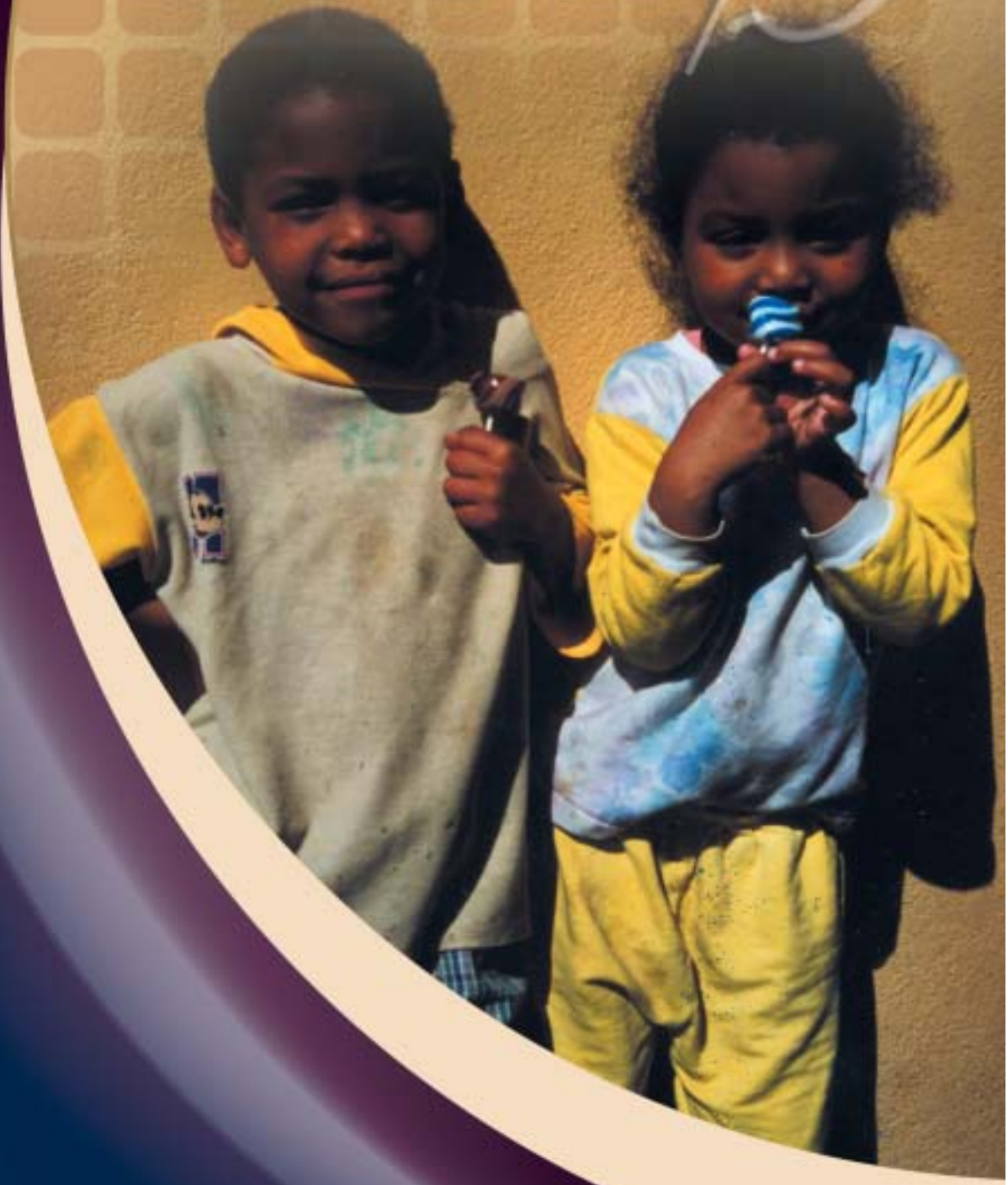
# HEALTH SYSTEMS TRUST



# Annual Report 2002/3

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*Better Health For All in Southern Africa*

# Message from the Chairperson

I have had the pleasure of chairing the Board of Trustees of the Health Systems Trust through another year during which HST has actively contributed to the development of the health system in South Africa.

The year has been both dynamic and challenging in many ways. In particular we have witnessed the finalisation of the National Health Bill, ongoing discussions and planning for a comprehensive National HIV/AIDS plan including ARV treatment, further changes in legislation and financing of health in the private sector particularly, and the departure of the previous DG of Health. Throughout these developments, it has been rewarding to note HST's active support and contribution, in addition to the organisation's work at a local level to facilitate improvements in the health system.

This Annual Report presents a few highlights of HST's work in 2002/2003, including the National HIV/AIDS Scientific Forum organised jointly by HST and the National Department of Health in August 2002; the national Public Health 2003 Conference hosted by HST and PHASA in March 2003, and the launch of the 2002 South African Health Review in March 2003. HST also provided input to the National Health Bill processes through its submissions and hosting workshops for parliamentarians on the Bill. The research programme has, amongst other projects, finalised and submitted the report on the National Pilot PMTCT sites covering two years of evaluation. The evolving partnerships and projects within southern and sub-Saharan Africa have also generated exciting opportunities for mutual sharing of experiences and expertise.

Much of the real work of HST is, however, to be seen in improvements in specific sites in all the provinces, in lessons learnt and shared through reports and policies to which they have contributed, and applied directly through support given to local, provincial and national health services.

The Board of Trustees therefore acknowledges and thanks the HST management and staff for the continued contribution they have made to supporting and developing the health system in South Africa.

In addition HST has, through a Strategic Review process in 2002/2003, interrogated its purpose, role and relationships quite extensively. The Board of Trustees have particularly sought to include a review of governance of HST as part of this, both of the governance model used, and the role of the Board and its effectiveness in fulfilling this role. The review has built on previous discussions of the Board of the King II Report in 2002, and the requirements of the Public Finance Management Act (PFMA) to ensure good governance. The Board is therefore continuously seeking to improve the way in which it provides strategic direction to HST, ensuring good governance and accounts to stakeholders.

The membership of the HST Board has undergone a few changes in this year. Ms Thembeka Gwagwa and Mr Selva Govindsamy, whose tenure as Trustees ended in this period, are acknowledged for the extensive contribution made to the HST Board over the past few years. Jeanette Hunter has joined as a new Trustee, and through her contribution has already become a valued Board member.

I look forward to further strengthening the role of the Board in support of HST's vision and goals in my last year as Chairperson of the Board. I thank all the Trustees who have worked with and supported me during my tenure as Chairperson and am confident that the Board will find a suitable successor to lead the next phase of HST's work.

**Zola Njongwe**

# Message from the Managing Director

Having celebrated the tenth anniversary of HST in 2002, the organisation conducted a Strategic Review in 2002/2003 to set the course for the next decade.

To inform the review, extensive discussions and consultations took place internally and externally with a range of stakeholders and informants. The review was finalised in June 2003, and has informed HST's business plans for 2003/2004. This report focuses mainly on the outcomes of this review and its impact on HST.

A key finding of the review is that the source of HST's organisational passion (or vision), by broad consensus, remains to work towards achieving a comprehensive, equitable and accessible National Health System (NHS) to address the health needs and improve the health status and health outcomes of people.

**The Principle Objective:**

*"To promote scientific research into health systems in South Africa with the principle objective of designing and planning programmes and evaluations thereof towards restructuring of the health system and the development of a comprehensive National Health System based on equity"*

HST Trust Deed, 1992

The broad strategic focus of HST's principle objective therefore remains valid and HST will continue to focus on the Primary Health Care component of the National Health System. A number of strategic shifts in focus will however be pursued:

- From a narrow health care delivery systems focus to a broader mandate within public health systems to include aspects such as social development, environmental health and poverty aspects.
- From a South African footprint to expand activities within southern and sub-Saharan Africa.

We are therefore committing ourselves to an expanded vision of

***"Better Health for All in Southern Africa"***

HST's chosen approach is to achieve a comprehensive, equitable and accessible NHS by facilitating and supporting Health Systems Development with a Primary Health Care focus delivered through a District Health System (DHS).

This mission is achieved through health systems research, the development of learning sites and best practice models, information dissemination, equity and efficiency and offering a unique value additive in the area between policy and practice.

In the next period HST will place its priority emphasis and energies in support of the following aspects of the development of a comprehensive, equitable and accessible NHS:

a) To facilitate the development and strengthening of the DHS
b) To support the achievement of appropriate and equitable support systems to the NHS
c) To facilitate and support health service delivery through the lens of priority health problems; with particular emphasis on tracer conditions such as (but not exclusively):
    - HIV/AIDS
    - STI
    - Nutrition
    - Child and reproductive health
    - TB
d) To reflect and meet local priority health issues in the context of balancing national priorities.

The Strategic Review also helped to identify the particular 'value space' that HST occupies through the organisation's ability to link 'knowledge generation' with 'implementation' and 'best practice' models in the health system.

A greater emphasis will be placed on inter-programme collaboration in HST to fully exploit this niche, and we hope to see this impacting positively on HST's contribution to the health system.

In order to effect the above, HST will maintain its current architecture, which has been built on the following programmes:

- Research
- Initiative for Sub-District Support (ISDS)
- Community Development
- Healthlink.

The programmes are headed up by a management team of Directors, lead by the Executive Director, David Mametja, with support from the Managing Director.

The review process highlighted the need to strengthen and consolidate these programmes, and to support staff through improved HR and management systems. HST has therefore used the opportunity to reassess and improve internal processes, to ensure that programmes and staff receive the support needed to enable them to perform optimally.

