetings, improving report writing, filing systems and basic computer skills, PowerPoint presentations and clinic supervision. A range of practical communication tools were developed and widely distributed, including a pocket booklet on effective communication and guidelines for improving a patient registration system at clinic level.

The RDHS project was concluded with a national Rural Health Conference in September 2004, which was jointly organised with the NDoH. The conference, opened by the Minister of Health and attended by 200 delegates, was an opportunity for rural nodes to showcase the achievements in strengthening PHC service delivery in the rural nodes, to share their challenges with colleagues across the country and to endorse the Rural Health Strategy.

### *Integrated Primary Health Care Project (IPHC)*

The IPHC project under TASC II is a 4-year USAID funded project in partnership with MSH. The aim of the project is to strengthen district health systems development by integrating HIV and AIDS into PHC. Consultations with the NDoH and five provinces resulted in the project targeting specific districts for intervention. The foundations for a successful project have been laid with the completion of an annual work plan, a performance measurement plan and a memorandum of agreement with the provinces.

Technical advisors have been deployed to conduct baseline assessments. Plans are being developed to support the following priority areas that were identified:

- ❖ Strengthening key elements of service delivery in the areas of health information, financial management, budgeting, planning, and clinic supervision
- ❖ Expansion of a comprehensive PMTCT programme
- ❖ Capacity building
- ❖ Integrating HIV, AIDS, STIs, TB and Opportunistic Infection management into PHC
- ❖ Strengthening community networks' capacity to provide services
- ❖ Leveraging public-private partnerships
- ❖ Organisational development
- ❖ Project management.

### *The Southern African Development Community (SADC) Project on Sexually Transmitted Infections (STIs)*

The SADC project is a two year DFID funded project to reduce the prevalence of STIs and risk of acquiring HIV and AIDS in selected high transmission and cross border areas in Botswana, Lesotho, Namibia and Swaziland. It also aims to assist the SADC region in identifying and developing a regional response to STI control. Several meetings with policy makers, politicians and other role players were conducted within and between the participating countries and the

commitment of the Ministries of Health has been secured. Tools have been developed for baseline assessments and a surveillance system was set up to provide data on different syndromes and the spread of STIs across borders. The slow pace of cross-country decision-making, the absence of local, country-based partner organisations and the extensive technical support required for STI services are some of the challenges encountered in this project.

### *Strengthening the Use of Health Information Systems to Improve PHC Programmes*

HST in partnership with the Public Health Programme of the University of the Western Cape has completed the first year of a three-year project funded by Atlantic Philanthropies that focuses on the use of health information in improving priority programmes and support services at a district level. The project sites are in Chris Hani district (Eastern Cape) and Khayelitsha sub-district (Western Cape). In Chris Hani district the focus is on improving information management capacity of district staff through the use of available district information, as well as key programmes such as child health and nutrition, and human resources information. In the Cape Metro and Khayelitsha, priority programmes include an integrated approach to HIV, TB, STIs, human resources and pharmaceutical information systems, as well as improving the use of information by managers at district level.

From April 2004 to March 2005, ISDS has supported District Health Systems Development in Gauteng, by facilitating integration of services between provincial and local authorities and developing a clinic supervisory system. Quarterly clinic supervision meetings are now implemented in all six districts. Reporting and recording formats have been improved and the monthly clinic supervision reports are now being monitored.

In April 2004, the North West province commissioned HST to strengthen clinic and hospital supervision. All the districts were assisted to use the Clinic Supervisor's Manual (CSM) to assess the gaps and to implement plans to strengthen supervision. HST also assisted the province in developing a provincial supervision policy. A guidebook on improving hospital supervision (subcontracted to University of Stellenbosch) was developed for the North West province.





### *Monitoring and Evaluation of the Comprehensive HIV and AIDS Care, Management and Treatment Plan for South Africa*

HST, in partnership with Health Systems Information Programme (HISP) are implementing a country-wide, NDoH funded project to conduct training on the monitoring and evaluation of the Comprehensive HIV and AIDS Care, Management and Treatment Plan for South Africa, from January 2005 till February 2006. The target audience is data capturers, information officers, antiretroviral therapy (ART) facility project managers, clinicians and related professionals.

- ❖ Phase I, the preparation phase was completed in May with consultations on national and provincial level. Two manuals were developed to train staff to implement the Monitoring and Evaluation Framework for the Comprehensive HIV and AIDS Care, Management and Treatment Plan for South Africa: a comprehensive training manual for facilitators and a training manual for participants.
- ❖ Phase II, the training phase, is in progress with only Northern Cape, KwaZulu-Natal and Western Cape training workshops outstanding. Additional training workshops will be offered to those provinces that requested it.
- ❖ Phase III, the support and assessment phase, has commenced in 5 of the provinces with only Mpumalanga outstanding.

One of the challenges of the project is that limited data collection systems in provinces make it difficult for them to implement the monitoring and evaluation framework. The training manuals are available on the Department of Health (DoH) and the HST website.

### *Strengthening Health Information Management on a National and Provincial Level*

HST was contracted by the National Department of Health for an initial period of one year, to strengthen health information systems at both the national and provincial levels. A rapid appraisal of health information management at the national level was done with the following clusters: Policy and Planning, Information management, Evaluation, Research, PHC, Districts and Development, HIV, AIDS, STI, TB and Hospital services. A draft report and work plan that prioritises training at a national level, has been submitted. Rapid assessments together with specific work plans have been finalised in the provinces.

## Community Development Projects

The Community Development cluster in HST initiates innovative models of community involvement that focus on partnerships between community-based organisations (CBOs) and service providers.

### *The Integrated Nutrition Project (INP)*

The Integrated Nutrition Project, initiated in 2002, works to support and complement the government's Integrated Nutrition Programme (INP) that promotes nutrition education and household food security through clinic and community-based interventions, with a specific focus on pregnant women, lactating mothers and children. The project uses Community Based Organisations (CBOs) as implementing agents and uses a multi-sectoral approach by working closely with the Departments of Health, Agriculture and Social Development. The Kellogg Foundation funded the first phase. Subsequent financial



support came from the National Development Agency (NDA), which began the roll out of the initiative in 12 other clinic catchment areas in the Eastern Cape (EC) Province.

In January 2005, the EC government funded the consolidation of existing INP sites and expanded the initiative to 30 clinics in the O R Tambo District.

Some of the main achievements of the INP include:

- ❖ Community members (at least 7 000 people) who participated in the INP Initiative have gained knowledge in healthy nutrition, nutrition related illnesses and growth monitoring and promotion of children 0-5 years old. Information on where to access social grants and skills in crop and vegetable production has been passed on.
- ❖ Participation of community members in Community Based Growth Monitoring and Promotion (C-GMP) has contributed to an increase in community awareness on prevention of malnutrition and promotion of household food security as well as early detection and management of childhood illnesses.
- ❖ Community bases have been set up for C-GMP and strong linkages with the catchment area clinics have been established to ensure a two-way referral between the bases and clinics as well as other social institutions.



- ❖ HST facilitated the acquisition of sites for communal gardens: three in KZN (Umkhanyakude & Zululand) and 20 in the Eastern Cape (O R Tambo, Alfred Nzo and Okhahlamba).

HST received further funding in 2004 from the Social Change Assistance Trust (SCAT) for infrastructure development in ten clinic catchment areas in the O R Tambo district. Each clinic garden now has a Jojo water tank, a corrugated iron shelter, and two toilets have been erected in four of the community gardens.

### *The Male Sexuality Project (MSP)*

This project promotes the involvement of civil society in the fight against HIV and AIDS, focusing on promoting male involvement in sexual and reproductive health issues. The project was implemented in three provinces (Kwazulu-Natal, Mpumalanga and North West), working with CBO's and their volunteers as the main implementation agency. A major achievement of this programme is the school-based peer Sexuality and Reproductive health (SRH) education programme that was set up in 31 schools in the three provinces. During this year, 1 300 male peer educators were reached and they in turn are expected to set up community based peer education groups. With the increasing sexual violence, specifically gender based violence that is inflicted by men on women and with the HIV pandemic, interventions focusing on young males are crucial. Although the community-based interventions are succeeding in mobilising young males to understand the benefits of VCT, more intensive community mobilisation is needed to dispel myths and allay fears about knowledge of one's HIV status.

Through a partnership with the Africa Regional Sexuality Resource Centre (ARSRC), HST hosted a five day Sexuality Institute in October 2005, with participants from Egypt, Nigeria, Kenya and South Africa. HST has also participated in exchange visits to learn and share experiences with other organisations in other parts of Africa involved in promoting community based sexuality and HIV and AIDS interventions.

### *The Promotion of Antiretroviral Treatment (ART) Literacy in Mpumalanga*

This two-year programme, initiated in March 2005, is based on the governments' Comprehensive HIV and AIDS Care, Management and Treatment Plan for South Africa. The purpose is to strengthen the HIV and AIDS prevention strategy through greater community involvement. A specific focus is to promote community literacy in the antiretroviral therapy programme, so that patients are able to access and effectively use ART services. It will be implemented in the clinic

catchment areas of seven accredited ART service points, in 73 feeder clinics. The HealthLink programme is assisting with the translation of ART pamphlets into local languages so that information is accessible to communities.

