



GAUTENG PROVINCE
HEALTH
REPUBLIC OF SOUTH AFRICA

MEDIA STATEMENT

TO: All Media

ATT: News Editors, Health Reporters

For immediate release

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HEALTH DEPARTMENT AIMS TO REDUCE MONIES PAID TO INTEREST BEARING ACCOUNTS

To curb fruitless and wasteful expenditure which emanates from interest bearing accounts, court orders and late payment of infrastructure projects, the Gauteng Department of Health (GDoH), has implemented Standard Operating Procedure for interest bearing accounts.

The GDoH accepts that the total interest is notably high, we have however been able through this initiative to reduce cost incurred from late payment or delayed payment of accounts. The Department remains committed to settling all its obligations within the prescribed 30 day period.

Between 1 January and 31 October 2019, the Department paid over R5million rand on interest bearing accounts. This amount was owed to a financial services company for services rendered to the GDoH, and the Gauteng Department of Infrastructure Development (DID) for infrastructure projects.

Furthermore, due to Public Finance Management Act not making provision for litigation matters, the Department is unable to budget for medico-legal litigations that are ordered by the courts.

The late payments to DID were due to poor project management processes and lack of coordination between the two Departments. We are pleased, however, to say that this has since been resolved with a permanent appointment of dedicated head of infrastructure in the Gauteng Department of Health.

“Not settling our accounts on time does not only reflect badly on us as Department, however, it puts businesses that provide services to us in a precarious position financially. We will settle all our accounts on time whenever invoices are submitted on time in good and proper order,” said MEC for Health, Dr Bandile Masuku.

MEC Masuku added that he has impressed upon his senior managers to go out of their way to ensure companies are paid within the prescribed 30 day period. The MEC warned that heads will roll should this not be adhered.

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