HST also sought to strengthen its relationships with partners in the SADC region and sub-Saharan Africa. In particular, HST hosted senior delegations from the Zambian and Ugandan parliamentary portfolio committees on health, and participated in the founding meeting of ACOSHED (African Council on Sustainable Health and Economic Development) and several meetings and workshops of SADC and WHO Africa Region.

The review endorsed HST's ongoing support to loveLife, while highlighting the need to continuously reassess the value and contribution of partnerships to HST. It also suggested a need for HST to extend its support to, and strengthen its relationships with civil society groups in health.

In terms of funding partnerships, HST has had a long and successful relationship with the Kaiser Family Foundation, a founding funder of the organisation, as well as with the National Department of Health. The last year has however seen the growth of several new funding relationships based on the extended scope of HST's work and the need to diversify our funding base. These new partnerships have allowed HST to explore exciting new avenues of work, in particular in Community Development and Research, and to strengthen existing areas of work through ISDS and Healthlink. We wish to acknowledge and thank all funders for making it possible for HST to contribute to improving and strengthening the health system.

The Chairperson, Dr Zola Njongwe, and Trustees of HST's Board have provided crucial insights and support to the Strategic Review process, as well as ongoing direction and support to HST and its Management Team. I would like to thank all Trustees for their commitment and the valuable contribution they make to HST.

The 2002/2003 Strategic Review has reaffirmed HST's purpose. It has also importantly enabled HST to commence a new trajectory in terms of how to achieve that purpose. We hope to continue working with our many partners, and to inspire all to contribute to the vision of *"Better Health for All in Southern Africa"* with renewed vigor.

**Lilian Dudley**

**The Prevention of Mother-to-Child Transmission of HIV/AIDS (PMTCT)** project includes a number of components:

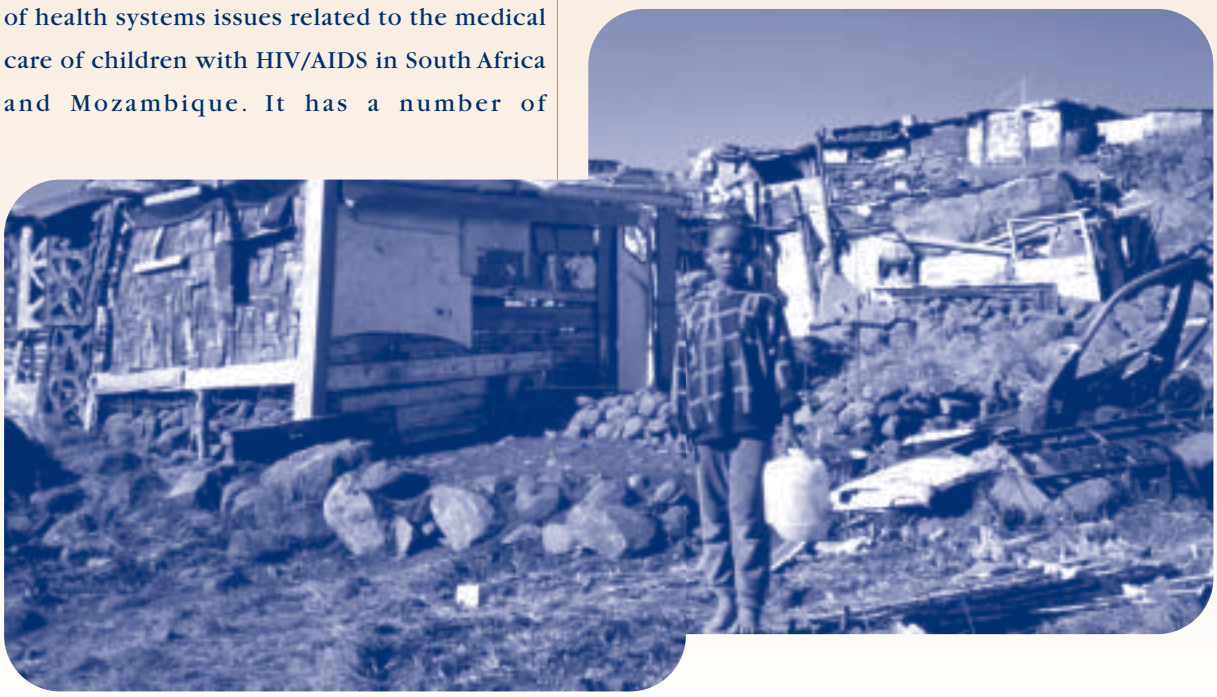
- Monitoring and evaluation of the eighteen PMTCT pilot sites
- A cohort study in three sites which aims to measure the effectiveness of the intervention on mother-to-child transmission of HIV
- Evaluation of PMTCT training
- A number of cohort sub-studies which are examining issues related to counselling and infant feeding practices.

Funded by National DOH, and subsidised by WHO, UNICEF.

**The HIV Mapping Project** describes and analyses the provision, planning and management of HIV/AIDS services at sub-district level with the aim of improving the availability, effectiveness and equitable distribution of HIV/AIDS services and resources in South Africa. It is funded by Irish Aid.

**The HIV Impulse Project** explores a number of health systems issues related to the medical care of children with HIV/AIDS in South Africa and Mozambique. It has a number of components including a human resources component, a PMTCT leakage study and a paediatric in-patient study. This work is funded by the Institute of Tropical Medicine, Antwerp and is being undertaken in collaboration with the School of Health Systems and Public Health at the University of Pretoria.

**The STI Initiative** comprises of two sets of projects. The public sector component works with health service providers and managers in ISDS sites as well as other sub-districts to facilitate quality of care improvement, whilst the private sector initiative focuses on developing public-private partnerships that can facilitate improvement in quality of care in both sectors. HST has also conducted research into a number of issues including an assessment of the quality of training on STIs at all eight medical schools in South Africa. The STI work is currently funded by the Kaiser Family Foundation and DFID.




# Research into Health Systems And Primary Health Care

The Research Programme conducted research into a number of critical health systems and primary health care issues during this year. It has focused mainly on research priorities in district health systems, HIV/AIDS and equity. In the past, HST contracted out most of its research projects to other organisations. Increasingly, many significant projects are now undertaken directly by the HST team either independently or in collaboration with other groups. These include the following projects, most of which are ongoing:

**2003 National Primary Health Care Facility Survey** is a joint collaboration of the Health Systems Trust, National Department of Health and Equity Project. The Facility Survey aims to monitor progress in equity of health service provision and quality of care in districts of South Africa.

**The Decentralisation and Health Project** aims to identify and describe the key issues in health sector decentralisation and to monitor the effect of decentralisation of health services on health service delivery. The Local Government and Health (LGH) consortium (HST, Centre for Health Policy and Health Economics Unit) has conducted research into a number of policy related issues including the financing of health services, human resources and public-private partnerships. HST published "**The Long Road To The District Health System**" as part of the project.

A new part of this project aims to explore how decentralisation impacts on Reproductive Health Services. The project compares different forms of decentralisation in two anglophone (South Africa and Uganda) and two francophone (Burkina Faso and Mali) countries and assesses their impact on reproductive health services. This project is funded by the European Union, and is being undertaken in collaboration with the Nuffield Institute and a number of African partners.

The HST completed **"An Evaluation of Voluntary Counselling and Testing (VCT) Services"** report in 2002. This assessment aimed at informing the National Department of Health about progress made with the implementation of the VCT programme at public sector facilities. The study demonstrated that whilst significant progress had been made in implementing VCT, numerous problems were still encountered. Recommendations from the study focussed on the introduction of quality assurance systems (including measures of client satisfaction), the establishment of effective supervision and mentoring procedures, the standardisation of data collection and the integration of VCT with other programmes at district level. The results of the study were presented to the National Department of Health in February 2003.

Further work on **"An Audit of Voluntary Counselling and Testing in South Africa"** is being undertaken by HIVCORE (HIV/AIDS Counselling Research and Evaluation Group) at the School of Psychology, University of Natal. The aim of this project is to provide an audit of the current status of VCT in the country with a view to generating an analysis of and recommendations for the promotion, development and sustainability of VCT services. The database mapping of current VCT sites across the country, is nearing completion and will soon be presented to the NDOH and other role-players.

More information on HST research grants in 2002/2003 is available at www.hst.org.za

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# Health Systems Development and Best Practice

## Improving quality of care

**The Initiative for Sub-District Support (ISDS)** improves the quality of primary health care by empowering both clients and providers through facilitation and support. The ISDS has been active in 20 districts throughout South Africa this year, of these, a strong focus has been on the 13 most disadvantaged rural districts in South Africa, designated as part of the Presidential Lead Project to improve the lives of the most disadvantaged. The work of ISDS has highlighted critical issues at district level, for example the importance of support services such as transport in the management of priority health problems. ISDS continues to province mentoring support to local district managers and health workers to enable them to do their work effectively. The ISDS provides an entry point into the entire health system for demonstrating systems and strategies to improve the quality of health care, based upon a "bottom-up" approach and the Primary Health Care values and principles

This year, ISDS facilitated the roll out of the District Health Expenditure Review in KwaZulu-Natal and the roll out of the Clinic Supervisory Manual in Gauteng, Limpopo and North West Provinces. In Limpopo Province, the ISDS undertook **"An Assessment of the Achievements of the Limpopo Province Department of Health and Welfare (DoHW) since 1994 and its contribution to the Provincial Growth and Development Strategy (PGDS)"**. This was presented at a strategic planning workshop of Limpopo province in March 2003.

### Client satisfaction tool

A client satisfaction tool, aimed at measuring the perceptions of patients attending district hospitals has been successfully piloted. A computer analysis programme has now been written to accompany the questionnaire/tool. This has also been successfully adapted for use at clinic level. This tool has been taken over by the Directorate: Quality Improvement (Dr. Louis Claasens) of the national DOH and is being used in many provinces.

