# NATIONAL ASSEMBLY

**FOR WRITTEN REPLY**

**QUESTION NO. 454**

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**(INTERNAL QUESTION PAPER NO. 02)**

**Mrs M O Clarke (DA) to ask the Minister of Health:**

Whether, with reference to the SA Health Products Regulatory Authority receiving an unqualified audit with findings from the Auditor-General for the 2020-21 financial year, (a) strengthening controls relating to the preparation and reviewing of financial and performance reposts to ensure they are accurate and complete by supporting evidence and reliable information have been put in place and (b) internal controls have been put in place in order to review and/or monitor compliance with legislation relating to (i) supply chain management and (ii) regulations regarding contract management; if not, why not, in each case; if so, what are the relevant details in each case?

###### NW519E

**REPLY:**

1. The SA Health Products Regulatory Authority standard operating procedures and/or measures in place to strengthen controls relating to the preparation and review of financial and performance reports are as follows:

* Finance reporting standard operating procedure has been developed and implemented with standard excel templates to facilitate ease of capture and recording of information
* Business units are required to report on financial and performance management information on a monthly basis by the 7th of each month including upload of supporting evidence
* Supporting evidence is uploaded on an online share drive to prevent loss of information
* Consequence management has been implemented against officials not submitting within specified timeframes
* Internal audit performs quarterly audits on performance information for accuracy and completeness
* A project has been initiated to develop supporting records for audit purpose relating to unavailability of historical records. Listings are created from the bank statements for the 2018/19 and 2019/20 financial years to support the financial statement figures previously reported on. Application numbers are to be listed against the listings derived from the bank statement which will be linked to supporting evidence. The project is planned for completion before submission of the financial statements for audit purposes. Internal audit has been tasked to track progress made against the clearing of the remaining qualification.

1. Internal controls in place to review and/or monitor compliance with legislation relating to:

(i) Supply Chain Management (SCM) include the following:

* Review of SCM policies and alignment to applicable legislation
* Review of the delegation of authority specifically relating to procurement thresholds
* Development of a SCM standard operating procedure detailing step by step actions that must be performed during the procurement process accompanied by various standardized evaluation and compliance templates
* Development of an irregular, fruitless and wasteful operating procedure detailing step by step actions that must be performed to detect, report and corrective actions to be taken
* Filling of SCM vacancies
* Establishment of a panel of experts
* Internal workshopping of SCM process and SCM training provided to key role players
* Establishment of a loss control function and implementation of consequence management

(ii) Regulations regarding contract management include the following:

* Development of a contract management standard operating procedure detailing step by step actions that must be performed during the procurement process accompanied by various standardized evaluation and compliance templates
* Implementation of a contract register and checklist
* Review of the delegation of authority specifically relating to contract approvals and variations
* Weekly contract expenditure management implemented to update contract managers in advance of total spent
* Establishment of a panel of experts

END.