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# GOVERNMENT NOTICE

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## DEPARTMENT OF HEALTH

No. R. 540

23 April 2003

NATIONAL HEALTH LABORATORY SERVICE ACT, 2000

GENERAL RULES MADE IN TERMS OF THE NATIONAL HEALTH  
LABORATORY SERVICE ACT, 2000

The National Health Laboratory Services Board, with the approval of the Minister of Health, intends, in terms of section 27 of the National Health Laboratory Service Act, 2000 (Act No. 37 of 2000), to make the rules set out in the Schedule.

Interested persons are invited to submit any substantiated comments or representations on the proposed rules to the National Health Laboratory Services Board, PO Box 1038, Johannesburg, 2000 (for the attention of the Chief Executive Officer) within three months of the date of publication of this notice.

### Chapters

- I. Definitions
- II. Meetings of the Board
- III. Committees
  - (A) Executive Management Committee
  - (B) National Academic Pathology Committee
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  - (F) Finance Committee

### Annexures

- I. Personnel matters
- II. Financial matters
- III. Quality assurance and accreditation

## CHAPTER I

**DEFINITIONS****Definitions**

1. In these rules any word or expression defined in the Act and not defined herein bears the same meaning as in the Act and unless the context otherwise indicates-

"academic pathology" means teaching and research in the pursuance of improved laboratory services and pathology as a health science;

"accreditation" means a review process by which an authorised external body gives formal recognition that an organisation, or part thereof, complies with the required standards for provision of laboratory services;

"advisory panel" means a panel of expert professionals appointed to advise the head of the quality assurance unit;

"analytical goals" means indications of the required performance of tests as laid down from time-to-time in international scientific publications;

"approved establishment" means the posts that the Chief Executive Officer has approved to carry out the core and support functions of the Service;

"approved budget" means the final operational budget of the Service that has been approved by the Minister;

"Audit Committee" means an audit committee referred to in rule 9;

"auditors" means the auditors appointed in terms of section 23 of the Act;

"bargaining structure" means the bargaining structure for the Service as established in terms of the Labour Relations Act, 1995;

"career ladder" means a professional career progression system for a specific profession that is designed independent of grades;

"Committee" means a committee of the Board appointed in terms of section 12 of the Act;

"competence" means the blend of knowledge, skills, behaviour and aptitude that a person can apply in the work environment, which indicates a person's ability to meet the requirements of a specific job;

"component" means any cost or profit centre, including any laboratory in the organisational design of the approved establishment;

"executive manager" means a member of the executive management;

"executive management " means members of the executive management committee appointed by the Board in terms of section 13 of the Act;

"external quality assessment" means a system for objectively checking laboratory results by a quality control provider that is independent of the laboratory;

"faculty of health sciences" means the faculty of a university whose functions include the training of pathologists, medical technologists, medical technicians and other health students and health practitioners;

"financial manager" means a member of the executive management responsible for financial matters;

"Finance Committee" means a finance committee referred to in rule 11;

"grade" means the relative value of a particular job as reflected by the job weight, which is linked to a salary range in a salary scale used by the Service;

"head of the unit" means the head of the Quality Assurance Unit;

"Health Professions Act" means the Health Professions Act, 1974 (Act No 56 of 1974);

"inherent requirements of a job" means competencies that, according to evidence, an employee needs in order to carry out a job;

"institutional committee" means an Institutional Academic Pathology Committee referred to in rule 8;

"internal audit unit" means an internal audit unit established by the Service for the Service;

"internal quality assurance" means the set of procedures undertaken by the staff of a laboratory for continuously assessing work and the actual performance compared with standards, in order to decide whether the results are reliable enough to be released and to act on the difference;

"job" means the basic duties, tasks, functions, competency requirements and responsibilities according to which one or more positions of the same grade are established;

"job weight" means a numerical value assigned to reflect selected characteristics of a job as measured by a job evaluation instrument;

"Labour Relations Act" means the Labour Relations Act, 1995 (Act No. 66 of 1995);

"medium term expenditure framework" means the budget for one financial year accompanied by the projections for two subsequent years;

"national academic pathology committee" means the national academic pathology referred to in rule 7;

"National Treasury" means the National Treasury as defined in section 1 of the Public Finance Management Act, 1999;

"persons historically disadvantaged" means persons or categories of persons who have suffered unfair discrimination in the past;

"proficiency testing" means any method or scheme for comparing testing results between laboratories or even between individuals;

"Public Finance Management Act" means the Public Finance Management Act, 1999 (Act No. 1 of 1999).

"quality assurance " means the activity of providing to all concerned the evidence needed to give confidence that the quality activity is being performed properly;

"quality assurance executive manager" means the member of the executive management committee responsible for quality assurance;

"quality assurance unit" means the quality assurance unit contemplated in annexure III;

"Regional Executive Manager " means ~~the~~ employee of the Service appointed as the head of a region of the Service;

"Remuneration and Human Resources Committee" means the Remuneration and Human Resources Committee referred to in rule 10;

"representativeness" means the extent to which employment in the service broadly reflects the composition of the South African population, including composition according to race, gender and disability;

"salary range" means a set of salaries that form part of a salary scale linked to a specific grade or career ladder and, by extension, a set of job weights;

"SANAS" means the South African National Accreditation System;

"the Act" means the National Health Laboratory Service Act, 2000 (Act No. 37 of 2000);

"Treasury regulations" means the regulations made in terms of the Public Finance Management Act, 1999

## CHAPTER II

### MEETINGS OF THE BOARD

Accountability, decisions of the Board, and voting powers

- 2 (1) The Board is the accounting authority of the Service in terms of section 49(2) of the Public Finance Management Act, 1999.

- (2) The Board must strive to arrive at its decisions by consensus.
- (3) In instances where consensus cannot be reached, members must vote on the matter and a decision agreed upon by a majority of the members present at any meeting of the Board constitutes a decision of the Board. Minority views shall be recorded at the request of the member(s) concerned.
- (4) The majority of the members of the Board present at a meeting of the Board constitute a quorum.
- (5) Voting shall be by open ballot.
- (6) The Board may invite any member of the executive management to attend and participate in any of its meetings or to participate in discussions on a specific item on the agenda.
- (7) The executive management committee must implement the decisions of the Board.

#### Duties, Functions, Responsibilities and powers of the Board

- 3 (1) In addition to the responsibilities of the Board referred to in section 6 of the Act, the Board shall:
  - (a) consider and approve the strategic plan of the Service;
  - (b) review the proposed annual consolidated budget scenarios presented by the Finance Committee and submit the budget to the Minister;



- (c) ensure, through the Minister, that the budget is approved by the Minister of Finance;
  - (d) consider recommendations made by the committees of the Board and take decisions thereon;
  - (e) ensure that the Chief Executive Officer executes his or her duties in accordance with the policies of the Service as determined by the Board;
  - (f) review significant cases of executive employee misconduct referred by the Chief Executive Officer, the Remuneration and Human Resource Committee or the Audit Committee and decide on appropriate interventions;
  - (g) consider and decide on all major capital acquisitions and transactions that have not been delegated to the executive management;
  - (h) prepare reports on any major issues to the Minister; and
  - (i) conduct any business that is required for the proper maintenance and development of the Service.
- (2) Members of the Board must exercise their duties with utmost care to ensure protection of the assets and records of the Service.
- (3) Members of the Board must act with fidelity, honesty, integrity and in the best interests of the Service in managing its financial affairs.

- (4) Members of the Board must familiarise themselves with current developments and practices regarding corporate governance.
- (5) The Board may obtain outside professional advice on any matter when required.

#### Meetings of the Board

4. (1) The Board's meetings shall be held on such dates and at such times and places as may be determined by resolution of the Board whenever it is necessary so as to conduct its business expeditiously, but not less than four times in each financial year.
- (2) The Board must set the meeting dates for each financial year at the last meeting of the previous financial year.
- (3) The Board's meeting dates must be set to accommodate the reporting of the Audit Committee on the results of the financial quarter.
- (4) Special meetings of the Board may be called by the Chairperson upon a written request by the Minister or a member of the Board.
- (5) Notwithstanding the setting of the dates for the meetings for the year, notice of each meeting of the Board shall be given to all the members in writing at least fourteen (14) days prior to the date of the meeting.
- (6) Meeting agendas shall be prepared and distributed at least fourteen (14) days prior to the date of the meeting together with sufficient background information to enable members of the Board to appropriately prepare for the meetings.

(7) The Chairperson shall ensure that a minute secretary records the proceedings of every meeting of the Board and that minutes are prepared and entered in a book kept for that purpose.

(8) Only members of the Board may vote at the meetings.

(9) The Chairperson shall have the right to exclude from the meeting, or from any item of the agenda, any member of the Board, should in his or her opinion there be any conflict of interest evident.

(10) If any Board member is aware of any personal conflict of interest then he or she must recuse himself or herself from the deliberations and decisions related to that item on the agenda.

#### Reimbursement for expenditures incurred by members of the Board

5 (1) A member of the Board who is not in the full-time employment of the State or the Service may be paid such remuneration and allowances determined by the Minister after consultation with the Minister of Finance.

(2) A claim for payment or reimbursement for expenses must be submitted to the Chief Executive Officer within 30 days of a meeting. Claims received after 30 days may not be considered for payment.

(3) The financial costs of the Board shall be budgeted and paid for by the Service.

## CHAPTER III

## COMMITTEES

## A. EXECUTIVE MANAGEMENT COMMITTEE

**Appointment, business and decisions of the executive management committee**

- 6 (1) The Board determines which positions in the Service, other than that of the Chief Executive Officer, constitute part of the executive management.
- (2) The Board may appoint an employee to a position on the executive management for a period not exceeding four years.
- (3) The contract of employment of all executive managers may, at the end of the term, be extended by a further period of a maximum of four years at a time if, in the Board's opinion, the extension of the contract is in the interests of the Service.
- (4) Decisions of the executive management committee must be made after thorough investigation of a matter and due deliberation by the committee.
- (5) The Chief Executive Officer is responsible for the implementation of the decisions of the executive management committee.
- (6) The executive management committee may invite any employee of the Service to attend and participate in its meetings or discussions on a specific item on the agenda.

(7) The executive management committee is responsible for the implementation of the Board's decisions.

**B. NATIONAL ACADEMIC PATHOLOGY COMMITTEE**

**Composition, functions and duties of the National Academic Pathology Committee**

7 (1) The National Academic Pathology Committee shall comprise:

- (a) Two persons who shall not be members of the executive management committee;
- (b) the Chief Executive Officer;
- (c) the executive manager responsible for managing relationships with tertiary education institutions;
- (d) the directors of the National Institute for Communicable Diseases and the National Institute for Occupational Health respectively;
- (e) one representative from each university with a faculty of health sciences;
- (f) one representative from each technikon with a training programme in health laboratory science;
- (g) one representative from the education committee of the Health Professions Council; and
- (h) any other person who in the Board's opinion will add value to the work of the Committee.

(2) The functions of the Committee are to facilitate and manage:

- (a) the conduct of basic research in association or partnership with any tertiary education institution;

- (b) co-operation with persons and institutions undertaking basic research in the Republic, and in other countries, by the exchange of scientific knowledge and the provision of access to the resources and specimens available to the Service;
  - (c) participation in joint research operations with departments of State, universities, technikons, colleges, museums, scientific institutions and other persons;
  - (d) co-operation with educational authorities and scientific or technical societies or industrial institutions representing employers and employees, respectively, for the promotion of the instruction and training of pathologists, technologists, technicians, scientists, researchers, technical experts and other supporting personnel in universities, technikons, and colleges; and
  - (e) any other matter as may be referred to the Committee from time to time by the Board.
- (3) As some of its duties, the committee shall monitor and manage the agreements entered into between the Service and each tertiary education institution, including:
- (a) determination of the numbers of registrars for each discipline and the distribution of the registrar posts between the laboratories associated with each university health science faculty;
  - (b) determination of the numbers of technologist training posts for each discipline and the distribution of the posts between the laboratories identified for this purpose;

- (c) proposing guidelines relating to part-time, honorary and guest appointment of employees of the Service by tertiary education institutions;
- (d) proposing guidelines for consultant appointments of personnel of tertiary education institutions in the Service;
- (e) ensuring that the process of continuing professional development programmes provided by tertiary education institutions in the Service is managed;
- (f) reviewing and managing arrangements for research being undertaken by tertiary education institutions in the laboratories of the Service;
- (g) advising the executive management on matters relating to indemnity for employees of the Service or a tertiary education institution working between the facilities of both partners;
- (h) advising the executive management on matters relating to discipline of personnel of the Service or a tertiary education institution working between the facilities of both partners;
- (i) advising the executive management on financial matters, such as subsidies, bursaries and payment for services;
- (j) monitoring, evaluating and managing service level agreements and performance measures;
- (k) management of the resolution of disputes if they should arise;

- (l) ensuring the integrity of the process of managing the partnerships;
  - (m) ensuring that professional ethics are adhered to; and
  - (n) ensuring that the Service complies with the requirements of the Health Professionals Council in respect of registration requirements.
- (4) The committee may make recommendations to the Board on any matter falling within the scope of its functions and powers.
- (5) The committee shall be assisted by the management of the Service in the fulfilment of its functions and duties.

#### C. INSTITUTIONAL ACADEMIC PATHOLOGY COMMITTEES

##### **Establishment, composition, functions and duties of institutional academic pathology committees**

- 8 (1) The National Academic Pathology Committee-
- (a) must establish an institutional academic pathology committee for the management of the relationship between each university health science faculty and the Service regional management;
  - (b) may establish an institutional academic pathology committee for the management of the relationship between any technikon health science faculty and the Service regional management; and



(c) may decide on the reporting procedures of the institutional academic pathology committees.

(2) An institutional academic pathology committee shall comprise:

(a) the regional executive manager of the Service;

(b) the manager of the tertiary laboratory complex associated with the Faculty of Health Sciences;

(c) other managers of the Service as may be determined by the regional executive manager;

(d) a representative of the Faculty of Health Sciences; and

(e) any other person who in the opinion of the National Academic Pathology Committee will add value to the work of the institutional academic pathology committee.

(3) Members of an institutional academic pathology committee must be employees of the Service or the tertiary education institution.

(4) The following are the functions and duties of an institutional academic pathology committee:

(a) the monitoring and management of an agreement entered into between the Service and the tertiary education institution for which it is established; and

- (b) advising the regional manager of the Service with regard to:
- (i) the management of the rotation of the registrars for each discipline through the appropriate laboratories associated with the health science faculty and any other laboratory in the Service;
  - (ii) the identification of posts of either the Service or the health science faculty as a post of mutual interest;
  - (iii) the composition and chairing of interviewing and selection panels of incumbents to the identified posts of mutual interest to the Chief Executive Officer and the tertiary education institution;
  - (iv) the appointment of Service employees to part-time, honorary and guest academic positions in the health science faculty;
  - (v) the appointment of health science faculty employees as consultants in the Service in the region;
  - (vi) the management of continuing professional development programmes provided by the health science faculty to the Service in the region;
  - (vii) the review and management arrangements for research being undertaken by the health science faculty in the laboratories of the Service;

- (viii) the discipline of personnel of the Service or the health science faculty working in the facilities belonging to both;
  - (ix) management of financial matters, such as subsidies, bursaries, lease of offices and payment for services in the region; and
  - (x) the monitoring, evaluation and management of compliance with the service level agreements and performance measures.
- (5) The Service regional financial manager and regional human resource manager must attend the institutional academic pathology committee meetings.
- (6) There shall be no voting at institutional academic pathology committee meetings and decisions shall be made by the Regional Executive Manager.
- (7) The Service and the Faculty of Health Sciences will bear the costs of their employees attending meetings of either the Committee or an institutional academic pathology committee.
- (8) Members of the Committee not employed by either the Service or a tertiary education institution Faculty of Health Sciences may be paid the remuneration and allowances determined by the Board.

