

A person in a white lab coat is walking away from the camera down a long aisle in a warehouse or pharmacy. The aisle is lined with tall metal shelving units filled with numerous white and yellow boxes. The floor is a light-colored, polished surface. The lighting is bright and even. In the background, the aisle continues, and another person can be seen further down. The overall atmosphere is clean and organized.

**CORRECTIVE ACTIONS AND INITIATIVES  
IMPLEMENTED BY MANAGEMENT**



The national and provincial departments of health had implemented a number of initiatives to address the findings in this report. The implementation of some of these initiatives commenced prior to the performance audit. The following, among others, contributed to the improvements in the health care system:

## 1. National Department of Health

- 1.1 Developed procurement plans, a database and schedule to mitigate the risk of awarding pharmaceutical contracts late. The turn-around time to award contracts was shortened from nine to four months.
- 1.2 In terms of the supply chain management process, the national Department of Health conducted price negotiations with preferred bidders. During the 2012-13 and 2013-14 financial years, these negotiations resulted in savings worth approximately R2,9 billion.
- 1.3 Monitored the performance of suppliers on the national contracts. Reports that included an age analysis of a debt, late payments by provincial departments to suppliers, suppliers' stock on hand, product range and their performance per province were compiled and discussed. When suppliers did not supply pharmaceuticals within the required times, letters were sent to them indicating non-compliance.
- 1.4 Placed correspondence from and to the suppliers on their website to ensure that the information on the national contracts was accessible to provincial departments. Information placed on the website included the names of suppliers experiencing supply challenges, therapeutic alternatives in cases where the suppliers could not supply medicines as per the contracts and names of other suppliers that provincial departments could use during buying outside the national contracts.
- 1.5 Developed policies such as the *National drug policy, 1996*, the *Policy for the establishment and functioning of PTCs*, the *Policy and information document for the provision of pick-up point services* as part of the central chronic medicine and dispensing (CCMD) programme.<sup>28</sup>

<sup>28</sup> SLAs were signed with service providers linked to pick-up points in order to improve access through extended service hours and closer proximity to the patient's place of residence or work

- 1.6 Developed the national core standards for health institutions. They issued the National health care facilities baseline audit report and findings were raised on the provision of services, human resources, finances, infrastructure, health technology, medicine supply and management. For each of the findings, detailed recommendations were provided. Thereafter, questionnaires were provided to provincial departments for their future assessment against these standards.
- 1.7 Continued to convene the heads of pharmaceutical services, pharmaceutical services and National Health Council (NHC) sub-committees meetings. These were established to provide platforms for staff to discuss policies and procedures, financial management, human resources, medicine supply management, information systems, pharmaceuticals contracts and the functioning of PTCs. Provincial representatives were members of these committees. Minutes of the meetings were sent to all the provinces (including those that could not attend). Non-attendance of the meetings was reported to the respective members of executive councils.
- 1.8 Provided training to provincial departments. The workshops included the challenges at medical depots and how to deal with them, optimising lead times, improving forecasting and economically running an efficient medical depot, health institution-based stock monitoring, etc.
- 1.9 Assessed and analysed the function and performance of the directorates responsible for pharmaceutical services in the provinces. Management dashboards and medicine availability reports were generated from the information supplied quarterly by provincial departments. These reports highlighted the key issues or challenges experienced by provincial departments in terms of the functioning of the PTCs, financial and medicine supply management and human resources. Recommendations were also made to address these. The results were shared with the members of the NHC sub-committee and portfolio committee, the director-general and the minister.
- 1.10 Conducted research and introduced a number of initiatives to strengthen the health system in South Africa and reduce the pharmaceutical stock-out rates. These included an electronic stock management system for the early detection of stock shortages on primary health care level, conversion of the essential medicines list to a cellphone application, development of software to manage the administration of tenders and the performance of suppliers and the establishment

of a provincial medicines procurement unit to facilitate the direct delivery of high-volume items to the hospitals in some provinces to reduce the workload of the medical depots and delivery lead times.