## Equity and Advocacy

### *The Global Equity Gauge Alliance (GEGA)*

GEGA is an alliance of 11 Equity Gauges located in 10 countries in Latin America, Africa and Asia. The GEGA secretariat is based at HST and it supports country level Gauges through advocacy and capacity development initiatives. The alliance focuses on mitigating inequities in health and health systems, by addressing the socio-political causes, using a three-pillar strategy of advocacy, community empowerment and monitoring and evaluation.

During the period of 2004/2005, the Alliance developed a course on "Health Equity - Research to Action" as a tool to increase awareness to address health inequities and have commenced work on a training module on "Equity and Health Systems". GEGA, in collaboration with the Peoples' Health Movement and Medact, initiated an alternative health report written by academics, civil society organisations, and community and health workers, as a critique of global and regional processes that contribute to health inequities. The Global Health Watch ([www.ghwatch.org](http://www.ghwatch.org)) was launched at the second People's Health Assembly in Cuenca, Ecuador in July 2005. The Global Health Watch highlights the disparities in health and draws attention to the ways action can be taken to improve equity. A broad collaboration of public health experts, non-governmental organisations, civil society activists, community groups, health workers and academics participate in the Global Health Watch.

In collaboration with Equinet, GEGA has been supporting the development of the South and East African Parliamentary Committee

on Health. This independent regional initiative, brings together representatives from parliamentary health committees across the region and is designed to strengthen parliamentary debate and engagement on health equity issues

### *South African Equity Gauge (SAEG)*

Closer to home, the South African Equity Gauge increased its focus on community development this past year, through three projects; HIV Gauge, a research study on barriers to community participation and a Soul City awareness project.

The HIV Gauge project is aimed at strengthening community involvement with HIV and AIDS services as a way to improve access to health care. The research study, commissioned by the Population Council of South Africa, explores the role that community based organisations can play in the implementation of the government's plan for ARV roll-out. The project is based in two sites each in KwaZulu-Natal and Limpopo provinces. The Soul City awareness project involves the Equity Gauge team working as consultants with Soul City in the development of their forthcoming series on the topic of equity and community participation in health care.

As part of multi-country study funded by WEMOS, the Equity Gauge undertook a review of a public-private partnership, the 'Stop TB Partnership in South Africa'. The aim of the study is to generate a set of country-based evidence relating to the effect of GPPIs on health policies and health systems. HST published the report 'Stop TB Partnership in South Africa – A review', available from [www.hst.org.za](http://www.hst.org.za).

The Equity Gauge has also provided technical support with planning and information to national and provincial Portfolio Committees on Health as well as to Lawyers for Human Rights.



## Equity in the Distribution of Human Resources for Health

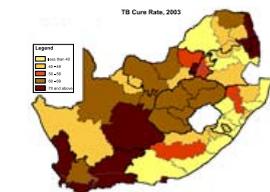
HST is the theme coordinator for this EQUINET initiative, which over a two-year period has undertaken a literature review and stimulated regional and country level research to strengthen the evidence base for equity oriented policy on human resources for health (HRH). The HRH theme comprises a wide range of southern African organisations working in collaboration with hubs in receiving countries including the UK, US, Canada and Australia.

Two regional meetings have brought together parliamentarians, researchers, civil society representatives, trade unionists, ministries of health and health workers, initially to refine the research agenda, and subsequently, based on the research findings, to prioritise policy directions. An important outcome of the work has been the strengthening of country level capacity and expertise in this critical area. Ongoing work will continue to strengthen country initiatives while working with regional groupings to support regional initiatives.

HST and University of the Free State, compiled a peer-reviewed conference report on the national experiences with implementing the Comprehensive HIV and AIDS Care, Management and Treatment Plan for South Africa (See Publications and Conferences) which informed a chapter on the same topic in the South African Health Review 2005. HST commissioned the University of Cape Town to do a costing study for the development of a secondary hospital level ARV referral site in the Western Cape. The study has already informed similar studies elsewhere.

## The District Health Barometer

The District Health Barometer aims to monitor progress and support improvement in health systems and care through the collation and analysis of a selection of district level health indicators which provide a snapshot of how well primary health care is being delivered in each of the 53 health districts in South Africa. The purpose, scope and implementation of such a barometer were agreed upon through



## Information Dissemination

### The Treatment Monitor

The Treatment Monitor is a multi-disciplinary project that aims to strengthen health systems by supporting the monitoring of antiretroviral treatment and related research. The Monitor has been maintaining and updating a database of ART sites in South Africa since 2003. The database contains details on 75 public ART sites treating 8 872 adult and 1 309 children with ARV medication. Collaboration takes place under the umbrella of the Joint Civil Society Monitoring Forum, a range of civil society, academic and government institutions that aim to align their efforts to support the NDoH Comprehensive HIV and AIDS Care, Management and Treatment Plan for South Africa. HST hosts an electronic discussion list to facilitate communication in-between the quarterly meetings.

national, provincial and local government consultation. Indicators were chosen from available routine information such as the DHIS. The indicators cover health systems and health status aspects and distinguish between input, process, output, and outcome indicators.



### South African Health Review 2005

The 10th edition of the South African Health Review (SAHR) was launched in September 2005 in Durban and is now available at <http://www.hst.org.za/generic/29>. The SAHR 2005 focus is on Human Resources as this is considered to be the major challenge facing the South African health system. The information indicates that although some categories of health professionals in the public sector have increased, there is still a critical shortage of human resources and especially of enrolled nurses and medical specialists. The Review also focuses on a number of systemic issues including the review of the national 10-point plan, health legislation, the new Health Act, the district health system, the private sector and the financing and monitoring of antiretroviral treatment for HIV and AIDS. The chapter on Health Indicators in the SAHR 2005 presents a selection of information from the indicators database.

### Health-e News

Health-e News Service became part of HST in February 2005 and their objective is to improve the coverage of health news in the media, with a particular focus on public health and HIV and AIDS. The Independent Group and Sunday Times are the main clients for print stories, while smaller publications such as the Daily Dispatch, Weekend Post, Natal Witness and community newspapers use Health-e News articles free of charge from the website ([www.health-e.org.za](http://www.health-e.org.za)).

This year, Health-e's three journalists (two print and one radio) worked on themes, producing a series of features on tuberculosis, the human resource crisis, the government's HIV and AIDS treatment plan and nutrition and HIV. Their radio journalist produces a weekly show, "Living with AIDS" on SABC's main English news station, SAfm, which is also translated into seSotho and Tswana for indigenous radio stations. The Health-e website is well used with a daily average of 938 visitors spending 11 minutes or more per visit.

### HST Web Site

The database-driven HST web site includes over 500 HST and related publications and nearly 2 000 news articles. The site is extensively used, with nearly 100 000 visitors in some months and over half a million pages viewed per month. Recent research publications and the SAHR have been the most popular downloads, while job adverts and informative news articles are frequently visited pages. The health statistics pages are amongst the most viewed pages on the HST website. HST also designs and hosts web sites for several other organisations.





*The Indicators Database*

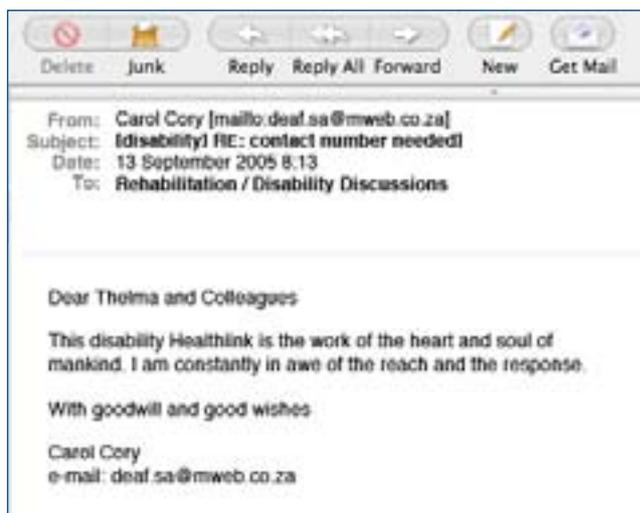
The HST website contains a health statistics database that is one of the broadest, freely available collections of indicators describing the South African health system. Over 12 000 data items for about 250 indicators are included, collated from hundreds of data sources.

*Electronic Discussion Lists*

HST continues to provide an electronic health information service by hosting close on 80 electronic discussion forums and mailing lists. The lists are dynamic and responsive tools for information sharing and networking around public health issues, locally and internationally.

Discussion lists such as DISABILITY, DRUGINFO, DHIS and MAILADOC have grown from strength to strength, continuing to provide peer support and education, with hundreds of subscribers. The following comment was made about the value of the disability discussion list:

The bi-weekly HealthLink Bulletin, an e-mail based news bulletin featuring news articles, events, job opportunities and the latest research remains a popular service with close on 1 500 subscribers.



# Publications and Conferences

HST has a proud record of publishing and disseminating a range of publications that not only influence policymaking, but also contribute to strengthening implementation of health services. In addition, HST staff also share their knowledge at a variety of local, national and international conferences.

## Publications

### Peer Reviewed Journals

McCoy D, Chopra M, Loewenson R, Aitken J-M, Ngulube T, Muula A, Ray S, Kureyi T, **Ijumba P**, Rowson M.

