

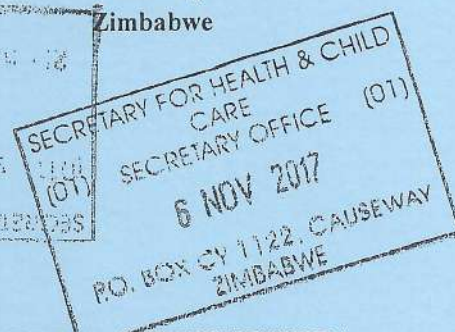
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24 October 2017

THE SECRETARY FOR HEALTH AND CHILD CARE  
BRIGADIER GENERAL (DR) G GWINJI



RE: SPECIAL AUDIT: PUBLIC PRIVATE PARTNERSHIPS (PPPs): CHITUNGWIZA  
CENTRAL HOSPITAL

### 1. INTRODUCTION

A special audit of Public Private Partnerships at Chitungwiza Central Hospital was conducted from 17 to 28 July 2017. The audit was conducted on request by the Permanent Secretary.

### 2. BACKGROUND

In 2013 Chitungwiza Central hospital engaged Private sector players with the view of reviving the health delivery system which was being compromised due to inadequate resources. The Government in its Economic Blueprint Zim-Asset seeks to pursue investment vehicles such as Public Private Partnerships to collaborate with development partners in rendering technical and financial assistance to different sectors of the economy such as Health. To date, the hospital has six contracts with Private sector players in the following areas, Catering, Radiology, Pharmacy, Laboratory, Mortuary and Kiosk.

### 3. OBJECTIVE

To evaluate the establishment and operation of Public Private Partnerships at Chitungwiza Central Hospital.

### 4. SCOPE OF AUDIT

- Pharmacy
- Radiology
- Laboratory
- Mortuary
- Catering
- Finance



## 5. SUMMARY OF THE OBSERVATIONS

- 5.1 The Ministry does not have a policy that guides establishment and operations of Public Private Partnership within Government hospitals.
- 5.2 Contract documents availed to audit revealed that the Hospital entered into six (6) contracts with Private Partners from 2013 for provision of the following services;  
Pharmacy  
Radiology  
Funeral Parlor at the Hospital Mortuary  
Catering  
Pathology Laboratory  
Outsourcing of Coffee shop and Kiosk
- 5.3 A review of the contract documents revealed that the Hospital Executive lacked legal advice in formulation of the agreements.
- 5.4 The hospital surrendered its premises, equipment, staff and entire operations to the Private Partners in return for a percentage of the profit generated from provision of services to patients. This poses the **risk** of improper safeguarding of assets and compromise service delivery
- 5.5 The contract between the Hospital and B.I.G Diagnostic Pvt Ltd allowed the Partner to evaluate the hospital equipment in Radiology department with a view of coming up with an agreed profit sharing arrangement, and there was no provision for involvement of technical personnel from the Ministry nor the hospital. **This posed a risk of unfavorable and biased evaluation against the hospital. The Partner's evaluation concluded that there was no guarantee for the continued use of the hospital's equipment.**
- 5.6 The hospital mortuary was converted into a Funeral Parlour resulting in storage charges being raised for dead bodies contrary to Ministry's standard policy that provides the services for free.
- 5.7 The revenue collected by the hospital declined from a monthly average of \$315 740 in 2013 to \$75 090 in 2017. As a result the hospital was failing to pay its suppliers of goods and services thus compromising service delivery.
- 5.8 The Partners running Radiology, Laboratory, Mortuary and Pharmacy were **collecting all the revenue generated and banking the money in their bank accounts.** The hospital's Accounts Department was not involved in the process.
- 5.9 The Hospital did not have an effective system for determining profit made by Partners although the contracts stated that the commission remitted was based on the profit generated. **This poses a risk of understated profits leading to low commissions being remitted to the hospital.**