**D. AUDIT COMMITTEE****Composition, functions and duties of the Audit Committee**

- 9 (1) The Audit Committee shall comprise at least three but not more than five members, the majority of whom, including the Chairperson, shall be from outside the Service.
- (2) The term of office of the members shall not exceed two years unless re-appointed.
- (3) Upon the expiration of a member's term of office, he or she shall be eligible for re-appointment for a further term of office provided that no Committee member may be appointed for more than two consecutive terms.
- (4) The Board may prematurely terminate the appointment of a member of the Committee only after consultation with the Auditor General and with the concurrence of the Minister.
- (5) The following are the functions and powers of the Audit Committee:
- (a) to report and make recommendations to the Board;
  - (b) to report on the effectiveness of the internal controls in the annual report;
  - (c) to ensure that an internal audit unit is established and, in consultation with the head of internal audit, oversee the internal audit function of the Service, including:
    - (i) approving the internal audit charter to guide the internal audit approach and the functioning of the

Committee in accordance with the standards of the Institute of Internal Auditors or its successor;

(ii) promoting the appropriate standing of the internal audit function in the Service and ensuring that this function is adequately resourced;

(iii) ensuring that a three year internal audit plan is developed and that the goals and objectives, staffing plans, financial budgets and audit plans of the internal audit function provide adequate support for the goals and objectives of the Service;

(iv) reviewing the results of work performed by the internal audit function and the management response received thereto in relation to reliable financial reporting, corporate governance and effective internal control;

(v) considering the appointment or removal of the head of the internal audit function and making recommendations in this regard to the Board;

(vi) ensuring that the head of the internal audit function has reasonable unrestricted access to the Chairperson and members of the Committee.

(vii) overseeing the external audit function of the Service, including:

(aa) recommending the appointment, retention, resignation or termination of the

external auditors to the Board for consultation with the Auditor General;

(bb) reviewing the nature and scope of the audit engagements;

(cc) approving estimated fees;

(dd) co-ordinating audit firms' activities where more than one audit firm performs the audit;

(ee) ensuring that a professional relationship is maintained between the Service and the external auditors;

(ff) considering problems and reservations arising from the external auditor's interim and final audit reports, in the absence of executive and management if necessary;

(gg) ensuring that all transactions that require the approval of the Minister in terms of section 54(2) of the Public Finance Management Act, 1999, are reported on;

(hh) ensuring that all details of any material loss through criminal conduct and any irregular and fruitless and wasteful expenditure is reported on in the annual financial statements; and

(ii) reviewing letters to the management and management's response thereto which

may have to be considered in the absence of the management where necessary.

- (d) ensuring that in instances where the internal audit unit is contracted out to a private firm, that private firm is never managed by the same audit firm as the external audit or consulting firm that is providing services to the Service.
- (e) to ensure co-ordination between the internal and external audit functions;
- (f) To examine the interim and annual financial statements before submission to the Board and prior to any press announcements, focussing particularly on:
  - (i) any changes in accounting policies and practices;
  - (ii) significant financial estimates based on judgement which is included in financial statements;
  - (iii) the propriety of major adjustments processed at the end of the year;
  - (iv) the going concern assumptions;
  - (v) compliance with accounting standards, local and international;
  - (vi) compliance with legal and other relevant requirements;

- (vii) whether the annual financial statements present a balanced and understandable assessment of the Service's performance and prospects; and
  - (viii) significant transactions not directly related to the Service's normal business which the committee might deem appropriate.
- (g) to include any comments with the annual financial statements in the annual report;
- (h) to review significant cases of employee conflicts of interest, misconduct or fraud and make recommendations to the Board;
- (i) to investigate any activity which the Committee, in its sole discretion, considers to fall within the powers delegated to it;
- (j) to consider any other matter as may be referred to the Committee from time to time by the Board;
- (k) the Committee may:
  - (i) obtain the information required from any employee of the Service, in which case such employee may be directed by the Chairperson of the Board to co-operate with any request made by the Committee;
  - (ii) within the budgetary limits set by the Board, obtain outside professional advice when required; and



- (iii) obtain requisite resources for the effective discharge of its responsibilities by ensuring that provision is made for its expenses in the budget;
- (l) The Committee shall:
- (i) ensure that the systems of internal control within the Service are effective;
  - (ii) ensure the integrity and reliability of the financial reporting process;
  - (iii) ensure that the Service complies with the requirements as set out in current reports on corporate governance;
  - (v) If it deems it necessary, report any of its concerns to the Minister, the Auditor General and, if appropriate, to the external auditor;
  - (vi) in evaluating whether the systems of internal control are effective and that the Service's Code of Ethics is adhered to, it may be assisted by line management, external audit and the internal audit;
- (m) the chairperson of the Committee shall:
- (i) report in person on the activities and functioning of the Committee at least once per annum to the Board, and
  - (ii) at all times have full access to the chairperson of the Board, and to all the information and documentation of the Service.

**E. REMUNERATION AND HUMAN RESOURCE COMMITTEE****Composition, functions and duties of the Remuneration and Human Resource Committee**

- 10 (1) The Remuneration and Human Resource Committee comprises at least five members.
- (2) The term of office of a member of the Committee is two years unless such member is reappointed.
- (3) The Committee shall:
- (a) provide a mechanism that will enable the Board to interrogate matters relating to remuneration, benefits and other human resources issues and to assist the Board in establishing, implementing and monitoring appropriate human resource policies, in particular for remuneration and benefits;
  - (b) facilitate the process of recruitment of incumbents to the positions of Chief Executive Officer and executive management and make proposals to the Board regarding appointments to these positions.
  - (c) review, assess and make recommendations to the Board on the following matters:
    - (i) the management structure, job descriptions and performance criteria for executive management positions;

- (ii) positions in the establishment ~~of~~ the Service that should be excluded from the bargaining unit, in particular those positions that the Board will regard as executive management positions, and therefore which employees should be excluded from labour negotiations on behalf of the employees;
- (iii) interview panels and procedure for employing incumbents into executive management positions;
- (iv) remuneration packages, including salaries, benefits, pension contributions and incentive schemes of executive management;
- (v) measurement criteria for measuring the performance of the executive management;
- (vi) mandates for the annual substantive wage negotiations for all staff included in the bargaining unit;
- (vii) composition of the employer negotiating team, at the wage negotiations;
- (viii) relating to remuneration policies and all benefits for all employees including proposed amendments to rules relating to personnel matters;
- (ix) employment equity;

- (d) review the proposed annual personnel budget prior to submission of the consolidated budget by the Finance Committee to the Board;
- (e) review significant cases of employee misconduct and where the misconduct is of a financial nature refer the matter to the Audit Committee; or
- (f) attend to any other matter the Board requests it to attend to.

## F. FINANCE COMMITTEE

### **Composition, functions and duties of the Finance Committee**

- 11 (1) The Finance Committee comprises:
- (a) at least five members;
  - (b) the Chief Executive Officer and the Financial Manager both of whom shall have no voting powers;
  - (c) The term of office of the members of the Committee shall not exceed two years unless they are re-appointed;
- (2) The following are the functions of the committee:
- (a) to ensure that all Board members and the executive management are fully aware of, and understand the implications of, the contents and requirements of the Act, the Public Finance Management Act, 1999 and its regulations;

- (b) recommend the budget format to the Board and prepare the budget and corporate plan of the Service;
- (c) develop, implement and monitor the application of a procurement policy;
- (d) develop a policy for the setting and application of fees, and to motivate fee and tariff adjustments to the Department;
- (e) develop, implement and monitor the application of a policy for managing debtors and creditors;
- (f) recommend to the Board the appointment and discharge of auditors in accordance with the provisions of the Act, Public Finance Management Act, 1999 and these regulations;
- (g) develop, implement and monitor the application of a risk management policy and plan;
- (h) develop, implement and monitor the application of an investment policy in accordance with the provisions of the Public Finance Management Act, 1999.;
- (i) advise the Board on setting of policies and execution of functions, powers and duties of the service contained in section 5 of the Act that have financial implications or content, including but not limited to, asset management, sale and purchase of property, management of intellectual property rights, setting of fees for laboratory and other services; or

- (j) consider any other matter or perform such other function as may be referred or assigned to the Committee from time to time by the Board.
- (3) The Committee may:
- (a) require that any Board member or specific employees attend a corporate governance course;
  - (b) obtain any information required from any employee, in which case such employee may be directed by the Chairperson of the Board to co-operate with any request made by the Committee;
  - (c) obtain external professional or expert advice when required; or
  - (d) obtain the requisite resources for the effective discharge of its responsibilities by ensuring that provision is made for its expenses in the budget.
- (4) The Committee must interview candidates for the position of Financial Manager and make recommendations to the Board.

#### APPOINTMENT OF COMMITTEES

- 12 (1) When the Board appoints a committee in terms of section 12 of the Act, it shall appoint one of the committee's members as the chairperson of that committee.
- (2) Upon the expiration of a member's term of office, the member shall be eligible for re-appointment for a further term of

office provided that no Committee member may be appointed for more than two consecutive terms.

(3) A vacancy which occurs in a Committee shall be filled by a person appointed by the Board, and the person shall hold office for the unexpired portion of the period of office of his or her predecessor, and may on expiry of his or her period of office be re-appointed to the Committee.

(4) The Board shall appoint the members of the Committee on such terms and conditions as it may determine.

(5) A Committee may, within budgetary limits set by the Board, obtain outside professional advice when required.

(6) Committee members shall be independent of management and free from any business or other relationship that could materially interfere with the exercise of their independent judgement as Committee members.

(6) The Committees do not make binding decisions but only recommendations to the Board which makes decisions.

#### MEETINGS OF COMMITTEES

13 (1) A meeting of a Committee shall be held on such dates and such times and places as may be determined by resolution of the Committee whenever it is necessary so as to conduct its business expeditiously, but not less than four times in a year.

- (2) Special meetings may be called by any member of the Committee, the external auditors and legal advisors, or at the instance of the Board.
- (3) When the chairperson is not available to chair the Committee the members present will select a member to chair the meeting.
- (4) Notice of each meeting of the Committee shall be given to all the members in such manner and form as the Committee may from time to time determine.
- (5) Meeting agendas shall be prepared and distributed 14 days before the meeting with sufficient background information to enable Committee members to appropriately prepare for the meetings.
- (6) The chairperson or any other person who acts as chairperson, shall determine the procedure at the meeting over which he or she presides.
- (7) The majority members of the Committee present at a meeting of the Committee constitute a quorum;
- (8) Minutes of all Committee meetings shall be kept and such minutes shall be approved at the next meeting of the Committee and submitted to the Board.
- (9) The Committee shall designate an employee of the Service as a secretary of the Committee and the secretary shall-
  - (a) compile the agenda for every meeting with the concurrence of the chairperson of the Committee;
  - (b) record the proceedings of the meeting; and



(c) ensure that all the documents relating to the meeting are kept safe.

(10) The chairperson or any other person who acts as chairperson, shall determine the procedure to be followed at the meeting.

(11) Minutes of the proceedings of a Committee meeting must be submitted at the next meeting and, if necessary, amended to the satisfaction of those who attended the meeting. Such minutes must then be passed as correct and confirmed by the signature of the chairperson.

#### ATTENDANCE OF MEETINGS

14 (1) A Committee shall be entitled to invite one or more members of the executive management to attend and be heard at meetings of the Committee.

(2) Board members shall have the right of attendance at all meetings of the Committee.

(3) Legal advisers, external auditors and other persons who may be in a position to make meaningful input to the Committee's activities shall be allowed, by invitation, to attend meetings.

(4) Only Committee members may vote at meetings.

(5) The chairperson of the Committee shall have the right to exclude from the meeting, or from discussion of any item of the agenda, any executive, or all executives, should, in his or her opinion there be any conflict of interest.

- (6) At least once a year the Financial Committee shall meet with the external auditors and internal auditors, separately if it so requires, without executives present.

#### DECISIONS AT MEETINGS

- 15 (1) A decision agreed upon by a majority of the members present at any meeting of the Committee shall constitute a decision of the Committee.
- (2) In the event of an equality of votes in regard to any matter, the chairperson of the Committee or the person acting as chairperson shall have a casting vote in addition to his or her deliberate vote.
- (3) In the event that the Board does not accept a decision of the Committee, the Board must refer the decision back to the Committee for further consideration with reasons for rejecting the decision.

#### FEEES AND REIMBURSEMENTS FOR COMMITTEE MEMBERS

- 16 (1) A member of a Committee who is not in the full-time employment of the State or the Service may be paid the remuneration and allowances determined by the Board.
- (2) A claim for payment of a fee or reimbursement of expenses must be submitted to the Chief Executive Officer within 30 days of a meeting and claims received after 30 days may not be considered for payment.

- (3) The financial costs of the Committees shall be budgeted and paid for by the Service.

#### PERSONNEL RULES

17. Personnel rules of the Service are as outlined in Annexure I.

#### FINANCIAL RULES

18. Financial rules of the Service are as outlined in Annexure II.

#### QUALITY ASSURANCE RULES

19. Quality assurance rules of the Service are as outlined in Annexure III.

#### CHAIRPERSON

#### NATIONAL HEALTH LABORATORY SERVICE BOARD

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## **PART I. PRELIMINARY**

### **A. SHORT TITLE AND COMMENCEMENT**

A.1 These rules are called the National Health Laboratory Service Personnel Rules and come into operation on 1 July 2003.

### **B. SCOPE OF APPLICATION**

B.1 These Rules apply to all persons employed, and to institutions governed, by the Service in terms of the Act.

### **C. NON-DELEGATABLE RULES**

C.1 Rules V I.1; V I.2; VII E.1; VII G.4.1 and VIII G.1 may not be delegated by the Board.

### **D. REPLACEMENT OF RULES AND TRANSITIONAL ARRANGEMENTS**

D.1 Any Rule made and in force under a directive or provision in the SAIMR or the Public Service insofar as it affects the employees of the Service is hereby replaced in so far as it is inconsistent with any provision of these Rules or any collective agreement binding between the Service and its employees.

### **E. MATTERS OF MUTUAL INTEREST**

E.1 The Labour Relations Act, 1995 and collective agreements shall regulate matters of mutual interest between the Service and its employees.

### **F. EXCEPTIONAL CASES**

F.1 If circumstances develop which justify deviation from the provisions and measures in a particular Rule in these Rules concerning the careers



of employees, the Board may under exceptional circumstances make determinations, issue directives or approve alternative provisions and measures to be applied. Such alternative provisions and measures shall first be approved by the Minister.

#### G. COMMUNICATION WITH THE BOARD AND THE MEDIA

G.1 If an Executive Manager needs to communicate with the Board on a matter that falls within the Board's powers and duties, she or he shall communicate through the Chief Executive Officer and may conduct correspondence in any official language.

G.2 An employee of the Service must direct any enquiry on a matter that falls within the Board's powers and duties to her or his manager.

G.3 An Executive Manager must submit for prior consultation to the Chief Executive Officer any draft policy document or procedure manual that impacts on the powers or duties of the Board.

G.4 The Chief Executive Officer must establish and manage policy on how employees in the Service may communicate with the printed or other media.

### **PART II. DELEGATIONS, AUTHORISATIONS AND RESPONSIBILITIES**

#### A. PRINCIPLES

To enable the Chief Executive Officer to manage the service effectively and efficiently, the Board must provide the Chief Executive Officer with appropriate powers and authority. For the same purpose the Chief Executive Officer must empower employees in the Service by means of appropriate delegations and authorisations, where necessary.

## B. DELEGATIONS AND AUTHORISATIONS

B.1 The Board or Chief Executive Officer must record a delegation or authorisation it, she or he has made in writing and may incorporate it in an employment contract of the employee.

B.2 Any delegation, whether of the Board or the Chief Executive Officer must be signed by the employee to whom the delegation has been given as acknowledgement, one copy of the delegation letter must be filed in his or her personnel file and a copy given to the employee.