*Expanding Access to Antiretroviral Therapy in Sub-Saharan Africa: Avoiding the Pitfalls and Dangers, Capitalizing on the Opportunities.*

American Journal of Public Health, January 2005, Vol 95, No. 1.

Chopra M, **Doherty T**, Jackson D, Ashworth A.

*Preventing HIV transmission to children: quality of counselling of mothers in South Africa.*

Acta Paediatrica 2005; 94: 357-363.

**Padarath A, Ntuli A.**

*The Brain Drain in South Africa.*

Harvard Health Policy Review 2004; Vol 5, No. 2.



**FREE STATE PROVINCE**

12/09/2005

401 Maritime House  
4<sup>th</sup> Floor  
Salmon Grove  
Victoria Embankment  
DURBAN  
4000

**RE: HEALTH SYSTEM TRUST**

I wish to thank you for ensuring that I received the publications from Health System Trust. I must say that they are empowering and a good knowledge resource.

As a new Nursing Manager at a District Hospital Complex, they made me aware of all other important issues on District Health Care.

Thank you,

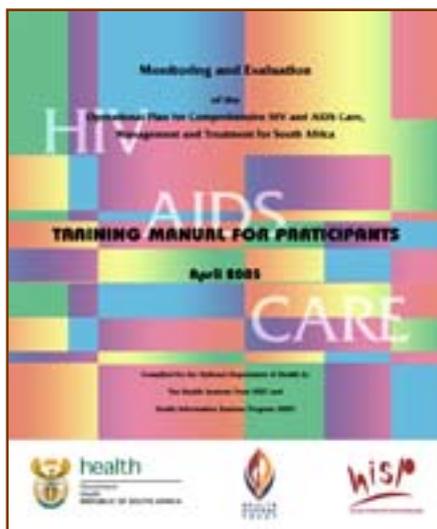
Me. J.J. Phoofolo  
Head: Nursing  
Metsimaholo/Parys District Hospital Complex



Department of Health • Departement van Gesondheid • Lefapha La Bophelo Bo Botle

Me. J.J. Phoofolo: Head: Nursing, Metsimaholo/Parys District Hospital Complex • Private Bag X 2017, SASOLBURG  
1947• 8 Langenhoven Street - Tel: (016) 970 9420 Fax: (016) 973 1274

*Publications and Reports Published and Funded by HST 2004/05*



*HIV, AIDS, TB and STI*

*Monitoring and Evaluation of the Comprehensive HIV and AIDS Care, Management and Treatment Plan for South Africa - Training Manual for Participants.*

**HST and HISP.**

Durban: Health Systems Trust; April 2005.

<http://www.hst.org.za/publications/679>

*Monitoring and Evaluation of the Comprehensive HIV and AIDS Care, Management and Treatment Plan for South Africa - Training Manual for Facilitators.*

**HST and HISP.**

Durban: Health Systems Trust April; 2005.

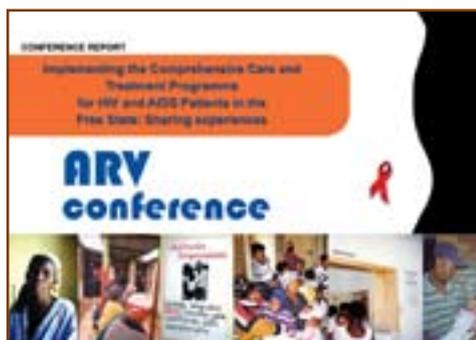
<http://www.hst.org.za/publications/678>

*Conference Report: Implementing the Comprehensive Care and Treatment Programme for HIV and AIDS patients in the Free State: Sharing Experiences.*

Doherty J, Loveday M, Stewart R, Thomas L

Durban: Health Systems Trust; 2005.

<http://www.hst.org.za/publications/677>



*Public HAART Projects in South Africa - Progress to November 2004.*

**Stewart R and Loveday M.**

Durban: Health Systems Trust; May 2005.

<http://www.hst.org.za/publications/670>

*The Prevention of Mother-to-Child HIV Transmission - Costing the Service in Four Sites in South Africa.*

Desmond C, Franklin L, Steinberg M.

Durban: Health Systems Trust; August 2004.

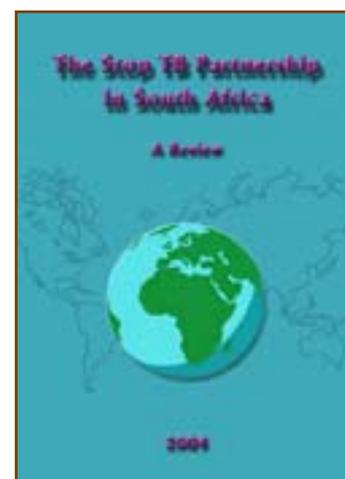
<http://www.hst.org.za/publications/622>

*The Stop TB Partnership in South Africa – a review.*

**Barr D, Padarath A, Sait L.**

Durban: Health Systems Trust; 2005.

<http://www.hst.org.za/publications/685>





*Guidelines for Improving Quality of STI Management in a Health District.*

Moys A, **Khumalo F.**

Durban: Reproductive Health Research Unit; 2004

<http://www.hst.org.za/publications/671>

*Primary Health Care, District Health Systems Development and Human Resources*

*Reports on Strengthening PHC in 13 Rural Health Districts in South Africa, 2002-2004.*

Durban: Health Systems Trust; August 2004.

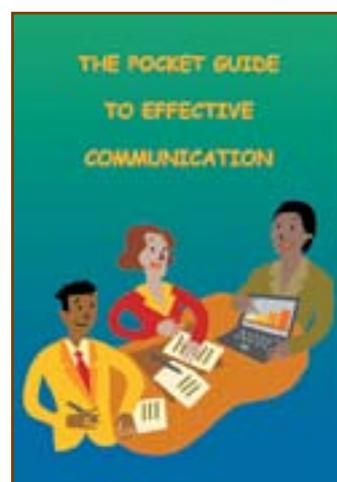
<http://www.hst.org.za/publications/631>

*The Pocket Guide To Effective Communication*

**Monticelli F.**

Durban: Health Systems Trust; September 2004.

<http://www.hst.org.za/publications/621>

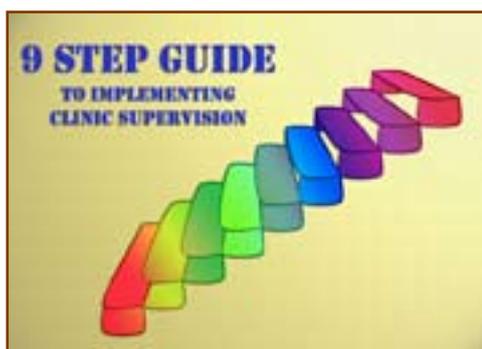


*Monitoring the effect of the new rural allowance for health professionals.*

Reid S.

Durban: Health Systems Trust; November 2004

<http://www.hst.org.za/publications/643>



*The Nine Step Guide to Implementing Clinic Supervision*

**Davids S, Loveday M.**

Durban: Health Systems Trust; April 2005.

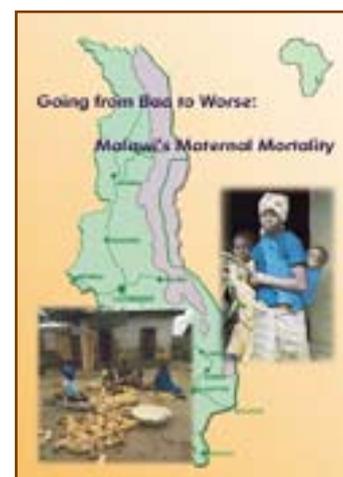
<http://www.hst.org.za/publications/688>

*Going from bad to worse: Malawi's maternal mortality - An analysis of the clinical, health systems and underlying reasons, with recommendations for national and international stakeholders.*

McCoy D, Ashwood-Smith H, Ratsma E, Kemp J, and Rowson M.

**Global Equity Gauge Alliance and HST.** November 2004.

<http://www.hst.org.za/publications/640>





*South African Health Review 2005.*

**Ijumba P and Barron P [eds].**

Durban: Health Systems Trust; 2005

<http://www.hst.org.za/publications/682>

HST staff authored the following chapters and inserts in the South African Health Review 2005.

*Chapter 3: The Private Health Sector*

Authors: **Natalie Leon** and Ray Mabope

*Chapter 4: The Health Act and the District Health System*

Authors: **Wendy Hall**, **Thando Ford-Ngomane** and **Peter Barron**

*Chapter 16: Operational Plan: implementation of the antiretroviral therapy component*

Authors: **Rob Stewart** and **Marian Loveday**

*Chapter 17: Health and Related Indicators*

Authors: **Candy Day** and Andy Gray

*Voice of a nurse: Sister Jaconuum Cupido of Springbok Clinic, Northern Cape*

Author: **Anso Thom**

*Voice of a nurse: Staff Nurse Sibonelo Cele of Mahatma Gandhi Hospital, north of Durban, KwaZulu-Natal*

Author: **Kerry Cullinan**

*Voice of a doctor: Will Mapham of Madweleni, Mbashe District, Eastern Cape*

Author: **Anso Thom**

*Voice of an Environmental Officer: Sanjay Erra of eThekweni municipality, KwaZulu-Natal*

Author: **Kerry Cullinan**

*Voice of a nursing sister: Gugu Majola of Gateway Clinic at St Theresa's Hospital in Mount Frere, Eastern Cape*

Author: **Kerry Cullinan**

*Voice of a pharmacist: Ruth Ngbokota of Michael Mapongwana Day Hospital in Khayelitsha, Western Cape*

Author: **Anso Thom**

## Conference Presentations

### International Conferences

*Measuring the effectiveness of PMTCT training initiatives.* (TuPeE5547)

**Tanya Doherty**

The XV International Aids Conference, Bangkok, Thailand, 11-16 July 2004.