- 5.10 The Partners were not paying the commission as agreed, thus breaching the terms of the agreement.
- 5.11 The Partners were not availing their books of Accounts to the hospital Accounts Department for verification of the commission remitted. This was a requirement in the contract, and written requests were ignored.
- 5.12 Despite several breaches by the Partners, the hospital management did not formally write to the former, calling for remedies as per the contracts.
- 5.13 The pricing of the medicines by the Private Pharmacy, Balloon Flight Pharmaceuticals was not covered under the terms of the contract, and as a result patients were complaining of high prices being charged for medicines and surgicals.
- 5.14 The operation of the partnerships at the hospital contradicted with the vision of the Ministry for provision of health services to all Zimbabweans. Access to surgicals and medicines was available to cash paying patients only at the hospital's private pharmacy while Medical Aid was not accepted and credit facility not availed.
- 5.15 The Partnerships resulted in the Partners gaining more than the Hospital due to the following factors;
- The contracts did not take into consideration, the issue of overhead costs (electricity, water, etc) hence the costs were borne by the hospital. The hospital was incurring average monthly bills of \$2 140 and \$12 419 in water and electricity respectively.
  - The hospital was contributing more in terms of labour costs in the departments being run by Partners, Accumed Laboratories, B.I.G Diagnostics (Pvt) Ltd and Doves Funeral Assurance (Pvt) Ltd. The Government continued paying salaries for members of staff absorbed and working for the Partners since commencement of the contracts.
  - Radiology department had four machines used in provision of services , **three** machines belonged to the hospital while **one** belonged to the Partner.
- 5.16 The hospital was purchasing medicines and surgicals worth at most \$30 000 from the private pharmacy operating within its premises without going for tender as required by the procurement procedures.
- 5.17 There was no system of internal check and control to manage conflict of interest between hospital pharmacy and private pharmacy operating within the same premises.
- 5.18 The Hospital staff absorbed by Partners in Radiology, Laboratory and Mortuary Departments did not have written contracts specifying their conditions of service though top up salaries were being paid.
- 5.19 Hospital management was not monitoring and evaluating the operations of the Partnerships.



- 5.20 Best corporate governance practices were not observed in the establishment and operation of Public Private Partnerships as;
- The interests of stakeholders such as patients and the State were being compromised.
  - Key corporate governance concepts such as accountability, disclosure and transparency were being compromised.

## 6. DETAILED OBSERVATIONS

### 6.1 REVENUE COLLECTION

- 6.1.1 An analysis of Chitungwiza Central hospital's average monthly revenue collection showed a sharp decrease from \$315 741,00 in 2013 to \$75 090,00 in 2017. As a result the hospital was failing to pay suppliers of goods or services thus negatively impacting on service delivery. The hospital was faced with shortages of medicines and surgicals. **Table A** showed the details.

**Table A** showed average monthly revenue collected by Chitungwiza Hospital from 2011 to 2017

Year	Monthly Average Revenue Collection
2011	\$472 103,00
2012	\$354 496,00
2013	\$315 741,00
2014	\$267 058,00
2015	\$165 651,00
2016	\$210 607,00
2017	\$75 090,00

### 6.2 RADIOLOGY OUTSOURCING; B.I.G Diagnostic (Pvt) Ltd and Chitungwiza Central Hospital

- 6.2.1 The Hospital entered into a 5 year agreement with B.I.G Diagnostic (Pvt) Ltd on 27 February 2013 for outsourcing of radiology services.
- 6.2.2 The Hospital did not avail for audit inspection, tender documents that resulted in a contract for outsourcing of radiology services at the hospital by B.I.G Diagnostic (Pvt) Ltd
- 6.2.3 The Partner brought in a CT scan, Toshiba Ultra sound scan with poor resolution and a used Medpro/MD AFP imaging processor complimenting the hospital's siemens analogue X- ray machine.
- 6.2.4 Physical inspection by audit revealed that the Partner's Toshiba Ultra sound scan machine was lying idle and covered with a piece of cloth in one of the storeroom, and the Users revealed that it was not functioning due to poor resolution as a result all general, doppler, echo, and small ultra sound scans were being done using the Hospital's Ultra sound scan machine.
- 6.2.5 The contract stipulated that the Partner will pay 60% of all operational profit for use of hospital's equipment and 15% for use of the Partner's equipment.



- 6.2.6 The X-Ray Department abandoned the use of hospital numbers generated and allocated to patients at Out-Patient Department, thus disrupting the audit trail.
- 6.2.7 An interview with the Partner's representative and examination of personal files of the 'absorbed' hospital staff revealed that there were no written contracts between them and B.I.G Diagnostic (Pvt) Ltd (Partner), regarding salary top up and conditions of service.
- 6.2.8 The Hospital seconded X-Ray Department staff to B.I.G Diagnostic and they were given the option to continue working in the department with individually negotiated additional top- up salary to their current Government remuneration.
- 6.2.9 The staff compliment in the X-Ray department comprised of 12 hospital members operating the machines while B.I.G Diagnostic provided a Manager and two clerks.