B.3 Withdrawal of any delegation, whether by the Board or by the Chief Executive Officer must be signed by the employee from whom the delegation is being withdrawn, as acknowledgement, one copy of the withdrawal of delegation letter must be filed in his or her personnel file and a copy given to the employee.

## C. RESPONSIBILITIES

C.1 The Board may not require or permit the Chief Executive Officer or any other employee to engage in an activity or take a decision in breach of these Rules.

C.2 The Chief Executive Officer must;

- a. ensure that the employees in the Service comply with these Rules, collective agreements and any other statutory obligations; and
- b. deal immediately and effectively with any breach thereof.

C.3 The Chief Executive Officer must ensure that prior approval is obtained from the Board for any personnel decision that involves unbudgeted expenditure.

#### D. CONFLICT OF INTEREST

D.1 Where a possible conflict of interest arises in the making of any decision relating to employment, the Chief Executive Officer or any other employee to whom any power or duty has been delegated or assigned, must perform the act or make the decision only after considering a recommendation of an independent panel appointed by the Board consisting of at least two persons.

D.2 Where the Chief Executive Officer or the employee to whom a power or duty has been delegated or assigned, deviates from the panel's recommendations, she or he must record the reasons for the deviation in writing.

D.3 The Chief Executive Officer or employee must not accept or seek benefit of any kind from an employee or a prospective employee in return for performing an act or making a decision relating to employment.

#### E. HANDLING OF OFFICIAL INFORMATION

E.1 An employee must not under any circumstances destroy any official documentation unless she or he has the necessary authority.

E.2 An employee must not under any circumstances release official information unless she or he has the necessary authority.

### **PART III. PLANNING, WORK ORGANISATION AND REPORTING**

#### A. PRINCIPLES

The Board must, in order to provide services with the best value for money, set measurable objectives for the Service, optimally utilise the

Service's human and other resources and apply fair labour practices. Within available funds, it must, based on the Service's service delivery objectives and mandates, plan to execute functions with an efficient and effective internal organisation and well developed human resources. To permit oversight by the public, the Board must publish an annual personnel report giving key information on the personnel of the Service.

## B. STRATEGIC PLANNING

B.1 The Chief Executive Officer must prepare a strategic human resource plan for the Service, and review and revise the plan annually.

The plan must;

- a. state the Service's core objectives, based on legislative mandates, functional mandates and the service delivery improvement programme;
- b. describe the core and support activities necessary to achieve the core objectives, avoiding duplication of functions;
- c. specify the functions the Service will perform internally and those it will contract out;
- d. describe the goals or targets to be attained on the medium term;
- e. set out a programme for attaining those goals and targets; and
- f. specify information systems to enable the Board to monitor the progress made towards achieving those goals, targets and core objectives.

B.2 Based on the strategic plan of the Service, the Chief Executive Officer must;

- a. propose the Service's organisational structure in terms of its core and support functions;
- b. grade proposed new jobs according to the job evaluation system referred to in Part V;

- c. define the positions necessary to perform the relevant functions while remaining within the current budget and medium-term expenditure framework of the Service, and the positions so defined will constitute the Service's approved establishment; and
- d. engage in the human resource planning with a view to meeting the resulting human resource needs.

B.3 The Board must review, revise and adopt the strategic human resource plan annually and authorise the implementation of the organisational structure or any major organisational amendment.

B.4 In implementing the strategic human resource plan, the Chief Executive Officer must;

- a. promote the efficient, economic and effective use of resources as to improve the functioning of the Service; and
- b. to that end, apply working methods such as the re-allocation, simplification and co-ordination of work, and eliminate unnecessary functions.

#### C. SERVICE DELIVERY IMPROVEMENT PROGRAMME

C.1 The Chief Executive Officer must establish and sustain a service delivery improvement programme for the Service. The programme must:

- a. specify the main services to be provided to the different types of actual and potential customers, as identified by the Service;
- b. contain consultation arrangements with the Service's actual and potential customers;
- c. show due regard to the customer's means of access to the services and the barriers to increased access thereof, specifying the mechanisms or strategies to be utilised progressively to remove the barriers so that access to services is increased;

- d. indicate standards for the main services to be provided;
- e. contain general information about the services rendered by the Service; and
- f. stipulate a system or mechanisms for complaints.

C.2 The Board must publish an annual statement of service commitment which will set out the Service's service standards that patients and customers can expect and which will serve to explain how the Service will meet each of the standards.

#### D. HUMAN RESOURCE PLANNING

D.1 The Chief Executive Officer must;

- a. assess the human resources necessary to perform the Service's functions with particular reference to;
  - i. the number of employees required;
  - ii. the competencies which those employees must possess; and
  - iii. the capacities (whether permanent or temporary) in which those employees will be appointed;
- b. assess existing human resources by race, gender and disability as well as by occupational category, organisational component and grade with reference to their;
  - i. competencies;
  - ii. training needs; and
  - iii. employment capacities;
- c. plan within the available budgeted funds, including funds for the remaining period of the relevant medium-term expenditure framework, for the recruitment, retention deployment and

development of human resources according to the Service's requirements determined in terms of Rule III D.1(a), which plan must, as minimum, include:

- i. realistic goals and measurable targets for achieving representativeness, taking into account Rule III D.2; and
  - ii. targets for the training of employees per occupational category and of specific employees, with specific plans to meet the training needs of persons historically disadvantaged; and
- d. address the position of employees affected by the abolition of unnecessary positions and retrench employees only in accordance the Labour Relations Act, 1995 and collective agreements as the last resort.

D.2 The Chief Executive Officer must develop and implement an employment equity programme, which will contain, as a minimum, the following:

- a. a policy statement that sets out the Service's commitment to employment equity, and how that policy will be implemented;
- b. numeric and time-bound targets for achieving representativeness;
- c. annual statistics on appointment, training and promotion within each grade of each occupational category, of persons historically disadvantaged; and
- d. a plan for redressing numeric under-representativeness and supporting the advancement of persons historically disadvantaged.

D.3 The Chief Executive Officer must report the outcome of planning referred to in Rule III D.1 and of the affirmative action programme referred to in Rule III D.2 to the Board and make it known within the Service.

## E. INFORMATION RESOURCES PLANNING

E.1 The Chief Executive Officer must establish;

- a. an information plan for the Service that supports the planning process and objectives referred to in Rule III B.1 and the reporting requirements in Rule III J;
- b. an information technology plan that supports the information plan; and
- c. an operational plan that enables the implementation of the information technology plan and information management.

## F. ABOLITION, CREATION AND FILLING OF POSITIONS

F.1 Before creating a position on the approved establishment for any newly defined job, or before filling any vacancy, the Chief Executive Officer must;

- a. confirm in writing that she or he requires the position to meet the Service's objectives;
- b. in the case of a newly defined job, evaluate the job in terms of the job evaluation system;
- c. in the case of a vacant position evaluate the job unless the specific job has been evaluated previously; and
- d. ensure that sufficient budgeted funds, including funds for the remaining period of the medium-term expenditure framework, are available for filling the position.

F.2 Before abolishing a position the Chief Executive Officer must;

- a. confirm in writing that she or he no longer requires the position to meet the Service's objectives, specifically those in Rule III D.2.



## G. ADDITIONAL EMPLOYMENT

G.1 The Chief Executive Officer may, within the relevant budget, employ persons additional to the approved establishment where;

- a. the incumbent of a position is expected to be absent for such a period that her or his duties cannot be performed by other personnel; or
- b. a temporary increase in work occurs; or
- c. it is necessary for any other reason to temporarily increase the staff of the Service, and
- d. must specify the capacities of additional employee (i.e. temporary, full-time, part-time) conditions of additional employment (i.e. flexi hours, work on calls) and also state the contract period of this employment provided that such period is not longer than 12 calendar months.

## H. TRANSFER OF FUNCTIONS BETWEEN BRANCHES AND COMPONENTS

H.1 If the Board, upon recommendation of the Chief Executive Officer, makes a determination regarding the transfer of functions between Branches and Components in order to amend the organisational structure:

- a. all concomitant resources, including personnel, will be transferred to the receiving branch or component from the relinquishing branch or component;
- b. the responsible manager of the relinquishing branch or component will retain accountability for matters originating prior to the date of transfer; and

- c. the transfer of personnel will take place with due regard to the requirements of the Labour Relations Act, 1995..

## I. JOB DESCRIPTIONS, TITLES AND GRADES

I.1 For each position or group of positions, the Chief Executive Officer must establish a generic job description and a generic job title that indicate, with appropriate emphasis on service delivery;

- a. the main objectives of the position or positions in question;
- b. the inherent requirements of the job; and
- c. the requirements for progression of salary, in accordance with a relevant career path.

I.2 At least once every three years, the Chief Executive Officer must review generic job descriptions and titles and, where necessary, redefine them to ensure that they remain appropriate and accurate.

I.3 The Board:

- i must determine a grading system for all jobs; and
- ii may determine that a career ladder system be developed for the core service generic jobs (for example, but not limited to, pathologist, medical technologist, medical scientist, and medical technician) in place of a traditional grading system.

I.4 For each grade or career ladder, the Chief Executive Officer may provide advice on;

- a. the possible jobs that should be included in the grade or ladder;
- b. the necessary and desirable core competencies for the grade or ladder;
- c. indicators of those competencies; and

- d. desirable characteristics for employment and advancement within the occupation.

## J. MANAGERIAL REVIEW AND OVERSIGHT

J The Board will publish an annual report in compliance with the Public Finance Management Act, 1999 for the information of the national and provincial legislatures, the media and the public. Besides the financial requirements, as a guideline, the following information will be included:

### J.1 Planning and service delivery

- a. The core mandates, functions and objectives of the Service.
- b. The service standards for major objectives and the results achieved in meeting standards.
- c. Comment on the nature and extent of the social, transformational policies and practices.

### J.2 Organisation

- a. The Service's organisational structure and a collated table of the approved establishment.
- b. The number of employees and of vacancies, per component, grade and nature of employment.
- c. The employment number of persons employed additional to the approved establishment (contracts and secondments).

### J.3 Job evaluation

- a. By grade, occupation and career ladder, the number of positions evaluated, upgraded and downgraded.
- b. The number of employees whose grading changed as a result of positions that were upgraded, according to race, gender and disability.

- c. The number of employees whose remuneration exceeds the grade determined by job evaluation and the reasons for each deviation, by grade and career ladder.

#### J.4 Remuneration

- a. The percentage of the budget spent on:
  - i. total personnel costs;
  - ii. administrative expenditure; and
  - iii. outsourced special services.
- b. The personnel costs in intervals of R20 000, by race, gender, disability, grade and career ladder.
- c. The percentage of total personnel costs spent on the executive management service.
- d. The costs of overtime, allowances and benefits as a percentage of total personnel costs.

#### J.5 Employment Equity, recruitment, promotions and termination of services

- a. The progress made in implementing the employment equity programme referred to in Rule III D.2.
- b. The number of employees recruited per grade and career ladder, indicated according to race, gender and disability.
- c. The number of employees whose salaries were advanced per grade and career ladder, indicated according to race, gender and disability.
- d. The number of employees per grade and career ladder, whose services were terminated, indicated according to race, gender and disability.
- e. The number, occupations and grades of foreign appointees.

J.6 Performance management and skills development

- a. Employees who received rewards for performance, indicated according to grade, career ladder, race, gender and disability.
- b. The targets for training in the training plan, and the progress made in attaining those targets according to grade, career ladder, race, gender and disability.
- c. The allocation for training in the Service's budget, and the actual amounts spent on each training target.
- d. The number, (i) externally and (ii) internally, and the type of training programme implemented.

J.7 Sick leave

- a. The average number of days sick leave taken by employees in the Service indicated according to their grades and career ladders.
- b. The total number of days sick leave taken by employees in Service.
- c. The estimated cost to the Service of the leave so taken.
- d. The number of employees who took more than 15 continuous days sick leave in the year under review.

J.8 The number and nature of incidents of injury, illness and death occurring in the course of official duty or in the work environment.

J.9 A description of practices reflecting a commitment to reduction of workplace accidents, fatalities and health and occupational safety incidents against stated measurement targets and objectives, specifically the nature and extent of the strategy, plan and policies adopted to address and manage the potential impact of HIV/AIDS on the Service.

J.10 The number of employees discharged due to ill-health.

J.11 The number and subject matter of collective agreements entered into.

## **PART IV. JOB EVALUATION**

### **A. PRINCIPLES**

A.1 To ensure that work of equal value is remunerated equally, the Service will use job evaluation;

- a. to assist in achieving cost-effective work organisation; and
- b. to determine appropriate remuneration.

### **B. RESPONSIBILITIES**

B.1 The Chief Executive Officer will determine;

- a. a job evaluation system or systems that will be utilised in the Service;
- b. a range of job weights derived from the system or systems for each salary range in a grade and for each career ladder; and
- c. a job or category of jobs that the Executive Committee must evaluate.

B.2 The Board may:

- a. review the application of job evaluation in the Service;
- b. issue directives on the application of the job evaluation system or systems;
- c. evaluate any job; and/or
- d. direct the Chief Executive Officer to take measures to enhance the quality of the system, including the re-evaluation of jobs, the

- restructuring of the component responsible for job evaluation and/or
- further training of employees responsible for job evaluation in the Service, and
- e. evaluate the performance of the Chief Executive Officer.

## **PART V. COMPENSATION FOR EMPLOYEES**

### **A. PRINCIPLES**

A.1 Remuneration in the Service will aim, within fiscal constraints, to support-

- a. efficient and effective service delivery and provide appropriate incentives for employees; and
- b. equal pay for work of equal value and other labour standards.

A.2 In determining an employee's salary, the Chief Executive Officer will take into account-

- a. relevant collective agreements;
- b. available funding;
- c. the results of job evaluation, if available;
- d. the employee's performance; and
- e. the need to recruit and retain personnel with appropriate competencies.

### **B. DETERMINATION OF SALARY RANGE AND ALLOWANCES**

B.1 The Board will determine a salary range or ranges and allowances for employees who fall within the ambit of the Service's collective bargaining process.

## C. GRADING AND REMUNERATION

C.1 The Chief Executive Officer will determine the grade of a position to correspond with its job weight and set the commencing salary of an employee on a level in the salary range attached to the relevant grade that is commensurate with the evaluated experience of the employee.

C.2 If the job weight demonstrates that a filled position is overgraded or undergraded, the Chief Executive Officer will either effect changes to the work organisation or regrade the position according to the job weight and the relevant collective agreements, as provided in Rule V C.3 and C.4.

C.3 The Chief Executive Officer may increase the salary of a position to a higher salary than the maximum in the salary range of the grade in order to accord with the job weight, if;

- a. the job weight as measured by the job evaluation system indicates that the position was graded incorrectly; and
- b. the Service's budget and the medium-term expenditure framework provide sufficient funds.

C.4 If the Chief Executive Officer determines that the salary range of an occupied position exceeds the range indicated by the job weight, she or he must;

- a. if possible:
  - i. redesign the job to equate with the job grade; or
  - ii. transfer the incumbent to another job on the same salary range; and
- b. abide by relevant legislation and collective agreements.



C.5 As far as is possible, the Chief Executive Officer must set the salary of a part-time, seasonal or temporary employee proportional to the salary of an equally graded full-time employee.

#### D. SALARY RANGE PROGRESSION

D.1 The Service will budget for the advancement of employees within the salary range of grades and career ladders.

D.2 An employee shall be eligible for progression of his or her salary only if;

- a. she or he has the competencies required to perform the additional duties;
- b. the weight of her or his job increases to equate to a higher salary in the salary range; and
- c. she or he has received consistently satisfactory performance assessment ratings in the year of assessment.

#### E. OVERTIME

E.1 The Board will determine rates of compensation for overtime through the collective bargaining process.