## 2. Eastern Cape

- 2.1 Filled all the positions at the directorate responsible for pharmaceutical services. The department will be in a better position to execute their oversight functions.
- 2.2 Filled the director position (depot manager) at the Port Elizabeth medical depot and advertised and interviewed candidates for the position at the Mthatha medical depot to stabilise the leadership at medical depots. In addition, 23 other positions were filled at the Port Elizabeth medical depot.
- 2.3 Appointed 47 pharmacist assistants and 41 sub-district, hospital and CHC pharmacy managers. The managers will monitor staff and their tasks to improve the quality of health care provided at health institutions.
- 2.4 Employed an additional 152 auxiliary workers in three districts: J Gqabi, A Nzo and C Hani districts. This was to alleviate the administrative burden on nurses, specifically regarding stock management at health institutions.
- 2.5 Closed the sub-depots. All health institutions in the province have active demander codes to request pharmaceuticals directly from medical depots. Pharmaceuticals are delivered directly to all health institutions at least once a month.
- 2.6 Undertook the refurbishment of infrastructure at medical depots. Improvements have been made to the outsides and insides (shelves, etc.) of warehouses. Also improved security at medical depots.
- 2.7 Updated and implemented the SOPs used at medical depots. This will improve the storage practices, temperature and security controls and workflow at medical depots, especially the Mthatha medical depot.

## 3. Free State

- 3.1 Reviewed the human resources plan. The WHO norms and standards were taken into account during the review.
- 3.2 Improved the budgeting process. A more inclusive process was undertaken where various directorates consulted prior to allocating budgets.
- 3.3 Established a task team consisting of the provincial treasury and the department to look into integrating the pharmaceutical stock management system in the province. An electronic system with the capability of integration is being tested. The task team also reviewed the funding model. To address the late payments to suppliers, the task team recommended a more sustainable funding mechanism for the medical depot.
- 3.4 Requested infrastructural upgrading at the medical depot and health institutions are under review. These include, the defective surveillance camera system at the medical depot.
- 3.5 Trained 278 staff at health institutions in the use of bin cards.
- 3.6 Enrolled patients on the CCMD programme. The programme aims to reduce patient waiting times, as pre-packed chronic medicines are dispensed closer to the patients' homes.



## 4. Gauteng

- 4.1 Approved the human resources plan. The plan includes appointing pharmacists and pharmacist assistants and is being implemented.
- 4.2 Began replacing Medsas at the medical depot with Oracle. The different systems at health institutions are also being replaced with an electronic system. The activities at the health institutions are also being monitored. Operational plans and organisational structures were implemented.
- 4.3 Established a pharmaceutical procurement committee consisting of supply chain practitioners, risk managers and pharmacists to ensure that proper processes are followed to procure pharmaceuticals.
- 4.4 The directorate responsible for pharmaceutical services worked closely with the infrastructure unit to improve storage space and waiting areas at health institutions.
- 4.5 Improved security controls at the medical depot. The department also engaged with the Department of Infrastructure Development to upgrade access controls, including the CCTV system. Moreover, appointed a service provider to improve security controls at regional offices and health institutions.

## 5. KwaZulu-Natal

- 5.1 Developing an province specific policy to manage pharmaceuticals in the province.
- 5.2 Updated the human resource plan to ensure that the number of pharmacists and pharmacist assistants are aligned to the need. Funds were allocated to recruit pharmaceutical staff and train all staff. The placement of pharmacist interns in the rural districts was prioritised and bursaries were provided to pharmacy students.
- 5.3 Improved the oversight and monitoring functions in the province. Clinics are visited at least once a month to provide support in terms of stock management. Formal training on the SOPs is also provided to staff responsible for stock management at the medical depot and health institutions.
- 5.4 When buy-outs occur, price differences are recovered from the defaulting suppliers on the national contracts. The process to impose penalties for late delivery commenced. A new electronic system that will be implemented will cater for this activity.
- 5.5 Finalised an SLA between health institutions and the medical depot. The specifications, specifically the temperature control mechanisms, for the courier services used to deliver pharmaceuticals to the health institutions are being reviewed.
- 5.6 Implemented the CCMD programme in the province. External pick-up points were established in all the districts
- 5.7 Assessed the infrastructure at some health institutions, specifically the waiting areas. It will be improved and maintained to accommodate patients.