### **6.3 MORTUARY: AGREEMENT FOR THE PROVISION OF FUNERAL PARLOUR SERVICES**

- 6.3.1 The hospital did not avail for audit inspection tender documents that resulted in a 5 year contract for provision of funeral parlour services awarded to Doves Funeral Assurance (Pvt) Ltd.
- 6.3.2 The agreement between the Hospital and Doves Funeral Assurance (Pvt) Ltd entered on 17 April 2014 resulted in the **Hospital mortuary being turned into a funeral parlour** offering services such as embalming, chapel, washing and dressing, coffin charges, deceased ambulance services, transport, graveside and others.
- 6.3.3 The contract resulted in dead bodies from the wards being charged a storage fee of \$15 per day after a 3-day stay in the mortuary. This was in violation of Ministerial standard which provide mortuary services for free.
- 6.3.4 The agreement required the Partner to pay 10% of the gross profit generated from the provision of funeral parlour services to the hospital on a weekly basis and the agreement did not reveal the criteria used to determine the rate of commission.
- 6.3.5 Interviews with hospital members of staff revealed they were not provided with enough protective clothing and uniforms by the Partner. There is a **risk** of infection given the nature and operation environment.



## 6.4 OUTSOURCING OF PHARMACY SERVICES

- 6.4.1 The hospital entered into a 2 year contract with Baloon Flight Pharmaceuticals (Partner) on 13 April 2015 for outsourcing of Pharmacy services.
- 6.4.2 The two Parties agreed that Baloon Flight Pharmaceuticals run a pharmacy shop concurrent with the hospital's pharmacy shop.
- 6.4.3 Baloon Flight Pharmaceuticals was selling medicines and surgicals on cash basis only and Medical Aid was not accepted.
- 6.4.4 The contract stipulated that Baloon Flight Pharmaceuticals remit 5% of its gross profit to the hospital account by the 7<sup>th</sup> day of every month.
- 6.4.5 The hospital pharmacy was not capturing patient's name and hospital number for medicines dispensed to the hospital's patients by Baloon Flight Pharmacy on credit terms as a result audit could not verify the authenticity of the credit raised against the hospital. As the time of audit, invoices totaling \$3 122,60 raised against the hospital by Baloon Flight Pharmacy could not agree with records maintained by the hospital's pharmacy. Hospital Pharmacy records indicated that Baloon Flight was owed \$814,20.

## 6.5 PATHOLOGY LABORATORY SERVICES

- 6.5.1 The hospital entered into a 5 year contract with Accumed Laboratories (Pvt) Ltd in December 2015.
- 6.5.2 Accumed Laboratories (Pvt) Ltd previously operated at Chitungwiza hospital under the name Centre for Diagnostic Excellence in a similar agreement in 2014 (Tender no. CHIT/LAB56/2014) for the provision of pathology laboratory services. The contract between the two parties failed and was terminated on 2 March 2015 due to the following reasons;
- a. Centre for Diagnostic Excellence cited that he was incurring expenditure that was surpassing revenue.
  - b. Failure to pay by Medical aid societies leading to inability by Accumed to sustain operational costs.
  - c Availability of Chinese equipment and reagents enabling the hospital to operate its laboratory.
- 6.5.3 After a failed contract with Centre for Diagnostic Excellence, the company changed its name to Accumed laboratories (Pvt) Ltd (Certificate of change no. **1081/2014 refers**) in 2015 and was awarded a tender by Chitungwiza Central hospital for provision of the same services and the two parties entered into a 5 year contract in December 2015.



6.5.4 Accumed Laboratories Pvt Ltd brought 3 (three) out of the 4 (four) machines agreed in the contract. **Table B** shows the details.

**Table B: List of machines brought in by the Partner (Accumed Laboratories (Pvt) Ltd)**

Name of equipment	Manufacturer	Model	Comment
Maglumin 2000+ (immunochemistry)	SNIBE	2000+	Partner brought used equipment
BC6800(Haematology)	MINDRAY	BC-6800	Partner did not bring the equipment
BS800 (Chemistry Analyser)	MINDRAY	BS800	Partner brought used equipment
Coagulation analyser	MINDRAY	C3100	Partner brought used equipment

6.5.5 The hospital surrendered all operations of the Laboratory Department to the Partner in return for a 20% of the gross profit generated on a weekly basis. An additional 5% of the gross profit was to be paid on a weekly basis to the hospital for use of its equipment. However, system being implemented by the Partner in the Laboratory did not provide for distinction of work done by his machine or hospital's equipment for the purpose of computation of commission to be remitted to the hospital.