E.2 The Chief Executive Officer may compensate an employee for overtime work where;

- a. the employee does not belong to the executive management, except in those cases mentioned in Rule V E.3;
- b. the Service has a written policy on overtime;
- c. written authorisation has been given in advance for the work; and

- d. except in exceptional circumstances, the monthly compensation for overtime constitutes less than 30 per cent of the employee's monthly salary.

E.3 No employee may authorise overtime for her or himself.

E.4 The Board will establish an overtime policy in accordance with collective agreements, which may determine;

- a. categories of employees that may not receive compensation for overtime due to the nature of their work and responsibilities;
- b. the circumstances under which a supervisor may authorise overtime work for an individual employee;
- c. if an employee shall receive payment or time off as compensation for authorised overtime;
- d. how much overtime an employee may work in a given period;
- e. how a supervisor should record authorisation for overtime; and
- f. other control measures, if necessary.

## F. SERVICE BENEFITS, COMPENSATORY PRACTICES AND WORK FACILITY PRACTICES

F.1 The Board will determine service benefits, compensatory practices, work facility practices and allowances for employees through the collective bargaining process, and in the case of employees who fall outside the bargaining unit, directly.

F.2 The Board may make a determination regarding;

- a. special daily allowances for visits abroad by employees; and
- b. the application of a service benefit, compensatory practice, work facility practice or allowance.

F.3 Subject to the terms of a relevant collective agreement, the Board may provide the cash equivalent of benefits received by permanent employees to employees on fixed-term contracts.

#### G. LEAVE

G.1 The Board will determine leave categories and policies subject to the terms of a relevant collective agreement.

G.2 The Chief Executive Officer must-

- a. encourage an employee to fully utilise her or his vacation leave in the year earned;
- b. record all leave taken by an employee accurately and in full; and
- c. ensure that an employee does not abuse sick leave.

#### H. INFORMATION ON REMUNERATION

H.1 At least on an annual basis, the Board must publish and issue to employees the salary ranges used in the Service.

H.2 In dealing with personnel matters and the remuneration of an individual employee, a manager must respect the employee's right to privacy.

H.3 During the week preceding an employee's salary pay day the Chief Executive Officer must provide her or him with the following information in writing:

- a. the Service's name and address;
- b. the employee's name;
- c. the employee's salary number;
- d. the employee's job title and grade or career ladder;
- e. the salary scale of the relevant grade;

- f. the employee's salary level;
- g. any other form of compensation that the Service pays directly to the employee on a monthly basis;
- h. the period for which payment is made;
- i. the amount and purpose of any deductions; and
- j. the actual amount paid to the employee.

#### I. PRIVATE REMUNERATIVE WORK

I.1 The Board may develop, implement, monitor and reserve the right to amend or withdraw a policy on private remunerative work by employees.

I.2 In any such policy the Board may make different determinations for different employee categories or for different types of private remunerative work.

### PART VI. WORKING ENVIRONMENT

#### A. PRINCIPLES

The working hours and conditions of the Service must support effective and efficient service delivery while, as far as possible, taking employees' personal circumstances, including disability, into account.

#### B. WORKING HOURS

B.1 The Chief Executive Officer must determine:

- a. the work week and daily hours of work for employees; and
- b. the opening and closing times of places of work under her or his control, taking into account-

- i. the needs of the clients in the context of the Service's service delivery improvement programme; and
- ii. the needs and circumstances of employees, including family obligations and transport arrangements.

#### C. EMERGENCY WORK

The Chief Executive Officer may require an employee to perform work outside normal working hours if the work must be performed without delay owing to circumstances which are beyond the control of the Chief Executive Officer and for which she or he could not reasonably have been expected to make provision.

#### D. HEALTH AND SAFETY

The Chief Executive Officer must establish and maintain a safe and healthy work environment for employees of the Service.

### **PART VII. PROCEDURES FOR APPOINTMENT, PROMOTIONS AND TERMINATION OF SERVICE**

#### A. PRINCIPLES

Employment practices will ensure employment equity, fairness, efficiency and the achievement of a representative personnel complement.

Affirmative actions will be used to ensure the attainment of a representative and equitable personnel complement and to give practical support to those who have been previously disadvantaged by unfair discrimination to enable them to fulfil their maximum potential.

Employment practices will maximise flexibility, minimise administrative burdens on both employer and employee, and generally prevent waste and inefficiency.

## B. CONDITIONS FOR APPOINTMENT

### B.1 General

The Chief Executive Officer,

- a. may appoint employees to the approved establishment on a permanent or temporary basis, either full-time or part-time;
- b. may, where the employment is temporary, appoint an employee under a special contract, on a casual basis or on a session basis;
- c. may not appoint any person under the age of 16 years;
- d. will determine the health requirements for incumbency of a post in any case where it is in the requirements of the post;
- e. may appoint a casual employee for a period not exceeding 12 months; and
- f. will ensure that each employee upon appointment, is provided with a written contract of employment, including the terms and conditions of her or his service.

### B.2 Employment contracts for Executive Managers

B.2.1 The Board may appoint employees to executive management positions.

B.2.2 The Board will draft and enter into a contract with an Executive Manager (including the Chief Executive Officer) in terms of section 13 of the Act. In addition to the matters contemplated in section 27 (b) of the Act, the contract may specify the main delegations or authorisations to the Executive Manager necessary in order to manage her or his responsibility, and a provision stating that a delegation or authorisation may be added to or removed from the contract.

### B.3 Re-appointment of former employees

B.3.1 The Chief Executive Officer may not re-appoint a former employee, either part-time, full-time or as an independent contractor, where-

- a. the former employee left the Service earlier on the condition that she or he would not accept or seek re-appointment;
- b. the original grounds for termination of service militate against re-appointment; or
- c. the former employee left the Service due to ill health and cannot provide recent and conclusive evidence of recovery.

#### B.4 Secondments

B.4.1 The Chief Executive Officer may, with the agreement of the employee concerned, second the employee to another component in the Service, to any company in which the Service is a share-holder, to any institution of higher learning or to a government department for a particular service or for a period of time.

B.4.2 The Board may, with the agreement of the employee concerned, second the employee to another government service of a foreign government for a particular service or for a period of time.

B.4.3 If the Board seconds an employee to another government service of a foreign government, in terms of Rule VII B.4.2, the Board may determine additional benefits and conditions that may apply in respect of the period of the secondment.

#### B.5 Acting in higher position

B.5.1 The Chief Executive Officer may compensate an employee for acting in a higher vacant position on the basis of an agreement reached in the collective bargaining process provided that the additional

compensation does not result in a total compensation that exceeds the compensation that would be payable for the vacant position in question.

B.5.2 The Chief Executive Officer may also compensate an employee for acting in a position due to the actual incumbent of the position acting in a higher vacant position, provided that no more than two employees may simultaneously be compensated as a result of a single vacancy.

B.5.3 An employee may not act in a higher vacant position for an uninterrupted period exceeding 12 months.

B.5.4 Where an employee has received additional compensation for acting in a higher position in terms of Rule VII B.5.1 or VII B.5.2 such additional compensation will cease with effect from the date, as notified by the Chief Executive Officer in writing, that the employee is no longer required to act in the position in question.

## C. RECRUITMENT

### C.1 Determination of requirements for employment

C.1.1 The Chief Executive Officer will determine composite requirements for employment in any position on the basis of the inherent requirements of the job.

C.1.2 The Chief Executive Officer will;

- a. record the inherent requirements of a job;
- b. ensure that the requirements for employment do not discriminate against persons historically disadvantaged; and
- c. comply with any statutory requirement for the appointment of employees.



## C.2 Advertising

C.2.1 The Chief Executive Officer will ensure that vacant positions in the Service are so advertised as to reach, as efficiently and effectively as possible, the entire pool of potential applicants, especially persons historically disadvantaged.

C.2.2 An advertisement for a position will specify the inherent requirements of the job, the job title and core functions.

C.2.3 Any vacant position for an executive management position will be advertised nation-wide.

C.2.4 The Chief Executive Officer will advertise any other vacant position within the Service as a minimum, but may also advertise such position elsewhere either nation-wide or locally.

C.2.5 The Chief Executive Officer may fill a vacant position without complying with Rule VII C.2.3 and C.2.4 if;

- a. the Service can fill the position from the ranks of staff employed additional to the approved establishment of equal grading;
- b. the Service can absorb into the position an employee who was appointed under an employment equity programme, if she or he meets the requirements of the position; or
- c. the Service plans to fill the position as part of a programme of laterally rotating or transferring employees to enhance organisational effectiveness and skills.

C.2.6 The Chief Executive Officer (or the Board in the case of vacant executive management positions) may utilise an appropriate agency to identify candidates for positions, as long as the advertising and selection procedures comply with Rules VII C and D.

## D. SELECTION

D.1 The Chief Executive Officer must appoint a selection committee to make recommendations on appointments to all positions except the executive management positions. The selection committee must consist of at least three members who are employees of a grading (or career ladder level as the case may be) equal to or higher than the grading (or career ladder level) of the position to be filled or suitable persons from outside the Service or in which both such an employee or employees and such a person or persons are represented: Provided that:

- a. the chairperson of the selection committee, who must be an employee of the Service, must be of a grading (or career ladder level) higher than the position to be filled;
- b. in the event that the manager of the component within which the vacant position is located, is graded lower than the vacant position, such a manager may be a member of the selection committee; and
- c. where a position that is being filled will require the incumbent to perform duties associated with an institution of higher learning that has an agreement with the Service, at least one appropriate representative of that institution must be a member of the selection committee.

D.2 The Board must appoint the selection committee for an executive management position provided that a selection committee constituted for the appointment of a member of the Executive Committee must include, in the case of;

- a. the Chief Executive Officer, at least three members of the Board;  
and
- b. any other member of the Executive Committee, the Chief Executive Officer and at least one other member of the Board.

D.3 A selection committee must, where possible, include adequate representation of historically disadvantaged persons.

D.4 A selection committee must include a majority representation of the profession where the position is for a core profession post (pathologist, medical technologist, medical scientist, and medical technician), and the chairperson of such selection committee must be a registered member of that profession.

D.5 Employees of a grading (or career ladder level) which is lower than the grading (or career ladder level) of the position to be filled may provide secretarial or advisory services during the selection process, but may not form part of the selection committee.

D.6 The selection committee must make a recommendation to the Chief Executive Officer or the Board, as the case may be, on the suitability of a candidate after considering;

- a. information based on valid methods, criteria or instruments for selection that are free from any bias or discrimination;
- b. the training, skills, competence and knowledge necessary to meet the inherent requirements of the position;
- c. the needs of the Service for developing human resources;
- d. the representativeness of the component where the position is located; and
- e. the Service's employment equity programme.

D.7 A selection committee must record the reasons for its decision with reference to the criteria mentioned in Rule VII D.6.

D.8 When the Chief Executive Officer or the Board, as the case may be, does not approve a recommendation of a selection committee, s/he or it must record the reasons for the decision in writing.

## E. PROBATION

E.1 The Board may determine that a probation period must be served for any Executive Manager position.

E.2 The Chief Executive Officer may determine any position or job category for which a probation period must be served provided that employees who are employed for a period not exceeding one year, do not serve a probationary period.

E.3 A supervisor of a probationer must ensure that-

- a. the probationer, at the commencement of the probationary period, knows the performance and other requirements for obtaining confirmation of probation;
- b. the probationer, on a quarterly basis, receives written feedback on her or his performance and compliance with other requirements;
- c. if necessary, the probationer receives training, counselling or other assistance to meet the requirements for confirmation;
- d. the probationer receives written confirmation of appointment at the end of the probationary period if she or he has been found suitable for the relevant position; and
- e. when dismissal as a result of poor performance is considered, the probationer is afforded the opportunity to state her or his case, during which process the probationer may be assisted by a colleague or a trade union representative.

## F. CAREER ADVANCEMENT

F.1 The Chief Executive Officer may advance an employee to a vacant position on a higher grade in the approved establishment of the Service if-

- a. sufficient budgeted funds, including funds for the remaining period of the relevant medium-term expenditure framework, are available for filling the vacancy; and
- b. the vacancy has been advertised and the candidate selected in accordance with Rules VII C and D.

F.2 The appointment to the new position will take effect on the first day of the month following the month during which the advancement was approved.

F.3 Employees in any career ladder may be advanced in their occupied positions a maximum of twice in any one year and may not advance more than three steps in the ladder in any single advancement.

F.4 No employee has any right to advancement to a vacant position until the advancement has been approved in writing by the Chief Executive Officer.

## G. TERMINATION OF SERVICE

### G.1 Retirement age

G.1.1 The Board will determine the age of retirement of employees and may determine a policy on early retirement after considering any applicable collective agreement.

### G.2 Resignation

G.2.1 The Chief Executive Officer must prescribe the manner in which an employee must submit her or his resignation.

G.2.2 The Chief Executive Officer must record the reasons given by the employee for her or his resignation.

G.2.3 An employee may resign from the Service, and for that purpose, unless otherwise agreed with the Board, must;

- a. in the case of any employee paid monthly, give at least one month written notice of resignation;
- b. in the case of any casual employee who has been employed for less than four weeks; give at least one week's notice of resignation;  
or
- c. in the case of any casual employee who has been employed for more than four weeks, give at least two weeks' notice.

### G.3 Ill-health

G.3.1 The Chief Executive Officer may on the basis of medical evidence, consider the discharge of an employee on account of ill-health. To this end, the Chief Executive Officer may require an employee to undergo a medical examination by a registered physician.

G.3.2 A discharge on account of ill-health must occur with due regard to item 10 of Schedule 8 to the Labour Relations Act, 1955.

### G.4 Operational requirement

G.4.1 The Board may discharge employees for operational reasons if the discharge complies with;

- a. sections 189 and 190 of the Labour Relations Act; and
- b. any applicable collective agreement that determines benefits for employees to be so discharged.

### G.5 Termination of probation

G.5.1 When the services of an employee on probation are terminated in terms of section 13 of the Labour Relations Act, 1995 due regard must be had to item 8 of Schedule 8 of the said Act.

## H. EMPLOYEE RECORDS

H.1 The Chief Executive Officer must keep a record of each employee reflecting, as a minimum, the following particulars with regard to the employee:

- a. Full names;
- b. Date of birth;
- c. Identity number (or work-permit/residence number in the case of a non-citizen);
- d. Citizenship;
- e. The employee's status, as self-defined, for purposes of monitoring representativity, according to race, gender and disability, with race defined as African, Coloured, Indian, White, or Other (specified);
- f. Home address and telephone number;
- g. Date of joining the Public Service, a university or the SAIMR (if applicable);
- h. Details of other previous relevant employment;
- i. Date of joining the Service;
- j. Nature of employment;
- k. Job title attached to the position;
- l. Occupation;
- m. Current and previous positions (and ranks where applicable), with date of entry and authorisation for entering each position (or rank);
- n. Details of formal educational qualifications (certified copies checked);
- o. Accreditation received for training and skills;
- p. Details of remuneration and performance awards;

- q. Details of pension, medical assistance and other benefits;
- r. Details of leave authorised for any purpose;
- s. All other particulars required for determining benefits and remuneration, including particulars as to marital status and dependants; and
- t. Proven cases of misconduct.

## **PART VIII. PERFORMANCE MANAGEMENT AND DEVELOPMENT**

### **A. PRINCIPLES**

The Service will manage performance in a consultative, supportive and non-discriminatory manner in order to enhance organisational efficiency and effectiveness, accountability for the use of resources and the achievement of results. Performance management processes will link to broad and consistent plans for staff development and align with the Service's strategic goals. The primary orientation of performance management will be developmental but will allow for effective response to consistent inadequate performance and for recognising outstanding performance. Performance management procedures must minimise the administrative burden on supervisors while maintaining transparency and administrative justice.

### **B. SYSTEMS FOR PERFORMANCE MANAGEMENT AND DEVELOPMENT**

B.1 The Chief Executive Officer will determine a system for performance management and career development for employees in the Service, other than employees who are members of the Executive Management Committee, consistent with these rules.



