

ANGLICAN DIOCESE OF UPPER SHIRE HIGHLANDS HEALTH SERVICES



BOARD OF GOVERNORS MEETING TO BE HELD ON

29TH JUNE 2017

*(SUSTAINING, EXPANDING AND MODERNISING HIGHLANDS
HEALTH SERVICES)*

PROPOSED AGENDA ITEMS FOR 29TH JUNE 2017 BOARD OF GOVERNORS MEETING

1. Opening prayer
2. Welcoming remarks by Board Chairperson
3. Reading and adoption of previous minutes
4. Matters arising from previous minutes
5. Management report
6. Medical report
7. Financial report
8. Date of next meeting
9. Closing remarks
10. Closing prayer

MINUTES OF ST LUKE'S BOARD OF GORVENORS MEETING HELD ON 16th FEBRUARY 2017

MEMBERS PRESENT

- | | | |
|---|---|--------------------------|
| 1. Rt. Rev'd Bishop Brighton Vitta Malasa | - | Chairperson |
| 2. Mr Winasi Boma | - | Secretary |
| 3. Mr Justus Kishindo | - | Legal Advisor |
| 4. Mr Victor Mnelemba | - | Health Coordinator |
| 5. Mr Clement Frank | - | Financial Advisor |
| 6. Mrs Getrude Kachepatsonga | - | Synod Representative |
| 7. Rev'd Capt Mphatso Bango | - | Synod co-representative |
| 8. Mr Maxton Mbalila | - | Community Representative |
| 9. Ven. Canon John Mchakama | - | Member |
| 10. Mr Andrew Chikopa | - | Member |
| 11. Mrs Seko Chisuwo | - | Member |

IN ATTENDANCE

- | | | |
|--------------------------|---|--------------------------------------|
| 1. Mr Stanley Gawani | - | Acting Senior Administrative Officer |
| 2. Dr Christiaan Huigens | - | Senior Medical Officer |
| 3. Mrs Chrissie Hussein | - | Principal Nursing Officer |
| 4. Mr George Chiingeni | - | Accountant |
| 5. Ms Chimwemwe Banda | - | Recording Secretary |

01/2017 **OPENING PRAYER**

The meeting was opened with a word of prayer by Ven. Canon John Mchakama.

02/2017 **WELCOMING REMARKS**

The Board chairperson called the meeting to order at 09:00am and started the meeting by reading psalms.

Psalms 1, which teaches about being upright before God.

He continued by saying those that stands in the lord take delight from him and as a hospital, there is a need to take delight in the lord as the hospital is part of the healing ministry.

He further welcomed Mr Clement Frank and Mr Stanley Gawani for their first attendance and told members to feel free and contribute to the days deliberations.

03/2017

READING AND ADOPTION OF PREVIOUS MINUTES

The minutes were proposed and adopted as a true reflection of what was discussed by members.

04/2017

MATTERS ARISING FROM PRVIOUS MINUTES

The secretary for the board read the matters arising and comments were made:

a) Ambulance

- ✓ There was a visit to Press Trust to find out the status of the ambulance proposal that was submitted, so the response was that the board had approved and awaiting funding.
- ✓ Further, another proposal was submitted to Bill and Melinda gates and management is waiting for feedback.

b) High Dependency Unit (HDU)

- ✓ Nurses and clinicians were sent for one week training to Zomba Central Hospital.
- ✓ The hospital expects some equipment to arrive by April 2017, the delay has been due to expensive shipping cost and the hospital is looking for cheaper shipping cost. However MACS sent some equipment which is being used in the nursery and some have been kept for later usage.

c) Antenatal

- ✓ In addition to Birth before Arrival Sensitization campaign that was done to sensitize the community. Management still continues to work hand in hand with the Health Advisory committee that complies of Chiefs and community leaders to promote the benefits of antenatal care.

Comments

- ✓ Members urged the management team to continue following the status of the ambulance request from Press Trust. **(Management)**
- ✓ It was also commented from the previous minutes that there is still no response for Mortuary funding.
- ✓ On the legal partnership, management commented that the process is in progress. **(Management)**
- ✓ On house construction Beit Trust, approved to construct two staff houses but is waiting for funding.

05/2017

OVERALL MANAGEMENT REPORT

A report was presented to the board which covered the following topics and comments were made:

- a) Current Significant Issues
- b) Matters for Approval
- c) Going Concern
- d) Quality Care
- e) Technology
- f) Human Resource
- g) Expansion
- h) Risk and Compliance update
- i) Matters for Noting
- j) Management Vision
- k) Challenges

Comments

- ✓ The board approved that all staff members should be paid their salaries through first merchant bank only with immediate effect as it was requested by management due to increase in bank charges in salaries processing. **(Management)**
- ✓ The board also approved management request of putting staff members under medical insurance cover MASM by July and urged management to do further investigation, calculations and communication. **(Management)**

- ✓ It was also suggested by the board that the search for external auditors be advertised in the newspaper. **(Management)**
- ✓ It was commented that management can discuss with St George on a place for the St Luke's private clinic. **(Management)**
- ✓ It was in addition commented that there is an improvement in the delay of Salaries.
- ✓ On Service level Agreement, it was commented that Ministry of Health has assured CHAM that they will be paying SLA's by the end of this month.

06/2017

FINANCIAL REPORT

The Board Chairperson welcomed Mr George Chiingeni to the meeting as it was his first attendance to the meeting.

The accountant presented a report on the performance of managements accounts which included;

- ✓ Income and expenditure report
- ✓ Statement of financial position
- ✓ Statement of cash flow
- ✓ Debtors Age Analysis
- ✓ Creditors Age Analysis

The report indicated that the hospital has performed exceeding expectation as the Total income for the reporting period was budgeted at MWK 353.3 million and actual income was MWK 387.7 million representing 109.7 percent performance.

Comments

- ✓ Members appreciated the detailed report well present.
- ✓ Members requested that management should priorities by paying CHAM membership fee and management responded that there are taking that into consideration by stating that they have agreed to be paying MWK 300, 000. 00 monthly.

07/2017

MEDICAL REPORT

The medical report was read and it reported numerous achievements especially in staffing levels, quality patient care and OPD attendance performance.

The report also indicated the increase of pregnant women starting antenatal care in the first trimester with +39% compared to last year.

08/2017

HOSPITAL OPERATIONS

A report was read and presented which covered the following major issues:

- ✓ Audit
- ✓ Drug distribution
- ✓ Technical services and buildings
- ✓ Achievements
- ✓ Challenges
- ✓ Way forward

09/2017

FINANCIAL POLICY

Management further requested that it adopts the CHAM financial manual which has been adapted to St Luke's hospital and its five health centers. As the hospital has no existing finance policy and this has greatly affected finance management and audits as currently it uses fragmented policies.

The financial policy will give a highlight in the following areas:

- I. Accounting process
- II. Depreciation
- III. Asset management
- IV. Report writing
- V. Internal procurement committee
- VI. Debtors and creditors management
- VII. External and internal audit
- VIII. Transport management

Comment

The board approved management's request.

10/2017 **CLOSING REMARKS**

The chairperson thanked members for their attendance and contributions.

11/2017 **DATE OF NEXT MEETING**

Members agreed to meet again on the 25th May 2017 at 09:00am and the venue will be St Luke's Hospital Conference room.

12/2017 **CLOSING REMARKS**

The meeting was closed with a word of prayer by Rev. Capt Mphatso Bango.

SIGNED: _____

DATE: _____

BOARD CHAIRPERSON

SIGNED: _____

DATE: _____

BOARD SECRETARY

MATTERS ARISING FROM PREVIOUS MINUTES

A. HIGH DEPENDENCY UNIT

- ✓ The equipments for the High Dependency Unit have arrived in the country.
- ✓ The hospital is working on the clearance process.

B. AMBULANCE

- ✓ There was another visit to press trust to find out the current status on the approved ambulance donation, and the response was management should continue to wait.
- ✓ As the search for an ambulance is ongoing management will continue to request from other partners.

C. FIRST MERCHANT BANK

- ✓ Opening of salaries accounts for all staff members was done.

D. MEDICAL AID SOCIETY OF MALAWI (MASM)

- ✓ This has been budgeted for in the coming financial year budget (2017-2018) especially for staff members from grade A-K.
- ✓ After making calculations the hospital is spending almost MWK2, 234 million for staff medical cost.
- ✓ Investigation was carried out and it was observed that the possibilities that some staff by passes the system especially in health centers.

E. EXTERNAL AUDIT

- ✓ This was not done because some data in the system was not ready and as of 1st May 2017, the data is up to date.
- ✓ Therefore the external audit has been postponed to soon after the board meeting.

F. PRIVATE CLINIC/DRUG STORE

- ✓ Management had a visit to St George and after having a discussion with them it appeared that they are not ready to give up the space.

- ✓ Since the territory for the hospital has expanded the target in the search for the Private clinic/drug store room has been shifted to Mangochi.

G. LEGAL AID

On the issue of a Lawyer for the Hospital, it was discovered that legal fees coverage for the year is Mk1,200,000. But it has been discovered that as of recent no new cases have arisen therefore we seek the direction of the Board whether to go ahead or not.

1. MANAGEMENT REPORT

OVERALL MANAGEMENT/ADMINISTRATIVE REPORT

Introduction

This report provides a comprehensive overview of the whole hospital and its health centers as a health system in the period under review of 2016-2017 as well as the new budget for 2017 and 2018. In the period under review, management effort was towards achieving the vision of the hospital of “*Creating communities of healthy people whereby no-one dies of preventable diseases*”. This report will therefore put to light such activities as well as challenges in the period under review. In addition, what management intends to do in the year 2017/18 will be highlighted as St Luke’s adds Nkope, Nkasala and Mpondasi to its list of health centres.

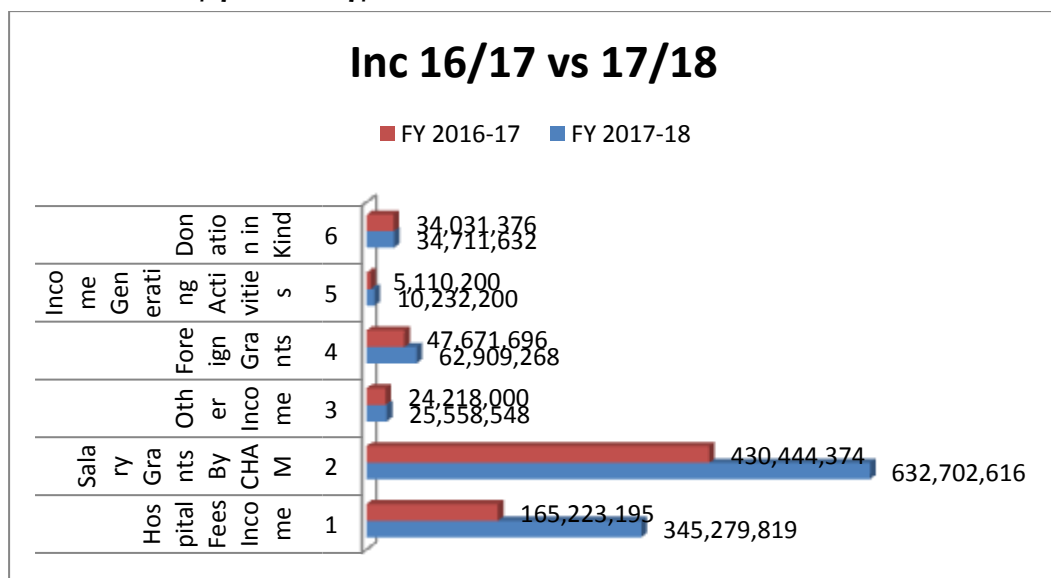
Current Significant Issues

The 2017/2018 budget

It is an activity based budget

- ✓ The budget targets a surplus of Mk115,286,642.00 before capital expenditure and surplus of MK15,396,868.00 after capital expenditure.

