

Assessing the Financial Performance of a Public Service Entity in South Africa – The Western Cape Department of Health

BJ Lekay

Regenesys Business School, South Africa

KK Govender

Regenesys Business School and University of KwaZulu-Natal (South Africa)

Abstract

This paper reports on a study conducted through analysis of the audited annual Financial Statements of the Western Cape Department of Health (WCDoH), reports of the Auditor General of South Africa (AGSA) and the Standard Committee on Public Accounts' (SCOPA) for the 10 year period 2009-2019. Overall, it was ascertained that the WCDoH had an adequate level of liquidity attributed to operational efficiencies in the department. The cost management and cost reduction measures contributed to the positive operating surplus ratio. The cash flow ratio was also positive, which offset the low self-income ratio, giving the WCDoH some level financial independence. It was concluded that although the WCDoH's financial stability and performance had improved over the 10- year period, the Department needs to improve internal controls, better manage patient fees, minimise negligence claims and improve asset management.

Keywords: financial position, state health department, South Africa.

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