B.2 The Board will manage the performance of the members of the Executive Management Committee in accordance with the provisions of their performance contracts.

B.3 For each employee, other than an employee who is a member of the Executive Management Committee, the Chief Executive Officer will designate in writing;

- a. the period in respect of which performance is to be assessed (the performance cycle);
- b. an annual date for assessment of performance; and
- c. the supervisor responsible for monitoring, supervising and assessing the employee's performance.

B.4 The supervisor must;

- a. as far as possible, meet on a regular basis with the employee to discuss the basic objectives of her or his component and the employee's role in the success or failure in achieving those objectives;
- b. before the assessment cycle commences or within one month after appointment or advancement to a position or in a career ladder, explain the performance assessment procedure to the employee; and
- c. inform the employee of the criteria used for her or his performance assessment.

B.5 The employee's supervisor must monitor the employee's performance on a continuous basis and give the employee feedback on her or his performance;

- a. at least four times a year;

- i. orally, if the employee's performance is satisfactory; and
  - ii. in writing, if the employee's performance is unsatisfactory;
- b. at least twice during the six months preceding the employee's annual formal performance assessment date; and
- c. in writing, on the annual formal performance assessment date.

## C. PERFORMANCE ASSESSMENT

C.1 The Chief Executive Officer may establish separate performance assessment instruments for different occupations or levels of work; but when assessing an individual employee, a single assessment instrument shall be used in order to assist in deciding on probation, rewards, promotion and skills development of the employee.

C.2 Assessment must be based only on the information contained in the designated performance assessment instrument. However, where an appeal is lodged against an assessment, the information furnished in connection with the appeal, must also be considered.

C.3 Before utilising a performance management and development system referred to in Rule VIII B.1, the Chief Executive Officer must;

- a. pilot the system on groups of employees in all occupations sufficiently to enable reasonable validity; and
- b. consult with employee organisations in the Service.

## D. INFORMATION ON ASSESSMENT RESULTS

D.1 The employee's supervisor must inform the employee in writing of the outcome of the assessment and if the employee's performance is unsatisfactory, of the reasons for that assessment.

D.2 An employee who is not satisfied with the outcome of her or his assessment, may refuse to sign it.

D.3 The employee's supervisor must clearly identify the appeals route for an employee who is not satisfied with the outcome of her or his assessment.

D.4 At any appeal against the outcome of her or his assessment, the employee may be assisted by a fellow employee or a representative of her or his trade union.

D.5 The Chief Executive Officer must not communicate the outcome of an employee's performance assessment to a person not employed in the Service unless the employee has consented thereto in writing.

#### E. MANAGING UNSATISFACTORY PERFORMANCE

E.1 In the case of unsatisfactory performance, the Chief Executive Officer must;

- a. provide systematic remedial or developmental support to assist the employee to improve her or his performance;
- b. if the performance is so unsatisfactory and the desired improvement cannot be effected, consider steps to discharge the individual for unfitness or incapacity to carry out her or his duties.

#### F. INCENTIVES FOR GOOD PERFORMANCE

F.1 If the Service's budget and the medium-term expenditure framework provide adequate funds, the Chief Executive Officer may establish a financial incentive scheme for employees or any category of those employees.

F.2 To establish a financial incentive scheme, the Chief Executive Officer must;

- a. in writing determine the nature, rules and control measures of the scheme in advance;
- b. communicate the nature and rules of the scheme equitably to all employees; and
- c. ensure that employees who implement the quality and quantity control measures of the scheme are not entrusted with the implementation of that scheme in relation to themselves.

## G. SUGGESTIONS, IMPROVEMENTS AND INNOVATIONS

G.1 If an employee makes a suggestion, improvement or invention of exceptional value to the Service;

- a. the Service will have the right of use of any such suggestion, improvement or invention; and
- b. the Board may reward the employee through;
  - i. any non-monetary reward;
  - ii. a non-pensionable cash award; or
  - iii. such a non-monetary reward as well as such a cash award,
- c. provided that the provisions of section 17 of the Act are complied with insofar as they are applicable to the invention or improvement.

## H. MISCONDUCT AND DISCIPLINE

H.1 The Board may, with due regard to the Labour Relations Act, 1955 develop and implement a policy regarding the discipline of employees, including, but not limited to;

- a. matters that will constitute misconduct;
- b. mechanisms for managing misconduct; and
- c. appropriate responses to misconduct.

## I. GRIEVANCES

I.1 The Board may, with due regard to the Labour Relations Act, 1955 develop and implement a policy regarding the management of grievances of employees, including, but not limited to;

- a. matters that will constitute a formal grievance; and
- b. mechanisms for managing employee grievances.

## PART IX. TRAINING AND EDUCATION

### A. PRINCIPLES

Employees should have ongoing and equitable access to training geared towards achieving an efficient, unbiased and representative Service. Training should support work performance and career development. It should become increasingly driven by needs, and link strategically to broader human resource management practices and programmes aimed at enhancing employment equity and representativeness.

### B. INSTITUTIONAL ARRANGEMENTS

B.1 The Board may oversee or ensure the participation of the Service in any institution aimed at promoting training, subject to the South African Qualifications Authority Act, 1995 (Act No. 58 of 1995).

B.2 Training may be provided internally or externally.

B.3 A supervisor must provide training opportunities for employees under her or his supervision and control in accordance with the Service's training plan.

B.4 The Chief Executive Officer must budget for the training of employees at all grades.

#### C. QUALITY OF TRAINING

C.1 The Chief Executive Officer must, where appropriate, utilise institutions that have the accreditation of the South African Qualifications Authority for training personnel of the Service and that the training offered in the Service gains accreditation from the South African Qualifications Authority.

C.2 The Service will issue certificates in respect of internal training when completed successfully.

#### D. OCCUPATIONAL SPECIFIC COMPETENCIES AND TRAINING

D.1 The Chief Executive Officer may, upon the recommendation of the National Academic Pathology Committee, in addition to the prescripts of professional councils, determine the required competencies of and prescribe training for, various occupations or specific employees in the Service.

#### E. TRAINING ASSISTANCE

E.1 If it will make a contribution to the performance of the work of the Service, the Chief Executive Officer may, provided she or he has budget for such activities, grant any financial or other assistance for any study, training or research where-

- a. she or he has asked an employee to undertake the study, training or research; or
- b. the employee has requested any such assistance.

E.2 The Chief Executive Officer may develop a policy that will provide for the granting of any financial or other assistance for part-time or full-time activities at, or in association with, either local or international institutions. She or he may also include the granting of assistance for studies and training through training interventions such as short courses, congresses, symposia, seminars, conferences, workshops, lectures and study tours in the policy.

E.3 The Chief Executive Officer may-

- a. grant bursaries for higher education to both serving and prospective employees; and
- b. may allocate bursaries for general education and further education and training only to serving employees; and
- c. not require contractual service in recompense for assistance received by an employee in respect of any general education or further education and training. (See E11).

E.4 The Chief Executive Officer may, from budgeted funds of the Service, defray any genuine expenses associated with study, research or training, but need not cover the full expenses.

E.5 A serving employee may retain her or his salary, which shall count as part of the financial assistance from the Service during any study, research or training.

E.6 The Board may waive the whole or any part of any study debts.

E.7 Where the Service provides a bursary for higher education to an employee or prospective employee;

- a. the bursary holder must enter into a contract with the Service in terms of which she or he;
  - i. in the case of a bursary holder who undertakes full-time study, will redeem the bursary by serving the Service on the basis of one year for each year of study or any part thereof; or
  - ii. in the case of a bursary holder who undertakes part-time study, will redeem the bursary by serving the Service for at least one year after attaining the relevant qualification; and
- b. a bursary holder who undertakes full-time study, must commence serving the Service within one month after she or he has met all the requirements for the attainment of the relevant qualification.

E.8 An employee who fails to complete the relevant qualification must redeem any obligation in terms of the contract either through service, or repayment of the bursary amount, plus interest at a rate determined by the Board.

E.9 In the case of an employee who studies or undergoes training other than general education for short periods, the Chief Executive Officer may, as a precondition for providing assistance, require the employee to enter into a contract with the Service in terms of which she or he will serve the Service for a commensurable period.

E.10 The Service will provide as many positions as may be determined annually by the Board, after motivation by the National Academic Pathology Committee, on the fixed establishment for the training of



Registrars in the pathology disciplines. The Service will select incumbents in collaboration with the associate university faculties and will enter into Registrar bursary agreements with the incumbents to;

- a. employ the incumbents to these positions on contract for the period of their training;
- b. using the approved grading system;
- c. remunerate the incumbent according to the Service remuneration scales; and
- d. redeem the bursary by requiring the incumbent, upon graduation, to serve the Service on the basis of one year for each year of study or any part thereof.

E.11 For the purpose of Rule IX E;

- a. "*Further education and training*" means further education and training as defined in section 1 of the Further Education and Training Act, 1998 (Act No. 98 of 1998);
- b. "*general education*" means the compulsory school attendance phase as referred to in section 3 of the South African Schools Act, 1996 (Act No. 84 of 1996); and
- c. "*higher education*" means higher education as defined in section 1 of the Higher Education Act, 1997 (Act No. 101 of 1997).

#### F. SABBATICAL TRAINING FOR ACADEMIC PROFESSIONALS

F.1 The Board may, upon the recommendation of the National Academic Pathology Committee, and after consultation with the associated tertiary education institution;

- i. determine specific posts that will be designated as having academic status by virtue of the teaching and research responsibilities associated with the jobs; and

- ii. adopt and manage a policy and financing mechanisms for sabbatical training for the professionals appointed to these academic posts.

## **PART X. LABOUR RELATIONS**

### **A. PRINCIPLES**

The Board will appoint the Chief Executive Officer and any other employee to manage negotiations, conclude collective agreements and resolve labour disputes in accordance with the Labour Relations Act, 1995. No employee may sign an agreement with fiscal implications unless she or he has an unambiguous written mandate from the Board via the Chief Executive Officer.

### **B. IMPLEMENTATION OF COLLECTIVE AGREEMENTS**

B.1 The Service will implement and enforce any collective agreement signed by an authorised representative of the Service as employer.

### **C. MANDATING AND MANAGEMENT OF NEGOTIATIONS**

C.1 The Chief Executive Officer may enter into an agreement on a matter of mutual interest only if;

- a. she or he has authority from the Board to deal with the matter concerned; and
- b. she or he meets the fiscal requirements contained in Rule X D.

C.2 Collective bargaining will be regulated by the Labour Relations Act, 1995.

C.3 In the established bargaining structure or procedure that deals with matters of the Service the Chief Executive Officer will delegate a person who will manage negotiations on behalf of the Service as employer.

#### D. MATTERS WITH FISCAL IMPLICATIONS

D.1 Subject to Rule X C, the Service will enter into an agreement in the bargaining structure on any matter that has financial implications only if;

- a. it has a thoroughly considered realistic calculation of the costs involved in both the current and the subsequent fiscal year;
- b. the agreement does not conflict with the Public Finance Management Act, 1999; and
- c. the costs can be covered;
  - i. from the operating portion of the Service's budget; or
  - ii. on the basis of a written commitment from the government to provide additional funds.

### PART XI. CODE OF ETHICS

#### A. PRINCIPLES

The professional environment of the Service requires that the highest ethical standards be maintained at all times. The business environment is that of a public entity managing public funds largely generated from government departments and therefore requires good corporate ethics.

#### B. DEVELOPMENT OF CODE OF ETHICS

The Service will develop and implement a Code of Ethics for all personnel.

## **PART XII. TRANSITIONAL ARRANGEMENTS**

### **TRANSITIONAL ARRANGEMENTS**

- 1.** Notwithstanding the provisions of Rule I E.1, where the Board has adopted certain personnel measures and applied them, such measures shall be deemed to have been taken in terms of these Rules, provided that;

  - a. the actions are consistent with any valid collective agreement, and
  - b. the purpose of the adoption of the Rules has been to harmonise the application of human resource policy amongst the founding parties.
  
- 2.** State employees transferred to the Service shall from the commencement date be employees of the Service on the conditions that she or he enjoyed on the date of transfer.
  
- 3.** Until such time as an employee is informed of a new job title of the Service the job title applicable in the SAIMR or the Public Service, as the case may be, the employee's station and job description remain unaltered.
  
- 4.** Delegations, authorisations and responsibilities that apply prior to the commencement date will apply in respect of any employee until such time as they are removed and replaced by delegations, authorisations and responsibilities of the Service.
  
- 5.** From the commencement date any application for early retirement, notice of retirement or termination of service must be made to the Service through executive management.

6. The records of all transferred employees become the property of the Service from the commencement date of these rules.
  
7. All vacancies advertised before these rules come into operation shall be filled in accordance with the requirements applicable at the time of the advertisement.
  
8. Subject to any collective agreement, the official forms in use in the public service or the SAIMR immediately before these rules come into operation in relation to public service and personnel matters (and identified by the prefix "Z" in the case of the Public Service) will continue to be used in relation to those matters -
  - a. in so far as their use is not inconsistent with the provisions of these Rules or any collective agreement; and
  - b. until a date to be determined by the Board by notice to all staff in an internal communication. Such a determination may be made from time to time in respect of any one or more of those forms.
  
10. Bursaries and other study contracts awarded by the SAIMR or the Public Service and held by employees or any other person will be honoured and the conditions of the bursaries or study contracts will continue to apply in the Service.
  
11. Outstanding grievances lodged with either the SAIMR or the Public Service must be concluded by the authority with which the grievance was lodged, or, where relevant, officially transferred in writing to the Service by that authority.

12. Outstanding discipline or misconduct procedures must be concluded by the authority that initiated the procedures and the employee will not be transferred to the permanent establishment of the Service until the disciplinary or misconduct process has been concluded. During the process the employee may be seconded to perform gainful work in the Service.

13. Subject to the details of a collective agreement to be reached in consultation with organised labour the performance of every employee will be assessed, using the chosen assessment tool or tools of the Service (see Chapter VIII), within 12 months of the relevant date of commencement and their transfer to the Service.

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## **PART I. PRELIMINARY**

### **A. SHORT TITLE AND COMMENCEMENT**

A.1 These Rules are called the National Health Laboratory Service Finance Rules and, with the exception of rules IVC and VB.1.1, come INTO operation on 1 July 2003. Rules IVC and VBI.1 come into operation on 1 April 2004.

### **B. INTERPRETATION**

B.1 These Rules must be read in conjunction with the Public Finance Management Act, 1999 and the Treasury Regulations.

### **C. SCOPE OF APPLICATION**

C.1 These Rules apply to all components of the Service and all funds of the Service acquired from any source.

### **D. REPLACEMENT OF RULES AND TRANSITIONAL ARRANGEMENTS**

D.1 Any Rule made and in force in terms of a directive of the South African Institute for Medical Research (SAIMR) or the Public Service insofar as it affects the financial matters of the Service, is, subject to the transitional arrangements, hereby replaced to the extent that it is inconsistent with any of these Rules.

### **E. EXCEPTIONAL CIRCUMSTANCES**

If circumstances develop which justify deviation from the provisions and measures of a particular Rule in these Rules, the Board may, under exceptional circumstances, make determinations, issue directives or approve that alternative provisions and measures be applied; provided that the determinations, directives or approved alternative provisions and

measures to be applied are approved by the Minister and comply with the Act, and Public Finance Management Act and the Treasury Regulations as they apply to the Service.

#### F. COMMUNICATION WITH THE BOARD AND THE MEDIA

F.1 If an executive manager needs to communicate with the Board on a financial matter, she or he shall communicate through the Financial Manager or the Chief Executive Officer and may conduct correspondence in any official language.

F.2 Only the Chief Executive Officer and a member of the Board duly delegated by the Board may communicate with the media regarding financial matters of the Service.