INCOME 2016/17 VS 2017/2018 BUDGET



Major activities;

- ✓ Equipment and infrastructure for the additional three health centers. For Nkope and Lulanga to Join service level agreement.
- ✓ Procurement of an administrative vehicle that will enhance transport for ease supervision as most health centers are in hard to reach areas.
- ✓ Staff motivation through adjustment of various allowances in order to match with inflation.

a) Locums (16.7%)

✚ from MK3000 to Mk3500

b) Meal allowances (Average 20%)

GRADES	AMOUNT
A – I	MWK3, 000.00 from MWK 2500.00
J – K	MWK2, 900.00 from MWK 2400.00
L – Z	MWK2, 800.00 from MWK 2,300.00

c) Accommodation allowances (Average 25%)

GRADES	AMOUNT
A – I	MWK20,000.00 from MWK16,000.00
J – K	MWK15,000.00 from MWK 12,000.00
L – Z	MWK10,000.00 from MWK 8,000.00

d) Board Allowances

Board Member

Board Chairperson	-	MWK30, 000.00 from M25, 000.00
Directors	-	MWK23, 000.00 from Mk18, 000.00

In attendance

In-attendance	-	MWK17,500.00 from Mk12,500.00
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e) Airtime allowances

✚ PHA MWK36,000.00 from MK 18,000.00

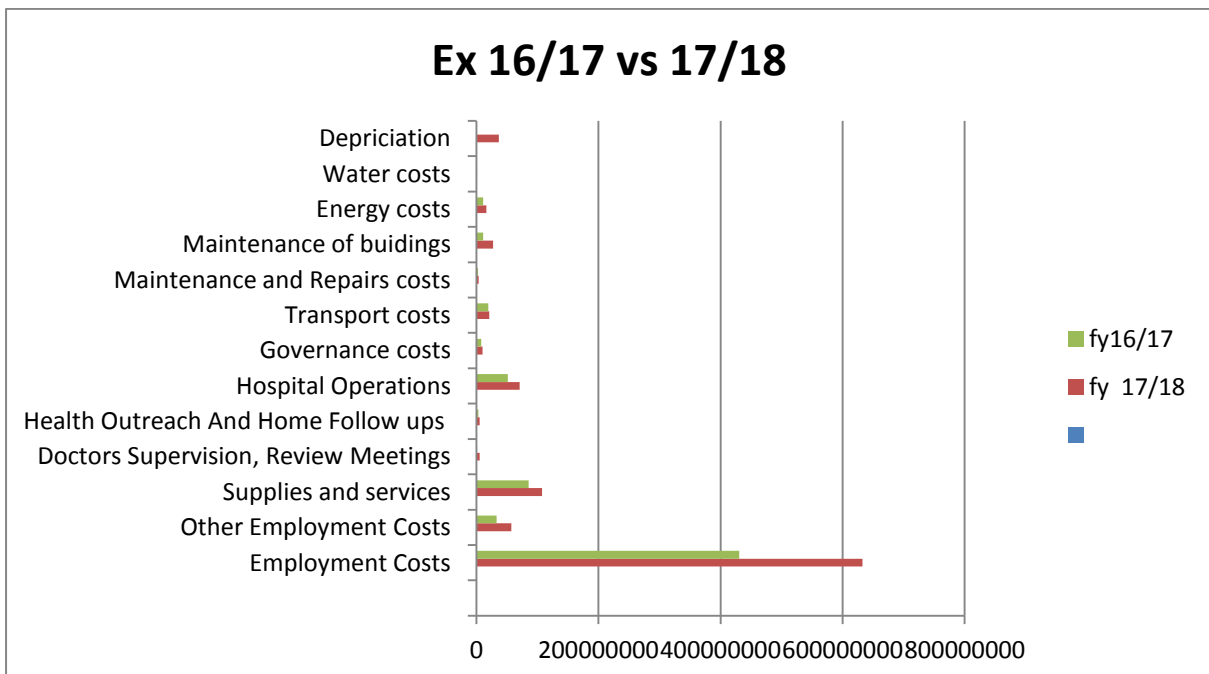
✚ Other Management members MWK28,000.00 from Mk 14,000.00

- ✓ Investments which are expected to bring returns for example furniture, private drug store, making of furniture and raring of chicken.
- ✓ Construction of a house for a medical assistance at Nkasala and construction of a modern operating theatre at St lukes hospital
- ✓ Development of a strategic plan 2017 to 2021

Human capital

- ✓ Training of an eye clinician to run an eye unit at St Luke's Hospital.
- ✓ Training of a palliative care nurse to strengthen palliative care services at St Luke's Hospital.
- ✓ Procurement of New medical equipment for example dental unit and desktop sterilizers.
- ✓ Improved patient care through strengthening of coordinators activities
- ✓ Maintenance of infrastructures to increase their life span.
- ✓ Improved drug supply to health centers and the hospital to MK107,769,162.00 from MK85,334,168.00 reflecting a 26.29% increase.

Expenditure 2016/2017 VS 2017/2018



Matters for Approval

- ✓ Increase In Board Allowance Retrospectively Beginning Today 29 June 2017 8am
- ✓ As stated above;
Increase in all allowances as captured above beginning 1st July 2017.
- ✓ Introduction of all staff from Grade K upwards on MASM cover, Non management members on econo-plan, selected econo-plan scheme for junior staff which will require junior staff to contribute MK6, 000.00 (couple and two children) monthly while executive scheme for management members will require them to contribute MK18, 000. 00 (couple and two children) monthly. Management did a research as previously instructed by the board and the current medical cost is estimated at MWK 2,2 million. MASM cover will ensure that the hospital recovers a significant amount at a higher fee as well as minimizing losses due to bypasses.

Some of the Major Key Performance Indicators in the last Financial year 2016/2017

- ✓ Clearing Of 9million Kwacha Overdraft that was In the Salaries And Main Account that Now the Accounts are having a credit balance (**Positive and Not Negative**)
- ✓ As a measure of profitability, the hospital has a return on capital employed (ROCE) of **6.8%** compared to **4.3%** in 2015/2016 which shows that the hospital efficiently used its resources as well as gained **Mk6.77 per MK100** invested which shows the hospital is making normal returns for a Non-profit making organization(**Not too high and Not too low**)
- ✓ The hospital exceeded its target in terms of user fees by 16% which shows efficiency as well as ensuring sustainable delivery of quality health services.
- ✓ Good donor support which shows good relationship and trust in the current leadership and management as the contribution from partners exceeded by 73%.

- ✓ The Current ratio for 2016/2017 is 2:70 compared to a current ratio 2015/2016 of 1:15 , which shows an improvement in the way creditors are covered, this shows that the hospital has the ability to pay its creditors 2:70 times more compared to 2015/2016 which was only 1:15. This shows that the hospital is able to manage its creditors well and minimize unnecessary borrowing which is good for effective delivery of health services.
- ✓ The Net working capital for this year is Mk61,547,974 which means that this amount will be available in the next financial year to manage its creditors which gives the hospital a good start and ensures the provision of sustainable health services. Since the figure is positive it shows that the hospital is generating enough from its operations to manage its creditors.

Going Concern

The organization continues to increase its assets from MK938,170,250 in 2015/2016 compared to MK966,400,078 in 2016/2017 . The hospital procured a Lorry, Chairs, Photocopy machine, electrolyte machine for the laboratory and installation of solar backup power for key areas of Laboratory, theatre, pharmacy, pediatric ward and maternity which ensures smooth delivery of health services. This is good as it shows the ability of the organization to live forever.

Quality Care

- ✓ Increased Opd attendance by +36% compared to last half of the year which shows good utilization of our Opd services by the community and beyond.
- ✓ Increased number of deliveries by +28% which shows appropriate utilization of the service level agreement and the hospitals contribution to the reduction of

maternal and neonatal death which is currently at 439/100,00 and 27/100 per 1000(MDHS through NSO,2015/15) in Malawi

- ✓ The hospitals growing diagnostic services like laboratory, radiology which has increased by 15% and 28% respectively.
- ✓ Active and functioning Hospital advisory Committees which provides feedback to management in delivery of health services.
- ✓ Clinical Audits continue to provide feedback to the hospital on how to provide quality care.
- ✓ Adoption of the quality philosophy as one of its pillars which makes the hospital to value quality.
- ✓ Overall good performance of health centers in terms of Hospital utilization for example Chilipa OPD attendance has increased by 100% compared to the last year the year the same period due to strengthened supervision, controls and monitoring ,in addition of the recently introduced drug delivery services.
- ✓ The hospital signing of memorandum with world vision for the under 13 and newly signed NRU MOU will increase patient turn up and improve availability of resources.
- ✓ The hospital received various resources in the period under review from partners likes Mattresses and hospital beds, linen, Blood pressure machines and many more resources which improved the care provided to patients.

Technology

Sourcing of Monitors for the yet to be opened Highly dependency unit which will improve patient care and expand the type of services offered.

Intangible assets

The hospital will send one member of staff for eye training and another one for palliative care training who in return will add value to the organization.

Expansion

Due to the challenge of space in Zomba, the hospital will explore Mangochi township for the new and private drug store for IGA.

Risk and Compliance Update

- ✓ The hospital underwent internal audits in the period under review to ensure compliance with its finance policy.
- ✓ The hospital will continue to work hand in hand with supervisors from the DHO and ministry of health.
- ✓ The hospital will continue to do clinical audits.
- ✓ The hospital works hand in hand with pharmacy medicines and poisons board before ordering its drugs from IDA
- ✓ The hospital duly registers its facilities and employees with various regulatory bodies.

Matters for noting

- ✓ Solar power was successfully installed and is working.
- ✓ The PHA went to china for a three weeks training through CHAM
- ✓ The PHA is studying a Masters of Business Administration(MBA) with the University of south Wales sponsored by Capricorn trust and Some Macs members with the approval of the Board chairperson and is expected to serve bond upon completion in 2018.
- ✓ A new SAO is expected to start work on 1st July 2017 ,the first successful candidate who reported for work became ill from depression and the hospital

could not wait for more than 6 months of recovery as recommended by the hospital.

- ✓ Interviews for the Principal Nursing officer were conducted and the New Matron is expected to start work by 1 August 2017.

Management Vision

- ✓ Sustain Expand, and Modernize St Luke's hospital and its health centers.

Challenges

- ✓ Inflation which was high in the first half of the financial year as high as 28%, this affected the cost of drug and supplies.
- ✓ Salary delay, this has affected the retention of staff.
- ✓ Government improved its payment of SLA, however the bigger chunk still remain unpaid.
- ✓ CHAM is using outdated establishments dated back to 2002; this is contrary to government institutions which has updated its establishment, this affect the delivery of health services.

CONCLUSION

St Luke's Hospital and its health centers are healthy and will contribute effectively to the accomplishment of ministry of health vision of health for all.

2. MEDICAL REPORT

Introduction

During the first five months of 2017 the medical department underwent several changes. The introduction of solar power in the laboratory and theatre (among other wards) significantly improved continuity of services. The introduction of new equipment like CPAP and electrolyte machine in maternity and laboratory improved treatment options and laboratory tests. These changes resulted in a general increase in the availability of services, this lead to an increase in production for almost all departments.

Out-patient department

The OPD attendance in the period under review increased by 36% compared to the first 5 months of 2016. Introduction of a dedicated OPD nurse and increase in medical assistants on the OPD have reduced waiting times and improved quality of service in this department. A challenge is the state of minor theatre which makes it impossible to perform any (dirty) procedures and affects efficiency in the OPD. The STI clinic has two dedicated clinicians to see and treat patients. An important task is the screening and treatment of women at risk of cervical cancer. Due to lack of treatment options for precancerous lesions patient numbers are low and an increase in patients presenting with advanced stage cervical cancer is seen. In addition, OPD is now offering optometry services.

In- patient

In-patient admission in the period under review decreased by 26%, the average duration of stays however, increased by 25%. This development of reduced admission but increased length of stay is in line with the previous board report. It suggests patients are less willing to be admitted and prefer to be treated as an outpatient.

HMIS data for St Luke's Hospital

General hospital	Jan-May 2016	Jan-May 2017	Variance
OPD	9310	12664	+36%
Admission (excl maternity)	1838	1355	-26%
Average duration of stay	2.0	2.5	+25%
Occupancy	17%	15%	-2%
Death	65	44	-32%

Maternity			
Total no of woman starting ANC in first trimester	49	62	+27%
Total of woman attending ANC	880	835	-5%
Total ANC visits	1681	1818	+8%
Deliveries	730	934	+28%
Number of CS	143	119	-17%
CS %	20%	13%	-7%
Maternal death	0	1	
Primary Healthcare			
Tot no of children attending under 5	4636	4100	-12%
No of fully immunized children under 1	321	256	-21%
No of underweight children	30	37	+23%
HIV/AIDS/TB			
ART tested	1750	2485	+42%
% tested HIV positive	18%	14%	-4%
Registered on ART	5940	6222	+5%
TB diagnosed	20	14	-30%

Laboratory

Laboratory production has increased by 15% in the period under review. The introduction of two new machines has extended the amount of tests being performed. St Luke's Hospital is now one of the few hospitals able to offer electrolytes and CRP test in the whole of Malawi.

Radiology

The radiology department increased its production by 28%. This follows the increase in patient turn up in OPD. The main challenge is the poor state of radiology equipment leading to interruption of services. The ultrasound machine, though still working, is in urgent need of replacement as the state that it is in now negatively affects the quality of the results.

Theatre

In the period under review the total number of procedures increased by 9%. This is best explained by the increased patient turn up in OPD plus increased performance in family planning counseling. The amount of bilateral tube ligation (BTL) being done increased by 166%. The increase in the amount of procedures results in reduced availability of the single operating room for emergency obstetric care. The number of procedures is expected to increase even more following the graduation of a clinician in obstetrics and gynecology from July 2017 onwards. This makes it important to increase the size of the current theatre to at least two operating rooms.