## 6. Limpopo

- 6.1 Reviewing the human resource plan. Where appropriate, it will be updated and the organisational structures aligned accordingly.
- 6.2 Monitored the performance of suppliers on national contracts. Penalties will be imposed where applicable.
- 6.3 Monitoring the implementation of SOPs and reviewing the security controls at the medical depot. This will limit stock losses due to damage and, expiry and theft.
- 6.4 Reviewing security controls at the medical depot.
- 6.5 Assessed the infrastructure at the medical depot and health institutions. Plans were compiled for renovations through the public works management programme.
- 6.6 Developing SOPs for patient identification when dispensing medicines to patients at health institutions. This will ensure that the right patients receive their medication on the day of the visit.

## 7. Mpumalanga

- 7.1 Approved the SOPs for health institutions, which are being implemented. The ideal clinic tool introduced by the national Department of Health is used to monitor the implementation of these.
- 7.2 To increase the overall pharmaceuticals budget to accommodate the health care needs in the province, a letter was written requesting the provincial budgeting committee for additional funding.
- 7.3 Reviewed the human resources plan. The guidance provided by the *implementation guideline of Health Workforce Normative Guides and Standards for fixed primary health care facilities* was used to measure the staff workload. Pharmacist assistants and administrative staff were appointed on primary health care level to support the nurses. Furthermore, candidates registered for pharmacy training were offered bursaries.
- 7.4 PPTC and DPTC meetings are held quarterly. Candidates were interviewed for the appointment of a director responsible for pharmaceutical services and the posts for assistant and deputy managers have been advertised. By filling these posts, the oversight functions of pharmaceutical services within the province will improve.
- 7.5 Wrote letters to suppliers who were non-compliant with the national contracts and the timely payments to suppliers are prioritised.
- 7.6 Assessed health institutions and identified those with infrastructure deficiencies, service providers were appointed for the maintenance of infrastructure.
- 7.7 Introduced a new patient record filling system at the health institutions and commenced with the implementation of the CCMD programme in the province.

## 8. Northern Cape

- 8.1 District pharmacists trained the staff at health institutions in ordering pharmaceuticals. Non-governmental organisations also assisted by providing training sessions in the effective use of bin cards.
- 8.2 Capped the minimum and maximum stock levels to address the ordering of too much stock. Orders above the maximum stock level were not processed without authorisation from the assistant manager responsible for procurement.
- 8.3 The medical depot will serve as a singular procurement unit and the sub-depots will be closed. The implementation of direct deliveries from the suppliers to the health institutions is also in progress.
- 8.4 Discussed security control issues at the medical depot with the security company, adherence are monitored by the medical depot staff.
- 8.5 The ZF Mgcawu district embarked on a project to determine and secure the funding to install back-up generators at health institutions.
- 8.6 Installed air conditioners. Twenty refrigerators, temperature loggers and thermometers were procured and distributed to a number of health institutions.
- 8.7 Distributed fax machines and photocopiers to all the CHCs in the ZF Mgcawu district.