### **PART II. DELEGATIONS, AUTHORISATIONS AND RESPONSIBILITIES**

#### A. PRINCIPLES

To enable the Chief Executive Officer to manage the Service effectively and efficiently, the Board must provide the Chief Executive Officer with appropriate powers and authority. For the same purpose the Chief Executive Officer must empower employees in the Service by means of appropriate delegations and authorisations, where necessary.

#### B. FIDUCIARY DUTIES

B.1 It is incumbent upon every Board member to ensure that she or he has read and familiarised him or herself with the fiduciary duties that are contained in section 50 of the Public Finance Management Act, 1999.

B.2 A member of the Board must disclose to the Board any direct or indirect personal or private business interest that the member or any spouse, partner or close family member may have in any matter before the Board.

B.3 A member of the Board must withdraw from the proceedings of the Board when that matter is considered unless the Board decides that the member's direct or indirect interest in the matter is trivial or irrelevant.

B.4 Any disclosure, decision and action related to any matter referred to in Rules III.B.2 or III.B.3 must be recorded in the minutes of the Board meeting or the minutes of a committee of the Board as the case may be.

#### C. DELEGATIONS AND AUTHORISATIONS

C.1 The Board or Chief Executive Officer must record a delegation or authorisation it, she or he has made in writing and may incorporate it in an employment contract for the employee.

C.2 Any delegation, whether of the Board or the Chief Executive Officer must be signed by the employee to whom the delegation has been given as acknowledgement, a copy of such delegation must be kept by the Service and a copy of such delegation must be given to the employee.

C.3 Withdrawal of any delegation, whether by the Board or by the Chief Executive Officer must be signed by the employee from whom the delegation is being withdrawn, as acknowledgement, one copy of the withdrawal of delegation letter must be kept by the Service and another copy must be given to the employee.

#### D. GENERAL RESPONSIBILITIES

D.1 It is incumbent upon every Board member to ensure that she or he has read and familiarised him or herself with the general responsibilities

that are contained in section 51 of the Public Finance Management Act, 1999.

D.2 The Board may not require or permit the Chief Executive Officer or any other employee to engage in an activity or take a decision in breach of these Rules.

D.3 The Chief Executive Officer must-

(a) ensure that the employees in the Service comply with these Rules, any agreements entered into in terms of these Rules and any other statutory obligations; and

(b) deal immediately and effectively with any breach thereof.

D.4 The Board and the Chief Executive Officer must exercise their powers, perform their duties and carry out their obligations under these Rules subject to the Act, Public Finance Management Act and, where applicable the Treasury Regulations.

D.5 The Chief Executive Officer must ensure that prior written approval is obtained from the Board for any financial decision or transaction that involves unbudgeted expenditure.

## E. CONFLICT OF INTEREST

E.1 Where a possible conflict of interest arises in the making of any decision relating to financial matters, the Chief Executive Officer or any other employee to whom any power or duty has been delegated or assigned, must perform the act or make the decision only after discussing the matter in a meeting of the Executive Management Committee, where such discussion and decision must be minuted.

E.2 Where the Chief Executive Officer or the employee to whom a power or duty has been delegated or assigned, deviates from the Executive Management Committee recommendations or decisions, she or he must record the reasons for the deviation in writing and submit such correspondence to the chairperson of the Audit Committee and any such deviation will only be countenanced in exceptional circumstances.

E.3 The Chief Executive Officer or employee must not accept or seek reward of any kind from any person or company in return for an act or omission in his or her official capacity or making a decision relating to procurement of goods and services or approval of discounts, suspension of services or receipt of grants, bequests or donations.

#### F. HANDLING OF OFFICIAL INFORMATION AND DOCUMENTS

F.1 An employee must not under any circumstances destroy or alter any official documentation unless she or he has the necessary authority.

F.2 An employee must not under any circumstances release official information to the public or the press unless she or he has the necessary authority.

### **PART III. ANNUAL BUDGET AND CORPORATE PLAN**

#### PRINCIPLES

To ensure that the Service has sound financial plans that will enable it to meet the objects of section 4 of the Act, the Board will develop and maintain a corporate plan, three year medium term budget scenarios and annual budgets and submit them timeously to the proper authorities for approval.

A. FINANCIAL YEAR

B.1 The financial year of the Service will be from 01 April until 31 March of the following year.

B. STRATEGIC PLANNING

C.1 By the end of August each year the executive management must compile a three-year strategic corporate plan for the coming financial year and the subsequent two years.

C.2.1 The executive management will, as a concurrent exercise, compile two or more budget scenarios (including the two further years as a medium term expenditure framework - MTEF) based on the strategic corporate plan.

C.2.2 The Board may prescribe the budget format.

C.2.3 The budget scenarios must be presented to the Board annually prior to the end of September of the year preceding the next budgeted financial year.

C.2.4 The budget must include all anticipated expenditure including funds for capital and new service developments and the anticipated revenue must include a calculation of tariffs required to meet budgeted expenditure.

C.2.5 The Board will recommend an appropriate budget, including the proposed tariff adjustments that will be motivated to the government for public sector clients, and submit a proposal for approval of the corporate plan and budget to the Department of Health by 30<sup>th</sup> September annually.

C.3 Before the end of August annually any subsidiary of the Service must submit a corporate plan and a recommended three-year medium

term expenditure framework for presentation to the Board for approval and inclusion in the submission to the Department of Health in Rule IV C.2.5.

C.4 The Department of Health will make recommendations to the Minister with regard to the approval or amendment of the budget submission.

C.5 The budget that is approved by the Minister shall be the approved budget of the Service.

#### C. MANAGERIAL REVIEW AND OVERSIGHT

D.1 The Board must ensure that the expenditure of the Service and any subsidiaries is in accordance with the budget that is approved by the Minister.

D.2 The Financial Officer must present the quarterly financial statements and cash flow status to the Committee at its regular meetings.

D.3 The Committee must present the quarterly financial statements and cash flow status to the Board at its regular meetings.

D.4.1 The Committee or the Board may require that more frequent financial information, in particular cash flow status, be presented to the chairperson of the Committee and/or the Board and in such case shall issue such instruction in writing to the Chief Executive and the Financial Officer.

D.4.2 The Committee or the Board may rescind a requirement that more frequent financial information be presented to the chairperson of the Committee and/or the Board and in such case shall cancel such instruction in writing to the Chief Executive and the Financial Officer.

## **PART IV. SETTING OF FEES AND TARIFFS**

### **A. PRINCIPLES**

The income of the Service must support effective and efficient service delivery while, as far as possible taking client circumstances into account. The major source of income will be generated from fees for service based on published tariffs for laboratory and allied services.

### **B. PROCEDURES**

B.1.1 In order to allow provinces and other public sector clients to anticipate changes in tariffs in their own budgets, and to obtain consensus on the new tariffs, the Board will discuss the tariffs with the national Department of Health and the provincial Departments of Health prior to the formal submission of the recommended tariffs to the national Department of Health.

B.1.2 Should unforeseen circumstances arise that may force a mid-year tariff and fees adjustment, the Board will recommend new tariffs to the national Department of Health and the provincial Departments of Health for extra-ordinary approval by the Minister.

B.2 The tariffs to be charged to private sector clients will be set after consideration of other relevant private health sector tariffs and any other relevant information.

B.3 Tariff models may be progressively adapted towards cost recovery.

B.4 The Chief Executive Officer must advertise new approved fees and tariffs by direct notice to clients at least 30 days prior to their implementation.



## **PART V. PAYMENT AND COLLECTION OF MONEY**

### **A. PRINCIPLES**

The Service will charge clients for actual services rendered and will invoice the clients with itemised bills. Payment will be expected within 45 days of invoice in order to maintain cash flow. Debtors older than 60 days will be regarded as defaulters and steps will be taken to recover the money. In order to pro-actively manage the relationship with large clients, the Service will aim to enter into memoranda of understanding with these clients and may include incentives and penalties within the parameters of these Rules.

### **B. PAYMENTS**

B.1 In respect of Public Sector clients, the Chief Executive Officer-

- a. may write a letter of demand to any defaulting client 45 days after invoice date;
- b. must inform the Board of all letters of demand that have been issued;
- c. must inform the Board of all debtors that have not paid after 60 days; and
- d. must follow up the failure to effect payment with the client and with the Head of the responsible provincial Health Department (HOD) and ensure that the HOD is aware of the problem.

B.2 In respect of Public Sector clients the Board-

- a. must notify the Minister or the Member of the Executive Council responsible for health in a province of any defaulting client 60 days

after invoice date and indicate the correspondence that the Chief Executive Officer has had with the Head of Department and the client;

- b. may instruct the Chief Executive Officer to terminate a service provided to a client and/or to close a laboratory or laboratories and to re-deploy personnel if the payment has not been made within 90 days; and
- c. must notify the Minister or the Member of the Executive Council responsible for health in a province of the intention to terminate a service or to close a laboratory due to non-payment at least 14 working days prior to the intended termination or closure.

B.3 In respect of private clients, the Chief Executive Officer-

- a. may write a letter of demand to any defaulting client 45 days after invoice date;
- b. must inform the Board of all debtors that have not paid after 60 days;
- c. may proceed with legal steps to recover any debt older than 60 days, or
- d. at the discretion of the Chief Executive Officer proceed to write off debts where recovery is not likely to be cost effective: provided that the size of the debts which may be so written off will be set by the Committee annually.

C. FINES AND PENALTIES

C.1 The Board may develop and implement a policy regarding the conclusion of an agreement with any defaulting client to settle debt through a payment plan and the policy may include the imposition of penalties in such a plan including, but not limited to, interest to be levied at a mutually agreed rate.

#### D. GRANTING OF DISCOUNTS AND INCENTIVES

D.1 The Board may develop and implement a policy regarding the authorisation of the discounting of services or the granting of incentives to any client including, but not limited to, volume related benefits and regular early payment benefits.

D.2 Where the Service grants any discount or incentive the period of applicability and the conditions for sustaining the benefit must be stated and the Service must reserve the right to terminate the benefit.

D.3 All discount or incentive benefits that are granted to any client must be reduced to writing and recorded in an appropriate register.

#### E. ADDITIONAL CHARGES FOR OVERDUE PAYMENTS

E.1 The Board may develop and implement a policy that includes differential charges for different payment periods, including a standard additional charge for late payments.

#### F. SUSPENSION AND TERMINATION OF SERVICES

F.1 The Board may suspend or terminate a service:

a. owing to failure of a client to clear debt in accordance with the provisions of Rule VI B.2, or

b. for operational reasons provided that the Chief Executive Officer has given prior notice of not less than one month to the client and must inform the client of the closest alternative services.

#### G. DISPUTE RESOLUTION

G.1 Any dispute that a client may have in respect of an invoice, fine, penalty, additional charge or notice to suspend or terminate a service

must be lodged with the Chief Executive Officer within 7 working days of the date of invoice, fine, penalty, additional charge or notice to suspend or terminate a service as the case may be.

G.2.1 The Chief Executive Officer will attempt to resolve the dispute as a matter of urgency but if no resolution is achieved within a further 7 working days the Chief Executive Officer must refer the matter to the chairperson of the Committee.

G.2.2 The chairperson of the Committee may decide to resolve the referred dispute with the aggrieved party directly but may convene a meeting of the full Committee to consider and resolve the dispute.

G.2.3 If the Committee cannot resolve the referred dispute with the aggrieved party the Committee must refer the matter to the chairperson of the Board who must resolve the matter with the assistance of the national Department of Health or the Minister.

G.2.4 All disputes and their outcomes must be reported to the Board.

## H. RECEIPT AND UTILISATION OF GRANTS, BEQUESTS AND DONATIONS

### H.1 Grants

H.1.1 The Service will engage with the Department of Health and any other government department to fund specific programmes that the Service may provide to government such as epidemiological surveillance programmes, vaccine testing and development and discounted Public Health survey testing (including antenatal HIV surveys and tuberculosis programmes, etc).

H.1.2 The Service may motivate for and receive research and development grants either in the form of cash or equipment, materials and professional services from any legal source.

H.1.3 Any funds that are paid in respect of a grant must be reflected as such in the financial statements of the Service and will be reported separately in the Annual Report.

H.1.4 The terms of a grant should clearly specify the scope of applicability of the funds and any conditions for accounting.

## H.2 Bequests

H.2.1 The Service may receive cash bequests for research and development or services.

H.2.2 The Service may receive cash-in-kind bequests for research and development or services provided that any equipment is immediately included in the asset register of the Service and that the Service budgets for the maintenance of the equipment.

H.2.3 If the utilisation of a bequest is specified by the deceased then the wishes of the deceased should be acceded to as far as legally possible, provided that the bequest is accepted on this understanding. If the utilisation of a bequest is unspecified then the Service will utilise it as it deems appropriate.

H.2.4 The Service may receive fixed property bequests provided that the Treasury is informed and agrees to the incorporation of the property into the asset portfolio of the Service.

H.2.5 In the event that the Treasury agrees to the bequest of fixed property to the Service, the Service must transfer the Deeds of the property to the name of the Service.

H.2.6 Any funds, goods or property that are bequeathed must be reflected as such in the financial statements of the Service and will be reported separately in the Annual Report as provided for in Rule VIII.

### H.3 Donations

H.3.1 The Service may receive cash donations for research and development or services.

H.3.2 The Service may receive cash-in-kind donations for research and development or services provided that any equipment is immediately included in the asset register of the Service and that the Service budgets for the maintenance of the equipment.

H.3.3 If the utilisation of a donation is specified by the donor then the wishes of the donor should be acceded to, provided that utilisation of the donation is within the parameters of relevant legislation and the approved policies of the Service and that the donation is accepted. If the utilisation of a donation is unspecified then the Service will utilise it as it deems appropriate.

H.3.4 The Service may receive fixed property donations provided that the Treasury is informed and agrees to the incorporation of the property into the asset portfolio of the Service.

H.3.5 In the event that the Treasury agrees to the donation of fixed property to the Service, the Service must transfer the Deeds of the property into the name of the Service.

H.3.6 The Service may not receive any donations from the tobacco industry.

H.3.7 Any funds, goods or property that are donated must be reflected as such in the financial statements of the Service and will be reported separately in the Annual Report as provided for in Rule VIII.

## **PART VI. PROCUREMENT**

### **A. PRINCIPLES**

The Service must procure goods and services in the most effective and efficient manner while as far as possible taking into consideration the need to participate in the development of businesses owned and managed by previously disadvantaged people.

### **B. PROCEDURES**

B.1 The Board must develop and implement a procurement policy and procedures, including tendering procedures, delegated levels of financial authority, control mechanisms and reporting procedures.

B.2 The Chief Executive Officer must ensure that the procurement policy and procedures are well known and understood throughout the Service and that any employee that is authorised to procure goods or services has clear written delegations that state his or her authority.

## **PART VII. REPORTING**

### **A. PRINCIPLES**

A.1 The Service will aim to keep complete and thorough records of its activities and to make these available in as transparent a manner as is

possible provide that it is understood that patient records will receive the highest level of confidentiality that doctor-patient privilege can maintain.

A.2 The aim of the annual report will be to present a balanced and understandable assessment of the Service's position based on the principles of openness regarding material matters of significant interest and concern to all stakeholders. The Board will aim to present a comprehensive and objective assessment of the activities of the Service so that relevant stakeholders with legitimate interest in the Service's affairs can obtain a full, fair and honest account of its performance.

## B. RESPONSIBILITIES

B.1 The Board must prepare an annual report on the affairs and functions of the Service during the previous year ending on 31 March and, on or before 31 August of each year, submit it to the Minister in compliance with section 24 of the Act.

B.2 At least once a year the Chief Executive Officer must present a consolidated report to the Board on the progress made with the development of the laboratory services provided and include in the report-

- (a) mechanisms or strategies to be utilised to progressively remove the barriers so that access to services is increased, with due regard to the customer's means of access to the services and the barriers to increased access thereof;
- (b) relevant factors related to these matters that may affect standards for the main services to be provided; and
- (c) arrangements that have been made to prevent the suspension of services.