*Improving the coverage of a nevirapine-based PMTCT programme in South Africa.* (ThPe7994)

**Tanya Doherty**

The XV International Aids Conference, Bangkok, Thailand, 11-16 July 2004.

*Care of Children with HIV and AIDS in District Hospitals in South Africa.*

**Lesley Bamford**, Eric Buch, Paulo Ferrinho, Patrick Kolsteren, Wim van Leberghe.

The XV International Aids Conference, Bangkok, Thailand, 11-16 July 2004.

*Health Worker Experiences of Caring for Children with HIV and AIDS in District Hospitals in South Africa.*

**Vuyiswa Mathambo**, Eric Buch, Isabel Craveiro, Paulo Ferrinho, and Patrick Kolsteren.

The XV International Aids Conference, Bangkok, Thailand, 11-16 July 2004.

*The Gap between the National Guidelines for PMTCT and Care Received at a Regional Hospital in South Africa.*

Eric Buch, **Vuyiswa Mathambo**, Paulo Ferrinho, Patrick Kolsteren, and Wim van Leberghe.

The XV International Aids Conference, Bangkok, Thailand, 11-16 July 2004.

*Managing the TB Control Programme at District Level: The role of regular monitoring and evaluation.* (Poster presentation)

**Marian Loveday**

35th World Conference on Lung Health, 28 October - 1 November 2004.

### National and Local Conferences

*Preventing HIV Transmission to Children: Quality of Counselling of Mothers In South African Pilot Sites.*

Presenter: **Tanya Doherty**; Co-authors: Debra Jackson, Mickey Chopra, Ann Ashworth.

2nd SA AIDS Conference, Durban, 8 - 10 June 2005.

*'When they see me coming with the tins they laugh at me' – Infant feeding experiences of HIV positive mothers in South Africa: a qualitative interview study.*

Presenter: **Lungiswa Nkonki**; Co-authors: **T Doherty**, M Chopra, D Jackson, T Greiner.

2nd SA AIDS Conference, Durban, 8 - 10 June 2005.

*Risk factors for late post-natal transmission of HIV to infants: Results from a cohort study across three PMTCT sites in South Africa.*

Presenter: D Jackson; Co-authors: **T Doherty**, M Chopra, M Colvin, J Willumsen, A Goga, J Levin, P Moodley.

2nd SA AIDS Conference, Durban, 8 - 10 June 2005.

*Risk factors for early transmission of HIV to infants: Results from a cohort study across three PMTCT sites in South Africa.*

Presenter: M Colvin; Co-authors: **T Doherty**, M Chopra, D Jackson, J Willumsen, A Goga, J Levin, P Moodley.

2nd SA AIDS Conference, Durban, 8 - 10 June 2005.

*A Comparative Case Study Analysis of two PMTCT Follow-up Programmes.* (Poster presentation)

Authors: **M. Loveday**, D. Jackson, N. Mbombo, T. Doherty, P. Tlebere, L. Treger.

2nd SA AIDS Conference, Durban, 8 - 10 June 2005.

*Equity Profile of Antiretroviral Provision in South Africa.* (Poster presentation)

**Rob Stewart** and **Ashnie Padarath**

2nd SA AIDS Conference, Durban, 8 - 10 June 2005.





*Progress towards equitable and comprehensive antiretroviral therapy in South Africa.*

**Rob Stewart**

Conference on Implementing the Comprehensive HIV and AIDS Care, Management and Treatment Plan for South Africa for patients in the Free State, Bloemfontein, South Africa April 2005.

*Leakages in PMTCT care in a regional hospital in South Africa.*

Eric Buch, **Vuyiswa Mathambo**, Paulo Ferrinho, Patrick Kolsteren, and Wim van Leberghe.

Conference on ARV treatment in the Free State, Bloemfontein, 30 March - 1 April 2005.

*Health Worker Experiences of Caring for Children with HIV and AIDS at District Hospital Level.*

**Vuyiswa Mathambo**, Eric Buch, Isabel Craveiro, Paulo Ferrinho and Patrick Kolsteren.

Conference on Implementing the Comprehensive Care and Treatment Programme for HIV and AIDS patients in the Free State, Bloemfontein, South Africa April 2005.

*Health Management.*

**Wendy Hall**

North West Research Conference on Improving Health Service Delivery through Research. Rustenburg, 26 - 27 June 2005.

*Monitoring Maternal Health Services in Three Health Sub-Districts in North West Province.*

**Wendy Hall**

North West Research Conference on Improving Health Service Delivery Through Research, Rustenburg, 26 - 27 June 2005.

*District Health System – A Reality for South Africa?*

**Wendy Hall**

District Health Systems Conference, Johannesburg, 5 - 6 August 2004.

*Transport for Health Services in a Decentralised District Health System in South Africa – Challenges and Possible Solutions.*

**Wendy Hall**

District Health Systems Conference, Johannesburg, 5 - 6 August 2004.

*Implementing the Municipal Health Services (MHS) policy in South Africa.*

**Ross Haynes**

District Health Systems Conference, Johannesburg, 5 - 6 August 2004

*Narrating the body: Health and the state of the nation.*

**Kerry Cullinan**

Narrative Journalism Conference hosted by the University of the Witwatersrand Journalism School and the Nieman Foundation. June 2005.



# Our Staff

## Executive Management Team

Lilian Dudley (CEO)  
 Antoinette Ntuli (Director HealthLink)  
 Irwin Friedman (Director Research)  
 Nomonde Bam (Director ISDS / CDP)

Abdul Elgoni  
 Alfred Mafuleka  
 Andile Shandu  
 Anso Thom  
 Ashnie Padarath  
 Bridget Lloyd  
 Busisiwe Kheswa  
 Candy Day  
 Charmaine Singh  
 Christa Van Den Bergh  
 Deena Govender  
 Delene Tissong  
 Duduzile Zondi  
 Eric Cele  
 Evangeline Shivambu  
 Faith Kumalo  
 Farana Khan  
 Fazila Khan  
 Fiorenza Monticelli  
 Frank Tlamama  
 Halima Preston  
 Hendrick Lushaba  
 Hlengiwe Gumede  
 Hlengiwe Mhlongo  
 Jaine Roberts  
 Jonathan McKeown  
 Joyce Mareme

Julia Elliott  
 Jurie Thaver  
 Kerry Cullinan  
 Khopotso Bodibe  
 Khuphukile Nyawose  
 Madibata Matji  
 Mahommed Imam  
 Mamra Ntsike  
 Marian Loveday  
 Mbali Msweli  
 Mercia Kuhn  
 Mildred Joyi  
 Monde Nyangintsimbi  
 Mpho Monyatsi  
 Musi Matse  
 Mzikazi Masuku  
 Nandy Mothibe  
 Naomi Massyn  
 Neo Mohlabane  
 Nina Taaibosch  
 Nokuthula Radebe  
 Noluthando Ford-Ngomane  
 Nomsa Kalipa  
 Nonceba Languza  
 Nonkosi Slatsha  
 Notemba Makunga  
 Oluseyi Oyedele  
 Peter Barron  
 Petrida Ijumba  
 Pumza Mbenenge  
 Qamaar Mahmood

Quintin Dreyer  
 Rachel James  
 Rakshika Bhana  
 Robert Stewart  
 Ronel Visser  
 Rosheen Seale  
 Ross Haynes  
 Sabine Verkuilj  
 Salome Selebano  
 Sarah Davids  
 Sindisiwe Hlangu  
 Sithandiwe Nyawose  
 Tanya Doherty  
 Thando Cenimbo  
 Thantaswa Mbenenge  
 Thoko Ndaba  
 Thuli Zondi  
 Vuyiswa Mathambo  
 Wanda Mthembu  
 Wendy Hall  
 Zweni Sibiya

## Interns

Balungile Nteyi  
 Daniel Radeve  
 Pat Mhlongo  
 Soomaya Kahn

# HST Board Members

**Patrick Masobe – Chairperson** is currently Chief Executive Officer of the Council for Medical Schemes. Patrick is an economist. As a health economics researcher he published widely on hospital financing, contracting in public/private partnerships and the economics of HIV and AIDS. He was the departmental team leader for the drafting of the new Medical Schemes Act (Act 131 of 1998), with further responsibility for developing public private partnerships in health and the government's medium term expenditure planning process.

**Barry Kistnasamy – Deputy Chairperson.** Barry started off in 1989 as a coordinator of Health Programmes for an NGO and then joined the University of Natal as a specialist/lecturer in Community/Occupational Health. His work experience spans the public and private health sectors as well as academic medicine. He brings to HST valuable experience through his involvement with health system transformation over the last 15 years.

**Jeanette Hunter – Deputy Chairperson** is Chief Information Officer for Gauteng Department of Health. Previously Director: Knowledge Management in the North West Province Department of Health, Jeanette brings to the Board wide experience in Policy Analysis & Implementation, Planning, Monitoring and Evaluation and Health Information Systems Implementation and Maintenance.

