

After long delay, lab service starts CEO's disciplinary hearing

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Almost a year after the National Health Laboratory Service's (NHLS's) board suspended its top executives for alleged corruption and maladministration, it has only just begun getting its teeth into the meat of the disciplinary action it brought against them.



CEO Joyce Mogale and chief financial officer Sikhumbuzo Zulu were suspended at the end of February 2017, following a forensic investigation ordered by the board after National Health, Education and Allied Workers Union alleged corruption and maladministration.

The board also suspended the NHLS's head of internal audit, its supply chain manager and its facilities manager. The latter two resigned in the face of their disciplinary charges.

NHLS board chairman Eric Buch said that after numerous technical and procedural delays, the disciplinary hearing for Mogale and Zulu had got under way in earnest on Tuesday.

Further dates for the hearing had been set for later in February and in March.

It was not unusual for disciplinary processes to be delayed in this fashion, and the board had moved as fast as it could, he

said. "I think we have acted in an exemplary and swift manner ... [and] we are working to wrap it up as speedily as possible."

Buch declined to elaborate on the disciplinary charges brought against Mogale and Zulu, saying only that they were largely related to procurement irregularities.

The NHLS board had laid charges against all five individuals with the South African Police Service, in line with its obligations in the Public Finance Management Act, Buch said. It had also notified the Treasury's chief procurement officer.

In November, it emerged that the NHLS had received a qualified audit for 2016-17 after its auditors, SizweNtsalubaGobodo, highlighted irregular expenditure of more than R1bn and cast doubt on its ability to continue as a going concern because it reported a R1.879bn deficit for the year.

The deficit represented a significant swing into the red, as the NHLS had reported a surplus of R273m the year before.

At the time, Buch said the board was extremely concerned about these issues.

It had identified most of the problems in the audit and instituted disciplinary proceedings against those deemed responsible, he said.

The NHLS provides all the tests used for diagnosing and monitoring diseases among state patients and is thus considered the backbone of the health service.

It also provides services to the private sector, including certain highly specialised tests that private laboratories do not offer.

The auditor's report said a debt of R1.8bn was confirmed by the office of the accountant-general as payable by KwaZulu-Natal for services provided between April 1 2010 and March 31 2014, and discussions for payment arrangements were under way.

A long-running billing dispute with Gauteng has yet to be resolved, which also affected the auditor's view of the NHLS's financial position.

Source: Business Day