## 9. North West

- 9.1 Developing an province specific policy to manage pharmaceuticals. Implemented SOPs at the medical depot and health institutions. Staff members were trained on stock management.
- 9.2 Reviewed the organisational structure to create positions for pharmacists at sub-district offices and pharmacist assistants at CHCs and clinics. The pharmacists will coordinate and monitor pharmaceutical services in the respective sub-districts.
- 9.3 Strengthened the PPTC and DPTCs by appointing additional members such as clinical managers, family physicians, executive managers responsible for health programmes, etc. A schedule was prepared for PPTC meetings for the next year.
- 9.4 Staff at the medical depot follow-up with suppliers via telephone and email to confirm delivery of pharmaceuticals within the delivery period. Submit bi-weekly supplier performance reports to the national Department of Health for intervention with non-compliant suppliers. Imposing penalties for late delivery and recover additional costs incurred due to buy-outs from the defaulting suppliers.
- 9.5 Conducted stock takes to ensure that the value of stock is confirmed and stock variances are identified, investigated and corrected.
- 9.6 In the process of strengthening the capacity in the medical depot's finance unit to ensure that payments are made to suppliers within 30 days.
- 9.7 Appointed a service provider for maintenance at the medical depot. The agreement includes the installation of a CCTV system, air conditioners, boom gates, air curtains to protect the medicines against direct sunlight etc. Also, in the process of conducting an audit in terms of the status of equipment and infrastructure at the health institutions in order to identify and then address the shortcomings.
- 9.8 Implemented the CCMD programme in the province. The programme aims to reduce patient waiting times as pre-packed chronic medicines are dispensed closer to the patients' homes.

## 10. Western Cape

- 10.1 Followed-up with the national Department of Health on the outstanding debt to suppliers on national contracts. Communication and correspondence between the role-players to reach agreement on the outstanding debt is prioritised.
- 10.2 Monthly stocktakes and the use of consumption calculations were implemented to better manage stock dispensed and the identification of slow moving stock.
- 10.3 A stable door will be installed, with a collapsible working surface area to increase the working space at the Riebeeck Kasteel Clinic.







11B  
dio Test Monitor Pro 4.5

Search

1  
Watch list

Charts

Laptop Pro

**PERFORMANCE AUDITING**



# Auditing concepts and approach

## Mandate

This performance audit was conducted in accordance with the mandate conferred by section 188(4) of the Constitution of the Republic of South Africa, 1996, read in conjunction with sections 5(1)(d) and 29(3) of the Public Audit Act, 2004.

While it is not within the Auditor-General's mandate to question policy, the Auditor-General does assess the effects of policy (in terms of the principles of economy, efficiency and effectiveness) and the overall management measures that lead to policy decisions.

## Purpose of performance auditing

Performance auditing is an independent, objective and reliable examination of whether government undertakings, programmes, systems, activities or organisations are performing in accordance with the principles of economy, efficiency and effectiveness and whether there is room for improvement. Performance auditing seeks to provide new information, analyses or insights and, where appropriate, recommendations. Subject matter is not limited to specific programmes, entities or funds but can include topics related to service delivery, value for money or effects of regulations.

Performance auditing places special focus on citizens. The primary questions being asked are whether government is *doing the right thing* and doing this *in the right and least expensive way*.

The reports generated through the performance auditing process inform Parliament and other institutions charged with oversight of the extent to which departments:

- Procure resources of the right quality in the right quantities at the right time and place at the lowest cost (economy)
- Achieve the optimal relationship between the output of goods, services or other results and the resources used to produce them (efficiency)
- Achieve policy objectives, operational goals and other intended effects (effectiveness).

## Advantages of performance auditing

Performance auditing benefits government by:

- Promoting good governance, accountability and transparency
- Creating mechanisms for change and improvement
- Contributing to learning and change and serving as a basis for decision-making.

## Promoting good governance, accountability and transparency

Performance auditing assists those charged with governance and oversight to improve their performance. This is done by examining whether decisions by the legislature or executive authorities are implemented efficiently and effectively, and whether citizens have received value for money. It provides constructive incentives for the responsible authorities concerned to take appropriate action.

Performance auditing affords taxpayers, financiers, ordinary citizens and the media an insight into the management and outcomes of different government activities. It contributes in a direct way to providing useful information to the citizen, while also serving as a basis for governmental learning and improvement.

## Creating mechanisms for change and improvement

In the private sector, a company's success can be assessed by its ability to generate a profit. A company that does not continually improve will ultimately be forced to leave the market. There is no similar mechanism in the public sector. While it is possible to reorganise activities in the public sector, and even close some agencies, even the most unsuccessful key ministry will keep some necessary functions.

This requires the public sector to create different mechanisms to measure results and ensure continual improvements in government entities. Performance budgeting, management and reporting are commonly used as such a mechanism. Performance auditing plays a role in highlighting problems and promoting change.