**Craig Househam** is Head of the Department of Health in the Western Cape. He was Head of the Free State Department of Health for six years and also Head of the Department of Pediatrics and Child Health at the University of the Orange Free State for six years. He was the chair of the Essential National Health Research (ENHR) committee from 1996 until 2002. Craig brings to the HST Board wide experience in health management, human resource development and clinical practice and research.

**David Serwadda** is Director of the Institute of Public Health at Makerere University, Uganda. He is also an Associate Professor at the University. David's expertise is in the fields of epidemiology, evaluation of health intervention and disease surveillance and his specialty is infectious disease. He is a member of the Uganda Medical Association, New York Academy of Sciences and the International Epidemiological Association amongst others.

**Eric Buch** is Professor of Health Policy and Management in the School of Health Systems and Public Health, University of Pretoria and Health Advisor to the New Partnership for Africa's Development (NEPAD). He is a registered specialist in Community Health with wide experience in health systems, policy and management and in primary health care.

**Hlamalani Manzini** is currently the Head of Department of Health and Welfare, Limpopo Province. She has served as an advisory member to the World Health Organisation and was a member of the 1999 Nomination Committee for the Mandela Award for Health and Human Rights. Hlamalani brings to HST her broad experience in nursing, primary health care, reproductive health and district health systems.

**Loretta Jacobus** is currently a member of the National Council of Provinces (NCOP) and serves as a member of the Select Committee on Education. Loretta is also a member of the Oversight and Accountability Joint Committee and the Delegated Legislation Joint Committee. Loretta has a Diploma in Social Welfare and has worked for the National Union of Mineworkers of South Africa (NUMSA) and the Macro Economic Research Group. She has a strong political background and is an active member of the Johannesburg East ANC branch.

**Sagie Pillay** is Chief Executive Officer of Johannesburg Academic Hospital. Sagie has worked for the National Health Department programme on Hospital Management and Decentralisation. He has a Masters degree in Health Management, Policy and Planning from Leeds University, UK. He has extensive consulting experience in several African countries as well as in hospital management, policy and planning.

**Seadimo Chaba** is Chief Executive Officer of Snyman & Vennote (Pty) Ltd, previously the Executive Manager for Public Works and Management Services for the Gauteng Provincial Government. She has a degree in Economics and Industrial Psychology and diplomas in Human Resources and Diagnostic Radiography. She brings to the board her experience in management and human resources in both public and private sectors.

**Yogan Pillay** is currently Chief Director: Strategic Planning in the National Department of Health. Prior to this he was Director: Systems Development and Policy Coordination in the National Department of Health. Yogan was previously National manager of the Equity Project for 3 years. He is a clinical psychologist and holds a doctorate in public health as well as qualifications in management. He brings to the board a wide range of experience in policy and planning and health systems development.

# Annual Financial Statements

## TRUST FOR HEALTH SYSTEMS PLANNING AND DEVELOPMENT

### STATEMENT OF RESPONSIBILITY BY THE BOARD OF TRUSTEES

for the year ended 30 June 2005

The trustees are responsible for the preparation of the financial statements of the Trust for Health Systems Planning and Development and to ensure that proper systems of internal control are employed by or on behalf of the Trust. In presenting the annual financial statements, South African Statements of Generally Accepted Accounting Practice have been followed, appropriate accounting policies have been used, while prudent judgements and estimates have been made.

The financial statements have been prepared on the going concern basis, as the trustees have no reason to believe that the Trust will not be a going concern in the foreseeable future based on reserves forecasts, available cash resources, and on the assumption that the trust will continue to receive sufficient donor funding to meet its financial obligations.

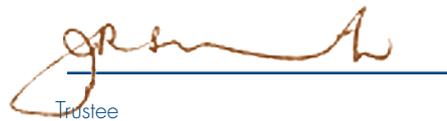
The annual financial statements have been audited by the independent accounting firm, PricewaterhouseCoopers Inc., which was given unrestricted access to all financial records and related data, including minutes of all meetings of members, the board of trustees and committees of the board. The trustees believe that all representations made to the independent auditors during their audit were valid and appropriate. PricewaterhouseCoopers Inc. audit report is presented on page 29.

The financial statements were approved by the board of trustees and are signed on its behalf:



Chairperson

Date: 22/12/2005



Trustee

**TRUST FOR HEALTH SYSTEMS PLANNING AND DEVELOPMENT**  
**CORPORATE GOVERNANCE STATEMENT**  
**for the year ended 30 June 2005**

The Trust for Health Systems Planning and Development confirm its commitment to the principles of openness, integrity and accountability as advocated in the King II Code on Corporate Governance. Through this process stakeholders may derive assurance that the trust is being ethically managed according to prudently determined risk parameters in compliance with generally accepted corporate practices. Monitoring the trust's compliance with the King Code on Corporate Governance forms part of the mandate of the trust's audit committee. The trust has complied with the Code in all respects during the year under review.

## Application

Although the Code is applied to all divisions within the trust, it is specifically and in all respects adopted in all national operating divisions of the nature and size identified in the King Report.

## Board of Trustees

### *Responsibilities*

The Board was established on the basis of a legal Deed of Trust document, supplemented by a formally approved written charter. Its composition is balanced so that no individual or small group dominates decision-making. The Board meets regularly, at least quarterly, and is responsible for oversight and ensuring proper accountability by the Executive Management. The Executive Management attends board meetings by invitation.

The roles of chairpersons and executives do not vest in the same persons and the chairpersons are always non-executive Trustees. The chairpersons and chief executives provide leadership and guidance to the Trust's Board and encourage proper deliberation on all matters requiring the Board's attention, and they obtain optimum input from the other trustees. New appointments to the Board are submitted to the Board as a whole for approval prior to appointment.

The Board has ultimate responsibility for the management and strategic direction of the trust, as well as for attending to legislative, regulatory, and best practice requirements. Accountability to stakeholders remains paramount in Board decisions, and this is balanced against the demands of the regulatory environment in which the trust operates, and the concerns of its other stakeholders.

### *Governance structures*

To assist the Board in discharging its collective responsibility for corporate governance, several committees have been established, to which certain of the Board's responsibilities have been delegated. These committees operate with written terms of reference and comprise, in the main, non-executive trustees. The chairman of each committee is a non-executive Trustee. The following Committees play a critical role to the governance of the trust:

### *Audit committee*

The role of the audit committee is to assist the Board by performing an objective and independent review of the functioning of the organisation's finance and accounting control mechanisms. It exercises its functions through close liaison and communication with corporate management and the internal and external auditors. The committee met two times during the 2005 financial year.

The audit committee operates in accordance with a written charter authorised by the Board, and provides assistance to the Board with regard to:

- ❖ Ensuring compliance with applicable legislation and the requirements of regulatory authorities;
- ❖ Matters relating to financial accounting, accounting policies, reporting and disclosure;
- ❖ Internal and external audit policy;
- ❖ Activities, scope, adequacy, and effectiveness of the internal audit function and audit plans;
- ❖ Review/approval of external audit plans, findings, problems, reports, and fees;
- ❖ Compliance with the Code of Corporate Practices and Conduct; and
- ❖ Review of ethics policies.

The audit committee consists of the following non-executive Trustees :  
 Selva Govindsamy (External Member and Chairperson)  
 Craig Househam  
 Patrick Masobe

The audit committee addressed its responsibilities properly in terms of the charter during the 2005 financial year. No changes to the charter were adopted during the 2005 financial year.

## TRUST FOR HEALTH SYSTEMS PLANNING AND DEVELOPMENT

### CORPORATE GOVERNANCE STATEMENT

for the year ended 30 June 2005

Management has reviewed the financial statements with the audit committee, and the audit committee has reviewed them without management or the external auditors being present. The quality of the accounting policies was discussed with the external auditors.

The audit committee considers the annual financial statements of the Trust for Health Systems Planning and Development and its divisions to be a fair presentation of its financial position on 30 June 2005, and of the results of its operations, changes in equivalents and cash flows for the period ended then, in accordance with statements of Generally Accepted Accounting Practice (GAAP) and the Trust Deed.

#### Personnel committee

The personnel committee advises the Board of human resources and other personnel related policies including remuneration packages, and other terms of employment for senior executives. Its specific terms of reference also include recommendations to the Board on matters relating, inter alia, to general staff policy remuneration, bonuses, executive remuneration, trustees remuneration and fees and service contracts. Wherever necessary, the committee is advised by independent professional advisers. The committee met three times during the 2005 financial year.

The personnel committee consists of the following non-executive trustees:

Peta Qubeka (Completed term 30 July 2004)

Zola Ngongwe (Completed term 30 July 2004)

S Chaba

J Hunter

#### Executive Management

Being involved with the day-to-day business activities of the trust, these officers are responsible for ensuring that decisions, strategies, and views of the Board are implemented.

#### Risk management and internal control

Effective risk management is integral to the trust's objective of consistently adding value to the business. Management is continuously developing and enhancing its risk and control procedures to improve the mechanisms for identifying and monitoring risks.

Operating risk is the potential for loss to occur through a breakdown in control information, business processes, and compliance systems. Key policies and procedures are in place to manage operating risk involve segregation of duties, transactions authorisation, supervision, monitoring, and financial and managerial reporting.