Health Centres

In the period under review all but one health centre saw a significant increase in patient numbers. This follows increased staffing levels, improved supervision visits and introduction of new laboratory equipment. The challenge of staff retention and poor maintenance of general buildings and staff houses remain.

Data St Luke's Hospital health centers

Chilipa	Jan-May 2016	Jan-May 2017	Variance
OPD	1460	2914	+100%
Deliveries	235	135	-43%
Laboratory tests	2860	4572	+60%
Nkasala			
OPD	3180	4213	+32%
Deliveries	292	300	+2.7%
Laboratory tests	4703	6145	+36%
Mposa			
OPD	4162	4146	-1%
Deliveries	241	367	+52%
Laboratory tests	5657	5047	-11%
Gawanani			
OPD	1471	4215	+180%
Deliveries	198	174	-12%
Laboratory tests	2905	4670	+60%
Matope			
OPD	10698	13620	+27%
Deliveries	148	144	-3%
Laboratory tests	3217	8780	+173%

Achievements

- ✓ Improved availability of nurses, medical assistants and clinicians in OPD resulting in increased patient turn up.
- ✓ Improved neonatal services due to introduction of CPAP in neonatology wing.
- ✓ Improved continuation of service in laboratory, maternity, paediatric and theatre department due to availability of solar power.
- ✓ Introduction of electrolyte and CRP testing in laboratory.
- ✓ Recognition of laboratory technician as a WHO registered grade 2 Malaria expert.
- ✓ Introduction of MVA room, material and training.
- ✓ Improved child friendly services by introduction of children's playground.
- ✓ Introduction of international volunteer programme in liaison with Bemore.
- ✓ Introduction of supervision and service improvement programme to Mikuyu prison in liaison with byounique.
- ✓ Improved access to NRU service due to SLA (recent).
- ✓ Improved palliative care service due to availability of external funding.
- ✓ Improved staffing levels in theatre following recruitment of anesthetic clinician.
- ✓ Improved service level in health centre due to improved supervision, new staff and investments in basic clinical and laboratory equipment. (pulse oximeters, bp cuff, glucometers, Hbhemocue)
- ✓ Significantly increased numbers of BTL.
- ✓ Increased number in antenatal visits.
- ✓ Increased number in deliveries.
- ✓ Sent one nurse to palliative care training.

Challenges

- ✓ Late viral load and geneXpert results from central hospital.
- ✓ Postponed introduction of HDU due to delay in shipments of IDA drug container and HDU equipment due to third party hold up. (equipment and drugs in Malawi as of June 2017)
- ✓ Old radiology equipment disrupting ultrasound services.
- ✓ Old autoclave equipment leading to breakdowns and interruption of theatre services
- ✓ Increased breakdown of ambulances leading to interrupted doctors' visit to health centre's and disruption of income generating activities.
- ✓ High numbers of late stage cervical cancer due to lack of treatment options.

- ✓ Increased number of general operations reduces accessibility of the single operation room for emergency caesarean and other maternity services.
- ✓ No dermatology and ophthalmology services in OPD.
- ✓ Poor state of antenatal and post natal building
- ✓ No guardian shelter
- ✓ Staffing levels of nurses fluctuates more than other cadres
- ✓ Shortage of staff houses.

Recommendations

- ✓ Extension of Solar power to remaining wards. A proposal has been send to the Dutch St Luke's organization awaiting feedback.
- ✓ Introduction of treatment service for pre-cancerous cervical lesions. A beneficiary evening is organized on the 2nd of July 2017 in the Netherlands. The gathered funds will be used for the procurement of a Wisap device.
- ✓ Training of ophthalmologist clinician. A medical assistant is accepted at Lilongwe College of Health Sciences to start July 2017.
- ✓ Building of a new theatre building. Macs UK committed itself to sponsor the building of a new theater. A team from the ministry of works visited the site and will come back with a theater plan.
- ✓ Replacement of old radiology equipment. Quotations and donors are being sourced.
- ✓ Building new guardian shelter. A donor has been found and plans are being made to build a new shelter.
- ✓ Finish HDU and neonatal wards
- ✓ Introduction of gynaecologic clinic with the graduation of the clinical officer.
- ✓ Search for funding of new ambulance. Quotations are sourced and forwarded to potential donors.
- ✓ Refurbishing minor theatre to increase its use. Minor theater has been updated and cleaned. It is awaiting the repair of one anesthetic device.

Primary Health Care

The primary health care department continues to offer preventive health services in the areas of Maternal and Child Health, Nutrition, Antenatal Care, Family Planning, TB services and, Prevention and treatment of various diseases such as Cholera, Typhoid Fever just to mention a few. The report will therefore capture some of the indicators for the period Jan-May 2017 for the specified areas.

Maternal and Child Health

- ✓ The hospital has a primary catchment population of **13826** in Zomba district and **32837** in Machinga district, however, the catchment population of Machinga does not utilize all the services at the MCH department, hence the calculation were based on the catchment population of Zomba. This translates to 692 under ones, 2350 under 5s, 3180 women of the child bearing age and 692 expected pregnancies as well as deliveries in a year according to the HMIS health profile by the Ministry of health.
- ✓ In a specified period (Jan-May 2017), the hospital has managed to fully vaccinate 256 against 288 under ones children who were supposed to be immunized, giving a coverage percent of 88.9% (beating the target of 85% as stipulated by the MoH guidelines). Nevertheless, the coverage for BCG is way too high (277.7%) than the other vaccines (Pentavalent, Measles, PCV, Polio and Vitamin A) as the hospital also offers deliveries beyond its catchment population.
- ✓ It is also pleasing to note that there will be a change on the vaccines to be administered come July 2017; measles will be substituted with measles rubella. However that will start with a campaign from June 12 to June 16 in which there will be supplementary immunization activities involving Vitamin A, Albendazole for deworming and Measles Rubella Vaccines. As for St Luke's hospital all the preparatory activities are already done including the trainings of the vaccinators, briefing of HAC members and publicity to the community.
- ✓ As regards to family planning, Depo-Provera remains the favorite to most women of the child bearing age (93.8 %) unlike the other family planning methods. The percentage of women accessing family planning services is over the expected number of women from the catchment population (182.5%). This could be the case since the service is also utilized by people outside the hospital's catchment population. The only challenge to this service is that it is not offered at community level. In that regard, there is a need to refresh the community based distributor agents (CBDAs) who most of the times are the Health Surveillance Assistants so that family planning methods such Depo-Provera and condom distribution could be done at community level hence increasing the utilization.
- ✓ Total new antenatal attendees for the period were 835 women, two times the expected number (288). Total number of women starting their antenatal care service during the first trimester was 62, way better than the last reporting period which was 49 giving it a percentage increase of 27%. The rate for antenatal care attendees in the first trimester is now at 22% compared to the last reporting period on which it was 14%. The increase could be attributed to the intensified health talks that the department conducts in the community.
- ✓ With support from the SNIC project, the hospital has also introduced love letters at its antenatal care department to encourage men's participation in maternal

health services. However, the hospital still struggles to attract more women in their first trimester to ANC services. In that regard, the department would want to conduct routine awareness campaigns in the catchment area. Above all there is a need to establish and renovate shelters for outreach clinics so that the ANC service could be accessed right at the community level like the way it with growth monitoring and immunizations.

Nutrition

- ✓ Malnutrition is one of the health problems facing the catchment area of the hospital. However, the coming in of SNIC and PROMISE projects under Catholic Relief Services and Emmanuel International respectively, in T/A Malemia has played a bigger role towards efforts of reducing stunting problems in the catchment area of the hospital. The two projects target pregnant women, lactating mothers and under-5 children by using care group model in which village volunteers meet regularly to discuss health and nutrition issues. The catchment area of the hospital has 14 care groups, and in the specified period two modules were rolled out (Maternal Nutrition and, Growth monitoring and Promotion).
- ✓ In the month of March 2017, the department with support from Catholic Relief services (SNIC Project) carried out a Mass Nutrition Assessment in the catchment among the under five Children from the age of six months. Of the under five children assessed, 29 were severely malnourished and 43 were moderately malnourished and all were referred to the hospital for admission into various programs (Outpatient therapeutic care and Supplementary Feeding Programs). Nevertheless, the assessment triggered for an immediate attention towards Nutrition Programs as the figures were so alarming. In that regard, the department is planning to refresh volunteers from the care groups on their day to day activities so that the problem could be reduced.
- ✓ There is a new partnership with UNICEF on Nutrition Service level agreement.

Kraal (Khola) Project

- ✓ The hospital also got funding from Capricorn Africa for the construction of the Kraal for Chicken production (layers and broilers). The construction project commenced in this same period, and the structure is now in full swing and production will start in Mid-June 2017. The idea behind was to make the department economically self-sustainable so that it can support various community activities on its own, rather than being partner dependent.

Typhoid Fever

- ✓ Unlike the previous reporting period in which the hospital's catchment area experienced a Typhoid Fever outbreak, the hospital did not register any alarming figures for the same in the specified period. This could be the case due to some preventive measures which were instituted during the outbreak such as proper dosing of chlorine in the dam as well as frequent cleaning of the dam during the specified period.

Pit Latrines and the Placenta Pit Projects

- ✓ Emmanuel International through the PROMISE project is on a move to construct 4 Pit latrines and 1 Placenta Pit for the hospital. The project has involved community's participation which started with briefing Health Advisory Committee members on the role that the community would take. Regarding the project at Luke's Hospital, the community has contributed sand, while the hospital has taken cover of the transport expenses encountered during the transportation of Sand and Bricks to the site. The rest of the construction materials will be covered by Emmanuel International including labour charges for the contractor.

Health Advisory Committee

- ✓ The hospital also recognizes the importance of engaging the community in decision making as well participation towards health services. As such it has a health advisory committee which was elected late 2016 and started to operate in January 2017. So far the Committee has met once as it was designed to conduct meetings every quarter. In that regard, the next meeting for the committee will be in June 2017.

3. HOSPITAL OPERATIONS

Introduction

This report has only highlighted major events in the last half of the financial year 2016/2017 for the period of five months (January – May 2017). Achievements and progress can be seen in all projects that were planned in the reporting period.

Technical Services and Buildings

Major maintenances have been done on motor vehicles, hospital buildings both at St Luke's and its five health centers, equipment and staff houses. During this period the following general maintenance were conducted

- ✓ Construction of Nursery and Kangaroo which is in progress funded by College of Medicine
- ✓ Construction of chicken kraal which was completed.
- ✓ Upgrading of guardian toilets.
- ✓ Renovation and extension of maintenance office is still in progress.
- ✓ Maintenance of staff houses at St Luke's and it's Health Centers.
- ✓ Repairing of medical equipment. i.e Air conditioner and blood bank.
- ✓ Procurement of a lorry.
- ✓ Maintenance of Ex-wood house
- ✓ Replaced old toilet set with new one at Post-natal ward.

Achievements

a. Solar System

- ✓ Installation of High Breed solar system in 4 departments of the hospital, theater, laboratory, Paediatric, and maternity.
- ✓ The hospital also received solar set system from CHAM and was sent to Gawanani Health Centre.

b. Accounts Department

- ✓ The accounts department has put internal control measures which are in place and have been improved during this reporting period; furthermore the hospital is putting the costs down as much as possible.
- ✓ Reconciliation in all hospital accounts are up to date since 1st May 2017 (Quickbook) because previous reconciliation were not done.
- ✓ The department has improved on meeting deadlines for submission of invoices to our debtors because of the introduction of debtor's collection section.
- ✓ Updating the asset register and inventory list
- ✓ Monthly stock taking in stores department and pharmacy

c. Pharmacy

- ✓ Goods received note introduced in pharmacy to ensure that drugs procured arrives in the pharmacy.
- ✓ Excellent drug management system by Introduction of an active Drug committee, introduction of three lock system for the main hospital pharmacy and five health and creation of drug distribution service to health centers.

d. Medical

- ✓ Serviced the air-conditioners in the pharmacy department
- ✓ There is a full maintenance contract of the full blood count and chemistry machine, which ensures that the services in the lab are not interrupted.

Challenges

- ✓ Though government has started paying SLA the MoH still owes the hospital a huge sum of money.
- ✓ Delayed salaries funding from the government which makes staff loose morale.
- ✓ Old vehicles and buildings which resulted in the hospital spending more on maintenance and services.
- ✓ Most of hospital buildings and staff houses are not in good condition and require extensive maintenance.

Way forward

- ✓ The hospital will strive to spend basing on the available funds to avoid going into further debt.
- ✓ Looking for partners to assist the hospital with funds to procure new ambulance, build more staff houses and to install solar system in the remaining departments of the hospital.

Human Resources Report for January to May

Introduction

The report encompasses St. Luke's Health Departments' key HR issues that have transpired from January to May, 2017 in line with the strategic goals. In brief the report highlights the staffing levels, training and staff wellbeing.