## **6.6 LEASE AGREEMENT FOR OUTSOURCING OF HOSPITAL'S RECREATIONAL HALL FACILITIES**

6.6.1 The hospital and Mahiya Trading (Lessee) entered into a 2 year lease agreement on 15 March 2017 for the outsourcing of hospital's recreational hall facilities. Mahiya Trading was supposed to prepare different menu and sell to hospital staff and clients.

6.6.2 The Lessee was required to pay a flat fee of \$500 on a monthly basis for the provision of the facilities by the hospital.

6.6.3 Mahiya Trading (Lessee) owed the Hospital \$22 909,00 in unpaid monthly fees dating back to 2014.

## **6.7 OUTSOURCING OF COFFEE SHOP AND KIOSK**

6.7.1 The hospital entered into a lessee agreement with Mahiya Trading on 15 March 2017 for the outsourcing of Coffee shop and Kiosk.

6.7.2 The contract allowed the Contractor to sell food provisions within the hospital Coffee shop and kiosk.

6.7.3 The contract required the Partner to pay a flat fee of \$400 per month to the hospital for the provision of the facilities.



## 6.8 FLAWS IN THE CONTRACTS

- 6.8.1 The Hospital surrendered the premises, equipment, department members of staff and entire operations of the Radiology, Laboratory and Mortuary Departments to the Partners. This poses the risks of improper safeguarding of assets and compromise service delivery
- 6.8.2 The contracts did not specify the type and condition of equipment to be brought by the Partners in the Radiology, Laboratory and ownership of the same at the end of the contract.
- 6.8.3 Section (g) of the contract between the hospital and B.I.G Diagnostic Pvt. Ltd allowed the Partner to evaluate the hospital equipment in Radiology Department with a view of coming up with an agreed profit sharing arrangement and there was no provision for involvement of technical personnel from the Ministry and the hospital. **This posed a risk of unfavorable / biased evaluation against the Hospital. The Partner upon evaluation concluded that there was no guarantee for the continued use of the hospital equipment.**
- 6.8.4 The contracts did not specify criteria used in coming up with profit sharing ratios. The profit ratios did not reflect contribution made by each partner.
- 6.8.5 The contracts allowed Partners to collect all the revenue generated from the services provided without involvement of the hospital Accounts department, and the money was being banked in the Partners' own bank accounts. The hospital did not have an effective system to determine the total revenue collected by the Partners and the profit made thereafter. The contracts required Partners to pay a percentage of their profits as commission to the hospital.  
**There was a risk of declaration of understated profit resulting in less commission paid to the hospital by Partners**
- 6.8.6 The system being implemented by the Partner in the X-Ray Department did not provide for distinction between the work done by either hospital and the Partner's machine. This was considered necessary since the contract requires 60% of all operational profit to be paid by the Partner to the hospital on work done using the institution's machine while 15% of all operational profit was required to be paid to the hospital on work done using the Partner's machine. As a result, computation of commission payable to the hospital by the Partner was being compromised.
- 6.8.7 The contracts resulted in Partners gaining more than the hospital due to the following;
- i) The issue of overhead costs was not taken into consideration, as a result the costs were wholly borne by the hospital (e.g electricity, water, etc). The hospital was incurring average monthly bill of \$2 140 and \$12 419 in water and electricity.



- ii) The hospital was contributing more in labour cost. Hospital was contributing 73% of the labour cost in the Mortuary Department while the Partner (Doves Funeral Assurance (Pvt) Ltd was contributing 27%. In the Laboratory department the Hospital was contributing 69% of the labour cost while the Partner (Accumed Laboratories (Pvt) Ltd) was contributing 31% of the cost.
  - iii) All general , doppler , echo, and small ultra-sound scans were being done using the hospital's ultra sound scan machine, and X-rays were being done using the hospital's new machine Nuesoft Digital X ray, while CT scans only were being done through the B.I.G Diagnostic (Pvt) Ltd's machine. **In essence the bulk of services in the X- Ray department were produced through the use of hospital's equipment operated by the hospital's members of staff.**
- 6.8.8 The contract between the hospital and Partners, B.I.G Diagnostic (Pvt) Ltd, Doves Funeral Assurance (Pvt) Ltd ,Baloon Flight Pharmaceuticals did not consider the issue of liability in case of injury on duty to absorbed hospital members of staff.
- 6.8.9 The credit facility extended to the Hospital by Baloon Flight for the supply of vital items was a deviation from the Ministry's procurement procedures that require hospital to go for tender whenever purchasing goods and services. As a result of the arrangement, Baloon Flight Pharmaceuticals was owed \$35 000 by the Hospital for the supply of medicines and surgicals as at 26 April 2017.
- 6.8.10 The pricing of drugs by Baloon Flight Pharmaceuticals was not covered under the terms of the contract for patients to access at reasonable costs. The minutes of a meeting held by the Partner and hospital management on 26 April 2017 revealed that patients were complaining of high prices being charged on medicines sold by Balloon Flight Pharmaceuticals as compared to pharmacies within the vicinity.
- 6.8.11 There was no system of control to manage conflict of interest between hospital's Pharmacy and Baloon Flight Pharmaceuticals.
- 6.8.12 The operation of the Partnerships at the hospital was selective in limiting access to surgicals and medicines to cash paying patients only at the hospital's private pharmacy, while Medical Aid was not accepted and credit facility not availed. Thus there was contradiction with the Vision of the Ministry for 'provision of highest possible level of health and quality of life for all Zimbabweans'.....