To meet its responsibility with respect to providing reliable financial information, the Trust for Health Systems Planning and Development and its divisions maintain financial and operational systems of internal control. These controls are designed to provide reasonable assurance that transactions are concluded in accordance with management's authority, that the assets are adequately protected against material loss or unauthorised acquisition, use, or disposal, and that transactions are properly authorised and recorded.

The system includes a documented organisational structure and division of responsibility, established policies, and procedures, including a Code of Ethics to foster a strong ethical climate, which are communicated throughout the trust. It also includes the careful selection, training, and development of people.

Internal auditors monitor the operation of the internal control system and report findings and recommendations to management and the Board of trustees. Corrective actions are taken to address control deficiencies and other opportunities for improving the system as they are identified. The Board, operating through its audit committee, provides supervision of the financial reporting process and internal control system.

There are inherent limitations in the effectiveness of any system of internal control, including the possibility of human error and the circumvention or overriding of controls.

Accordingly, even an effective internal control system can provide only reasonable assurance with respect to financial statement preparation and the safeguarding of assets. Furthermore, the effectiveness of an internal control system can change with circumstances.

A documented and tested business continuity plan exists to ensure the continuity of business-critical activities.

The trust assessed its internal control system as at 30 June 2005 in relation to the criteria for effective internal control over financial reporting. The internal control process has been in place up to the date of approval of the annual report and financial statements. Based on its assessment, the trust believes that, as at 30 June 2005, its system of internal control over financial reporting and over safeguarding of

**TRUST FOR HEALTH SYSTEMS PLANNING AND DEVELOPMENT**  
**CORPORATE GOVERNANCE STATEMENT**  
**for the year ended 30 June 2005**

assets against unauthorised acquisitions, use, or disposition, met those criteria.

### Internal audit

The trust's internal audit department has been outsourced to an independent auditing firm. It has a specific mandate from the audit committee and independently appraises the adequacy and effectiveness of the trust's systems, financial internal controls, and accounting records, reporting its findings to local and divisional management and the external auditors, as well as to the audit committee. The trust's internal auditors' report to the audit committee on a functional basis and has direct access to the chairperson of the Board.

The internal audit coverage plan is based on risk assessments performed at each operating unit. The coverage plan is updated annually, based on the risk assessment and results of the audit work performed. This ensure that the audit coverage is focused on and identifies areas of high risk.

### Sustainability

The trust supports the concept of "triple bottom line" reporting as set out in the King II report.

### Ethical standards

The trust has developed a Code of Conducts (the Code), which has been fully endorsed by the board and applies to all trustees and employees. The Code is regularly reviewed and updated as necessary to ensure it reflects the highest standards of behaviour and professionalism.

In summary, the Code requires that, at all times, all trust personnel act with the utmost integrity and objectivity and in compliance with the letter and the spirit of both the law and trust policies. Failure by employees to act in terms of the Code results in disciplinary action.

The Code is discussed with each new employee as part of his or her induction training, and all employees are asked to sign an annual declaration confirming their compliance with the Code. A copy of the Code is available to interested parties upon request.

The trustees believe that ethical standards are being met and fully supported by the ethics programme.

### Accounting and auditing

The board places strong emphasis on achieving the highest level of financial management, accounting, and reporting to stakeholders. The Board is committed to compliance with the Statements of Generally Acceptable Accounting Practice in South Africa. In this regard, trustees shoulder responsibility for preparing financial statements that fairly present:

- ❖ The state of affairs as at the end of the financial year under review;
- ❖ Surplus or deficit for the period;
- ❖ Cash flows for the period; and
- ❖ Non-financial information.

The external auditors observe the highest level of business and professional ethics and their independence is not impaired in any way.

The external auditors were given unrestricted access to all financial records and related data, including minutes of all meetings of trustees, the Board of trustees, and committees of the Board. The trustees believe that all representations made to the independent auditors during their audit are valid and appropriate.

The external auditors provide an independent assessment of systems of internal financial control to the extent necessary for the audit, and express an independent opinion on whether the financial statements are fairly presented. The external auditors complement the work of the internal audit department and review all internal audit reports on a regular basis. The external audit function offers reasonable, but not absolute, assurance as to the accuracy of financial disclosures.

The audit committee set principles that were considered and accepted by the stakeholders for using external auditors for non-audit services.

## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF TRUST FOR HEALTH SYSTEMS PLANNING AND DEVELOPMENT

We have audited the annual financial statements of the Trust for Health Systems Planning and Development set out on pages 30 to 36 for the year ended 30 June 2005. These financial statements are the responsibility of the trustees. Our responsibility is to express an opinion on these financial statements based on our audit.

### Scope

We conducted our audit in accordance with statements of South African Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes:

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

We believe that our audit provides a reasonable basis for our opinion.

### Qualification

In common with similar organisations, it is not feasible for the trust to institute accounting controls over cash collections from grants prior to the initial entry of the collections in the accounting records. Accordingly, it was impracticable for us to extend our examination beyond the receipts actually recorded.

### Qualified audit opinion

The financial statements fairly present in all material respects, the financial position of the trust at 30 June 2005, and the results of its operations and cash flow information for the year then ended in accordance with South African Statements of Generally Accepted Accounting Practice and in the manner required by the Trust Deed.



Chartered Accountants (SA)  
Registered Accountants & Auditors  
Durban  
22 December 2005

## TRUST FOR HEALTH SYSTEMS PLANNING AND DEVELOPMENT

### REPORT OF THE TRUSTEES for the year ended 30 June 2005

The trustees present their annual report, which forms part of the audited financial statements of the trust for the year ended 30 June 2005.

#### 1 General review

The Health Systems Trust is a dynamic independent non-government organisation that actively supports the current and future development of a comprehensive health care system, through strategies designed to promote equity and efficiency in health and health care delivery in South Africa.

##### Goals

- ❖ Facilitate and evaluate district health systems development;
- ❖ Define priorities and commission research to foster health systems development;
- ❖ Build South African capacity for health systems research, planning, development and evaluation;
- ❖ Actively disseminate information about health systems research, planning, development and evaluation; and
- ❖ Encourage the use of lessons learnt from work supported by the Trust.

#### 2 Financial results

- 2.1 Full details of the financial results are set out on pages 31 to 36 in the attached financial statements.
- 2.2 As set out in the annual financial statements, the trust has a net surplus for the year of R5,515,376 (2004: deficit R16,084,412).
- 2.3 During the course of the year it has come to the attention of the trustees that certain grantees of Lovelife, a division of the trust did not comply with all the financial controls required by the trust. The trustees are in the process of implementing corrective measures to ensure that all grantees comply with adequate and effective financial procedures and controls.

#### 3 Trustees

The following served as trustees during the current year:

E Buch	H Manzini
C Househam	P Masobe (Chairperson)
J Hunter	Z Njongwe
L Jacobus	P Qubeka
B Kistnasamy	T Sibeko
A Ntsaluba	S Pillay
S Chaba	Y Pillay
D Serwadda (Uganda)	

The following trustees were appointed during the year under review:

Y Pillay  
D Serwadda

The following trustees completed their term during the year under review:

Z Njongwe (30 July 2004)  
P Qubeka (30 July 2004)

The following trustee resigned during the year under review:

A Ntsaluba (2 March 2005)

#### 4 Material events during the year

During the period under review, the Lovelife division was transferred into its own stand-alone Trust. This decision was made in order to facilitate ease of administration as well as to take into account that the division had grown into a sizeable fund, capable of operating independently.

As such the trustees and administrators felt that the needs of the greater public and the funder's could be better served by separating Lovelife from Trust for Health Systems Planning and Development, allowing the respective trustees to re-focus their efforts on their divisions and operations.

By mutual consent of both parties, with effect from the 31 December 2004, all the assets and all liabilities presently existing or which may arise in future, of Lovelife were transferred into the separate legal entity, The Lovelife Trust.

#### 5 Material events after year end

No matter which is material to the financial affairs of the trust has occurred between the balance sheet date and the date of approval of the financial statements.

#### 6 Auditors

PricewaterhouseCoopers Inc. will continue in office.