New Employees

The Hospital recruited one medical assistant, dental therapist, anesthetist, clinical technician and seven NMT as illustrated below;

DEPARTMENT	No. OF EMPLOYEES RECRUITED	DIFFERENT CADRE
Clinical Dept.	4	1 Medical Assistant 1 Dental Therapist 1 Anesthetist 1 Clinical Technician
Nursing Dept.	7	7 NMT
Support Staff	7	3 Accounts Assistant 2 Patients Attendants 2 Security guards

Retirement

Mr Sidrick Matiya retired from work after reaching the mandatory age. He started working with St. Luke's in 2001. He was dental therapist.

Transfer

The Hospital Management team noted with deep regret the transfer of the Principal Nursing Officer, Mrs. Chrissie Hussein in quest of following her husband in Mzuzu who worked with the hospital for eighteen years.

Resignations

- ✓ The Hospital Management team noted with deep regret the resignation of Miss Getrude Kumpolota, the Senior Administrative Officer, who resigned for another employment.
- ✓ It is good to note that in the period under review no one in the clinical department resigned.

DEPARTMENT	No. OF EMPLOYEES RESIGNED	CADRE
Administration	1	Senior Administration Officer
Clinical Dept.	0	0
Nursing Dept.	7	7 NMT
Support Staff	4	3 Accounts Assistant 2 Patient attendants 2 Security guards

Termination

The hospital terminated the service of Mr Emmanuel Visati because of misconduct.

Housing

Staff houses are not enough compared to minimum cadres that are supposed to be accommodated as specified by the housing policy. This problem is even worse at Health centers. Some employees are renting houses outside the hospital due to the shortage of houses.

Training

The hospital management sent its staff for further training and upon return these will serve bond and add value to the hospital. Currently, the hospital is supporting five of its employees to complete different courses. Below is the Training and Development plan currently being used.

Training and Development Plan

STUDENT'S NAME	SCHOOL	COURSE	2014	2015	2016	2017	2018	2019	2020
Timothy Phiri	College of Medicine	BA in Sci. in OBS Gyn	20 th Sep. 2014 to 20 th Sep. 2017						
John Kaliza	Malamulo	Cer. In Cli Med.		21 st Oct. 2015 to 21 st Oct. 2017					
Joyce Mustafa	Malamulo	Cer. In Cli Med.		21 st Oct. 2015 to 21 st Oct. 2017					
ChipiliroMasinthe	Mw Col. of Health Sci.	Diploma in N/M			19 th Feb. 2016 to 19 th Feb. 2018				
Leonard Banda	College of Medicine	BA in Gen. Sur.			9 th Aug, 2016 to 9 th Aug, 2019				

On a good note the Principal Hospital Administrator went for Hospital Management Training in China, Southern Medical University through CHAM, the Environmental Health Officer attained a certificate in community mobilization for community action cycle through Management sciences for health and the PHA- secretary was sent for a refresher course organised by MINDSET.

Human resources are an intangible resource of an organization whose expense takes a number of years. The knowledge and skills will promote innovation, solve current hospital challenges and insure that the hospital is in a very good strategic position there by providing health care forever.

4.6 ACHIEVEMENTS

- ✓ Good staffing levels. The Clinical team has two Medical Doctors, eight Clinical Officers and four medical assistants. All nursing positions are filled. This has reduced expenditures on relief and locum
- ✓ Motivated and highly disciplined employees
- ✓ Promotion of employee voice through frequent staff general meetings
- ✓ Introduction of staff registers at all entrances
- ✓ Team work

4. FINANCIAL REPORT

EXECUTIVE SUMMARY(BUDGET FOR 2017-2018)

Management of St Luke's Mission Hospital has prepared annual plans and budget for the year 2017-18 and hereby submits the same to Board of Directors for its review and approval.

The budget includes plans and targets which form a basis on which Directors will assess the performance of Management in the achievement of financial and non-financial outcomes. This will help the hospital achieve adherence to good corporate governance principles that enhance accountability.

The 2017-18 budget aims at improving coverage, operational efficiency and health service delivery which will focus on the patients/customers with value proposition in availability of pharmaceuticals and medical supplies, good infrastructures (habitable) and responsive customer/patient service. These have been considered from four perspectives namely the financial, customer/patient, internal processes and growth assuming that:

- i. The global economy remains trapped in a prolonged period of slow economic growth and dwindling international trade growth.
- ii. It is assumed that exchange rates will remain fairly stable at MWK 750 per USD due to the good harvest during the current financial year which will make Malawi food secure.
- iii. It is assumed that fuel price levels will remain low, so long as the ongoing wars in Arab countries/world are not prolonged and intensified; as a result fuel has been estimated at MWK 850 per litre.
- iv. Inflation is projected that it might stabilize around 15% as the country enjoys good harvests in many areas, prudent monetary policies and tobacco market that opened in April, 2017.
- v. The 2017-18 draft budget for St Luke's and her 8 health centers has been prepared on the assumption that the hospital must be able to be financially sustainable by meeting its obligations to the financiers of supplies/goods and services. It therefore reflects a prudent financial management stance whereby all operating expenses including depreciation and staff motivation fund/loan are expected to be fully financed by both internally and externally generated revenues/income with a modest return on the assets.

- vi. Medical Fees adjustment is projected at 12%, effective 1st October, 2017.
- vii. Introduction of SLA for Mangochi Health Centers, effective 1st January, 2018.
- viii. Meal, Accommodation, Call and Locum Allowances adjustment are projected at 20 %, 25 %, 16.7 %, and 16.7% respectively, to enable employees of the hospital to cushion for ever rising cost of goods and services, but also to improve their morale so that they help the hospital achieve its objectives.
- ix. Staff Motivation Fund - management intends to introduce a staff motivation fund with the aim of lending money to the staff at a very low interest rate of 20% to increase staff morale.

REVIEW OF THE 2016-17 PERFORMANCE

The 11 months performance is detailed below.

Income and Expenditure Report Notes

INCOME

1. Hospital Fees Income

The hospital generated income amounting to MWK 176.3 million against the eleven months budget of MWK 151.5 million, achieving a budget performance rate of 116.4 percent. Detailed below is financial performance in terms of revenue per each health centre including St Luke's and Bishop Malasa Pvt Wing.

Revenue Centre	Budget (11 Months) MWK	Actual (11 Months) MWK	Variance MWK
Bishop Malasa Pvt Wing	24.4 M	27.9 M	3.5M
Chilipa	6.9 M	8 M	1.1M
Gawanani	5.2 M	7.1M	1.9M
Matope	11 M	11.2 M	0.2M
Mposa	9.5 M	11.4M	1.9M
Nkasala	7.9 M	9.5 M	1.6M
St Luke's	73.3 M	101.2 M	27.9M

2. Salary Grants from CHAM

In the period under review, the hospital received MWK 383.5 million in salary grants from CHAM against an eleven months budget of MWK 394.6 million. The hospital was underfunded on this vote.

3. Foreign Income

During the period under review, the hospital received earmarked funds amounting to MWK 38.4 million from various co-operating partners against a budget of MWK 43.7 million. This was due to some partners who did not responding i.e. Anglican Aid Abroad.

4. Income Generating Activities

The hospital generated MWK 1.4 million from its Income Generating Activities (IGA) against a budget of MWK 4.7 million.

The hospital underperformed under this budget line because some planned activities were not carried out. For example Chicken-Kraal project in which the procurement of chicks for the first production is still in process, drug store for which an appropriate room

has not been identified and maintenance department has not as yet started making furniture for sale as was budgeted.

5. Donation in Kind

The hospital had budgeted for MWK 31.2 million in respect of Donation in Kind. During the period under review the hospital received MWK 53.9 million of which MWK 52.7 million came from St Luke's Foundation in a form of drugs. Some donations came from Intercare amounting to MWK 0.4 million and other local partners amounting to MWK 0.8 million.

EXPENDITURE

6. Employment Costs

Out of the budget of MWK 394.6 million the hospital paid out Salaries amounting to MWK 391.3 million. But about 1.8 percent of this amount which gives us MWK 7.2 million was borne by the hospital catering for eleven months salaries for other employees whose salaries was not funded by CHAM, and also due to the recruitment ban.

7. Other Employment Costs

Other employment cost went up to MWK 32.6million from a budget of MWK 30.2 million. This was mainly due to, fees hike by training institutions due to inflation; improved data collection for staff medical cost, top up allowances adjustments within the year which were not calculated for just ended year.

8. Supplies and Services

Our local drug purchases stood at MWK 57.4 million against a budget of MWK 78.2 million. The other part was supplemented by partners mainly St Luke's foundation.

9. Doctors Supervision and Review Meetings

The hospital spent MWK 1.4 million on this budget line against a budget of MWK 1.2 million.

10. Health Outreach and Home Follow Up

During the period under review, the hospital spent MWK 1.2 million against a budgeted amount of MWK 2.9 million. This was mainly due to no response from partners.

11. Hospital Operations

The hospital overall budget for hospital operations was MWK 47.4 million. As at 31st May, 2017, the hospital; had spent MWK 46.8 million. This was mainly due to prudent financial

management, besides high interest rates on the MWK 9 million overdraft facilities at our First Merchant Bank Salaries and Main accounts and also increases in prices of materials due to harsh economic conditions.

12. Governance Costs

Governance costs went up to MWK 8.3 million from a budget of MWK 7.5 million. This was mainly due to chaplaincy cost for trainings, additional management meeting due to the adoption of Mangochi health centres management commitment in the payment of CHAM membership fee.

13. Transport Cost

During the period under review, the hospital budgeted for MWK 17.8 million, this considering that our fleet of vehicles is old and require a high maintenance cost. However, the hospital spent MWK 16.1 million.

14. Maintenance and Repair Costs

Maintenance and Repair Costs went up to MWK 4 million from a budgeted amount of MWK 2.6 million. The hospital overspent on this budget line because it had serviced/repaired more of its hospital equipment i.e. over whole service of laboratory and theatre machine and air condition for the main pharmacy.

15. Maintenance of Buildings

During the period under review, the hospital spent MWK 5.7 million against a budgeted amount of MWK 10.2 million due to cash flow challenges especial in the first half of the financial year (2016-2017).

16. Energy Costs

The hospital spent on this budget line MWK 7.6 million against a budgeted amount of MWK 10.4 million. This was mainly due to the coming in of solar energy and reduced number of black outs.

17. Water Costs

In the period under review, the hospital spent MWK 0.4 million on the vote of water Costs against a budget of MWK 0.5 million.

Capital Expenditure

During the period under review, internally and externally financed capital expenditure amounted to MWK 8.7 million against a budget of MWK 23.7 million.

Income and Expenditure Report for the period of 1st July 2016 to 31st May 2017

In Malawi Kwacha

As at 31st
May 2017

		FY 2017-18	FY 2016-17	FY 2015-16	FY 2016-17	FY 2015-16	FY 2016-17	FY 2015-16		
	Note	Draft Budget	Approved Budget	Approved Budget	Budget	Budget	Actual	Actual	Variance	Usage Percent
		12 M	12 M	12 M	11 M	11 M	11 M	11 M		
INCOME										
Hospital Fees Income	1	345,279,819	165,223,195	140,800,000	151,454,595	129,066,667	176,286,326	116,483,352	59,802,974	116
Salary Grants By CHAM	2	632,702,616	430,444,374	426,963,335	394,574,009	391,383,057	383,521,325	398,906,213	(15,384,888)	97
Other Income		25,558,548	24,218,000	15,258,000	22,199,833	13,986,500	18,919,582	12,126,948	6,792,634	85
Foreign Grants	3	62,909,268	47,671,696	51,900,000	43,699,055	47,575,000	38,354,116	54,553,491	(16,199,375)	88
Income Generating Activities	4	10,232,200	5,110,200	2,122,000	4,684,350	1,945,167	1,350,000	65,000	1,285,000	29
Donation in Kind	5	34,711,632	34,031,376	24,250,000	31,195,428	22,229,167	53,999,319	36,971,730	17,027,589	173
Total Income		1,111,394,083	706,698,841	661,293,335	647,807,270	606,185,557	672,430,668	619,106,734	53,323,934	

EXPENDITURE

Employment Costs	6	632,702,616	430,444,374	426,963,335	394,574,009	391,383,057	390,724,290	403,794,749	(13,070,459)	102
Other Employment Costs	7	57,251,876	32,976,969	28,595,100	30,228,888	26,212,175	32,576,421	21,437,422	11,138,999	71
Supplies and services	8	107,769,162	85,334,168	60,332,000	78,222,987	55,304,333	57,360,620	64,300,439	(6,939,819)	82
Doctors Supervision,	9				1,215,500	4,326,667	1,404,152	1,881,850		155

Review Meetings		5,167,788	1,326,000	4,720,000					(477,698)	
Health Outreach And Home Follow ups	10	5,234,007	3,150,000	10,045,300	2,887,500	9,208,192	1,226,600	737,255	489,345	26
Hospital Operations	11	70,644,326	51,706,000	47,351,985	47,397,167	43,405,986	46,767,876	40,389,432	6,378,444	85
Governance costs	12	10,047,586	8,180,000	7,300,000	7,498,333	6,691,667	8,270,075	4,145,559	4,124,516	55
Transport costs	13	21,318,748	19,436,000	15,800,000	17,816,333	14,483,333	16,104,976	13,560,109	2,544,867	76
Maintenance and Repairs costs	14	3,900,000	2,790,000	3,250,000	2,557,500	2,979,167	4,008,326	2,552,624	1,455,702	100
Maintenance of buildings	15	27,611,333	11,150,000	9,320,000	10,220,833	8,543,333	5,741,505	9,088,499	(3,346,994)	89
Energy costs	16	16,260,000	11,310,000	4,800,000	10,367,500	4,400,000	7,633,494	7,325,319	308,175	71
Water costs	17	1,200,000	590,000	556,000	540,833	509,667	404,136	425,000	(20,864)	79
Depriciation	18	37,000,000	-	-	-	-	37,212,481	-	37,212,481	
Total Expenditure		996,107,441	658,393,511	619,033,720	603,527,385	567,447,577	609,434,949	569,638,257	39,796,692	
Surplus/Deficit before Capex		115,286,642	48,305,330	42,259,615	44,279,886	38,737,980	62,995,719	49,468,477	13,527,242	
Capital Expenditure		99,889,774	23,650,000	20,259,615	21,679,167	18,571,314	8,680,014	28,885,431	(20,205,417)	
Surplus/Deficit after Capex		15,396,868	24,655,330	22,000,000	22,600,719	20,166,667	54,315,705	20,583,046	33,732,659	

STATEMENT OF FINANCIAL POSITION (BALANCE SHEET) NOTES

20. Property, Plant and Equipment

During the period of reporting, Property, Plant and Equipment were MWK 868.8 million.