## Contributing to learning and change and serving as a basis for decision-making

Performance auditors are not a part of the system they audit, which makes it easier to objectively listen to the views and knowledge of different stakeholders at different levels of the public administration. This enables performance auditors to impart new knowledge and understanding to stakeholders. Such new knowledge promotes learning and change.

As resources are scarce, the efficient and effective achievement of objectives is emphasised. Decisions need to be made on how to prioritise different programmes. Performance auditing serves as a basis for decisions on how to prioritise and make better use of available resources.

## Difference between performance auditing and other types of auditing

The three recognised types of government auditing are:

- financial auditing
- performance auditing
- compliance auditing

The concept of regularity auditing covers both financial and compliance auditing. Performance auditing may include dimensions of compliance, but not as an end in itself. In performance auditing, compliance with rules and regulations is a tool to assess the performance of the audited entity. The main differences between regularity auditing and performance auditing are highlighted in table 8.

Table 8: Differences between performance and regularity auditing

Aspect	Performance auditing	Regularity auditing
Purpose	Assess whether the performance of the audited entity meets the three E's (economy, efficiency and effectiveness)	Assess financial statements, financial management and whether the accounts are true and fair
Starting point	Presumed problems	Done on an annual basis
Focus	The performance of the organisation or programme and its activities	The accounting and financial management systems
Academic base	Interdisciplinary (economics, political science, engineering, health, education, etc.)	Accounting and financial management

## Performance audit process

The audit process was standardised and guided by the *Performance Audit Manual of 2008*, which sets out the policies, standards and guidelines for the planning, execution, reporting and follow-up of performance audits conducted in the public sector. As required by the *Performance Audit Manual*, sufficient audit evidence was obtained for the findings and illustrative examples contained in this report. These examples have been included to illustrate the consequences and effects of deficient management measures and are not collectively a full reflection of the extent of audit work conducted at the departments.

## Focus areas and key audit questions

The performance audit focused on the management of pharmaceuticals. The audit sought to answer the overall audit question *Are pharmaceuticals managed in a manner to ensure that patients receive prescribed pharmaceuticals in time?* and the key audit questions per sub-focus areas in table 9. The table also includes the audit criteria per question.



**Table 9: Sub-focus areas, key audit questions and criteria**

Sub-focus area	Key audit questions	Audit criteria
Policy and planning for pharmaceuticals	Did the planning process effectively ensure that prescribed pharmaceuticals are available for distribution to patients in time?	<ul style="list-style-type: none"> <li>• Approved policies and procedures with regard to the management of pharmaceuticals should be communicated, implemented and adherence thereto monitored</li> <li>• Strategic and operational plans, including the provision of pharmaceuticals should be compiled and implemented and under-performance against the targets addressed</li> <li>• Budget allocations should be aligned to the performance targets in the strategic and operational plans in order to ensure that planned pharmaceuticals are available</li> <li>• An approved human resources plan should be in place to satisfy the need to manage pharmaceuticals. Critical positions should be filled by persons with appropriate competencies, qualifications and experience</li> <li>• Management information systems that provide accurate, complete and reliable information should be in place to facilitate decision-making in terms of the provision and management of pharmaceuticals</li> <li>• Monitoring, evaluation and reporting systems and tools should be in place to ensure that deficiencies in the management of pharmaceuticals are identified and corrected in a timely manner</li> </ul>
Procurement of pharmaceuticals	Are pharmaceuticals procured in accordance with a process that promotes economy and efficiency?	<ul style="list-style-type: none"> <li>• Pharmaceuticals of the right quality and quantity should be ordered from the suppliers on a timely basis (taking into account stock levels and lead times) to meet the needs of health institutions</li> <li>• Suppliers should be monitored to ensure that they deliver pharmaceuticals at the required location and within the prescribed lead times. If not, penalties should be imposed</li> <li>• Buy-outs of pharmaceuticals should be kept to a minimum. If buy-outs do occur, pharmaceuticals should be procured in accordance with the prescripts to promote economy</li> <li>• Updated technology, including computer equipment, telephone lines, information systems, etc. should be in place to support the procurement process</li> <li>• Control measures should be in place to ensure that healthy relationships are maintained with the suppliers (timely orders, payments, etc.)</li> </ul>