## TRUST FOR HEALTH SYSTEMS PLANNING AND DEVELOPMENT

### BALANCE SHEET

as at 30 June 2005

Notes	2005 R	2004 R
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	707,238	8,891,702
<b>Current assets</b>		
Receivables and prepayments	4,149,303	24,917,161
Cash and cash equivalents	16,738,494	14,241,539
	<u>20,887,797</u>	<u>39,158,700</u>
<b>Total assets</b>	<u>21,595,035</u>	<u>48,050,402</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves</b>		
Trust capital and accumulated surplus funds	18,476,397	12,961,021
<b>Current liabilities</b>		
Trade and other payables	2,302,686	33,198,870
Short term borrowings	-	109,770
Provisions	815,952	1,780,741
	<u>3,118,638</u>	<u>35,089,381</u>
<b>Total equity and liabilities</b>	<u>21,595,035</u>	<u>48,050,402</u>

### INCOME STATEMENT

for the year ended 30 June 2005

Notes	2005 R	2004 R
<b>Grant income</b>	99,586,989	196,377,461
Proceeds from Lovelife disengagement	10,682,347	-
Other income	6,679,718	10,401,808
Refunded project expenses	-	347,360
Project expenses	(66,208,837)	(152,041,839)
Grants paid	(39,063,244)	(65,017,537)
Administration expenses	(6,985,300)	(7,053,350)
<b>Surplus/(deficit) funds</b>	4,691,673	(16,986,097)
Net finance income	823,703	901,685
<b>Surplus/(deficit) funds before tax</b>	5,515,376	(16,084,412)
Tax	-	-
<b>Surplus/(deficit) funds for the year</b>	<u>5,515,376</u>	<u>(16,084,412)</u>

### STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2005

	2005 R	2004 R
<b>Trust capital and accumulated surplus funds</b>		
At beginning of year		
Research	9,621,474	11,884,436
Initiative for sub-district support (ISDS) restated	593,346	2,006,809
Community Development	1,855,113	(412,557)
Healthlink	1,857,998	(755,035)
Central Administration (CORE)	319,657	(136,123)
Lovelife as restated	(1,286,567)	16,457,903
	<u>12,961,021</u>	<u>29,045,433</u>
<b>Net surplus/(deficit) funds for the year</b>		
Research	(1,414,702)	(2,262,962)
Initiative for sub-district support (ISDS)	3,175,971	(1,413,463)
Community Development	(2,196,179)	2,267,670
Healthlink	2,080,637	2,613,033
Central Administration (CORE)	2,583,082	455,780
Lovelife	1,286,567	(17,744,470)
	<u>5,515,376</u>	<u>(16,084,412)</u>
<b>At end of year</b>		
Research	8,206,772	9,621,474
Initiative for sub-district support (ISDS)	3,769,317	593,346
Community Development	(341,066)	1,855,113
Healthlink	3,938,635	1,857,998
Central Administration (CORE)	2,902,739	319,657
Lovelife	-	(1,286,567)
	<u>18,476,397</u>	<u>12,961,021</u>

## TRUST FOR HEALTH SYSTEMS PLANNING AND DEVELOPMENT

### CASH FLOW STATEMENT

for the year ended 30 June 2005

Notes	2005 R	2004 R
<b>Cash flows from operating activities</b>		
Cash receipts from grants	98,443,660	178,842,581
Cash paid to suppliers and employees	(103,258,606)	(186,892,594)
Cash used in operations	13 (4,814,946)	(8,050,013)
Net finance income	823,703	901,685
Net cash used in operating activities	(3,991,243)	(7,148,328)
<b>Cash flows from investment activities</b>		
Proceeds from disposal of property, plant and equipment	207,597	71,647
Disposal of property, plant and equipment	7,128,749	-
Acquisition of property, plant and equipment	(738,378)	(1,667,237)
Net cash from/(used in) investment activities	6,597,968	(1,595,590)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>2,606,725</b>	<b>(8,743,918)</b>
Cash and cash equivalents at beginning of year	14,131,769	22,875,687
Cash and cash equivalents at end of year	9 16,738,494	14,131,769

### NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2005

#### 1 Basis of preparation

The annual financial statements are prepared on the historical cost basis. The following are the principal accounting policies used by the Trust, which are consistent with those of the previous year and which comply with Statements of Generally Accepted Accounting Practice in South Africa.

##### 1.1 Property, plant and equipment

All property, plant and equipment are included at cost. Cost includes all costs directly attributable to bringing the assets to working condition for their intended use.

Depreciation is recorded by a charge to income computed on a straight-line basis so as to write off the cost of the assets over their expected useful lives. The expected useful lives are as follows:

### NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2005

Motor vehicles	4 years
Computer equipment	4 years
Computer software	2 years
Furniture and fittings	6,667 years
Property	50 years

#### 1.2 Receivables

Receivables consisting mainly of amounts to be reimbursed by funders, are carried at anticipated realisable value. An estimate is made for doubtful receivables based on a review of all outstanding amounts at the year-end. Bad debts are written off during the year in which they are identified.

#### 1.3 Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise of cash on hand and deposits held at call with banks, net of bank overdrafts. For the purpose of the balance sheet bank overdrafts are included under short term borrowings.

#### 1.4 Funded projects

Funds granted to approved projects are expensed as and when payments are made, even if projects are of an ongoing nature.

#### 1.5 Revenue recognition

Income from donations and grants, including capital grants, is included in incoming resources when these are received except as follows:

- ❖ When related costs, which grants are intended to compensate, have been deferred to future accounting periods in terms of the conditions specified by the donors, the income is also deferred until those periods.
- ❖ When donors impose conditions which have to be fulfilled before the Trust becomes entitled to use such income, the income is deferred and not included in incoming resources until the pre-conditions for use have been met.

When donors specify that donations and grants, including capital grants, are for particular restricted purposes, which do not amount to pre-conditions regarding entitlement, this income is included in incoming resources of restricted funds when received.

Other revenue earned by the trust is recognised on the following basis:

- ❖ Interest income - as it accrues

**TRUST FOR HEALTH SYSTEMS PLANNING AND DEVELOPMENT**

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 30 June 2005

**1.6 Leased assets**

Leases of assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which the termination takes place.

**1.7 Provisions**

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

**1.8 Financial instruments**

**1.8.1 Financial risk factors:**

**Foreign exchange risk**

The trust receive donations and grants from international donors and is exposed to foreign exchange risk arising from various currency exposures. The trust do not enter into Forward Foreign Exchange Contracts to hedge their exposure to fluctuations in foreign currency exchange rates.

**Interest rate risk**

The trust's income and operating cash flows are substantially independent of the changes in market interest rates. The trust has no significant interest bearing assets except for cash and cash equivalents.

**Credit risk**

Concentrations of credit risk with respect to trade receivables are limited due to the nature of the business. At the year-end the trust did not consider there to be any significant concentration of credit risk which had not been adequately provided for. Cash transactions are limited to high quality financial institutions.

**Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash, marketable securities and the availability of funding through credit facilities. Due to the nature of the underlying business, the trust aims at maintaining flexibility in funding by keeping committed credit lines available.

**1.8.2 Fair value estimations:**

The carrying amounts of the financial assets and liabilities in the balance sheet approximate fair values at the year-end. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

**2 Deficit funds**

The following items have been charged/(credited) in arriving at deficit funds:

	2005 R	2004 R
Depreciation on property, plant and equipment (for detailed breakdown of depreciation refer to note 7)	1,657,524	2,639,332
Auditors' remuneration		
Audit fees - current year	118,855	127,200
Underprovision previous years	825	48,892
Other services	436,641	191,791
	556,321	367,883
Profit on disposal of property, plant and equipment	(71,028)	(7,087)
Consultancy fees paid	92,873	1,291,154
Operating lease rentals		
Land and buildings	2,091,307	993,619
Other	15,116	522,451
	2,106,423	1,516,070
Profit on transfer of division	(10,682,347)	-
Staff costs (refer note 4)	20,978,919	28,515,691

**TRUST FOR HEALTH SYSTEMS PLANNING AND DEVELOPMENT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2005

### 3 Grant income

For the year ended 30 June 2005

Funders	ISDS R	Healthlink R	Community Development R	Research R	Core (Admin) R	Lovelife R	Total R
Action Health	-	-	306,852	-	-	-	306,852
Anglo American	-	-	-	-	-	5,900,000	5,900,000
Anglo Gold	-	-	500,000	-	-	-	500,000
Atlantic Philanthropies	1,815,000	3,752,000	-	284,000	1,749,000	-	7,600,000
CDC - US Embassy	-	-	-	1,372,016	-	-	1,372,016
Chris Hanu Municipality	300,000	-	-	-	-	-	300,000
Danish Embassy	-	-	-	755,926	-	-	755,926
Department of Education	-	-	-	-	-	582,110	582,110
Department of Health	9,524,620	765,239	1,299,870	3,143,381	-	16,885,700	31,618,810
Department of Sports & Recreation	-	-	-	-	-	4,000,000	4,000,000
Ford Foundation	-	-	-	231,495	-	-	231,495
Global Fund	-	-	-	-	-	19,978,185	19,978,185
IDRC	-	79,636	-	534,703	-	-	614,339
Kaiser Family Foundation	-	-	-	-	-	8,987,139	8,987,139
Lottery	-	-	-	-	-	1,414,000	1,414,000
MSH	852,182	-	-	-	-	-	852,182
NDA	-	-	1,029,988	-	-	-	1,029,988
Nelson Mandela Foundation	-	-	-	-	-	5,000,000	5,000,000
Nuffield Institute - Leeds	-	-	-	70,785	-	-	70,785
Nyandeni	-	-	187,000	-	-	-	187,000
Rockefeller Foundation	-	2,117,852	-	-	-	-	2,117,852
SADC	-	-	-	3,022,787	-	-	3,022,787
SIDA	-	1,750,275	-	-	-	-	1,750,275
TARSC	-	361,357	-	-	-	-	361,356
University of Western Cape	277,897	-	-	219,297	-	-	497,194
URC	-	-	-	434,324	-	-	434,324
World Health Organization	-	-	-	102,374	-	-	102,374
	<b>12,769,699</b>	<b>8,826,358</b>	<b>3,323,710</b>	<b>10,171,088</b>	<b>1,749,000</b>	<b>62,747,134</b>	<b>99,586,989</b>