21. Inventories

As at 31st May 2017, the hospital had MWK 31.5 million worth of inventory detailed as below:-

- a. Stores - MWK 1.3 million
- b. Pharmacies - MWK 30 million (IDA container inclusive 11.5 million)

22. Accounts Receivables

In the period under review, the hospital offered services on credit amounting to MWK 52.4million.

23. Amount due from related parties

The hospital lend out funds and other offered services to other related parties (Diocesan Institutions) amounting to MWK 5.6 million.

24. Cash and Cash Equivalents

As at 31st May 2017, Cash and Cash Equivalents were at MWK 8.2 million. The balances were as follows:-

- a. Full Access Door to Door Account - MWK 0.08 million
- b. Med Dep Building Project Account - MWK (1 million)
- c. Med Dep PHC AIDs Account - MWK 0.7 million
- d. Med Dep DSM 7 Day Call Account - MWK 2 million
- e. Med Dep DSM ADUS JCBP Account - MWK 0.02 million
- f. Forex Account - MWK 1.8million
- g. Salaries Account - MWK 1.7 million
- h. Main Account - MWK 1.3 million
- g. Petty Cash - MWK 0.4 million

25. Accounts Payables

During the period of review, accounts payables (creditors) amounted to MWK 31.6 million

26. Amount due to related parties

In this period of reporting, the hospital liabilities due to related parties amounted to MWK 3.4 million.

COST CONTAINMENT MEASURES AND PERFORMANCE IMPROVEMENT STRATEGIES

Future Perspective

As a way of strategy, the Hospital will intensify revenue/income collection efforts with a view to improve cash flow and hence improve service delivery to all stakeholders. However, permanent solution to debtors (excluding SLA) will be re-signing of contracts with all the medical schemes.

Fuel Costs

- a. Introduction fuel card which will help in monitoring and reconciliation
- b. Combine Drug Distribution Trips and Doctors Supervision Visits-Mangochi Health Centers

Telephone Usage

- a. Introduction of call logs which will help in airtime monitoring

Locums

- a. Introduction of Locum Committee and Locum request forms

Pharmaceuticals and Medical Supplies

- a. To advertise a tender for pharmaceuticals and medical supplies to use economies of scale and negotiate for discounts

STATEMENT OF FINANCIAL POSITION(BALANCE SHEET)

As at 31st May 2017

In Malawi Kwacha

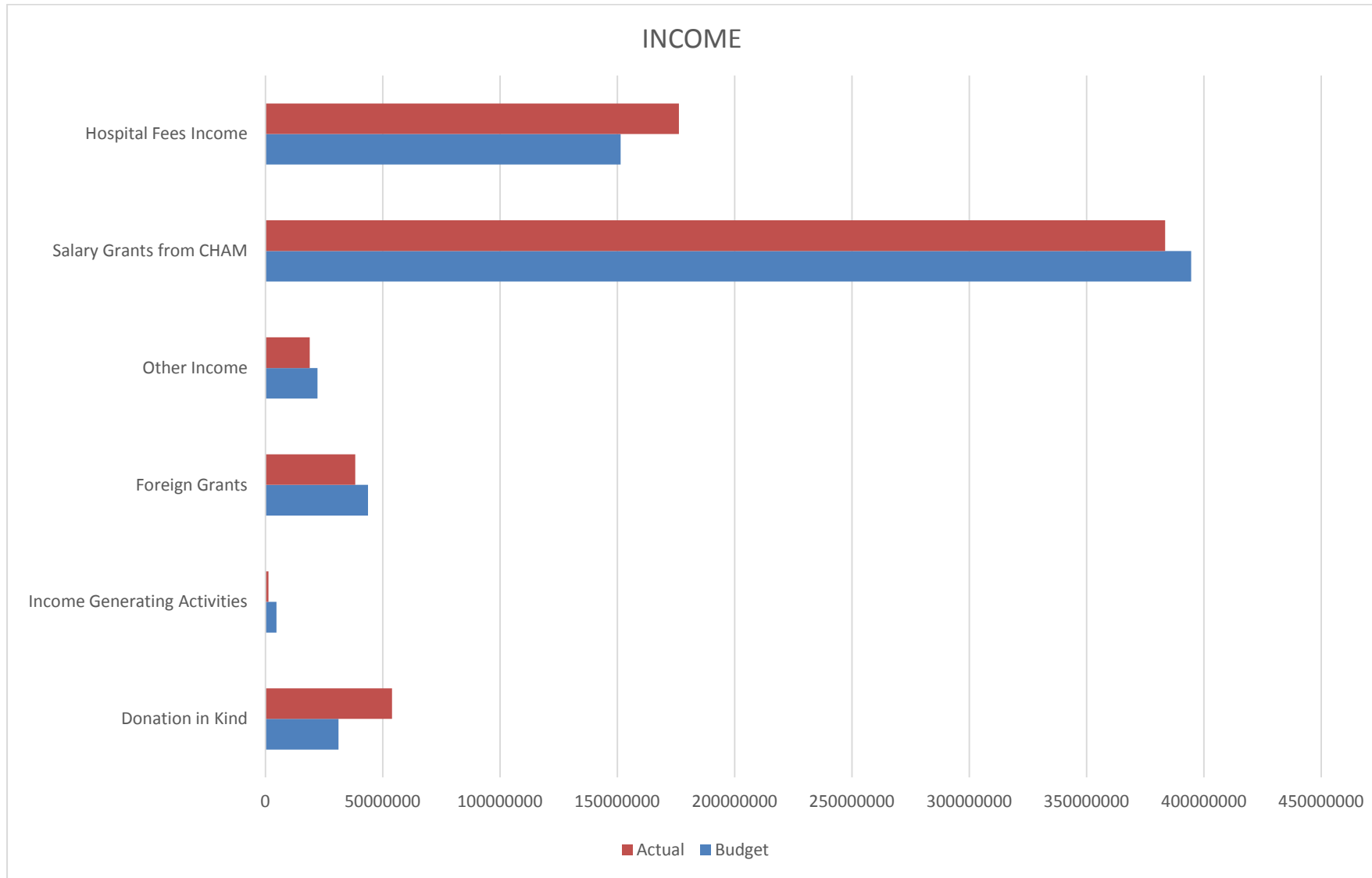
	Note	FY2015-16 12 M	FY2016-17 11 M
ASSETS			
NON-CURRENT ASSETS			
Property, Plant and Equipments	20	876,457,256	868,750,816
Total Non-Current Assets		876,457,256	868,750,816
CURRENT ASSETS			
Inventories	21	6,977,487	31,502,963
Accounts Receivables		50,686,040	52,407,369
Amount Due from Related Parties		3,567,129	5,581,057
Cash and Cash Equivalents	24	482,338	8,157,874
Total Current Assets		61,712,994	97,649,262
Total Assets		938,170,250	966,400,078
FUNDS AND LIABILITIES			
FUNDS			
Capital Funds		(940,448,930)	(934,306,887)
Revenue Reserves		55,717,929	4,008,097
Total Funds		(884,731,001)	(930,298,790)
LIABILITIES			
Accounts Payables	25	(34,989,659)	(31,615,742)
Amount Due to Related Parties	26	(7,845,472)	(3,484,602)
Bank Overdraft		(10,604,118)	(1,000,944)
Total Liabilities		(53,439,249)	(36,101,288)
Total Funds and Liabilities		(938,170,250)	(966,400,078)

STATEMENT OF CASH FLOW

As at 31st May, 2017

In Malawi Kwacha	Note	FY2016-17
		Actual
		11 M
OPERATING ACTIVITIES		
Cash Receipts from Customers		176,286,326
Cash Receipts from Foreign Grants		38,354,116
Cash Receipts from Salary Grants (CHAM)		383,521,325
Cash Receipts from Income Generating Activities		38,354,116
Cash Receipts from Other Income		18,919,582
Cash Receipts from Donation		1,350,000
Cash Paid		
Cash Paid to Suppliers		(57,360,620)
Cash Paid to Hospital Operations		(46,767,876)
Cash Paid to Employees		(425,601,089)
Cash Paid to Doctors Supervision, Review Meetings		(1,404,152)
Cash Paid to Health Outreach And Home Follow ups		(1,226,600)
Cash Paid to Governance costs		(8,270,075)
Cash Paid to Transport costs		(16,104,976)
Cash Paid to Maintenance and Repairs costs		(4,008,326)
Cash Paid to Maintenance of buidings		(57,415,050)
Cash Paid to Energy costs		(7,633,494)
Cash Paid to Water costs		(404,136)
Interest Paid		
Net cash from Operating Activities		11,669,490
INVESTING ACTIVITIES		
Cash Receipts from Sale of Property and Equipment		2,125,000
Cash Paid for Purchase of Property and Equipment		8,680,014
Interest Received		
Net cash from Operating Activities		(6,555,014)
FINANCING ACTIVITIES		
Cash Paid for Repayment of Loans		
Net Cash from Financing Activities		
Net Cash Flow		5,114,476