## Challenges

The challenge of the complexity of the Local Government transition and the structural development of a District Health System remains. There is still a lack of clarity on whether provinces will decentralise primary level services to Local Government and how districts will function where they are part of cross-boundary Local Government structures. These and other structural problems consume large amounts of energy and time, and divert attention from the demanding task of improving the quality of care available.

A second challenge relates to the prioritisation of Primary Health Care interventions. Although there is clear documentation on the **"Comprehensive Primary Health Care package for South Africa"** which has been adopted nationally, the gap between what is delivered and this package is very large, especially in rural areas. ISDS is trying to assist districts to develop a coherent overall strategy to respond to the HIV epidemic. A number of building blocks are being put in place as part of this overall strategy. These building blocks include programmes around voluntary testing and counselling (VCT), TB, STIs and PMTCT. The introduction of ARVs at this time will place even more pressure on the primary care system. ISDS and HST have documented some of the key challenges facing the health system in the face of a national ARV programme.

## Communication of best practice

In 2002 the Lejweleputswa District in the Free State won the first prize in the category of 'Rural District With External Support' in the Department of Health's District Health Systems competition, after having won runner up prizes in the previous years. The prize bears testament to the process of integration, growth and development of the systems, programmes, health workers and communities in the district. It also reflects upon the success of the external support provided by ISDS. This was presented as a paper **"Striving for Outstanding Quality of Care: An Intervention by the Health Systems Trust in collaboration with the Lejweleputswa District"** by Carmen Baez at the Valley Trust 50th Anniversary conference.

ISDS presented, facilitated and contributed (sponsorship) to the 2nd Free State District Health Conference in November 2002 and staff have been central to the publications of **"Functional Integration"** and **"Service Level Agreements"** that have been accepted by the National District Health Systems Committee and by PHRC as policy documents. Both of these issues are cornerstones in the overall policy of getting local government and provincial health departments to work together as part of a district health system. They provide stakeholders with something positive to introduce into the system, whilst we are in a period of legislative vacuum regarding the district health system.

The **"District Health Planning Guidelines"** document is a template which encourages districts to prepare their annual plans in a structured fashion which can then feed into provincial plans. ISDS staff members have provided significant input to this document in the last year.

## Community Development

**The Community Development Programme** was established in 2001 with the aim of supporting selected districts in social development in partnership with community based organisations, and by developing models of community development as part of the District Health System. The programme has two components namely the Male Sexuality Programme, and the Integrated Nutrition Programme, both of which have a people-centred approach and focus on tackling the underlying causes of ill health by using the participation of the community as a whole.

**Integrated Nutrition Programme (INP)**

This project is based on the Government's INP programme and its goal is to promote food security by empowering communities to become self-sufficient in terms of their food and nutritional needs. The project is piloted in 52 clinics in the OR Tambo and Alfred Nzo districts in the Eastern Cape, and in Zululand and Umkhanyakude districts in KwaZulu-Natal. It is funded by the WK Kellogg Foundation, with The National Development Agency (NDA) funding 12 of the clinics in the Eastern Cape.

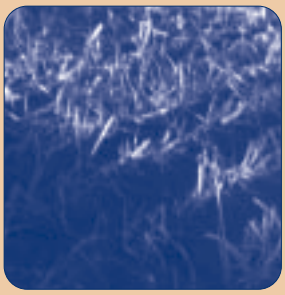
**Clinic Vegetable Demonstration Gardens**

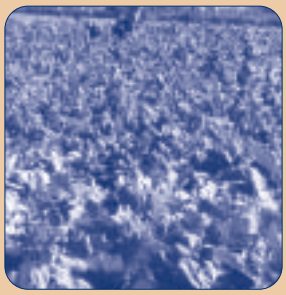
A total of 36 demonstration gardens were set up in all areas of operation (OR Tambo 8, Alfred Nzo 10, Zululand 10, and Umkhanyakude 10).

As part of the integrated management of childhood illnesses (IMCI), volunteers were trained in growth monitoring and promotion (GMP) and in the 16 Key Family Practices. Community Based Organisations and volunteers were trained at the Owen Sithole College of Agriculture in crop and vegetable production for food security. In the four sites where INP is implemented, community bases have been set up for purposes of ensuring capacity where it is needed.

Active participation of the beneficiaries is encouraged in order to ensure sustainability of the intervention.

*Inspection of a clinic garden is done by a clinic member, the clinic sister and a facilitator from the Health Systems Trust. The main objective of these gardens is to demonstrate the value of growing food for household food security. Undernourished children, and people with TB and HIV receive nourishment through these gardens.*





*Growing a variety of vegetables in the clinic vegetable gardens, demonstrates the importance of food diversification.*

*Here a community member is collecting vegetables for a TB patient with assistance from the nutrition volunteer. Each clinic has two volunteers who are trained by the Health Systems Trust in the proper growth and preparation of vegetables for optimum nutrition, thus increasing the health status of the community.*

*Vegetables are grown successfully in some of the driest areas.*

**Male Sexuality**

**The Male Sexual and Reproductive Health Project** is aimed at encouraging and supporting the growth of a social movement around HIV/AIDS through the promotion of male involvement in sexual and reproductive health issues. The project is implemented in three districts, Umkhanyakude in Kwa-Zulu Natal, Ehlanzeni in Mpumalanga, and Odi (Winterveldt sub-district) in North West Province.

Community Based Organisations (CBOs) implement interventions which are aimed at mobilising males to be involved in the fight against the epidemic. The principle of making CBOs accountable to local structures is an important one in that it promotes ownership of the project and local decision-making.

Overall findings of the formative research and baseline survey have highlighted the impact of cultural issues on the spread of HIV/AIDS. The results of the survey have been used to develop a training manual, interventions and health promotion materials. The following interventions have been implemented: –

- Workshops and campaigns to promote on-going dialogue amongst males on SRH, STIs and HIV/AIDS in the formal sector (schools, churches, regular community meetings, sports clubs) and the informal sector (stokvels, burial societies, taverns)
- Establishing and or strengthening discussion/peer support groups for:
  - Men, youth, parents/partners,
  - Voluntary Counselling and Testing (campaigns)
  - Promotion and distribution of condoms
  - Distribution of HIV/AIDS and SRH educational material
  - Securing leadership support
  - Radio talks on HIV/AIDS
  - Networking with other organisations at local, regional and national levels.

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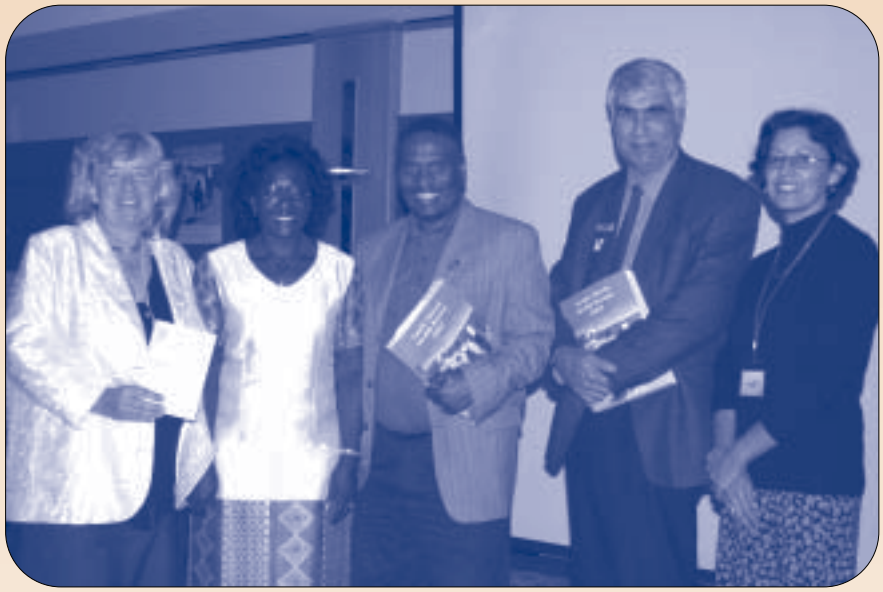
# Information Dissemination and Advocacy

## The South African Health Review

The South African Health Review is one of the key publications of the Health Systems Trust. It is a comprehensive and authoritative publication, which provides recent data on health status and service, key opinions and current discourse on public health in South Africa. The first SAHR was produced in September 1995. Since then HST has produced a total of 8 Reviews covering a range of pertinent health policy developments and implementation issues in South Africa. The 2002 SAHR brings together authoritative analyses widely disseminated to health planners, policy makers and managers as well as academics, NGOs and international stakeholders.


*"This is such a great resource. It's well presented and integrates all the data one needs to be aware of when doing research on our health system. Bravo to you all!"*

The March 2003 International Conference on Public Health, organised jointly by the Health Systems Trust and the Public Health Association of South Africa, was the venue of the launch of the 2002 South African Health Review.



*Launch of the SAHR 2002 at the PHASA Conference*

## The Equity Gauge Project

**Presentations to the National Assembly Portfolio Committee on Health**

During the course of the year the Equity Gauge Project gave a number of presentations to the National Assembly's Portfolio Committee on Health. The project highlighted progress in achieving equity in healthcare delivery, and explored aspects of the health system in particular need of the Committee's attention.

**Budget Analysis**

A significant activity of the Equity Gauge project this year involved assisting national and provincial legislators to interact with the country's annual budget process. In addition to providing and conducting detailed analyses of annual budgets, highlighting areas of under and over spending, the budgets were also analysed in terms of their contribution and commitment to attaining equity.