For the year ended 30 June 2004

Funders	ISDS R	Healthlink R	Community Development R	Research R	Lovelife R	Total R
European Union	8,372,439	-	-	-	-	8,372,439
Department of Health	1,675,000	367,971	-	2,000,000	23,072,020	27,114,991
University of Western Cape	178,734	-	-	-	-	178,734
World Health Organization	100,000	-	-	233,162	-	333,162
Atlantic Philanthropies	765,000	1,500,000	-	-	-	2,265,000
SIDA	-	1,769,512	-	-	-	1,769,512
Rockefeller Foundation	-	4,792,005	-	-	-	4,792,005
HRH Project	-	175,510	-	-	-	175,510
Health E	-	300,000	-	-	-	300,000
NDA	-	-	799,693	-	-	799,693
Kellogg Foundation	-	-	6,481,359	-	-	6,481,359
Ford Foundation	-	-	789,575	-	-	789,575
Kaiser Family Foundation	-	-	-	3,337,065	75,615,844	78,952,909
DFID	-	-	-	758,565	-	758,565
Irish Aid	-	-	-	679,920	-	679,920
Womens Health Project	-	-	-	65,456	-	65,456
Sedibeng District	-	-	-	105,500	-	105,500
University of Pretoria	-	-	-	656,977	-	656,977
MSH Equity	-	-	-	255,000	-	255,000
Danish Embassy	-	-	-	290,423	-	290,423
Nelson Mandela Foundation	-	-	-	-	10,000,000	10,000,000
Global Fund	-	-	-	-	39,940,731	39,940,731
Anglo American	-	-	-	-	3,300,000	3,300,000
Department of Sports and Recreation	-	-	-	-	8,000,000	8,000,000
	<b>11,091,173</b>	<b>8,904,998</b>	<b>8,070,627</b>	<b>8,382,068</b>	<b>159,928,595</b>	<b>196,377,461</b>

**TRUST FOR HEALTH SYSTEMS PLANNING AND DEVELOPMENT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2005

	2005 R	2004 R
<b>4 Staff costs</b>		
Salaries and wages	<u>20,978,919</u>	<u>28,515,691</u>

**5 Net finance income**

<b>Interest received</b>		
Bank	836,569	1,336,131
Interest paid		
Bank overdrafts	(12,866)	(434,446)
	<u>823,703</u>	<u>901,685</u>

**6 Tax**

No provision for taxation has been made as the trust has been approved as a public benefit organisation in terms of Section 30 and is exempt from income tax in terms of Section 10(1)(cN) of the South African Income Tax Act.

**7 Property, plant and equipment**

	Motor Vehicles R	Computer Equipment R	Computer Software R	Furniture and Fittings R	Property R	Total R
<b>Year ended 30 June 2005</b>						
Opening net carrying amount	859,811	2,608,196	522,646	1,156,282	3,744,767	8,891,702
Additions/Improvements	-	405,373	138,517	194,488	-	738,378
Disposals	(438,363)	(1,720,685)	(370,351)	(1,031,038)	(3,704,851)	(7,265,318)
Depreciation charge	(319,645)	(894,407)	(224,989)	(178,567)	(39,916)	(1,657,524)
<b>Net carrying amount at end of year</b>	<u>101,803</u>	<u>398,477</u>	<u>65,823</u>	<u>141,135</u>	<u>-</u>	<u>707,238</u>
<b>As at 30 June 2005</b>						
Cost	423,063	1,807,274	195,080	512,230	-	2,937,647
Accumulated depreciation	(321,260)	(1,408,797)	(129,257)	(371,095)	-	(2,230,409)
<b>Net carrying amount at end of year</b>	<u>101,803</u>	<u>398,477</u>	<u>65,823</u>	<u>141,135</u>	<u>-</u>	<u>707,238</u>
<b>Year ended 30 June 2004</b>						
Opening net carrying amount	1,399,012	3,061,751	206,587	1,405,016	3,824,599	9,896,965
Transfers	-	131,755	10,204	20,840	-	162,799
Additions/Improvements	81,000	843,387	531,108	48,943	-	1,504,438
Disposals	-	(33,168)	-	-	-	(33,168)
Depreciation charge	(620,201)	(1,395,529)	(225,253)	(318,517)	(79,832)	(2,639,332)
<b>Net carrying amount at end of year</b>	<u>859,811</u>	<u>2,608,196</u>	<u>522,646</u>	<u>1,156,282</u>	<u>3,744,767</u>	<u>8,891,702</u>
<b>As at 30 June 2004</b>						
Cost	2,550,716	6,694,670	905,637	2,197,677	3,991,598	16,340,298
Accumulated depreciation	(1,690,905)	(4,086,474)	(382,991)	(1,041,395)	(246,831)	(7,448,596)
<b>Net carrying amount at end of year</b>	<u>859,811</u>	<u>2,608,196</u>	<u>522,646</u>	<u>1,156,282</u>	<u>3,744,767</u>	<u>8,891,702</u>

Property consists of 174 Oxford Road, Melrose, ERF RE/119 in Johannesburg and stand No 125 Acornhoek, 212 KU.

## TRUST FOR HEALTH SYSTEMS PLANNING AND DEVELOPMENT

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2005

	2005 R	2004 R
Receivables	3,229,161	2,125,521
Accrued income	39,689	19,022,813
Receiver of Revenue - VAT	766,615	3,624,763
Staff Loans	-	205
Provision for doubtful debts	-	(27,360)
Deposits	113,838	171,219
	<u>4,149,303</u>	<u>24,917,161</u>

## 9 Cash and cash equivalents

Current accounts	4,708,663	4,177,387
Call accounts	12,029,084	10,063,439
Cash on hand	747	713
	<u>16,738,494</u>	<u>14,241,539</u>

For the purpose of the cash flow statement, the year end cash and cash equivalents comprise the following:

Current accounts	4,708,663	4,177,387
Call accounts	12,029,084	10,063,439
Cash on hand	747	713
Bank overdrafts (refer note 11)	-	(109,770)
	<u>16,738,494</u>	<u>14,131,769</u>

Cash and cash equivalents as stated above relate to various departments as follows:

Research	4,190,905	4,989,275
ISDS	6,587,558	2,101,799
Community Development	352,229	3,947,567
Healthlink	3,635,310	2,196,379
Core	1,972,492	842,010
Lovelife	-	54,739
	<u>16,738,494</u>	<u>14,131,769</u>

## 10 Trade and other payables

Payables		
Accruals	2,233,436	33,071,670
Provision for audit fees	69,250	127,200
	<u>2,302,686</u>	<u>33,198,870</u>

## 11 Short term borrowings

Bank overdraft	-	109,770
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The bank overdraft bears interest at prime related interest rates and is payable on demand.

## 12 Provision

Leave pay	815,952	1,780,741
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## 13 Cash used in operations

	2005 R	2004 R
Surplus/(deficit) funds	4,691,673	(16,986,097)
Adjusted for:		
Profit on sale of asset	(71,028)	(38,479)
Depreciation	1,657,524	2,639,332
Movement in working capital		
Decrease/(increase) in accounts receivable	20,767,858	(14,112,503)
(Decrease)/increase in accounts payable	(30,896,184)	20,066,426
Provisions	(964,789)	381,308
	<u>(4,814,946)</u>	<u>(8,050,013)</u>

## 14 Operating lease commitments

The future minimum lease payments under non-cancellable operating leases are as follows:

Not later than 1 year	811,129	789,116
Between 2-5 years	539,370	347,515
	<u>1,350,499</u>	<u>1,136,631</u>

## 15 Capital commitments

Capital expenditure contracted for at the balance sheet date but not recognised in the financial statements is as follows:

The capital expenditure will be financed by way of a loan raised from a financial institution for an amount of R3 000 000. The balance of the expenditure will be financed from the sale of the property situated at 174 Oxford Road, Johannesburg and a guarantee from a third party for R6 000 000.

Property, plant and equipment	-	12,000,000
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## 16 Contingent liabilities

16.1 During the current year the trust received a request from the Commissioner for the South African Revenue Services (SARS) regarding the payment of Regional Service Council (RCS) Levies. At the balance sheet date the liability is not accrued for.

The liability at year-end cannot be reasonably estimated, as it will be dependant on the date of registration and the amount of interest and penalties charged by SARS.

This has been disclosed as a contingent liability as the trust may contest the validity of the request from SARS. At the date of issue of the financials, exemptions were obtained in respect of certain income streams.

16.2 At the balance sheet date a claim was made against Lovelife, a division of the Trust for Health Systems Planning and Development. This claim relates to a pricing dispute with a supplier. The claim is currently being disputed and legal opinion indicates that no liability needs to be provided for. This dispute is currently being facilitated by the Lovelife Trust.

The information regarding the claim is as follows :

	Nature	Estimated possible liability R
Claim 1	Non-payment of services rendered	<u>5,000,000</u>

# Funders

HST has a range of funding partners, including:



Action Health

Anglo Gold

Nuffield Institute

Ford Foundation



**FORD FOUNDATION**

National Department of Health

Rockefeller Foundation

IDRC

Atlantic Philanthropies



DANIDA

MSH

SADC

NDA



Chris Hani District Municipality

University Research Company

TARSC

Nyandeni

CDC

World Health Organization

University of the Western Cape



SIDA



For more information about HST visit

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**HEALTH  
SYSTEMS  
TRUST**