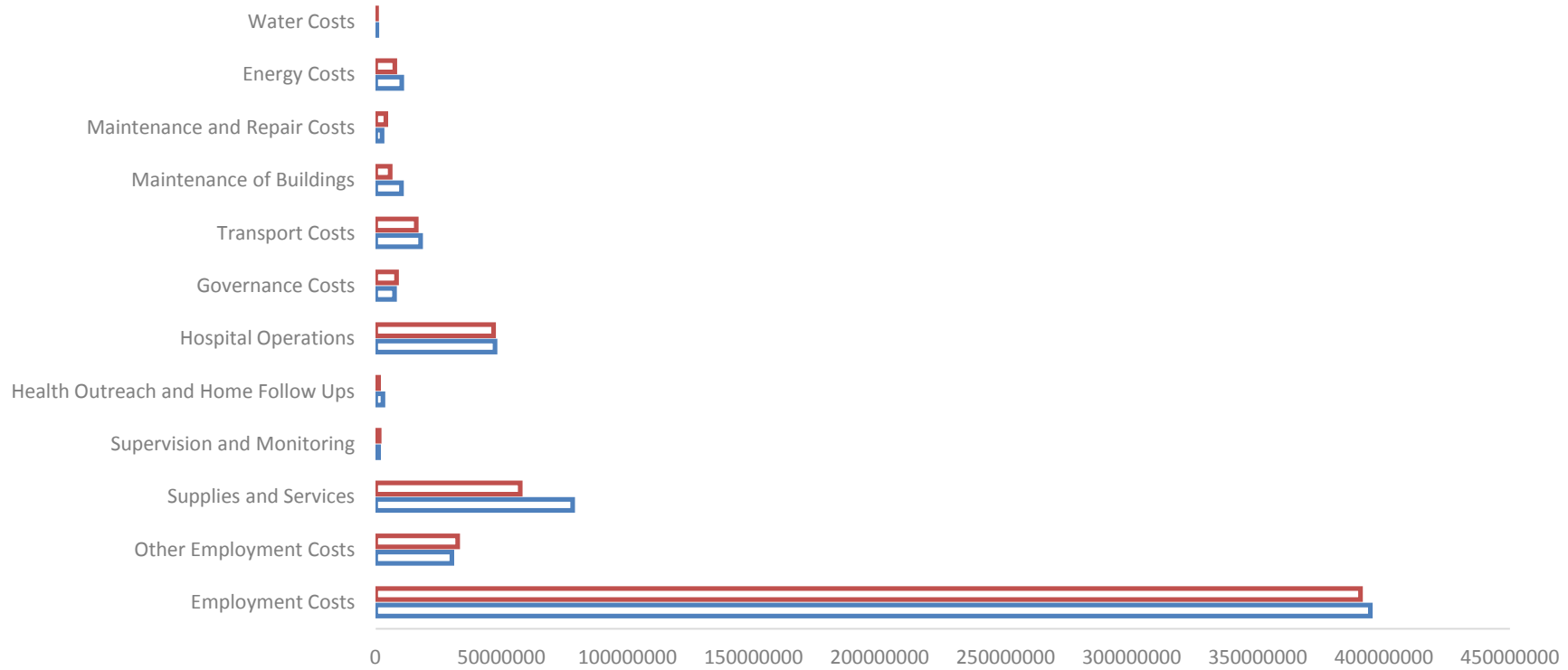
Graph 1



Graph 2

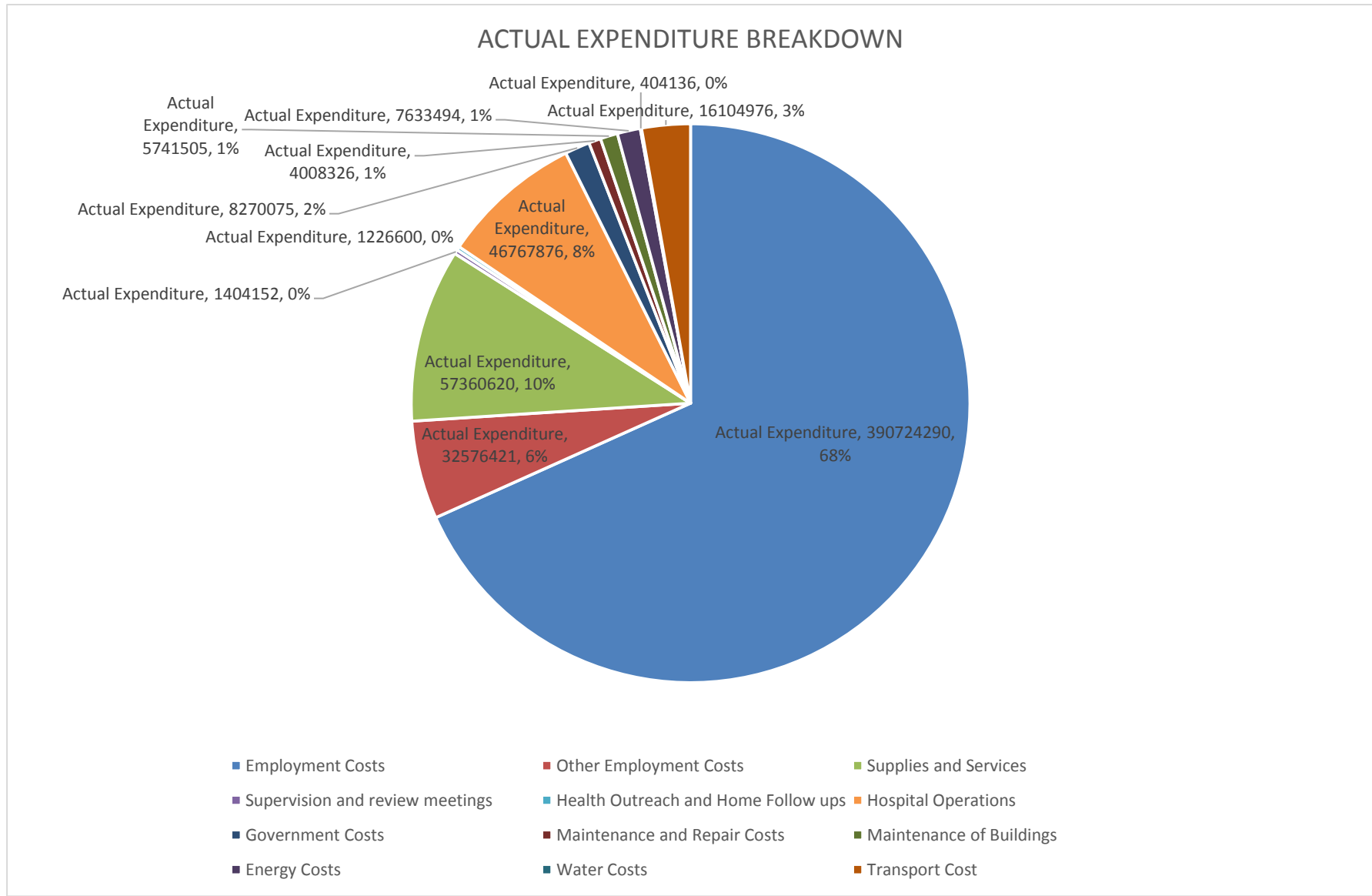
EXPENDITURE

Actual Budget



	Employment Costs	Other Employment Costs	Supplies and Services	Supervision and Monitoring	Health Outreach and Home Follow Ups	Hospital Operations	Governance Costs	Transport Costs	Maintenance of Buildings	Maintenance and Repair Costs	Energy Costs	Water Costs
Actual	390724290	32576421	57360620	1404152	1226600	46767876	8270075	16104976	5741505	4008326	7633494	404136
Budget	394574009	30228888	78222987	1215500	2887500	47397167	7498333	17816333	10220833	2557500	10367500	540833

Graph 3



THE DRAFT 2017-18 BUDGET

The Draft 2017-18 Budget has been prepared using certain underlying assumptions such as overall macro-economic stability, exchange rates, interest rates e.tc and is articulated in the following sections.

1.0 Malawi Economic Growth

The local economy registered an estimated growth of around 3.0% in 2016. The good harvest in the reporting period will make Malawi food secure hence affecting GDP growth positively. The economy is likely to grow at around 5.0%. Growth is likely to increase to around 6.0% in 2018 as the country continues to work towards self-sustainability.

2.0 Interest Rates

One of the current government's main macroeconomic goals is to reduce interest rate. Currently, the market is very liquid and the Kwacha has stabilized. A policy rate cut has recently been made to 22% from 24% in the first half of the year. It is Likely that the policy rate may be reduced during 2018 to around 20.0%.

3.0 Exchange Rates

The central bank has been accumulating reserves as a result the local currency has stabilized. An improved reserve position will enable the central bank to have greater control on the value of the currency by pumping in foreign exchange into the market to cope with demand during the lean period.

With the good harvest in the country, it is likely that the Kwacha may stabilize at MWK750 per 1USD in 2017-18.

4.0 Inflation

Malawi's CPI is affected by developments in both the monetary sector and the real sector developments. Food inflation is mainly determined by the availability of maize which determines the price according to supply and demand.

Inflation is being projected to stabilize at 15% in 2017-18.

It is assumed that fuel price levels may remain low, so long as the on-going wars in the Arab countries/world are not prolonged; as a result fuel has been estimated at MWK850 per litre.

That hospital fees will be adjusted by 12% effective 1st October, 2017.

5.0 At Micro (Institutional) Level

The 2017-18 draft budget for St Luke's has been prepared on the assumption that St Luke's must be financially sustainable by meeting its obligations to the financiers of suppliers of supplies/goods and services. It therefore reflects a prudent financial management stance whereby all operating expenses including depreciation and staff motivation fund/loans are expected to be fully financed by both internally and externally generated revenues with a modest return on the assets.

Therefore, the 12% fees adjustment proposed in the draft budget is meant to assist the Hospital meet the above stated covenant. It is against the above backdrop that St Luke's must provide its services to esteemed customers/patients at cost recovery plus a modest mark up in order to sustain its operations.

6.0 Proposed Fees Adjustment for 2017-18

At the current level of MWK 316.6 million, the hospital will register a net deficit of MWK 17.4 million. This scenario is unacceptable since it does not help the Hospital to cover its operational costs.

The adjustment of current fees by 12% (MWK 16.7 million increase) from 1st October, 2017 and introduction of SLA-Lakeshore health centers from 1st January, 2018, would result in St Luke's register a net surplus of MWK15.4 million. This scenario is able to generate adequate surplus.

7.0 Justification for 12% Fees Increase

Most CHAM facilities including St Luke's are locked in curved of poor performance because of unrealistic low medical fees which leads to low collections.

Due to low collections, investments and maintenances are postponed, resulting into service corrosion, which makes customers/patients less willing to patronize the facilities. This makes the facilities to live on borrowed funds and management loses autonomy and incentives, thereby efficiency keeps on dropping. As a result the facilities can't pay wages (for staff under payroll of St Luke's proper), locums, recurrent costs nor extend the service delivery network, which leads to further service corrosion. All this ends up in a hospital running in crisis mode.

Therefore it is important to allow facilities to start charging cost reflective fees so that it can sustain its operations and make timely investment needs in the health system.

8.0 STATEMENT OF COMPREHENSIVE INCOME

The hospital will continue to efficiently utilize its resources in the financial year 2017-18 with total revenue/income of almost MWK 1.111 Billion and total expenditure of almost MWK 1.096 Billion and a surplus of MWK15.4 million.

9.0 INCOME AND EXPENDITURE

INCOME

9.0.1 Hospital Fees Income

Hospital Fees Income has been budgeted at MWK345.3 million from expected amount MWK 165.2 million in 2016-17, representing 52.1% growth. This is largely due to inclusion of Mangochi health centers and proposed medical fees adjustment by 12% and service level agreement (SLA) for Mangochi health centres.

9.0.2 Salary Grants by CHAM

Salary Grants by CHAM has been budgeted at MWK 632.7 million against the expected amount of MWK 430.4 million for the year ending June 30, 2017, representing 31.9% growth. This is due to adoption of Mangochi health centres

9.0.3 Other Income

Other Income has been budgeted at MWK 25.6 million compared to 2016/17 budgeted other income of MWK 24.2 million, representing a 5.8% increase.

9.0.4 Foreign Grants

Foreign Grants has been budgeted at MWK 62.9 million. Below is the breakdown:

US grant	-	£ 6172 at MWK 941.10/£
Capricorn Africa	-	£ 6172 at MWK 941.10/£
MACs	-	MWK47 million
Anglican Aid Abroad	-	£2000 at MWK941.10/£
Chilema foundation	-	€2000 at MWK 815.45/€
St Luke's foundation	-	€ 42000 at MWK 815.45/€

9.0.5 Income Generating Activities

This vote has been budgeted at MWK 10.2 million

9.0.6 Donation in Kind

Donation in Kind has been budgeted at MWK 34.7 million as the hospital anticipated to receive from its partners St Luke's Foundation to contribute MWK 34.2 million and Intercare MWK 0.4 million worth of drugs

EXPENDITURE

9.0.7 Employment Costs

Salaries have been budgeted at MWK 632.7million. This account is therefore estimated as shown on the table:-

Table 9.0.7 Salary Estimates

Expected Total Salaries for 2017-18 FY	MWK
St Luke's	364.8 million
Matope	26.9 million
Nkasala	24.4 million
Mposa	28.1 million
Lulanga	39.2 million
Chilipa	24.7 million
Nkope	52.9 million
Mpondasi	46 million
Gawanani	25.7 million

9.0.8 Other Employment Costs

The account has been budgeted at MWK 57.3 million. The hospital uses casual laborers in landscaping at the main facility (St Luke's) and also pays Hardship, Call, Top Up allowances to both technical and support staff.

This vote also includes, staff medical costs, staff transfer costs, and staff recruitment costs, training costs, staff motivation fund e.tc

9.0.9 Supplies and Services

The cost of supplies and services has been budgeted at MWK 107.8 million, against the projected figure of MWK 85.3 million in the 2016-17 budget, representing 20.9% increase. This is largely due to the adoption of Mangochi Health Centers.

9.0.10 Doctors Supervision and Review Meetings

The cost of Doctors Supervision and Review Meetings has been budgeted at MWK 5.2 million, against a 2016/17 budgeted amount of MWK 1.3 million. This increase is to cater for the new health centers.

9.0.11 Health Outreach and Home Follow Ups

This vote has been budgeted at MWK 5.2 million.

9.0.12 Hospital Operations

The Hospital has budgeted hospital operations at MWK 70.6 million for 2017 to 2018 compared to the budgeted MWK 51.7 for the current financial year. The increase has taken into account the proposed allowances adjustment which has been provided for in this budget, and also the new health centers.

9.0.13 Governance Costs

Governance Costs has been budgeted at MWK 10 million with an increase of MWK 1.8 million to cater for Lulanga, Nkope and Mpondasi cham membership fee.

9.0.14 Transport Costs

This account has been budgeted at MWK 21.3 million. In addition the Hospital has budgeted MWK 0.8 million for insurances, MWK 9 million for motor vehicle repairs, MWK 0.7 million for transport and travel.