**Civil Society Equity Network**

With a view to heightening awareness of and increasing attention to inequities in health and healthcare delivery, the Equity Gauge Project organised a series of meetings with South African civil society organisations working in the field of health and welfare. The meetings identified lack of community involvement and activism in health related issues as a major obstacle to achieving adequate health delivery.

**Submission to Soul City**

The Equity Gauge Project made representations to Soul City on possible themes for their next series. As a result, Soul City has decided to include inequity in health care delivery as one of the topics for its next series. The project sees the incorporation of its ideas into the next series as a significant achievement as Soul City reaches 13 million people.

**Partnering the Zambian Equity Gauge**

In October 2002, the Equity Gauge Project hosted a delegation from the Zambian Equity Gauge, including members of the Parliamentary Health and Welfare Portfolio committee and a health related NGO, CHESSORE. The purpose of the visit was to provide an opportunity to the Zambian delegation to learn more about how the South African Gauge has worked with legislators. This work is feeding into a region wide process intended to strengthen the role that Parliaments can play in promoting equity. The South Africa Gauge played an important role in building regional support for health equity, through its role in the Programme on Parliamentary Alliances for Health Equity in coordination with GEGA and EQUINET.

**Strengthening Human Resources for Health**

Under the umbrella of EQUINET, the Regional Network for Equity in Health in Southern Africa, and co-ordinated through the Health Systems Trust Equity Gauge Project, a consortium of institutions in southern Africa and internationally are cooperating to facilitate dialogue and debate over the current policy options for dealing with inequities of health personnel in southern African countries. Jointly with Medact, HST prepared a literature review that has now been published and distributed by EQUINET.

**Global Equity Gauge Alliance**

Much of the Global Equity Gauge Alliance (GEGA) activity has focused on strengthening the eleven individual country Gauges around the world that are affiliated to the Alliance. GEGA has been particularly concerned to support and strengthen advocacy activities of gauges and to this end has commissioned a paper on supporting Advocacy Work within an Equity Gauge.

The first publication of the Global Equity Gauge Alliance, **"The Equity Gauge, Concepts Principles and Guidelines"**, lays out a conceptual framework for Equity Gauges and is intended to assist others wishing to establish such projects.

## HST Website www.hst.org.za

The HST web currently provides free access to about 300 research publications and papers, most of which have been published by HST. In addition, it provides topical news articles, information about relevant conferences, health days and training opportunities, employment opportunities, information about the work of the various programmes of the organisation, and numerous links to related sites. A new web site is being created to house the vast amount of information that HST has collated to make it more easily accessible to the end user.

## Online Database of Health and Related Indicators

Since October 2002 an intensive review of publications, databases and contacts is being undertaken to provide a health and related indicators online database. This database aims to expand on, and links with a regular section of the South African Health Review that presents data on a selection of indicators. HST's online database has the potential to contribute significantly to providing the required information in an accessible and usable format.

## Electronic Discussion Lists

*"..... by providing the e-mail list to the RuDASA committee, HST contributes to the improvement of rural health care. Thank you!"*

HST provides an electronic health information service by hosting over 100 electronic discussion forums and mailing lists to facilitate information sharing, communication, and networking, around broad and strategic public health issues, locally and internationally. Electronic discussions have been used as a tool for generating ideas, debating issues, and informing and influencing health sector policy development. Lists have been hosted for various organisations ranging from district and provincial level to national committees. Examples of hosted lists include: ENHR-L: Essential National Health Research Committee, KZN-RP: KZN Regional Pharmacists, HPF: Health Promotion Forum and FAMEC: Family Medicine Consortium

A range of lists, focussing on critical HIV/AIDS issues, has been hosted for the Health and Development Networks (HDNET). These include the well known AF-AIDS, GENDER-AIDS, STIGMA-AIDS and INTAIDS. HST provides the technical support and expertise for these lists on an ongoing basis.

There are many areas where we are seeing the value of using information communication technology in health systems development. For example, the recent use by Yogan Pillay, a Deputy Director General in the Department of Health, of our district health/local government list server to assist in the development of the **"Guidelines for District Health Planning and Reporting"**. Similarly the discussion forum infrastructure linking rural doctors was used to develop a draft Rural Health Policy.

The membership composition on all open discussion lists is broad and diverse and includes both national and international subscribers. This diversity has contributed to proactive and relevant debates and keeps health workers abreast with the latest local and international health related news.

## HealthLink Bulletin

The weekly **HealthLink Bulletin** is an e-mail based news bulletin with over 1400 subscribers. It features news articles, events, latest research publications and job opportunities and keeps readers up to date on public health issues in southern Africa. Membership reflects a wide range of audiences from academic institutions (both local and international) to government employees, journalists, donor organisations, medical insurance and pharmaceutical companies, other non-governmental organisations and private individuals. The topics covered in the weekly bulletin are wide ranging and aim to inform the reader of the latest news and developments (mainly focussing on southern Africa) in health legislation, the HIV/AIDS pandemic, inequities in the public, primary health care and rural health care environments as well as a focus on malaria, TB, and STIs.

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# Communication of Research Findings

HST has been active in communicating and disseminating its research findings in the last year at the following conferences:

## Conference Presentations

**2002: International AIDS Conference, Barcelona**
*Tanya Doherty*
South Africa's Pilot Programme for the Prevention of Mother to Child Transmission of HIV: Lessons and Key Recommendations.

**2002: National Scientific Consultative Forum on HIV/AIDS**
*David McCoy*
Getting Scientific Knowledge into Policy - Turning Knowledge Gaps into Research

**2002: Reproductive Health Priorities Conference**
*Rita Sonko*
Behavioural Sentinel Surveillance

**2003: Public Health 2003 Conference (PHASA - HST)**
*Bongani Magongo*
Does Decentralisation Improve HR Management: A case study from Alfred Nzo District in the Eastern Cape
*Candy Day, Andy Gray*
Tracking Health-Related Indicators: Possibilities and Limitations
*Ross Haynes*
The Long Road to the District Health System
*Sphindile Magwaza*
Primary Health Care Surveys in South Africa
*Tanya Doherty*
A Baseline Survey of Young Infant Feeding Practices in the Context of HIV in South Africa
*Wendy Hall*
Transport for Health - A Systems Approach

## Posters

*Abdul Elgoni*
Giving Voice to PHC Service Users, Developing and Piloting a Clinic Client Satisfaction Tool

*Fiorenza Monticelli*
Electronic Public Health Information: Available and Accessible

*Madibata Matji, Ronel Visser*
The Facility Information Coordination

*Solani Khosa, Antoinette Ntuli*
Measuring and Monitoring Inequities Within Health: The Relation Between Broader Economic and Social Inequities to Health Equity

*Sphindile Magwaza*
Opinion of Directors on Health Research Capacity Building Initiative in South Africa

*Wendy Hall, Ross Haynes*
The Local Government and Health Project

## HST funded Publications

These publications can be downloaded from http://www.hst.org.za

| Author | Title | Date |
|---|---|---|
| Lehmann, U | Investigating the Roles and Functions of Clinic Supervisors in Three Districts in the Eastern Cape Province | July 2002 |
| Modiba, P | The Integration of HIV/AIDS Care and Support into Primary Health Care in Gauteng Province | July 2002 |
| Nicholson, J; McCoy, D; Besser, M; Visser, R; Doherty, T | Interim Findings of the National PMTCT Pilot Sites: Summary of Lessons and Recommendations | July 2002 |
| Hall, W; Haynes, R; McCoy, D | The Long Road to the District Health System - Legislation and Structures for the DHS in South Africa: An Appraisal as at August 2002* | August 2002 |
| Moys, A; Mullick, S; McCoy, D; Beksinska, M | Training Clinic Sisters - Lessons learnt based on experience of the National STI Initiative | August 2002 |
| Moys, A | Evaluating quality of STI management at a regional level using the District Quality of Care Assessment Tool (DISCA) | August 2002 |
| Moys, A | A Practical Guide to Using the District STI Quality of Care Assessment - DISCA | August 2002 |
| Moys, A | District STI Quality of Care Assessment | August 2002 |
| Couper, I; Hugo, J | Management of District Hospitals - Suggested elements for improvement | October 2002 |

* Publications authored by HST

| Author | Title | Date |
|---|---|---|
| Magongo, B; Magwaza, S; Mathambo, V; Makhanya, N | National Report on the Assessment of the Public Sector's Voluntary Counselling and Testing Programme* | October 2002 |
| Pillay, Y; Leon, N; Asia B; Barron, P; Dudley, L | Guidelines for Functional Integration: A Key Strategy towards the full implementation of the District Health System | October 2002 |
| Besser, M; Doherty, T; Farnham, B; Paruk, F; Dinat, N | Changing Obstetric Practices in the Context of HIV: An Evaluation of service provision in the national PMTCT learning sites | December 2002 |
| Masilela, TC; Van der Westhuizen, S; Maake, E; Mabitsela, S; Mgimeti, N; Nimb, S; Mlati, B; Mtebule, E; Baloyi, M; Shivila, S; Mhlari, J; Nkuna, N | Improved Service Delivery in the Absence of Fully-Fledged District Management Structures: Experience of the Greater Tzaneen Sub-District Mopani District -Limpopo Province* | December 2002 |
| Sonko, R; McCoy, D; Gosa, E; Hamelmann, C; Chabikuli, N; Moys, A; Ramkissoon, A; Hlazo, J | Sexually Transmitted Infections - An Overview of Issues on STI Management and Control in South Africa* | March 2003 |
| The Global Equity Gauge Alliance (GEGA) | The Equity Gauge: Concepts, Principles, and Guidelines | March 2003 |
| De Vries, E; Reid, S | Do South African rural origin medical students return to rural practice? | May 2003 |
| Singh, S | A Critical Analysis of the Provision for Oral Health Promotion in South African Health Policy Analysis | May 2003 |
| Thom, R | Mental Health Services Research Review | May 2003 |
| Thom, R | Mental Health Services Research Review - Proceedings of the Dissemination Workshop held on 20 June 2001 | May 2003 |
| Bergström, E | Bacterial Contamination and Nutrient Concentration of Infant Milk in South Africa: A Sub-study of the National PMTCT Cohort Study | June 2003 |

* Publications authored by HST

## Business Development

The Business Development Unit was established within the office of the Executive Director to coordinate the work that happens outside and across the formal programmes of the HST.