## 6.9 BREACHES IN THE CONTRACTS

- 6.9.1 All the Partners were not submitting books of Accounts to the Hospital's Accounts Department for verification of the agreed commission. The books of accounts were never submitted for inspection by Hospital Accounts Department since commencement of the



contracts. The Hospital requested the books from the Partners on 26 March 2017, but the books were not availed. Audit formally requested the Partner's books of Accounts on 21 July 2017 but they failed to honor the letter of request. **This poses the risk of understated commission declared and submitted to the hospital by the Partner.**

6.9.2 The Partners were not paying commission to the Hospital as agreed. Accumed Laboratories was remitting 10% of the profit instead of the agreed 20%. B.I.G Diagnostic (Pvt) Ltd was not remitting the commission on a monthly basis. Doves Funeral Assurance Pvt Ltd was not paying the commission to the Hospital as agreed as last remittance was done in February 2016. (Minutes of the meeting between Hospital Management and all Partners held on 26 April 2017 refers).

6.9.3 B.I.G Diagnostic (Pvt) Ltd did not avail information regarding top up salaries being offered to Hospital members of staff 'absorbed' by the partnership despite a formal request by Audit through the Hospital's Human Resources Department. The confidentiality clause in the contract stipulated that both parties may have access to confidential information of the other.

6.9.4 B.I.G Diagnostic Pvt Ltd did not provide three radiologists as stipulated in the contract instead an Accountant acting as a Practice Manager, and two clerks were availed to the Radiology Department.

**6.9.5 The Hospital did not communicate in writing calling for remedy as provided for in the contract, despite the Partners breaching the contracts.**

## **6.10 GOVERNANCE**

6.10.1 The Ministry does not have policy that guide and control establishment of Public Private Partnership in Health Institutions.

6.10.2 The establishment of Public Private Partnership at Chitungwiza Central hospital resulted in compromise of interests of stakeholders such as the State and patients.

6.10.3 The concepts of disclosure and transparency were being compromised as all Partners were withholding relevant information on matters that was affecting financial performance and management of the business.

6.10.4 The Public Private Partnership contracts adopted by the Hospital Management lacked monitoring and evaluation which is key in strategic management process and determine their success.

## **RECOMMENDATIONS**

The Ministry should institute a Board of investigation to evaluate the establishment and operation of the Public Private Partnerships at the institution.





**S. MAGURAMHENDÉ**

**FOR: SECRETARY FOR HEALTH AND CHILD CARE**

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**cc.** Principal Director Curative  
Principle Director Preventative  
Principal Director Policy Planning, Monitoring and Evaluation  
Director Finance and Administration  
Accountant General- Treasury  
Comptroller and Auditor General





## Appendix 1

An analysis of the 2<sup>nd</sup> and final response from Chitungwiza Central Hospital management with regards to the Audit Observations raised in 2017 audit of the institution's Public Private Partnership operations, and Audit recommendations.