## C. ROUTINE REPORTING

C.1 Reports from management to the Board must provide a balanced assessment of significant risks and the effectiveness of the system of internal control in managing those risks. Any significant control failings or weaknesses identified must be reported in the reports, including the impact that they have had, or may have had, on the Service and the actions being taken to rectify them.

C.2 Minutes and reports from meetings of all committees of the Board must be tabled to the full Board for information and must form part of the records of the Board.

C.3 Board minutes will be sent to the Director General of the Department of Health for information.

C.4 The Board will endeavour to report to the Minister in person twice each year. One of these occasions will also be used to formally hand over the Annual Report.

## D. ANNUAL REPORT AND FINANCIAL STATEMENTS

D.1 Corporate Governance Information.

D.1.1 The annual report should include a charter of responsibilities confirming the Board's statutory responsibility for strategic plans, monitoring of operational performance and management, determination of policy and process for risk management and internal controls, communication policy and Board member appointments and orientation.

D.1.2 The Board must report on the present state of affairs of the Service at the end of the financial year and the profit or loss and cash flows for the period.

D.1.3 The Auditors must report on whether the financial statements are fairly presented.

D.1.4 The annual report must include:

- a. comment on the nature and extent of the social, transformational, ethical, safety, health and environmental management policies and practices in the Service;
- b. description of practices reflecting a commitment to reduction of workplace accidents, fatalities and health and occupational safety incidents against stated measurement targets and objectives, specifically the nature and extent of the strategy, plan and policies adopted to address and manage the potential impact of HIV/AIDS on the Service;
- c. description of human capital development, in particular staff numbers, progress towards equity targets, achievement of corporate training and development initiatives, age, employee development and financial investment committed. (This should also cover the opportunities that have been created for previously disadvantaged individuals, in particular women, to reach management positions.)

D.2 Financial Information.

D.2.1 The Board must;

- (a) prepare financial statements for each financial year in accordance with generally accepted accounting practice, unless the Accounting Standards Board accepts the application of the generally recognised accounting practice;

- (b) submit the financial statements to the auditors as required by section 23(3) of the Act and section 55 of the Public Finance Management Act;
- (c) prepare an annual report that contains all of the information required by the Public Finance Management Act and chapter VIII of these Rules;
- (d) report separately on discounts granted to clients, services suspended, grants awarded to the Service, bequests made, and donations received;
- (e) specifically disclose the risk management process and system of internal control, including reasonable assurance that disastrous incidents will not destroy the Service; and
- (f) report on all borrowing authorised in terms of section 21 of the Act.

D.2.2 Remuneration of Board members and executive management must be reported in general terms in the annual report.

D.3 Other Information.

D.3.1 The annual report must include:

- (a) a consolidated report on laboratory services rendered to foreign countries and reporting specifically on any cases where the Minister, in terms of section 16(3) of the Act, may have had to obtain the concurrence of the Minister of Finance and indemnify the Service against any losses that the Service may have incurred as a result of services rendered to foreign countries;

- (b) a consolidated report of any unethical and/or risky behaviour that has been detected in the Service and the steps that were taken to address this behaviour, including, but not limited to, reports to the Health Professions Council where appropriate;
- (c) a statement regarding progress with the implementation of the quality assurance programme and quality control measures that have been taken in accordance with the quality assurance rules and the stated targets for the year;
- (d) a consolidated report of teaching and research that has been conducted in association with the institutions of higher learning; and
- (e) specific reports on each discovery, invention or improvement made by employees of the Service and other persons associated with the service, including agreements reached regarding ownership of intellectual property rights and fees and royalties.

D.4 Distribution of information will be through a broad range of communication channels. The Service will endeavour to publish all relevant reports on a corporate website on the internet.

## **PART VIII. AUDITORS**

### **A. PRINCIPLES**

The corporate governance and financial control of the Service will comply with the legal and accounting principles and indices. The Audit Committee must assist the Board in discharging its duties relating to the safeguarding of assets, the operation of adequate systems, control processes and the preparation of accurate financial reporting and statements in compliance with all applicable legal requirements and accounting standards.

## B. INTERNAL AUDIT

B.1 The Service shall establish an internal audit unit.

B.2 This unit will establish and implement an audit plan, with the approval of the Audit Committee, that will provide the Board and management with assurance that there is a risk management plan and that internal controls and governance processes are functioning.

B.3 In order to ensure the maximum independence the head of the internal audit unit must attend the Audit Committee meetings and must have full access at all times to the chairperson of the Audit Committee.

B.4 The appointment of the head of the internal audit unit must be authorised by the chairperson of the Audit Committee. The internal audit unit may be contracted out to a private firm provided that the Audit Committee ensures that it is never managed by the same audit firm as the external audit or as any consulting firm that is providing services to the Service.

B.5 The employment contract of head of the internal audit or the contract of the private contracted company may not be terminated without the written authority of the chairperson of the Audit Committee after consultation with the chairperson of the Board.

## C. DUTIES AND POWERS OF EXTERNAL AUDITORS

C.1 The Board, its committees and the executive management must do everything in their power to ensure that the external auditors can fulfil the duties and powers that are provided for in section 23 of the Act and section 60 of the Public Finance Management Act, 1999.

## **PART IX. TRANSITIONAL ARRANGEMENTS**

### **A. FINANCE COMMITTEE**

A.1 Any finance committee that has been established and is functioning prior to the date of commencement of these Rules will be deemed to have been established in terms of these rules.

A.2 The term of office of the members of the Committee referred to A.1 is deemed to have commenced from the date of appointment.

A.3 The minutes and other records of any finance committee that has been established and is functioning prior to the date of commencement of these Rules will be deemed to be the minutes and records of this Committee.

### **B. DELEGATIONS, AUTHORISATIONS AND RESPONSIBILITIES**

B.1 Any delegation that the Board has made prior to the date of commencement of these Rules will be deemed to be a delegation made in terms of these rules.

B.2 Any delegation that the Chief Executive Officer has made prior to the date of commencement of these Rules will be deemed to be a delegation made in terms of these rules.

B.3 Any delegation that the Board or the Chief Executive Officer has made prior to the date of commencement of these Rules and that has not been properly recorded in writing must be recorded in the manner that is required by these rules.

## C. ANNUAL BUDGET AND CORPORATE PLAN

C.1 At the date of commencement of these rules the SAIMR or the part of the Service that used to fall under the Public Service will formally close its financial books and the Service will open a new book of accounts.

C.2 From the date of commencement of these rules the Service will inherit the budget of the SAIMR for the remainder of the 2001/02 financial year.

C.3 The budget for the 2002/03 financial year shall be deemed to have been approved by the Minister.

C.4 The budget for the 2003/04 financial year need not comply with the timeframes required by Rule IV C.3 but it must be approved by the Minister in terms of Rule IV C.5.

## D. SETTING OF FEES AND TARIFFS

D.1 The fees and tariffs for the 2003/04 financial year that were set after consultation with the national and provincial Departments of Health shall be deemed to comply with the provisions of Rule V B.1.1.

## E. PROCUREMENT

E.1 From the commencement date of these rules the Service will inherit the financial provisions, prescripts and requirements applicable and in force at the SAIMR:

- a. in so far as their use is not inconsistent with the provisions of these Rules or any law; and
- b. until a date to be determined by the Board by notice to all staff in an internal communication. Such a determination may be made from

time to time in respect of any one or more of the procedures, systems or forms in use.

#### F. AUDITORS

F.1 The Auditors that were appointed for the SAIMR will be deemed to be the auditors of the Service in terms of the requirements of the Public Finance Management Act and these Rules and the Board must immediately confer with the Auditor General in compliance with section 58(3) of the Public Finance Management Act, 1999.



## **ANNEXURE III**

### **QUALITY ASSURANCE AND ACCREDITATION RULES**

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## **TRANSITIONAL ARRANGEMENTS**

## **PART I. PRELIMINARY**

### **A. SHORT TITLE AND COMMENCEMENT**

A.1 These Rules shall be called the National Health Laboratory Service Quality Assurance Rules and shall come into operation on 1 July 2003.

### **B. INTERPRETATION**

B.1 These Rules must be read in conjunction with the Health Professions Act, 1974 (Act No. 56 of 1974) and the regulations made in terms of that Act.

### **C. REPLACEMENT OF RULES AND TRANSITIONAL ARRANGEMENTS**

C.1 Any Rule made and in force under a directive or provision in the South African Institute for Medical Research (SAIMR) or the Public Service insofar as it affects the quality assurance and accreditation matters of the Service, is hereby replaced insofar as it is inconsistent with any provision of these Rules.

### **D. EXCEPTIONAL CIRCUMSTANCES**

D.1 If circumstances develop which justify deviation from the provisions and measures in a particular rule in these Rules, the Board may, under exceptional circumstances, make determinations, issue directives or approve that alternative provisions and measures be applied; provided that the directives or approved alternative provisions and measures approved by the Minister and comply with the Health Professions Act and regulations made in terms of that Act

## E. COMMUNICATION

E.1 If a manager or employee needs to communicate with the Board on quality assurance or accreditation matters, she or he shall communicate through the executive manager responsible for the Quality Assurance Unit or the Chief Executive Officer.

E.2 Only the Chief Executive Officer and the Board may communicate with the media or other external organisations regarding quality assurance and accreditation matters of the Service.

E.3 The Quality Assurance Unit must communicate all relevant information regarding quality and accreditation to all laboratories and employees of the Service. The communication may be in the form of:

- (a) meetings;
- (b) newsletters;
- (c) websites;
- (d) e-mails;
- (e) workshops; and
- (f) publications on notice boards.

## PART II. QUALITY ASSURANCE UNIT

### A. PRINCIPLES

A.1 A set of standardised procedures is required in order to simplify the attainment of minimum acceptable performance by the departments and laboratories of the Service. These need not be prescriptive but should be controlling. Standardised quality assurance procedures will be implemented in order to monitor standards and to inform appropriate allocation of resources. These procedures and programmes may be provided from internal or external sources, depending on availability and

cost. The minimum requirements of these standardized procedures and programmes that will satisfy the need for quality assurance and the manner in which they will be evaluated will be specified in policy documents, standard operating procedures and other procedure manuals that will be updated periodically.

A.2 In instances where no quality assurance is available, inter-lab comparisons (proficiency testing) should be instituted.

#### B. ESTABLISHMENT OF THE QUALITY ASSURANCE UNIT

B.1 The Chief Executive Officer must establish a Quality Assurance Unit for the purposes of monitoring the quality of the pathology services and managing a quality assurance and accreditation programme.

B.2 The head of the Unit shall be a full-time employee of the Service.

B.3 In order to ensure that the Unit is able to fulfil its functions for every laboratory in the Service, the Chief Executive Officer will establish positions and specify laboratories that will provide an adequate support infrastructure.

B.4 The unit will comprise a core of sufficient permanent personnel at headquarters to manage the programmes but will work in close liaison with designated quality assurance managers throughout the organisation.

#### C. FUNCTIONS OF THE QUALITY ASSURANCE UNIT

C.1 The functions of the Unit are to:

(a) set quality goals for the Service;

(b) develop, a policy, plan and pathology service quality manual, implement its contents and monitor its application;

- (c) establish, monitor and evaluate appropriate internal quality control and external quality assurance programmes;
- (d) co-ordinate in-house proficiency testing programmes;
- (e) co-ordinate standardisation of methods throughout the service;
- (f) develop and maintain a bank of organisms for microbiological quality assurance purposes;
- (g) formulate policy and implement a programme of accreditation with SANAS or any other national or international accreditation authority;
- (h) develop and manage a national laboratory quality audit network for the Service;
- (i) develop and support the implementation of teaching and training programmes on quality assurance and control;
- (j) assist laboratory managers with the evaluation of instrumentation and reagents;
- (k) provide quality guidelines for operational research; and
- (l) develop and maintain a library and reference service on quality assurance and control.

C.2 The Unit, in conjunction with specialised laboratories, may develop and manage quality assurance and control programmes for laboratories and pathology services external to the Service and may establish and levy fees for such services.

C.3 Where specific laboratories are accredited as a part of any international reference laboratory network, the Unit will assist those

laboratories in complying with the requirements for the reference laboratory status.

C.4 There shall, wherever possible, be standardisation of equipment and methodologies to ensure harmonization of results within the service, levels of performance consistent with current acceptable practice and appropriate allocation of available resources.

#### D. RECORDS OF THE QUALITY ASSURANCE UNIT

D.1 The Unit must develop and promote the use of standard and consistent terminology for reporting throughout the Service.

D.2 Records must be kept, in an easily retrievable manner, of all documentation relating to the analysis of specimens or performance of other examinations as detailed in the relevant international standards, such as ISO 17025 and/or ISO 15189 or their replacement standards. Records of specimen storage must also be available.

D.3 All records of performance in internal or external programmes are confidential to the participating laboratory, the relevant line manager(s) and the Unit.

D.4 The Unit must develop and monitor procedures for the archiving of documentation including, but not limited to, specimens, patient records, laboratory audits (including safety), periods of archiving, and evaluations of reagents and instrumentation.

D.5 The Unit must develop and manage a policy relating to the revision, authorisation of and storage of all quality policy documentation and standard operating procedures.

D.6 The Unit may obtain outside professional or expert assistance when required.

#### E. QUALITY ASSURANCE ADVISORY PANELS

E.1 The Board must establish Quality Assurance Advisory Panels to advise the head of the Unit, the Chief Executive Officer and the Board on quality assurance matters.

E.2 The functions of the Advisory Panels shall be to:

- a. review proposals regarding quality assurance and associated procedures;
- b. review and advise the Unit on plans for (national or international) accreditation of laboratories;
- c. review annually the results of the quality assurance programmes and quality audits and advise the Unit on corrective actions that should be taken;
- d. report to the Chief Executive Officer and, if necessary, the Board regarding the performance of the Unit; and
- e. make recommendations regarding quality matters generally.

E.3 The Advisory Panels will comprise as many professionals as the Board deems appropriate, who need not be employees of the Service, but must include at least one pathologist, one medical scientist, one medical technologist and, the head of the Unit or his or her deputy.

E.4 Meetings of each Advisory Panel will be held on such dates and such times and places as may be determined by resolution of the Advisory Panel not less than twice in each year; provided that further meetings may be called by any member of the Advisory Panel, at the instance of the head of the Unit, the responsible executive manager, the Chief Executive Officer or the Board.



E.5 The members of an Advisory Panel will elect one of the members to be the chairperson on an annual basis.

E.6 When the chairperson is not available to chair an Advisory Panel the members present will select a member to chair the meeting.

E.7 Notice of each meeting of an Advisory Panel must be given to all the members in such manner and form as the Advisory Panel may from time to time determine.

E.8 Minutes of all Advisory Panel meetings must be kept and such minutes must be ratified at the next meeting, and the minutes or summaries thereof, must be made available to the Chief Executive Officer and the Board.

E.9 The Head of the Unit must provide the secretariat of the Advisory Panels.

E.10 The financial costs of the Advisory Panels will be budgeted for and paid by the Service.

### **PART III. DELEGATIONS, AUTHORISATIONS AND RESPONSIBILITIES**

#### **A. PRINCIPLES**

A.1 To enable the head of the Unit to manage the quality programme of the Service effectively and efficiently, the responsible executive manager must empower other employees in the Service by means of appropriate delegations and authorisations, where necessary.

## B. DELEGATIONS AND AUTHORISATIONS

B.1 The responsible executive manager must record a delegation or authorisation in writing.

B.2 The delegation of a power by the responsible executive manager does not prevent her or him from exercising the power personally.

B.3 Any delegation must be signed by the employee to whom the delegation has been given as acknowledgement, one copy of the delegation letter must be kept by the Service and another copy given to the employee.