Fuel has been budgeted at MWK10.7 million, against the projected amount of MWK 8.5 million in the 2016/17 budget, representing a 27.5% increase.

9.0.15 Maintenance and Repair Costs

Maintenance and Repair Costs has been budgeted at MWK 3.9 million. This amount is for buying tools and spares for maintenance works.

9.0.16 Maintenance of Buildings

This account has been budgeted at MWK 27.6 million. The Hospital intends to continue carrying out routine maintenance during the planning financial year, hence the provision. This amount will enable the Hospital to buy both the building materials and tools for maintenance.

9.0.17 Energy Costs

This vote has been budgeted at MWK 16.3 million. The amount has been budgeted for the following:-

Genset Fuel	-	MWK 3.4 million
Electricity (Hospital)	-	MWK 8.4 million
Electricity (Maize Mill)	-	MWK 3 million
Other Heating and Lighting Expenses	-	MWK 1.5 million

9.0.18 Water Costs

This account has been budgeted at MWK 1.2 million.

9.0.19 Capital Expenditure

The Hospital has budgeted MWK 99.8 million for projects to be financed both internally and externally in the 2017-18 budget. The budget sum is planned for the implementation of construction of medical staff house, new theatre, placenta pit, guardian shelter, pit latrines e.tc. The subsequent sub-sections outline the detailed breakdown of this budget.

I. Motor Vehicle (MWK 20 million)

The Hospital has planned to procure an administrative vehicle to improve its aged fleet to allow efficient operations of the Hospital.

II. Office Equipment (MWK4.8 million)

The Hospital has planned to procure various office equipment for its administration. The equipment includes computer hardware and furniture. The items shall cost the Hospital a total of MWK 4.8 million.

III. Hospital Equipment (MWK15.7 million)

The Hospital has planned to procure hospital equipment for both the main facility (St Luke's) and its health centers for a total of MWK 15.7 Million.

For the health centers, the hospital has planned the sum of MWK 5.1 million, and MWK 12.7 million for the main facility (St Luke's).

IV. Structures and Buildings (MWK 57.6 million)

The Hospital has planned to construct various structures and one staff house at a total cost of MWK 57.6 million.

For Lulanga, the Hospital has planned to construct new incinerator, 2 pit latrines, and procure a water tank. These structures have been estimated to cost MWK 1.5 million.

Nkope, the hospital has planned to construct 2 pit latrines at an estimated cost of MWK 0.5 million.

For Mpondasi, the hospital has put into plan, the construction of 2 pit latrines, placenta pit, guardian shelter, and a sign post at an estimated cost of MWK11 million.

The Hospital has planned to construct a new theatre building in the budget year at a cost of MWK 30 million.

For Nkasala, the hospital has taken into account the construction of a MWK 17 million medical assistant's house.

ITEMISED BUDGET INCOME

	12 M Budget 2017-18	12 M Budget 2016-17	11 M Budget 2016-17	11 M Actual 2016-17
Hospital Fees Income				
St Lukes Hospital	137,088,000	80,000,000	73,333,333	80,516,854
Bishop Malasa Pvt Wing	39,074,718	26,640,000	24,420,000	27,910,514
Chilipa	11,499,264	7,629,320	6,993,543	5,608,790
Nkasala	14,753,088	8,590,540	7,874,662	5,755,295
Gawanani	7,626,528	5,675,700	5,202,725	4,607,597
Mposa	16,466,016	10,402,420	9,535,552	6,168,560
Lulanga	14,044,800	-	-	-
Nkope	16,800,000	-	-	-
Mpondasi	9,493,888	-	-	-
Sub Total	266,846,303	138,937,980	127,359,815	130,567,610
Service Level Agreement Income				
St Lukes	33,451,639	11,675,597	10,702,631	20,800,132
Chilipa	6,660,000	2,047,351	1,876,738	2,365,198
Nkasala	7,360,000	3,948,521	3,619,478	3,843,461
Gawanani	3,183,203	2,145,549	1,966,753	2,520,767
Matope	12,000,000	12,000,000	11,000,000	11,000,000
Mposa	6,528,675	4,363,480	3,999,857	5,189,160
Lulanga	3,500,000	-	-	-
Nkope	3,250,000	-	-	-

Mpondasi	2,500,000	-	-	-
Sub Total	78,433,517	36,180,498	33,165,457	45,718,716
Salary Grants By CHAM				
Net Salaries	416,758,629	243,884,071	223,560,398	224,353,887
PAYE paid by CHAM/Government	113,218,119	85,976,796	78,812,063	72,409,520
Pension Premium paid by CHAM/Govt	19,821,167	30,094,241	27,586,388	28,402,594
SWAP	68,567,801	58,789,866	53,890,711	54,036,232
Professional Allowance	2,046,700	1,753,200	1,607,100	1,792,018
Medical Allowance	1,989,200	1,747,200	1,601,600	1,723,094
ACM/INDE TRUST	-	-	-	-
Leave Grants-CHAM	10,301,000	8,199,000	7,515,750	8,006,945
Sub Total	632,702,616	430,444,374	394,574,009	390,724,290
Other Income				
Foreign students fees	8,413,344	10,200,000	9,350,000	11,783,215
Electricity deduction from staff	235,200	168,000	154,000	-
Water	360,000	360,000	330,000	-
Exchange rate gain	500,000	100,000	91,667	1,290,936
Bank interest and commissions	100,000	100,000	91,667	21,573
Sale of fixed assets	1,500,000	1,200,000	1,100,000	1,234,100
Sale of other materials	1,000,000	300,000	275,000	396,484
Private patients food	-	-	-	-
Catering Bishop Malasa Pvt ward	3,000,000	8,640,000	7,920,000	1,064,250
Reimbursement of costs	500,004	-	-	265,585

House rent	3,150,000	3,150,000	2,887,500	2,863,439
Maize Mill	3,600,000	-	-	-
Other Sundry Income	3,000,000	-	-	-
Easy Loan-Administrative Costs	200,000	-	-	-

Sub Total	25,558,548	24,218,000	22,199,833	18,919,582
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Foreign Grants

Us Grant	5,808,468	6,655,696	6,101,055	-
Capricon Africa	6,587,700	20,716,000	18,989,667	7,617,696
MACS	47,000,004	500,000	458,333	23,733,697
Beit Trust	-	500,000	458,333	-
Sonnyvank	-	4,250,000	3,895,833	-
Anglican Aid abroad	1,882,200	2,000,000	1,833,333	-
Chilema Foundation	1,630,896	2,000,000	1,833,333	-
St Lawlence and St Watford UK	-	1,000,000	916,667	-
Hands on Health	-	-	-	-
St Luke's Foundation	-	50,000	45,833	-
Externally funded projects	-	10,000,000	9,166,667	-
Zebra Trust	-	-	-	1,337,257
United Society	-	-	-	5,665,467

Sub Total	62,909,268	47,671,696	43,699,055	38,354,116
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Income Generating Activities

Tuck shop rentals	144,000	72,000	66,000	66,000
Hall hire	1,500,000	-	-	1,184,000

PHC (Chicken rearing and others)	2,538,200	2,538,200	2,326,683	100,000
Maintenance (furnitures)	2,000,000	-	-	-
Private Drug Store	3,000,000	2,500,000	2,291,667	-
Staff Motivation Fund	1,050,000	-	-	-

Sub Total	10,232,200	5,110,200	4,684,350	1,350,000
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Donation in Kind

St Lukes Foundation	34,248,900	32,934,168	30,189,654	52,701,054
Friends of St Lukes (Dental Supplies)	-	997,208	914,107	-
Intercare	462,732	100,000	91,667	468,578
Other local donations	-	-	-	829,687

Sub Total	34,711,632	34,031,376	31,195,428	53,999,319
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ITEMISED BUDGET EXPENDITURE

	12 M Budget 2017-18	12 M Budget 2016-17	11 M Budget 2016-17	11 M Actual 2016-17
Employment Costs				
Net Salaries	416,758,629	243,884,071	223,560,398	224,353,887
PAYE	113,218,119	85,976,796	78,812,063	72,609,520
Pensions	19,821,167	30,094,241	27,586,388	28,652,594
SWAP	68,567,801	58,789,866	53,890,711	54,036,232
Professional Allowances	2,046,700	1,753,200	1,607,100	1,792,018
Medical Allowances	1,989,200	1,747,200	1,601,600	1,723,094
ACM/INDE TRUST	-	-	-	-
Leave Grants-CHAM	10,301,000	8,199,000	7,515,750	8,215,713
Sub Total	632,702,616	430,444,374	394,574,009	391,383,057
Other employment costs				
Staff medical cost	2,500,000	1,100,000	1,008,333	2,234,110
Hardship allowance	4,800,000	2,568,000	2,354,000	2,242,000
Staff welfare cost	2,000,000	500,000	458,333	372,750
Casual labours	736,000	350,000	320,833	666,107
Staff recruitment cost	3,000,000	2,816,000	2,581,333	2,082,075
Staff transfer cost	4,500,000	1,800,000	1,650,000	927,216
Staff house rent	720,000	1,032,000	946,000	1,074,712
Top up allowances	16,090,340	9,808,969	8,991,555	14,077,288
Gratuity/Pensions paid by Hopsital	3,843,536	-	-	1,581,503
Severance pay	500,000	-	-	-

Workmans compensation	500,000	300,000	275,000	-
Leave grant paid by hospital	192,000	192,000	176,000	-
CPD activities	500,000	1,000,000	916,667	-
MASM	1,000,000	-	-	-
Wages-Maize Millers	600,000	-	-	-
Training Costs	6,502,000	6,660,000	6,105,000	6,537,300
Seminars, Workshops and Training	5,768,000	4,850,000	4,445,833	781,360
Staff Motivation Fund	3,500,000	-	-	-

Sub Total	57,251,876	32,976,969	30,228,888	32,576,421
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Supplies and services

Foreign drugs (donations in kind)	-	32,934,168	30,189,654	24,160,081
Drug purchases(St Lukes)	36,632,070	27,950,000	25,620,833	16,647,661
Medical supplies clearing-St Lukes	550,000	400,000	366,667	692,367
Radiology-St Lukes	7,447,440	3,500,000	3,208,333	1,200,138
Dental-St Lukes	5,214,997	3,500,000	3,208,333	1,056,511
Laboratory-St Lukes	6,018,037	3,000,000	2,750,000	4,345,405
Theatre-St Lukes	-	-	-	-
Physiopherapy-St Lukes	947,316	250,000	229,167	-
Mposa	8,784,648	3,000,000	2,750,000	2,516,277
Gawanani	6,874,086	1,800,000	1,650,000	2,194,649
Nkasala	6,870,516	3,000,000	2,750,000	2,597,904
Chilipa	7,818,504	3,000,000	2,750,000	1,949,628
Matope	-	3,000,000	2,750,000	-
Nkope	6,870,516	-	-	-
Mpondasi	6,870,516	-	-	-
Lulanga	6,870,516	-	-	-

Sub Total	107,769,162	85,334,168	78,222,987	57,360,620
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Doctors Supervision, Review Meetings

Clinical Visits	835,788	384,000	352,000	660,000.00
Health Supportive supervision	2,928,000	168,000	154,000	221,461.55
Drug Distribution Services	1,326,000	283,200	259,600	440,000.00
PHC	-	90,800	83,233	37,600.00
Hands on Health (HOH)	-	-	-	-
Technical Review Meetings	-	300,000	275,000	24,990.00
Technical Supervision (Projects)	-	-	-	-
HMIS	78,000	100,000	91,667	20,100.00
Water	-	-	-	-

Sub Total	5,167,788	1,326,000	1,215,500	1,404,151
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Health Outreach And Home Follow ups

Community gardens	-	50,000	45,833	-
MCH outreach (including new sites)	120,000	-	-	-
Home Based Care	-	1,000,000	916,667	-
Environmental Health	-	800,000	733,333	-
YFHS-refresher course/Activities	620,004	200,000	183,333	-
TB follow up	403,333	300,000	275,000	248,400
HIV Aids activities	403,333	600,000	550,000	28,000
Palliative care services	978,332	-	-	486,200
PHC activities	500,000	-	-	464,000
PMTCT Follow-up/ART/HTC	530,000	-	-	-
Nutrition trainings/cooking demonstration	-	-	-	-
Demostrations	-	-	-	-

Occupational Health	200,004	200,000	183,333	-
ANC Awareness Campaign	500,000	-	-	-
HAC Trainings	500,000	-	-	-
HAC Meetings	279,000	-	-	-
NRU Free Service Sensitization Meeting	200,000	-	-	-
Sub Total	5,234,007	3,150,000	2,887,500	1,226,600

