

National laboratory service suspends yet another official

By [Tamar Kahn](#)

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The head of procurement at the National Health Laboratory Service (NHLS), Graham Motsepe, has been suspended pending the outcome of a disciplinary inquiry initiated by the organisation's board, it emerged in Parliament on Wednesday, 3 May 2017.



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Motsepe is not alone in facing scrutiny. CEO Joyce Mogale and chief financial officer Sikhumbuzo Zulu were placed on precautionary suspension in late February, after the National Education, Health and Allied Workers' Union blew the whistle on alleged corruption and maladministration.

The NHLS plays a vital role in SA's health system because it provides all the diagnostic and monitoring tests for the public sector, along with some highly specialised tests that private laboratories cannot do.

Its research is highly regarded within the international scientific community but it has faced significant financial and labour challenges in recent years.

NHLS board chairman Eric Buch said on Wednesday that the disciplinary hearing for Mogale and Zulu was originally set

down for April but was rescheduled for 19 May at the request of their legal representatives.

Buch told members of the portfolio committee on health that the officials' cases were related to human resources and procurement matters but he declined to provide details, saying that to do so might prejudice the process.

Buch also told MPs that the NHLS was close to finalising its long-running billing disputes with Gauteng and KwaZulu-Natal, which had contributed to the institution's financial problems. Resolving these matters would enable the NHLS to clear its debtors book, deal with its capital expenditure backlog and increase its reserves, he said.

Presenting the NHLS's strategic plan for the 2017-18 financial year, which began on 1 April, Buch said the institution forecast a small surplus (R273m) for the year if provinces paid their bills on time.

Over the next three years, its budget is set to rise from R7.89bn to R8.23bn in 2018-19 and R8.82bn in 2019-20.

He drew MPs' attention to the fact that an accounting surplus was not necessarily an indicator of the financial health of an institution because the NHLS owed suppliers R864m and had a R430m backlog for capital expenditure projects.

The NHLS was also battling with low cash reserves, which stood at R329m on 31 March, R1.56bn short of its target.

Buch said he had put forward a proposal for resolving the billing disputes with Gauteng.

He proposed that the NHLS scrap invoices that were clearly wrong, such as those that had been issued in duplicate, and write off a portion of the remaining amount. A similar proposal had been made to KwaZulu-Natal. Two years ago, NHLS officials told Parliament KwaZulu-Natal owed R3.289bn and Gauteng owed R1.092bn.

Buch said the provinces were paying their bills on time.

The NHLS performed 91-million tests a year and expected a 2% volume rise in 2017-18, largely because it anticipated greater demand for HIV tests, he said. It would increase its tariffs 5.2% in 2017.

Source: Business Day

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