The unit aims to identify and market opportunities for short-term contracts within the three focal areas of the HST to potential clients and to form strategic partnerships with independent service providers.

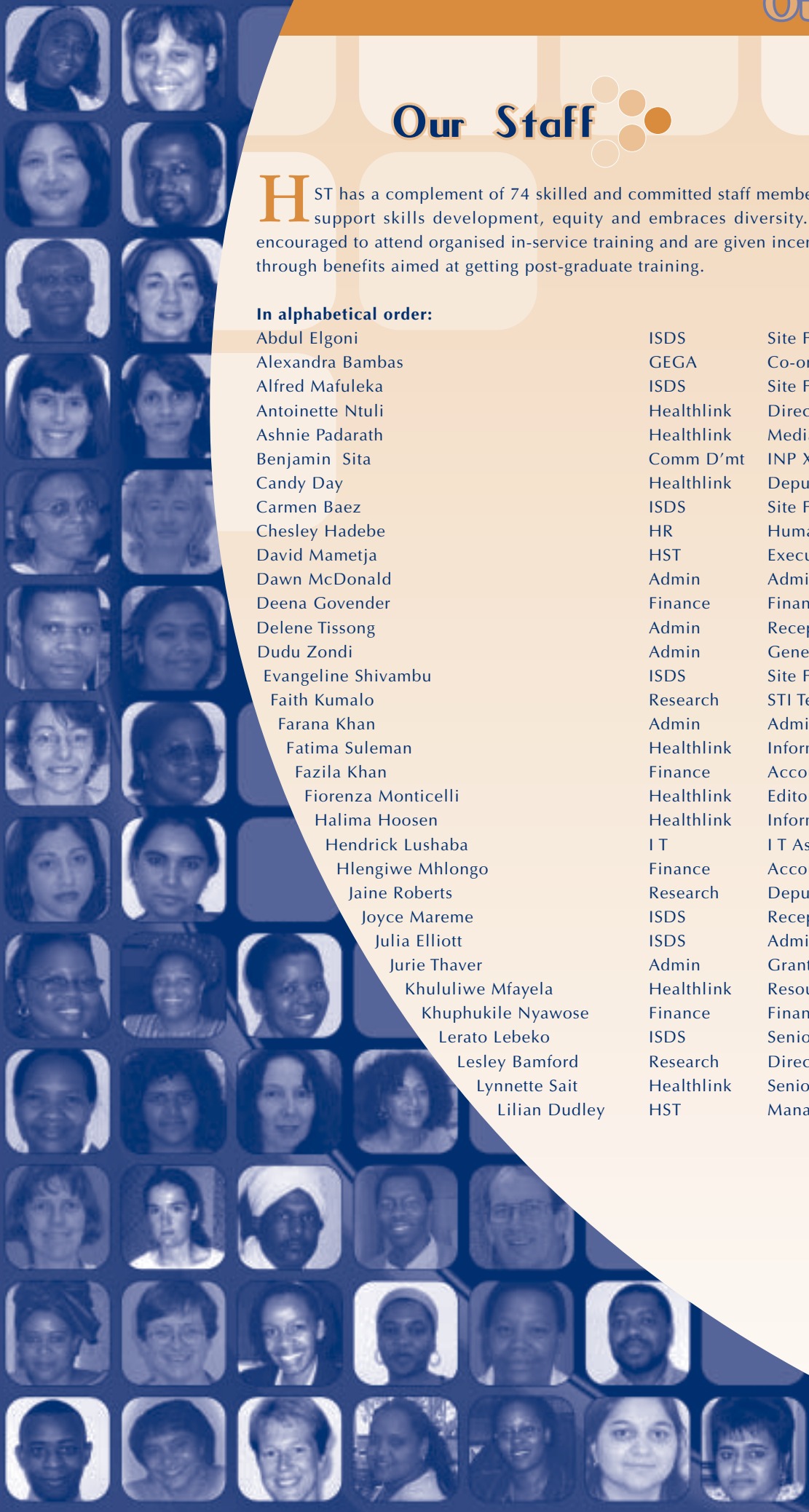
It will formalise and streamline the consultancy opportunities that the HST is frequently requested to undertake, by harnessing the wide range of skills that exist within the organisation.

To date unit has been commissioned by the Human Resource directorate of the National Department of Health in collaboration with the Belgian Technical Co-operation to provide technical assistance in the development of business plans for capacity building in four provinces, (KwaZulu-Natal, Limpopo; Mpumalanga and the Eastern Cape). In addition, the unit was appointed as a country consultant for the USAID /UNAIDS/ WHO study of AIDS Programme efforts.

## loveLife

Health Systems Trust is a founding partner of loveLife, along with RHRU, PPASA, and the Kaiser Family Foundation. HST has fiduciary responsibility for loveLife, and loveLife is required to report to the HST Board and relevant subcommittees. More information on loveLife is available at www.lovelife.org.za

# Our Staff 5



HST has a complement of 74 skilled and committed staff members. The organisation actively support skills development, equity and embraces diversity. All HST staff members are encouraged to attend organised in-service training and are given incentives to broaden their vision through benefits aimed at getting post-graduate training.

**In alphabetical order:**

| | | |
|---|---|---|
| Abdul Elgoni | ISDS | Site Facilitator |
| Alexandra Bambas | GEGA | Co-ordinator |
| Alfred Mafuleka | ISDS | Site Facilitator |
| Antoinette Ntuli | Healthlink | Director |
| Ashnie Padarath | Healthlink | Media and Advocacy Officer |
| Benjamin Sita | Comm D'mt | INP X-Site facilitator |
| Candy Day | Healthlink | Deputy Director |
| Carmen Baez | ISDS | Site Facilitator |
| Chesley Hadebe | HR | Human Resource Manager |
| David Mametja | HST | Executive Director |
| Dawn McDonald | Admin | Administration Manager |
| Deena Govender | Finance | Financial manager |
| Delene Tissong | Admin | Receptionist/Assistant Admin |
| Dudu Zondi | Admin | General Assistant |
| Evangeline Shivambu | ISDS | Site Facilitator |
| Faith Kumalo | Research | STI Technical Officer |
| Farana Khan | Admin | Administrative Officer |
| Fatima Suleman | Healthlink | Information Manager |
| Fazila Khan | Finance | Accounts Assistant |
| Fiorenza Monticelli | Healthlink | Editor |
| Halima Hoosen | Healthlink | Information Officer |
| Hendrick Lushaba | I T | I T Assistant |
| Hlengiwe Mhlongo | Finance | Accountant |
| Jaine Roberts | Research | Deputy Director |
| Joyce Mareme | ISDS | Receptionist (JHB) |
| Julia Elliott | ISDS | Administrative Officer |
| Jurie Thaver | Admin | Grants Administrator |
| Khululiwe Mfayela | Healthlink | Resource Centre Officer |
| Khuphukile Nyawose | Finance | Finance Support Assistant |
| Lerato Lebeko | ISDS | Senior Administrator |
| Lesley Bamford | Research | Director |
| Lynnette Sait | Healthlink | Senior Legislative Research Officer |
| Lilian Dudley | HST | Managing Director |

| | | |
|---|---|---|
| Madibata Matji | Research | Researcher HIS |
| Mahommed Imam | Finance | Accounts Assistant |
| Mamre Ntsiki | Comm D'mt | INP Facilitator |
| Mankuba Ramalepe | ISDS | Site Facilitator |
| Marian Loveday | ISDS | Site Facilitator |
| Mercia Kuhn | Admin | Administrative Officer/ Secretary |
| Morris Mathebula | ISDS | Site Facilitator |
| Muzi Matse | ISDS | Site Facilitator |
| Mzikazi Masuku | Comm D'mt | INP Facilitator |
| Nandy Mothibe | Comm D'mt | Deputy Director |
| Naomi Massyn | ISDS | Site Facilitator |
| Natalie Leon | ISDS | Site Facilitator |
| Noluthando Ford-Ngomane | ISDS | Site Facilitator |
| Nomonde Bam | Comm D'mt | Director |
| Nomsa Mmope | NAFCI | Director |
| Nonhlanhla Makhanya | Business D'mt | Director |
| Nonkosi Slatsha | Research | Mapping HIV Resources |
| Nunu Gumede | Finance | Accounts Assistant |
| Peter Barron | ISDS | Director |
| Petrida Ijumba | Healthlink | Editor |
| Puleng Molefakgotla | ISDS | Facilitator |
| Qamar Mahmood | GEGA | Assistant co-ordinator /Secretary |
| Quintin Dreyer | I T | Support and Network Admin Officer |
| Racheal James | Admin | Administrative Officer |
| Rakshika Bhana | I T | Support and Network Admin Officer |
| Rita Sonko | Research | Senior STI Co-ordinator |
| Ronel Visser | ISDS | Cross Site facilitator |
| Rosheen Seale | Research | Administrative Officer |
| Ross Haynes | Research | Researcher Decentralisation and Devolution |
| Ruth Grobler | I T | I T Manager |
| Sabine Verkuijl | ISDS | Site Facilitator |
| Sakhiwo Nombembe | Comm D'mt | INP Facilitator |
| Sakumzi Ntayiya | ISDS | Site Facilitator |
| Sarah Davids | ISDS | Deputy Director |
| Solani Khosa | Healthlink | Equity Gauge Information Officer |
| Tanya Doherty | Research | Researcher: PMTCT |
| Thulani Masilela | ISDS | Deputy Director |
| Thulasizwe Shezi | Healthlink | Equity Gauge Information Officer |
| Thulile Zondi | ISDS | Site Facilitator |
| Vuyiswa Mathambo | Research | Researcher: HIV |
| Wendy Hall | Research | Researcher Decentralisation and Devolution |
| Yolisa Sithela | Comm D'mt | INP Facilitator |

**Interns:** Mildred Joyi, Lungiswa Nkonki, Pumza Mbenenge, Thantaswa Mbengenge

# Board of Trustees 6

**Zola Njongwe** - Chairperson - Chief Director: Region C, Gauteng Department of Health. Zola provides strategic leadership to all hospitals, clinics, dental institutions and training colleges in the region. Zola brings to the HST insights on restructuring tertiary and academic hospitals, possibly one of the most difficult institutions in our health system.