Hospital Operations

Audit fees	2,000,000	1,000,000	916,667	477,000
Legal/court fees	500,000	750,000	687,500	433,700
Stock taking costs	1,000,000	142,000	130,167	246,400
Bank charges	3,500,000	4,800,000	4,400,000	8,829,106
Exchange rate loss	500,000	20,000	18,333	1,538,471
Meal allowances	2,359,200	750,000	687,500	1,912,090
Corporate social responsibility	500,000	500,000	458,333	198,000
Exempted patients	200,000	200,000	183,333	-
St Lukes Day and other commemorations	2,000,000	500,000	458,333	1,153,019
Accommodation allowances	1,000,000	1,000,000	916,667	783,760
Other general office expenses	-	-	-	1,186,339
Refunds-Patient deposit refunds	300,000	100,000	91,667	106,575
Post box rent	21,250	22,000	20,167	21,250
Postage and courier	20,000	20,000	18,333	-
Printing and Stationery	7,597,188	3,620,000	3,318,333	5,293,535
Tele-Communication	1,300,000	798,000	731,500	1,138,060
Cleaning Materials	4,040,400	4,000,000	3,666,667	3,211,992
Linen	2,100,000	3,000,000	2,750,000	953,125
Hot Meal	3,840,000	11,510,000	10,550,833	3,544,792
Leave Comutation	980,000	1,200,000	1,100,000	1,170,933

Relief Duty	3,450,000	1,918,000	1,758,167	2,985,122
Locums	3,570,000	4,200,000	3,850,000	2,912,500
Call Allowances	12,591,288	11,016,000	10,098,000	5,017,500
Staff Uniforms	3,595,000	396,000	363,000	79,494
Preventive Wear	200,000	100,000	91,667	132,890
Night Teas	-	144,000	132,000	37,500
Chaplacy office	1,180,000	-	-	-
Income Generating Activities	7,500,000	-	-	563,015
Tax (i.e. WHT e.tc)	2,500,000	-	-	1,303,196
Private Patient Meals	1,800,000	-	-	1,398,512
TB Meals	500,000	-	-	140,000

Sub Total	70,644,326	51,706,000	47,397,167	46,767,876
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Governance costs

Board meetings	2,400,000	2,400,000	2,200,000	582,580
Chaplain	-	480,000	440,000	1,291,300
Management meetings	600,000	600,000	550,000	1,212,693
Subscription to Medical council & PMPB	680,000	300,000	275,000	488,000
CHAM membership fees	4,167,586	3,200,000	2,933,333	3,622,766
Foreign travel	2,000,000	1,200,000	1,100,000	1,072,736
Ombusman Office	200,000	-	-	-

Sub Total	10,047,586	8,180,000	7,498,333	8,270,075
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Transport costs

Motor Vehicle Repairs	9,000,000	7,160,000	6,563,333	6,077,101
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Insurances	878,748	1,708,000	1,565,667	575,775
Fuel	10,740,000	10,068,000	9,229,000	8,421,500
Transport and travel	700,000	500,000	458,333	1,030,600
Sub Total	21,318,748	19,436,000	17,816,333	16,104,976

Maintenance and Repairs costs

Maintenance of solar equipment	600,000	100,000	91,667	-
Maintenance of roads and grounds	200,000	80,000	73,333	342,919
Maintenance of office equipment	500,000	60,000	55,000	371,274
Maintenance of hospital equipment	1,300,000	1,000,000	916,667	3,116,132
Maintenance of hospital furniture	100,000	50,000	45,833	-
Computer repairs and costs	500,000	300,000	275,000	178,000
Maintenance of Maize Mill	500,000	-	-	-
Genset	200,000	1,200,000	1,100,000	-
Sub Total	3,900,000	2,790,000	2,557,500	4,008,326

Maintenance of buidings

Hospital buildings-St Lukes	4,000,000	4,000,000	3,666,667	1,876,642
Hospital fence-St Lukes	-	-	-	-
Hostel-St Lukes	-	-	-	-
Staff houses-St Lukes	3,150,000	1,575,000	1,443,750	3,003,676
Hospital buildings-Matope	1,520,000	800,000	733,333	574,675
Staff houses-Matope	1,350,000	315,000	288,750	169,812
Hospital buildings-Nkasala	1,650,000	800,000	733,333	22,450
Staff houses-Nkasala	-	315,000	288,750	-
Hospital buildings-Chilipa	5,925,000	800,000	733,333	54,050

Staff houses-Chilipa	-	315,000	288,750	-
Hospital buildings-Gawanani	500,000	800,000	733,333	35,000
Staff houses-Gawanani	700,000	315,000	288,750	-
Hospital buildings-Mposa	1,166,667	800,000	733,333	5,200
Staff houses-Mposa	516,667	315,000	288,750	-
Hospital buildings-Lulanga	810,000	-	-	-
Staff houses-Lulanga	-	-	-	-
Hospital buildings-Nkope	1,500,000	-	-	-
Staff houses-Nkope	823,000	-	-	-
Hospital buildings-Mpondasi	1,500,000	-	-	-
Staff houses-Mpondasi	2,500,000	-	-	-
Sub Total	27,611,333	11,150,000	10,220,833	5,741,505

Energy Cost

Electricity	8,400,000	7,260,000	6,655,000	3,778,394
Other Heating and Lighting Expenses	1,500,000	4,050,000	3,712,500	558,100
Electricity-Maize Mill	3,000,000	-	-	-
Genset Fuel	3,360,000	-	-	3,297,000
Sub Total	16,260,000	11,310,000	10,367,500	7,633,494

Water

Employees-ADUS	360,000	360,000	330,000	211,000
Hospital-ADUS	120,000	130,000	119,167	100,000
Matope water installations	-	100,000	91,667	-
WUA	720,000	-	-	93,136
Sub Total	1,200,000	590,000	540,833	404,136

Depriciation	37,000,000	-	-	37,212,481
Sub Total	37,000,000	-	-	37,212,481

CAPITAL BUDGET EXPENDITURE

	12 M Budget 2017-18	12 M Budget 2016-17	11 M Budget 2016-17	11 M Actual 2016-17
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Capital Expenditure

Hospital Equipment	-	3,000,000	2,750,000	
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Office Equipment and Furniture

Computer Sets- 4 Desktop	1,400,000	-	-	361,150
Heavy Duty Photocopier	-	700,000	641,667	895,000
Printers	-	-	-	-
Office Chairs/Furnitures	2,000,000	500,000	458,333	864,000
4 Laptops	1,000,000	-	-	-
Wi-Fi	-	-	-	-
Plasma and DSTV Decoder	350,000	-	-	-
Office Safe-Cashier's Office-Mpondasi	500,000	-	-	
OPD-Furniture	500,000	-	-	

Sub Total	5,750,000	1,200,000	1,100,000	2,120,150
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Hospital Buildings

Hospital Fence Construction	-	-	-	-
Hospital Fence Retantion Fee	-	600,000	550,000	-
Construction of Maintenance Building	-	-	-	-
Mortuary-St Lukes		50,000	45,833	-
Car Ports	1,500,000	-	-	-

Podium	-		-	-
Sign Post	-	150,000	137,500	-
Construction of New Incinerator-Lulanga	580,000	-	-	-
Construction of Cashier's House-Lulanga	-	-	-	-
Construction of 2 Pit Latrines-Lulanga	500,000	-	-	-
Procurement of New Water Tank-Lulanga	500,000	-	-	-
Construction of 2 Pit Latrines-Nkope	500,000	-	-	-
2 Sign Posts-Mposa	400,000	-	-	-
NRU Building-St Lukes	-	-	-	-
Maternity Pit Latrine-Nkasala	400,000	-	-	-
Medical Assistant Houses-Nkasala	17,000,000	-	-	-
VCT Building Electrification-Nkasala	350,000	-	-	-
Water Tank-Nkasala	-	-	-	105,200
2 Pre-paid Escom Meters-Nkasala	150,000	-	-	-
2 Pit Latrines-Gawanani	250,000	-	-	-
Water Tank and Upgrading of water System-Mposa	-	-	-	-
Hospital corridor lights-St Lukes	200,000	-	-	-
Theatre	30,000,000	10,000,000	9,166,667	-
Staff Toilet-Female ward-St Lukes	250,000	-	-	-
Water Tank and Upgrading of water System-Mposa	500,000	-	-	-
2 Staff Pit Latrines-Mposa	350,000	-	-	-
Construction of 2 Pit latrines-Mpondasi	500,000	-	-	-
Construction of Placenta Pit-Mpondasi	3,500,000	-	-	-
Sign Post-Mpondasi	200,000	-	-	-

Sub Total	57,630,000	10,800,000	9,900,000	105,200
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Staff Houses

Staff Toilet-Female ward-St Lukes	-	-	-	-
2 Staff Pit Latrines-Mposa	350,000	-	-	-

Sub Total	350,000	-	-	-
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Vehicles and Bikes

Ambulances	-	-	-	-
Lorry	-	8,000,000	7,333,333	6,228,764
Administrative Vehicle	20,000,000	-	-	-
Bicycles	-	-	-	-

Sub Total	20,000,000	8,000,000	7,333,333	6,228,764
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Hospital Equipments

Olympus Microscope CX23	-	-	-	-
Examination Couch	1,995,000	-	-	-
BioBase Medical Refrigerator 250 Litres BXC-V250M	1,395,000	-	-	-
Dental Unit	2,395,000	-	-	-
Mobile Type Dental X-ray Machine	-	-	-	-
Trolley LCD Display Ultrasound Scanner	4,495,000	-	-	-
Lawn Mower	-	150,000	137,500	-
Desktop Sterlizer	-	-	-	-
Scanning Machine	-	-	-	-

Air Condition-Pharmacy-St Lukes	-	-	-	-
Fridges	-	-	-	225,900
PABX System	3,279,774	-	-	-
Automatic Stainless Steel Portable Sterilisers ETHWICH-24MEDJ- 24 Litres	2,100,000			
Sub Total	15,659,774	150,000	137,500	225,900
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Accounting Software and Training	500,000	500,000	458,333.33	-
Sub Total	500,000	500,000	458,333	-

DEBTOR'S AGE ANALYSIS

As at 31st May, 2017

Debtor	Total Amount	Current	30 Days	60 Days	Over 90 Days
Machinga DHO	34,834,574	4,226,985	1,918,311	6,238,980	22,450,298
Zomba DHO	10,785,311	1,974,789	1,174,744	1,174,744	6,461,034
Neno DHO	467,157	-	-	-	467,157
SRWB-Zomba	220,831	-	9,500	-	211,331
SRWB-Liwonde	-	-	-	-	-
MASM	2,406,092	-	320,035	509,011	1,577,046
UNIMED	505,957	138,525	-	74,288	293,144
Horizon Health	1,368,302	-	263,093	171,994	933,215
Diocesan Headquarters	1,625,401	1,000,000	-	-	625,401
Chilema ETTCC	348,249	39,078	30,920	-	278,250
St Lukes Nursing College	3,357,407	113,355	-	113,335	3,130,717
Sun Bird Ku Chawe Inn	126,725	31,319	53,688	-	41,719
MRA	51,777	-	-	-	51,777
Dignitas International	31,775	10,275	-	-	21,500
RBM	-	-	-	-	-
WVI	199,681	-	-	-	199,681
Allianz	874,556	190,544	89,970	256,150	337,893
Liberty Health	32,490	-	11,800	20,690	-
Escom	472,141	-	41,393	-	430,748
Tuck Shop	30,000	-	-	30,000	-
St Martins Hospital	250,000	-	-	-	250,000
	57,988,425	7,724,870	3,913,453	8,589,191	37,760,911

NOTE: SLA = MWK 46 million, Drugs = MWK 11.9 Million

Creditor's Age Analysis

As at 31st May, 2017

Debtor	Total Amount	Current	30 Days	60 Days	Over 90 Days
S. Chemicals Manufacturers	187,500	187,500	-	-	-
DR Hard Stationers	369,886	369,886	-	-	-
Consumables centres	770,940	604,927	-	166,013	-
Chilema ETTC	314,736	66,405	-	-	248,331
CHAM	8,513,612	-	-	-	8,513,612
Afrox Limited	482,148	103,685	-	103,685	274,778
Electro Medical Engineering	350,000	350,000	-	-	-
Spar Hardware	102,986	19,805	-	-	83,181
Tshwa Chen	60,000	-	-	-	60,000
Supre Auto Parts	161,935	-	-	-	161,935
Tendai Hardware	38,384	-	-	-	38,384
Britam	302,900	-	-	-	302,900
Adus Hq	30,000	-	-	-	30,000
Mbogah Hardware	152,575	-	-	-	152,575
Central Medical Stores	18,356,306	-	-	-	18,356,306
TO's Investments	35,850	-	-	-	35,850
Adus Water	46,250	-	46,250	-	-
MRA	11,901	11,901	-	-	-
Kriss Offset	45,667	-	-	-	45,667
NBS	573,575	-	-	-	573,575
Barnet and James	202,225	-	-	-	202,225
Employees	879,364	-	-	-	879,364
Escom	(1,244,886)	-	-	-	(1,244,886)
St Lukes Nurseing College	2,214,252	-	-	-	2,214,252
	32,958,105	1,714,109	46,250	269,698	30,928,049