Sub-focus area	Key audit questions	Audit criteria
Storage and safeguarding of pharmaceutical stock (stock management)	Did the stock management systems effectively and efficiently ensure that pharmaceuticals are available for distribution to health institutions and patients in time?	<ul style="list-style-type: none"> <li>• Stock management practices with regard to the ordering, receiving, recording, rotation, safeguarding, stock-taking, issuing, etc. of pharmaceuticals should be developed, communicated and implemented and adherence thereto monitored</li> <li>• Updated computerised or manual (bin cards) stock control systems should be in place to ensure that the movements of pharmaceutical stock are accounted for</li> <li>• Optimal stock levels should be maintained at medical depots and health institutions to ensure that pharmaceuticals are available in time for distribution to health institutions and patients, respectively</li> <li>• Pharmaceutical stock should be stored and safeguarded in a secure area to mitigate the risk of theft</li> <li>• Pharmaceutical stock should be managed in compliance with the relevant rules and regulations (taking into account the cold chain) to mitigate the risk of bad and expired stock</li> <li>• The contracts for the delivery of pharmaceuticals to health institutions should be monitored to ensure that pharmaceuticals are delivered in the most economical manner. Penalties should be imposed for incorrect, late, etc. deliveries</li> </ul>
Distribution of pharmaceuticals to patients	Did the distribution process effectively and efficiently ensure that patients receive prescribed pharmaceuticals in time?	<ul style="list-style-type: none"> <li>• Pharmaceuticals on the essential drug list should be available for distribution to patients in time</li> <li>• Control measures should be in place to ensure that pharmaceuticals of the right quantity and dosage are provided to the right patients</li> <li>• The health institution, including the waiting area should be adapted to ensure that it meets service (distribution of pharmaceuticals) and patients' needs</li> <li>• Updated computerised or manual dispensing systems should be in place to ensure that pharmaceuticals are dispensed in an efficient and effective manner</li> <li>• Control measures should be in place to manage queues and minimise waiting times. Patients should receive their pharmaceuticals on the day of their scheduled visit</li> </ul>







# **ANNEXURE A**

## **AUDIT FINDINGS IDENTIFIED DURING FOLLOW-UP AUDIT**

The follow-up audit covered the 2015-16 financial year and we visited nine medical depots and 36 clinics between January and March 2016. The audit covered the procurement of pharmaceuticals,<sup>1</sup> stock management at medical depots and health institutions as well as the distribution of pharmaceuticals to patients. Some improvements were identified in the procurement of pharmaceuticals, stock management at the medical depots and distribution of pharmaceuticals to patients.<sup>2</sup> The main achievement was the decrease in the stock-out rates for certain essential medicines at the clinics and CHCs in Gauteng (4%), KwaZulu-Natal (1%), Mpumalanga (4%), Northern Cape (8%) and North West (1%). Also, the average stock-out rates for vaccines, antiretroviral and tuberculosis medicines decreased between 6% and 52% since the implementation of

the stock visibility<sup>3</sup> system. It must be noted that each province is at a different level of implementation, the highest improvement was reported in Limpopo and KwaZulu-Natal where the use of the system was piloted. This was also evident at some of the health institutions visited.

An overview of the audit findings per sub-focus area (and province) is included in table 1. The last column were added to indicate whether these areas has improved, regressed or are in progress compared to the findings identified during the visits to the medical depots and health institutions during the 2014-15 financial year as part of the performance audit.