**Barry Kistnasamy** - Deputy Chairperson - Professor and Dean of Nelson Mandela School of Medicine, University of Natal. He brings to HST valuable experience, through his involvement with health system transformation over the last 15 years.

**Craig Household** - Head of the Department of Health in the Western Cape. Craig brings to the HST Board, wide experience in health management, human resource development and clinical practice and research.

**Eric Buch** - Professor of Health Policy and Management in the School of Health Systems and Public Health at the University of Pretoria. He is a registered specialist in Community Health with wide experience in health policy and management, the South African health system and primary health care.

**Jeanette Hunter** - Director Knowledge Management in the North West Province Department of Health as well as guest lecturer in Health Information Management at WITS and University of the Free State. Jeanette brings to the Board wide experience in Policy & Planning, Communication and Health Information.

**Nelly Manzini** - Head of Department of Health and Welfare, Limpopo Province. Nelly brings to HST, her broad experience in nursing, primary health care, reproductive health and district health systems.

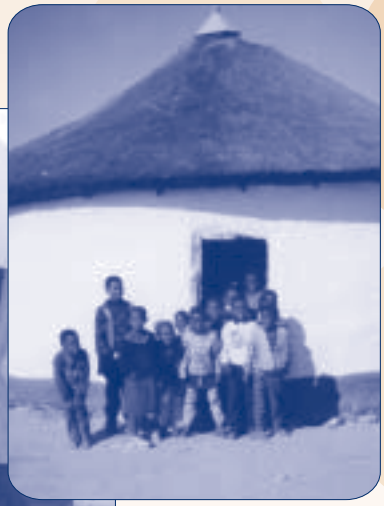
**Loretta Jacobus** - is currently a member of the National Council of Provinces and also serves as a member of the Select Committee on Education. Loretta has a Diploma in Social Welfare and has worked for NUMSA and the Macro Economic Research Group. She has a strong political background and is still an active member of the Johannesburg East ANC branch.

**Patrick Masobe** - Chief Executive Officer of the Council for Medical Schemes. Patrick is an economist and has published widely on financing of hospitals, contracting of health services, public / private mix in health care and the economics of HIV/AIDS.

**Peta Qubeka** – Deputy Chairperson - Strategic Executive: Corporate Services in the Johannesburg Metropole and Regional Director (Region 10 - Soweto). Peta brings enormous business experience as well as experience in community development and an understanding of the dynamics of local government in health care delivery to HST.

**Thabo Sibeko** - Chief Director of Hospital Services Cluster in the National Dept. of Health. Thabo has an in-depth understanding of the broad political processes unravelling in South Africa, which assists in contextualising HST's own organisational policies and strategies.

| Programme | No of Grants made in 2002/3 financial year | Value (R) |
|---|---|---|
| ISDS | 8 | 1 608 243 |
| Healthlink | 3 | 456 368 |
| Community Development | 28 | 1 091 803 |
| Research | 27 | 5 675 255 |



# Financials

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## TRUST FOR HEALTH SYSTEMS PLANNING AND DEVELOPMENT

## CORPORATE GOVERNANCE STATEMENT
**for the year ended 30 June 2003**

Trust for Health Systems Planning and Development is committed to the principles and practice of fairness, openness, integrity and accountability in all dealings with its stakeholders.

### Board of Trustees

The Trustees meet regularly and monitor the performance of the management. They address a range of key issues and ensure that discussion of items of policy, strategy and performance is critical, informed and constructive.

All Trustees have access to the advice and services of the Chief Executive Officer and where appropriate, may seek independent professional advice at the expense of the Trust.

### Internal Control

The Trustees of the Trust maintain internal controls and systems designed to provide reasonable assurance as to the integrity and reliability of the financial statements and to adequately safeguard, verify and maintain accountability for its assets. Such controls are based on established policies and procedures and are implemented by trained personnel with the appropriate segregation of duties.

No event or item has come to the attention of the Board of Trustees that indicates any material breakdown in the functioning of key internal controls and systems during the year under review.

### Financial Statements

The Trustees and Chief Executive officer of the Trust are responsible for preparing financial statements in a manner that fairly presents the state of affairs and results of its operations. The external auditors are responsible for carrying out an independent examination of the financial statements in accordance with South African Auditing Standards and reporting their findings thereon. The financial statements have been prepared in accordance with generally accepted accounting practice.

The Board of Trustees have no reason to believe that Trust for Health Systems Planning and Development operations will not continue as a going concern in the year ahead.

**TRUST FOR HEALTH SYSTEMS PLANNING AND DEVELOPMENT**

**STATEMENT OF RESPONSIBILITY BY THE BOARD OF TRUSTEES**
**for the year ended 30 June 2003**

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 set out on pages 7 to 18, South African Statements of Generally Accepted Accounting Practice have been followed, appropriate accounting policies have been used, while prudent judgments 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 received 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 4.

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

**Chairperson**

**Trustee**

**Date:** 29.03.2004.

PRICEWATERHOUSECOOPERS

**PricewaterhouseCoopers Inc**
Reg. no. 1998/012055/21
102 Essenwood Road
Berea 4001
PO Box 1049
Durban 4000
Telephone +27 (31) 250 3700
Facsimile +27 (31) 202 8220
www.pwc.com/za

## 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 7 to 18 for the year ended 30 June 2003. 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 2003, 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.

### Supplementary information

The supplementary information set out on pages 19 to 28 do not form part of the annual financial statements and is presented solely for information purposes. We have not audited this information and accordingly we do not express an opinion on them.

PricewaterhouseCoopers Inc

**Chartered Accountants (SA)**
**Registered Accountants & Auditors**

## TRUST FOR HEALTH SYSTEMS PLANNING AND DEVELOPMENT

## REPORT OF THE TRUSTEES
**for the year ended 30 June 2003**

The trustees present their annual report, which forms part of the audited financial statements of the trust for the year ended 30 June 2003.

### 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
- Encourage the use of lessons learnt from work supported by the Trust.

### 2 Financial results

Full details of the financial results are set out on pages 7 to 18 in the attached financial statements.

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 Household | P Masobe |
| J Hunter | Z Ngongwe (chairperson) |
| L Jacobus | P Qubeka |
| P Kistnasamy | T Sibeko |

The term of the following trustees came to an end during the year under review:

S Govindsamy
T Gwagwa

The following trustee was appointed during the year under review:

J Hunter (19 February 2003)

### 4 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.

### 5 Auditors

PricewaterhouseCoopers Inc. will continue in office.

## TRUST FOR HEALTH SYSTEMS PLANNING AND DEVELOPMENT

### BALANCE SHEET
**as at 30 June 2003**

| | Notes | 2003 R | 2002 R |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 7 | **9,896,965** | 10,170,030 |
| **Current assets** | | | |
| Receivables and prepayments | **8** | **10,804,658** | 7,722,475 |
| Cash and cash equivalents | **9** | **23,399,965** | 38,146,738 |
| | | **34,204,623** | 45,869,213 |
| **Total assets** | | **44,101,588** | 56,039,243 |
| **EQUITY AND LIABILITIES** | | | |
| **Capital and reserves** | | | |
| Trust capital and accumulated (deficit)/surplus funds | | **29,045,433** | 41,180,800 |
| **Current liabilities** | | | |
| Trade and other payables | **10** | **13,132,444** | 13,481,113 |
| Short term borrowings | **11** | **524,278** | 292,768 |
| Provisions | **12** | **1,399,433** | 1,084,562 |
| | | **15,056,155** | 14,858,443 |
| **Total equity and liabilities** | | **44,101,588** | 56,039,243 |

## TRUST FOR HEALTH SYSTEMS PLANNING AND DEVELOPMENT

### INCOME STATEMENT
**for the year ended 30 June 2003**

| | Notes | 2003 R | 2002 R |
|---|---|---|---|
| **Grant income** | **3** | **278,076,617** | 156,457,516 |
| Other income | | **3,045,011** | 4,131,817 |
| Refunded project expenses | | **2,024,000** | - |
| Project expenses | | **(200,895,140)** | (148,983,673) |
| Grants paid | | **(93,028,653)** | (50,319,961) |
| Administration expenses | | **(5,693,624)** | (4,316,503) |
| **Deficit funds** | **2** | **(16,471,789)** | (43,030,804) |
| Net finance income | **5** | **4,336,422** | 6,210,373 |
| **Deficit funds before tax** | | **(12,135,367)** | (36,820,431) |
| Tax | **6** | - | - |
| **Deficit funds for the year** | | **(12,135,367)** | (36,820,431) |