Audit issues/observations per the report	Annexure/ Fig ref.	Comment
<b>6.1. Revenue Collection</b> No documents (evidence) provided: Audit used monthly returns, HQ	<b>Fig 1 and 2</b> CCH's response attributed these revenues to Baines Imaging and Accumed Laboratories ONLY	False information and Misrepresentation
<b>6.2.2. No tender documents:</b> Tender documents which include B.I.G and other bidders, comparative schedule, minutes and requisition. No copy of a police report.	<b>Annexure 1:</b> Company profile, and information for B.I.G only	Procurement not transparent
<b>6.2.7. No written contracts for salary top ups</b> H.S.B should be informed and consulted on the issue condition of service for absorbed staff.	<b>Annexure 2:</b> List of Payrolls and staff paid	No Contracts as evidence of HSB involvement
<b>6.4.3 Non Acceptance of Med Aid</b> Observation was valid and corrective measures were actioned by management according to the response. However, audit can only get evidence and give assurance when the next audit is conducted.	<b>Annexure 2.1</b> Memorandum by CCH to Baloon Flight Pharmacy advised to accept the use of Medical Aid Cards w.e.f. 19 Feb 2018 on AFOZ # 40169	Contrary to Govt policy
<b>6.4.5 Non capture of patients' names and Hospital nos.</b> Audit observation was valid, agreed management action was put in place. Audit will get evidence on the next audit follow up.	<b>Annexure 3:</b> Memo by CCH enforcing capturing of patients' details and stop charging patients	Impacts on Accountability and Quality of service
<b>6.5.5 Unclear processes and responsibilities</b> Audit follow up will give evidence to the agreed management action put in place.	<b>Annexure 4:</b> Report results of Laboratory Equipment functionality dated 7/3/18	Due to poor contract drafting
<b>6.6.3 Unclear engament terms</b> Follow up audit will provide evidence.	<b>Annexure 5</b> Memo Re-Set-off \$28359 against \$58000 owing to Mahiya trading since 2018  <b>Annexure 5.1</b> Notification dated 18/2/2018, of scheduled meetings for Contract (s) reviews and alignment	No evidence of the original amount so incurred of \$58000
<b>6.8.3 Evaluation of the Hospital Equipment</b> The contract document indicated that the partner conducted the evaluation thus the observation stands.	<b>Annexure 6</b> Report on Equipment status Evaluation at Chitungwiza dated 31/01/2013 done by Govt officer	Audit observation falls away, however the process was unclear



<b>6.8.5 Revenue Collection</b> There was no evidence of the involvement of the hospital staff in this process	<b>Annexure 7</b> 1. Accumulated Laboratory, schedule of payments of \$2809 and \$2102.20 to Chit Hosp dated Jan 2018 2. Records for payment plan and Medical Aid PSMAS patients dated Jan 2018 3. Similar records as above for Baines Imaging Group 4. Similar records as above for Doves Funeral, dated 2017	Unreliable information, possibly due to unclear terms at the point of drafting the contract
<b>6.8.6 Unclear work processes and responsibilities not assigned</b> The hospital was still using the partner's information without involvement of members of staff.	<b>Annexure 8</b> Records of Cumulative Gen X-ray, USS and CT scan Patient numbers and the respective Cash and Debtors fees, dated 23 Feb 2018	Due to poorly drafted contracts
<b>6.8.9 Contract for the supply of medicines</b> Audit observation stands as nothing was done and the tender process was flawed.	<b>Annexure 9</b> (Paragraph 2.15) Ballon Flight Pharmacy agreement setting \$30000 per Qtr or \$120000 per annum threshold debt for the Hospital	Incomplete information on how the credit facility would be managed in the contract
<b>6.8.10 Pricing of drugs</b> Follow up audit, management should support and supervise.	<b>Annexure 10</b> Pharmacy products List (with the remarks "outsourced pharmacy price list")	Impacting on unclear terms in the contract, of pricing of medicines
<b>SPECIFIC POINTS AS PER THE AUDIT REPORT</b> Actual income received by the hospital	<b>Annexure 11</b> Accumulated Lab statements from Jan 2016 to Jan 2018; Doves Funeral Statements from 2014 to Nov 2016; Baloon Flight to Dec 2017; and Mahiya	Lack of clarity on processes of Accounting for revenue/benefit to the Hospital and stakeholders

### Points to note

#### 1. Governance

On reviewing the CEO's management style at Chitungwiza, audit noted that the various directors and managers are not given the chance to present the issues in their departments. Therefore internal audit is persuaded to conclude that the staff at Chitungwiza may not have been involved in this venture, yet this is a fundamental requirement for the success of PPPs as discussed in the presentation

2 The Ministry does not have a policy on PPP's, and therefore Chitungwiza Central Hospital operated the PPPs without appropriate guidance.

3. Currently there is the Zimbabwe Joint Venture Act Chap 22:22 No6/2015 Gazetted on 12 February 2016

Definition of a JV: Objective was to stimulate Economic growth by unlocking value and supporting major investments across all sectors. This is often mistaken for PPPs BUT these are different.