B.4 Withdrawal of any delegation must be signed by the employee from whom the delegation is being withdrawn, as acknowledgement, one copy of the withdrawal of delegation letter must be kept by the Service and another copy given to the employee. The original signed delegation must be kept on record and all responsibilities must be kept current in the job description of the employee concerned.

## C. GENERAL RESPONSIBILITIES

C.1 It is incumbent upon every employee to ensure that she or he has read and familiarised him or herself with the quality policy documentation as it applies to her or his job. It is also incumbent on the head of the Unit and line managers to ensure that this has indeed taken place and that personnel understand the contents of the documents.

C.2 The responsible executive manager must ensure that prior written approval is obtained from the Chief Executive Officer for any decision that will involve unbudgeted expenditure.

## **PART IV. INTERNAL QUALITY ASSURANCE**

### **A. PURPOSE**

A.1 Internal quality assurance procedures are required to monitor the performance of laboratory analysis or examination with a view to alerting the analyst to any problems that may limit the usefulness of a test result and/or report for its intended purpose. Internal quality assurance must allow for problem identification and corrective action to take place immediately.

A.2 The purpose of planning the quality assurance procedures to be implemented is to ensure that the required quality is obtained at minimum cost. To maximize cost-effectiveness, internal quality assurance procedures must be designed such that due consideration is taken of the quality requirements of each discipline of pathology and where appropriate, of each test or group of tests.

A.3 There must be standardisation of equipment and methodologies to ensure harmonization of results within the service, levels of performance consistent with current acceptable practice and appropriate objective allocation of available resources.

### **B. STRATEGIC PLANNING**

B.1 The head of the Unit must, after consultation with the relevant role-players, draft, implement and monitor a strategic plan for internal quality assurance. In the process of drafting the plan and ensuring that it is constantly relevant, the head of the Unit must;

B.1.1 Define the quality requirements for each test or group of tests based on the performance capabilities of the existing technology such that

the clinical quality needed for proper interpretation of test results and optimal patient management and the clinical requirements are met;

B.1.2 Determine the desired performance characteristics of the analytical or examination procedure so that specified targets can be set; and

B.1.3 Identify the appropriate quality assurance rules for use in each discipline for each test or test group.

B.2 The head of the Unit must develop and maintain a national inter-laboratory quality assurance comparison programme for compulsory participation of all laboratories in the Service under the conditions outlined in Rule IV C.

#### C. NATIONAL INTERNAL QUALITY ASSURANCE PROGRAMME

C.1 Participation in a national inter-laboratory quality assurance programme provides an effective alternative mechanism to complement external quality assurance programmes. All laboratories of the Service must participate in the national inter-laboratory quality assurance programme that will be established and managed by the Unit.

C.2 External quality assurance programmes, national or international, may only be used under the conditions prescribed in Rule V.

C.3 The national inter-laboratory quality assurance programme will ensure that the required quality is obtained at minimum cost. To maximize cost-effectiveness, the national inter-laboratory quality assurance programme procedures must be designed such that due consideration is taken of the quality requirements of each discipline of pathology and where appropriate of each test, group or groups of tests. The head of the Unit must, after consultation with the relevant role players;

C.3.1 Define the quality requirements for each test, group or groups of tests based on the performance capabilities of existing technology and current clinical and analytical goals;

C.3.2 Determine the performance characteristics of the analytical or examination procedure so that desirable targets for the national inter-laboratory quality assurance programme performance can be set;

C.3.3 Identify the appropriate acceptance or non-acceptance criteria for the performance of each test;

C.3.4 Determine which analytes, each test, group or groups of tests or examinations cannot be implemented by the national inter-laboratory quality assurance programme; and

C.3.5 Advise on affordable external quality assurance programmes for such tests.

C.4 For the national inter-laboratory quality assurance programme to accomplish the intended purpose the head of the Unit must, after consultation with the relevant Advisory Panel:

- a. define the control material or materials to be used;
- b. obtain such material or materials, store them appropriately and distribute the materials to all participating laboratories;
- c. advise the laboratories on the frequency at which the internal quality control materials should be used;
- d. establish guidelines for the return of results within prescribed time scales and prescribed formats;
- e. analyse the returned data and prepare and return individual reports to the laboratories;

- f. use the information obtained from the database to establish intra-laboratory and inter-laboratory imprecision and laboratory bias;
- g. ensure that data, reports and feedback relating to a laboratory are treated confidentially and not divulged to any other person or persons other than the laboratory manager and the relevant manager;
- h. establish guidelines for responding to situations that are out of control, including, but not limited to, means of identification of the problem, procedures for taking appropriate corrective action, and for documenting all actions that are taken;
- i. establish a system for the appropriate maintenance and storage of all documentation relating to national internal quality assurance procedures, with due regard to Rule II D;
- j. review the national internal quality assurance data with the relevant managers on a regular basis;
- k. provide appropriate guidance and assistance to managers and their laboratories as deemed necessary; and
- l. provide educational materials and training courses that will enable local managers to train all of their personnel involved in the testing or examination process in internal quality assurance.

#### D. REVIEW AND OVERSIGHT

##### D.1 The responsible executive manager must:

- a. evaluate the performance of laboratories and their methods based on information provided by the internal quality assurance programme;
- b. ensure that appropriate corrective action is taken based on the programme data and reports; and

- c. ensure that training, education and review or replacement of methods and or analysers occurs taking account of the programme reports.

D.2 The head of the Unit will be responsible for implementing the national inter-laboratory quality assurance programme and for bringing persistent poor performance to the notice of the responsible executive manager.

D.3 Laboratory managers will be accountable to their line managers for the analysis or examination of the appropriate sample, return of results within the desired timeframe, review of the national inter-laboratory quality assurance programme reports, for taking the relevant corrective action within a reasonable time and for storing the results in the prescribed manner.

D.4 The line managers will be responsible for ensuring that all laboratories under their management take appropriate corrective action based on the results of the national inter-laboratory quality assurance programme.

D.5 The responsible executive manager is responsible for regularly briefing the Chief Executive Officer on the performance of all laboratories and specific quality problems associated with particular instrumentation or reagents.

## **PART V. EXTERNAL QUALITY ASSESSMENT**

### **A. PURPOSE**

The purpose of an external quality assessment strategy is to ensure that independent (international or private national) quality assurance

programmes, where necessary as provided for in Rule V B.2, are obtained at minimum cost.

## B. PLANNING

B.1 The head of the Unit will be responsible for planning the overall external quality assessment strategy and training appropriate personnel in matters relating to quality assurance.

B.2 External quality assessment programmes may only be used under the conditions prescribed in these Rules:

- a. in addition to participation in the national quality control programme, all reference laboratories or departments must, wherever possible, participate in relevant external quality assessment programmes provided by independent accredited providers; and
- b. other laboratories who have been authorised to provide tests for which the Unit does not provide a national quality control programme should also participate in an international programme.

B.3 External quality assessment programmes that compete with existing Unit programmes may only be used under exceptional circumstances and after consideration by the relevant Advisory Panel and approval by the responsible executive manager.

B.4 Decisions on such exceptional participation will take into account the size and type of the laboratory, the scope of investigations undertaken, cost effectiveness, programme availability, material stability and any other relevant external quality factors, including accreditation requirements.



B.4.1 The head of the Unit will, after consultation with the relevant role-players make recommendations to the responsible executive manager which external quality assessment programme or programmes the Service will participate in and the level of participation of individual laboratories and/or departments.

B.5 Where laboratories are participating in an approved external quality assessment programme for prescribed analytes, the manager of the laboratory in which the tests are carried out will be the designated responsible person. Implementation and management of the external quality assessment programme will be done in conjunction with the head of the Unit and the responsible executive manager.

#### C. INTERNATIONAL PROGRAMMES

C.1 In recommending participation in any international external quality assessment programme the head of the Unit must consider whether the provider will be able to:

- (a) provide value for money;
- (b) take responsibility for the delivery of control samples or specimens to the individual laboratories well in advance of the due date for return of results;
- (c) provide samples that will cover the pathological range expected to be found in patients in Southern Africa;
- (d) provide clear guidelines, prescribed time scale and a prescribed format, and training where appropriate, for the return of results;
- (e) analyse the returned data critically, prepare and return individual reports to the laboratories in a format or formats that are acceptable

to the Unit taking account of the particular requirements of each discipline or speciality;

(f) deliver the reports to the individual laboratories within an acceptable, specified time scale using a communication method that is suited to the individual participating laboratories, whether postal, facsimile or electronic mail;

(g) clearly identify poor performance of individual laboratories and bring such poor performance to the attention of the responsible executive manager;

(h) maintain strict anonymity of participant laboratories; and

(i) be prepared to liaise, as appropriate, with the Unit, on training and educational activities relating to quality assurance in the Service.

#### D. REVIEW AND OVERSIGHT

##### D.1 The head of the Unit must;

(a) evaluate the performance of laboratories and their methods based on information provided by the external quality assessment reports;

(b) ensure that appropriate corrective action is taken based on the report findings; and

(c) ensure that training, education and review or replacement of methods and or analysers occurs taking account of the reports.

D.2 The laboratory manager will take full responsibility for the analysis or examination of the appropriate sample, return of results within the desired timeframe, review of the external quality assessment report, taking the relevant corrective action within a reasonable time and for storing the results in the prescribed manner.

D.3 In instances where appropriate action has not been taken by the relevant line manager the head of the Unit will inform the responsible executive manager.

D.4 The responsible executive manager must inform the Chief Executive Officer of the performance of participating laboratories in external quality assessment programmes on a regular basis.

## **PART VI. ACCREDITATION**

### **A. PURPOSE**

A.1 The purpose of accreditation is to provide the clients, and thus their patients, with the confidence that the Service's pathology service and its laboratories are managed in a competent, safe, ethical and reliable manner and that the results are consistent and accurate. For this reason the accrediting body must be independent and impartial so that the standards can be seen to be the same for all participants and the accreditation rating has specific meaning.

A.2 The major laboratories and the laboratories directly associated with academic institutions will receive preference for national accreditation so that they can serve as "hubs" for preparing the more peripheral laboratories for accreditation.

A.3 Line managers should work towards the international standards for operation of medical laboratories as laid down in ISO 17025 or ISO 15189, or their successor standards, regardless of whether the laboratory is to be formally accredited.

## B. PLANNING

B.1 The Board must, after consultation with the Chief Executive Officer and the responsible executive manager, adopt an accreditation policy.

B.2 The responsible executive manager will be responsible for developing plans and implementing the accreditation policy and process.

B.3 The head of the Unit must develop a plan for phasing in the accreditation of Service laboratories. In doing so the head of the Unit must consult widely.

B.3.1 The head of the Unit may:

- (a) constitute accreditation working groups comprising appropriate managers, pathologists, medical scientists and medical technologists for any pathology discipline or activity;
- (b) nominate personnel from each discipline to convene the local discipline or departmental working group;
- (c) allocate resources to any working group for the detailed planning of the accreditation process; and
- (d) disseminate relevant information on accreditation to the managers and working groups to enable them to plan the process.

B.4 The accreditation plan should include procedures for:

- a. document control (standard operating procedures, laboratory quality manuals, safety manuals, laboratory technical records, personnel records);
- b. writing, reviewing and distribution of standard operating procedures
- c. ensuring that time frames are adhered to;
- d. ensuring that all personnel of the Service are made aware of the accreditation process and of their responsibilities in this process;
- e. conducting internal quality audits in Service laboratories to identify all non-conformances and to stipulate time frames for the implementation of appropriate corrective actions;
- f. identifying laboratories that are considered ready for accreditation;
- g. identifying laboratories that are in need of special help in preparing for accreditation;
- h. identifying personnel from accredited laboratories that can assist with the process;
- i. submission of an application for accreditation assessment; and
- j. should specify a hierarchy of documents relating to quality assurance, quality control and accreditation and their formats (policies, procedures, standard operating procedures, forms and records).

### C. INTERNATIONAL ACCREDITATION

C.1 The Service will encourage reference laboratories to seek international approval or recognition, in addition to national accreditation, from international agencies such as the World Health Organisation in situations where there is significant advantage to be gained for the Service in obtaining international work or where the status has a positive influence on the teaching and research objectives of the Service and its associated tertiary education institutions.

C.2 The process of pursuing and achieving international accreditation must comply with the provisions of Rule VI.B.

## **PART VII. TRAINING**

### **A. PRINCIPLES**

A.1 Quality assurance training should support the main objectives of the Unit. Courses should be developed and presented to all parties, internal or external to the Service, that are interested in quality management and accreditation.

A.2 Quality assurance courses should meet the requirements of all professional personnel. The responsible executive manager shall ensure that the course structure and content are in keeping with international standards and developments.

A.3 Any course presented by the Service must meet the requirements of the respective professional bodies for continuous professional development programmes.

A.4 The aims of the quality assurance courses should be to enable all persons attending to understand the importance of their work and thus be able to bring about continuous improvement in the quality of pathology services provided.

### **B. COURSES**

#### **B.1 Personnel Quality Assurance Training**

B.1.1 The Chief Executive Officer must ensure that all personnel of the Service receive the appropriate level of training in quality assurance so

that each member of the personnel has the necessary skills to perform his or her functions to the highest possible standards.

B.1.2 The Service shall strive to include the inputs of nationally and internationally recognised experts in presentation of quality assurance training courses.

B.1.3 Each member of the personnel of the Service is responsible for maintaining and regularly updating his or her quality assurance training and for ensuring that recent quality assurance training is updated in his or her personal records. The management of the Service must assist all personnel in updating their quality assurance training and records.

B.1.4 All laboratory and departmental managers must ensure that adequate provision is made for the continuous quality assurance training of their personnel.

B.1.5 Personnel of the Service who attend national or international quality assurance courses or meetings must provide constructive feedback at an appropriate forum and endeavour to introduce relevant new practices in the laboratories of the Service through the appropriate channels.

B.1.6 Training logs must be kept for all personnel with dates and signatures of the training officers.

## B.2 External Quality Assurance Training

B.2.1 The Service shall support the participation of personnel in private sector and/or international quality assurance courses and meetings within the provisions of the budget.

B.2.2 The Service shall offer quality assurance training to private sector laboratory professionals, interested students and to foreign students to the

extent that the capacity exists and will levy appropriate fees for the training courses.

## **PART VIII. INTERNAL LABORATORY QUALITY AUDIT**

### **A. PRINCIPLES**

A.1 For the effective maintenance of a quality system all relevant activities must be audited on a regular basis. The purpose of these audits is to establish whether the objectives that are defined in the relevant Quality Manual and/or the relevant quality standard are being achieved.

### **B. RESPONSIBILITIES**

B.1 The head of the Unit must ensure that there is a Standard operating procedure for internal quality audits.

B.2 The head of the Unit must compile an internal quality audit plan annually and ensure that the quality audits are carried out according to the official procedures.

B.3 All line managers must ensure that corrective actions following internal quality audit are monitored and reported to the responsible executive manager.

## **TRANSITIONAL ARRANGEMENTS**

1. The existing quality assurance arrangements and structures that are in place at the time of the commencement of these Rules are hereby replaced.



2. Any delegations that have been given to any employee prior to the commencement of these Rules will be deemed to be delegations in terms of these Rules insofar as they do not conflict with the provisions of these Rules and shall continue in effect until such time as they are amended, withdrawn or replaced.
  3. All existing delegations must be formalised in writing and signed by the employee to whom the delegation has been given as acknowledgement; one copy of the delegation filed by the Service and a copy given to the employee. The recorded job description must be updated to include the responsibilities that are delegated.
  4. Any existing external quality assessment programme that was in place at any laboratory prior to the commencement of these Rules shall continue in place as if established in terms of these Rules insofar as it does not conflict with the provisions of these Rules and shall continue in effect until such time as it is amended, cancelled or replaced.
  5. Contracts in respect of any existing external quality assessment programme must be formalised in writing and a copy of the contract forwarded to the Chief Executive Officer.
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