## TRUST FOR HEALTH SYSTEMS PLANNING AND DEVELOPMENT

## STATEMENT OF CHANGES IN EQUITY
**for the year ended 30 June 2003**

| | 2003 R | 2002 R |
|---|---|---|
| **Trust capital and accumulated surplus funds** | | |
| At beginning of year | | |
| Research | **10,248,030** | 10,869,007 |
| Initiative for sub-district support (ISDS) as previously stated | **8,516,456** | (579,259) |
| Transferred to Community Development | **(2,890,959)** | - |
| Initiative for sub-district support (ISDS) restated | **5,625,497** | (579,259) |
| Community Development | **2,890,959** | - |
| Healthlink | **2,133,290** | 3,684,833 |
| Central Administration (CORE) | **963,138** | 1,804,464 |
| Lovelife as previously stated | **19,319,886** | 62,256,019 |
| Change in accounting policy | - | (33,833) |
| Lovelife as restated | **19,319,886** | 62,222,186 |
| | **41,180,800** | 78,001,231 |
| Net (deficit)/surplus funds for the year | | |
| Research | **1,636,406** | (620,977) |
| Initiative for sub-district support (ISDS) | **(3,618,688)** | 9,095,715 |
| Community Development | **(3,303,516)** | - |
| Healthlink | **(2,888,325)** | (1,551,543) |
| Central Administration (CORE) | **(1,099,261)** | (841,326) |
| Lovelife | **(2,861,983)** | (42,902,300) |
| | **(12,135,367)** | (36,820,431) |
| At end of year | | |
| Research | **11,884,436** | 10,248,030 |
| Initiative for sub-district support (ISDS) | **2,006,809** | 8,516,456 |
| Community Development | **(412,557)** | - |
| Healthlink | **(755,035)** | 2,133,290 |
| Central Administration (CORE) | **(136,123)** | 963,138 |
| Lovelife | **16,457,903** | 19,319,886 |
| | **29,045,433** | 41,180,800 |

## TRUST FOR HEALTH SYSTEMS PLANNING AND DEVELOPMENT

### CASHFLOW STATEMENT
**for the year ended 30 June 2003**

| | Notes | 2003 R | 2002 R |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Cash receipts from grants | | **274,562,292** | 156,457,516 |
| Cash paid to suppliers and employees | | **(291,682,199)** | (197,550,163) |
| Cash used in operations | **13** | **(17,119,907)** | (41,092,647) |
| Net finance income | | **4,336,422** | 6,210,373 |
| Net cash used in operating activities | | **(12,783,485)** | (34,882,274) |
| **Cash flows from investment activities** | | | |
| Proceeds from disposal of property, plant and equipment | | **108,442** | - |
| Acquisition of property, plant and equipment | | **(2,303,240)** | (4,900,100) |
| Net cash used in investment activities | | **(2,194,798)** | (4,900,100) |
| **Net decrease in cash and cash equivalents** | | **(14,978,283)** | (39,782,374) |
| Cash and cash equivalents at beginning of year | | **37,853,970** | 77,636,344 |
| **Cash and cash equivalents at end of year** | **9** | **22,875,687** | 37,853,970 |

**TRUST FOR HEALTH SYSTEMS PLANNING AND DEVELOPMENT**

**NOTES TO THE FINANCIAL STATEMENTS**
**for the year ended 30 June 2003**

## 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:

| | |
|---|---|
| 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

**TRUST FOR HEALTH SYSTEMS PLANNING AND DEVELOPMENT**

**NOTES TO THE FINANCIAL STATEMENTS**
**for the year ended 30 June 2003**

- 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

### 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 Comparative figures

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

## TRUST FOR HEALTH SYSTEMS PLANNING AND DEVELOPMENT

## NOTES TO THE FINANCIAL STATEMENTS
**for the year ended 30 June 2003**

| | 2003 R | 2002 R |
|---|---|---|
| **2 Deficit funds** | | |
| The following items have been charged in arriving at deficit funds: | | |
| Depreciation on property, plant and equipment (for detailed breakdown of depreciation refer to note 7) | **2,445,258** | 1,688,532 |
| Auditors' remuneration | | |
| Audit fees - current year | **123,000** | 70,000 |
| Underprovision previous years | | |
| - 2002 | **55,100** | - |
| - 2001 | **-** | 72,926 |
| - 2000 | **-** | 46,692 |
| Other services | **190,846** | 220,161 |
| | **368,946** | 409,779 |
| Loss on disposal of property, plant and equipment | **22,605** | 137,056 |
| Consultancy fees paid | **1,389,190** | 4,612,965 |
| Operating lease rentals | | |
| Land and buildings | **556,474** | 434,021 |
| Other | **478,096** | 338,373 |
| | **1,034,570** | 772,398 |
| Staff costs (refer note 4) | **25,591,187** | 20,701,965 |

### 3 Grant income

| Funders | Lovelife | Healthlink | ISDS | Core | Research | Community Development | Total |
|---|---|---|---|---|---|---|---|
| | R | R | R | R | R | R | R |
| Kaiser Family Foundation | 95,515,527 | - | - | 210,370 | 3,737,475 | - | **99,463,372** |
| Department of Health | 33,500,000 | - | 1,675,272 | - | 9,138,008 | - | **44,313,280** |
| European Union | - | - | 10,027,543 | - | - | - | **10,027,543** |
| Media Training Centre | - | 300,000 | - | - | - | - | **300,000** |
| Unicef | 1,433,756 | - | 48,444 | - | 284,476 | - | **1,766,676** |
| University of Leeds | - | - | - | - | 612,068 | - | **612,068** |
| Ford Foundation | - | - | - | - | - | 1,002,513 | **1,002,513** |
| Embassy of Ireland | - | - | - | - | 584,274 | - | **584,274** |
| SIDA | - | 531,915 | - | - | - | - | **531,915** |
| Rockefeller Foundation | - | 862,102 | - | - | - | - | **862,102** |
| Woodrow Wilson | - | - | - | - | 30,000 | - | **30,000** |
| DFID | - | - | 732,874 | - | - | - | **732,874** |
| Bill & Melinda Gates Foundation | 100,850,000 | - | - | - | - | - | **100,850,000** |
| Vodacom | 2,000,000 | - | - | - | - | - | **2,000,000** |
| Nelson Mandela Foundation | 15,000,000 | - | - | - | - | - | **15,000,000** |
| | **248,299,283** | **1,694,017** | **12,484,133** | **210,370** | **14,386,301** | **1,002,513** | **278,076,617** |

**TRUST FOR HEALTH SYSTEMS PLANNING AND DEVELOPMENT**

**NOTES TO THE FINANCIAL STATEMENTS**
**for the year ended 30 June 2003**

| | | 2003<br>R | 2002<br>R |
|---|---|---|---|
| **4** | **Staff costs** | | |
| | Salaries and wages | **25,591,187** | 20,701,965 |
| **5** | **Net finance income** | | |
| | Interest received | | |
| | Bank | **4,595,556** | 6,217,467 |
| | Interest paid | | |
| | Bank overdrafts | **(259,134)** | (7,096) |
| | | **4,336,422** | 6,210,371 |

**6 Tax**

No provision for taxation has been made as the trust is exempt from income tax in terms of Section 10(1)(nC) of the South African Income Tax Act.

**TRUST FOR HEALTH SYSTEMS PLANNING AND DEVELOPMENT**

**NOTES TO THE FINANCIAL STATEMENTS**
**for the year ended 30 June 2003**

## 7 Property, plant and equipment

| | *Motor Vehicles* | *Computer Equipment* | *Computer Software* | *Furniture and Fittings* | *Property* | *Total* |
|---|---|---|---|---|---|---|
| | *R* | *R* | *R* | *R* | *R* | *R* |
| **Year ended 30 June 2003** | | | | | | |
| Opening net carrying amount | 1,998,727 | 3,352,796 | 134,095 | 1,536,856 | 3,147,556 | **10,170,030** |
| Additions/improvements | 116,489 | 1,087,258 | 200,828 | 148,665 | 750,000 | **2,303,240** |
| Disposals | (67,781) | (60,731) | - | (2,535) | - | **(131,037)** |
| Depreciation charge | (648,423) | (1,317,572) | (128,336) | (227,970) | (72,957) | **(2,445,258)** |
| **Net carrying amount at end of year** | 1,399,012 | 3,061,751 | 206,587 | 1,405,016 | 3,824,599 | **9,896,965** |
| **At 30 June 2003** | | | | | | |
| Cost | 2,469,716 | 5,868,575 | 365,116 | 2,127,894 | 3,991,598 | **14,822,899** |
| Accumulated depreciation | (1,070,704) | (2,806,824) | (158,529) | (722,878) | (166,999) | **(4,925,934)** |
| **Net carrying amount at end of year** | 1,399,012 | 3,061,751 | 206,587 | 1,405,016 | 3,824,599 | **9,896,965** |
| **Year ended 30 June 2002** | | | | | | |
| Opening net carrying amount | 1,453,266 | 2,406,010 | 18,844 | 361,222 | 2900,000 | 7,139,342 |
| Change in accounting policy | - | - | - | - | (33,833) | (33,833) |
| Opening net carrying amount as restated | 1,453,266 | 2,406,010 | 18,844 | 361,222 | 2,866,167 | 7,105,509 |
| Transfers | - | (9,988) | - | - | - | (9,988) |
| Additions/Improvements | 990,442 | 2,027,593 | 139,713 | 1,400,752 | 341,598 | 4,900,098 |
| Disposals | - | (137,056) | - | - | - | (137,056) |
| Depreciation charge | (444,981) | (933,763) | (24,462) | (225,118) | (60,209) | (1,688,533) |
| **Net carrying amount at end of year** | 1,998,727 | 3,352,796 | 134,095 | 1,536,856 | 3,147,556 | 10,170,030 |
| **As at 30 June 2002** | | | | | | |
| Cost | 2,551,508 | 4,903,051 | 164,288 | 1,981,764 | 3,241,598 | 12,842,209 |
| Accumulated depreciation | (552,781) | (1,550,255) | (30,193) | (444,908) | (94,042) | (2,672,179) |
| **Net carrying amount at end of year** | 1,998,727 | 3,352,796 | 134,095 | 1,536,856 | 3,147,556 | 10,170,030 |

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 2003**

| | 2003 R | 2002 R |
|---|---|---|
| **8 Receivables and prepayments** | | |
| Receivables | **3,613,454** | 200,769 |
| Receiver of Revenue - VAT | **7,091,503** | 7,427,830 |
| Staff Loans | **5,962** | 31,426 |
| Provision for doubtful debts | **(74,100)** | - |
| Deposits | **167,839** | 62,450 |
| | **10,804,658** | 7,722,475 |
| **9 Cash and cash equivalents** | | |
| Current accounts | **12,156,841** | 17,825,862 |
| Call accounts | **11,242,552** | 20,320,471 |
| Cash on hand | **572** | 405 |
| | **23,399,965** | 38,146,738 |
| Cash and cash equivalents as stated above relate to various departments as follows: | | |
| Research | **9,179,619** | 2,243,150 |
| ISDS | **2,132,852** | 15,357,810 |
| Community Development | **605,819** | - |
| Healthlink | **(47,776)** | 7,131,517 |
| Core | **(32,404)** | 1,004,552 |
| Lovelife | **11,037,577** | 12,116,941 |
| | **22,875,687** | 36,853,970 |
| For the purpose of the cash flow statement, the year end cash and cash equivalents comprise the following: | | |
| Current accounts | **12,156,841** | 17,825,862 |
| Call accounts | **11,242,552** | 20,320,471 |
| Cash on hand | **572** | 405 |
| Bank overdrafts (refer note 11) | **(524,278)** | (292,768) |
| | **22,875,687** | 37,8853,970 |
| **10 Trade and other payables** | | |
| Payables | | |
| Accruals | **13,009,444** | 13,411,113 |
| Provision for audit fees | **123,000** | 70,000 |
| | **13,132,444** | 13,481,113 |

**TRUST FOR HEALTH SYSTEMS PLANNING AND DEVELOPMENT**

**NOTES TO THE FINANCIAL STATEMENTS**
**for the year ended 30 June 2003**

| | 2003 R | 2002 R |
|---|---|---|
| **11 Short term borrowings** | | |
| Bank overdraft | **524,278** | 292,768 |
| The bank overdraft bears interest at prime related interest rates and is payable on demand. | | |
| **12 Provision** | | |
| Leave pay | **1,399,433** | 1,084,562 |
| **13 Cash used in operations** | | |
| Deficit funds | **(16,471,789)** | (43,030,804) |
| Adjusted for: | | |
| Loss on scrapping of asset | **22,605** | 137,056 |
| Depreciation | **2,445,258** | 1,688,533 |
| Movement in working capital | | |
| Increase in accounts receivable | **(3,082,183)** | (3,691,821) |
| (Decrease)/increase in accounts payable | **(348,669)** | 2,719,827 |
| Provisions | **314,871** | 1,084,562 |
| | **(17,119,907)** | (41,092,647) |
| **14 Operating lease commitments** | | |
| The future minimum lease payments under non-cancellable operating leases are as follows: | | |
| Not later than 1 year | **720,865** | 739,824 |
| Between 2-5 years | **1,123,469** | 1,210,017 |
| | **1,844,334** | 1,949,841 |
| **15 Commitments for grants payable** | | |
| The future commitments for grants payable at the balance sheet date but not recognised in the financial statements is as follows: | | |
| Less than 1 year | - | 6,136,746 |
| Between 1 and 2 years | - | 1,214,536 |
| | - | 7,351,282 |

**TRUST FOR HEALTH SYSTEMS PLANNING AND DEVELOPMENT**

**NOTES TO THE FINANCIAL STATEMENTS**
**for the year ended 30 June 2003**

| | 2003 R | 2002 R |
|---|---|---|

## 16 Change in accounting policy

During the year the trust changed its accounting policy with respect to the depreciation of property. In order to conform with South African Statements of Generally Accepted Accounting Practice the trust now depreciates property over 50 years. The comparative amounts have been appropriately restated.

| | | |
|---|---|---|
| Decrease in net profit due to depreciation | - | 60,209 |
| Restatement of opening accumulated surplus funds in respect of prior year adjustment | - | 33,833 |

There is no tax effect in respect of these transactions.

## 17 Contingent liabilities

Subsequent to the year-end 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 trust is not registered for regional service levies or regional establishment levies, and the substantial liability are 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.

9

# Acknowledgements

## HST Board and Advisory Committees

### Executive Committee

Zola Njongwe
Peta Qubeka
Barry Kistnasamy
Lilian Dudley – ex officio

### Research Sub-Committee

Craig Household (Chair)
Eric Buch
Zola Njongwe

### ISDS Advisory Committee

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Louis Claasens
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Nelly Manzini
Eric Buch
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Pam Tswete
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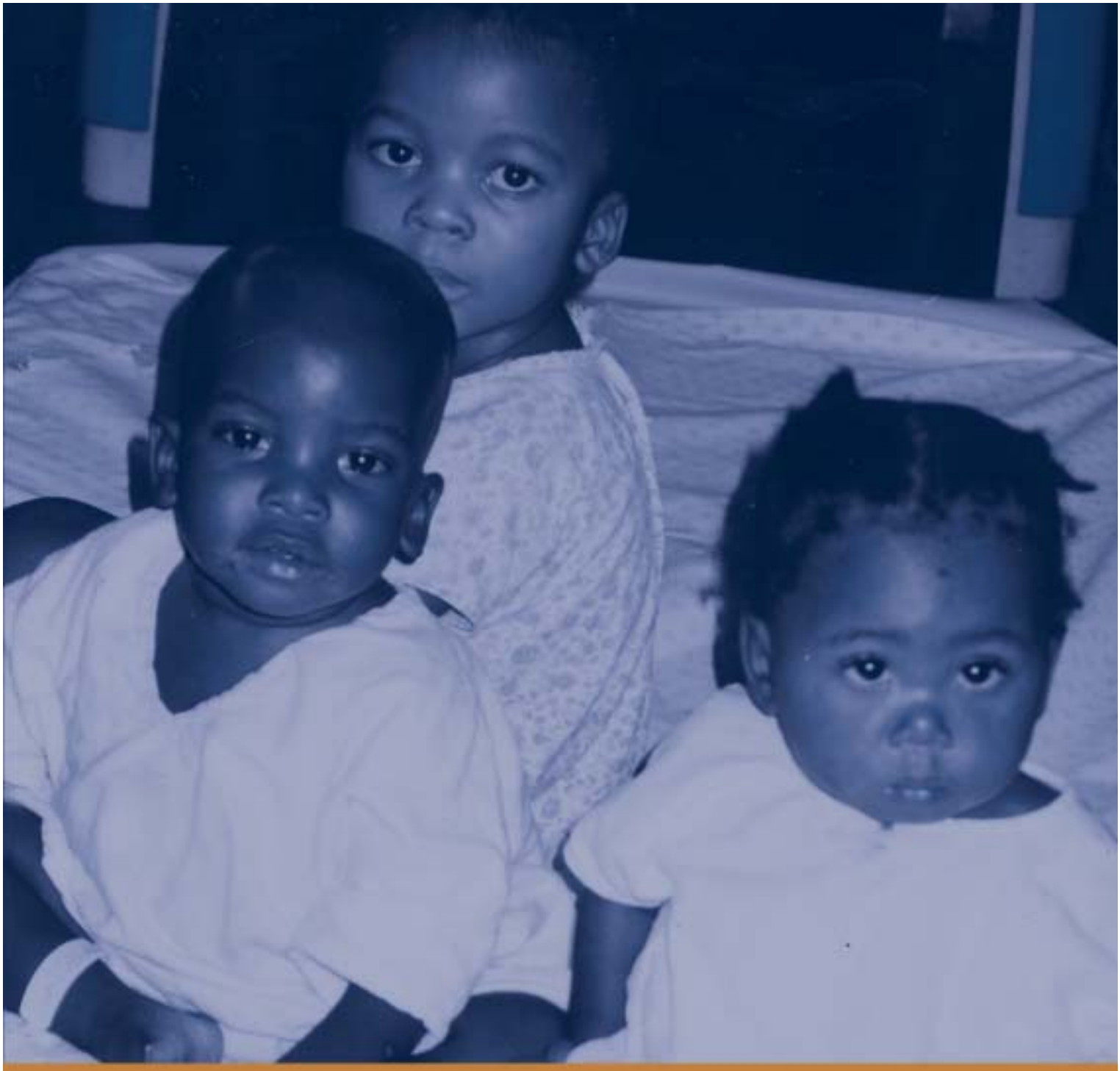
Essop Jassat
Ismail Cachalia
Beatrice Marshoff



HST's funders for 2002/3 include the National Department of Health, European Union, Kaiser Family foundation, Ford Foundation, Rockefeller Foundation, DFID, University of Leeds, Embassy of Ireland, SIDA, Unicef, Media Training Centre and the Woodrow Wilson Foundation.

HEALTH SYSTEM TRUST

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