**Table 1: Overview of audit findings per sub-focus area**

Description	Eastern Cape	Free State	Gauteng	Kwa-Zulu-Natal	Limpopo	Mpumalanga	Northern Cape	North West	Western Cape	Improved, in progress or regressed since the performance audit
<b>Procurement of pharmaceuticals</b>										
Penalties not imposed for late deliveries	↔	↔	↔	↔	↔	↔	↔	↔	↔	In progress
Payments to suppliers not within 30 days	↔	↔	↔	↔	↔	↔	↔	↔	↑	Improved
Procurement of pharmaceuticals via buy-out ≥ 15%	↔	↓	↑	↓	↔	↔	↔	↑	↔	In progress
<b>Stock management at medical depots</b>										
Medical depot operate without MCC and SAPC licences	↔	↓	↔	↔	↔	↔	↔	↔	↔	Regressed
Shortage of medical depot staff (vacancy rate ≥ 10%)	↔	↔	↔	↔	↔	↔	↔	↔	↔	In progress
Poor storage practices at medical depot	↔	↔	↔	↔	↔	↔	↔	↔	↔	In progress
Limited temperature control at medical depot	↔	↑	↔	↔	↔	↔	↔	↔	↔	Improved
Limited security control at medical depot	↔	↔	↑	↔	↔	↔	↔	↔	↓	In progress
Erroneous requests for pharmaceuticals from health institutions	↔	↔	↔	↔	↔	↔	↓	↑	↔	In progress
Stock management system at medical depot outdated and/or not used optimally	↔	↔	↔	↔	↔	↔	↔	↔	↔	In progress
Inadequate equipment to manage stock at medical depot	↑	↔	↔	↔	↔	↑	↔	↑	↔	Improved

<sup>1</sup> As at September 2015, payments for pharmaceuticals procured on national contracts worth R394,6 million were outstanding for more than 30 days (41% improvement)

<sup>2</sup> During the 2015-16 financial year, 332 pharmacist assistants were contracted in all the provinces (except in the Western Cape) to provide support to the health institutions

<sup>3</sup> The stock visibility system will replace the use of bin cards at primary health care level



Description	Eastern Cape	Free State	Gauteng	Kwa-Zulu-Natal	Limpopo	Mpumalanga	Northern Cape	North West	Western Cape	Improved, in progress or regressed since the performance audit
<b>Stock management at health institutions</b>										
Poor storage practices at health institutions	↔	↓	↓	↓	↓	↓	↓	↑	↑	Regressed
Limited temperature control at health institutions	↓	↓	↑	↓	↔	↔	↑	↔	↔	Regressed
Limited security control at health institutions	↓	↓	↑	↑	↔	↓	↑	↑	↓	Regressed
Stock management records (bin cards) inaccurate and/or incomplete	↔	↓	↓	↓	↔	↑	↑	↓	↓	In progress
No or limited supervisory visits from district or sub-district offices' pharmacists to health institutions	↔	↓	↓	↔	↔	↔	↔	↔	↔	Regressed
Inadequate equipment to manage stock at health institutions	↓	↓	↓	↓	↓	↓	↓	↓	↔	Regressed
<b>Distribution of pharmaceuticals to patients</b>										
Stock-outs of essential medicines on days of visits to health institutions	↑	↑	↑	↓	↓	↑	↑	↔	↔	Improved
Waiting areas at health institutions not sufficient to accommodate patients	↓	↓	↓	↑	↓	↑	↔	↓	↔	Regressed
No separate dispensing windows or queues for dispensing chronic medication at health institutions	↓	↓	↓	↔	↔	↑	↑	↓	↔	Regressed
Pre-packing of chronic medication not done at health institutions	↑	↓	↑	↓	↓	↓	↔	↓	↔	In progress
Patients' identity not verified before dispensing pharmaceuticals to them	↑	↓	↔	↔	↓	↑	↔	↑	↔	Improved
Insufficient workflow in dispensaries and consulting rooms at health institutions	↓	↓	↓	↔	↓	↓	↓	↔	↔	Regressed
Poor record-keeping of pharmaceuticals dispensed at health institutions	↑	↓	↑	↔	↓	↑	↑	↑	↔	Improved

#### Legends:

Red	Findings identified at the medical depot and health institutions visited
Orange	Findings identified at some of the health institutions visited
Green	No findings identified

Improved ↑

In progress ↔

Regressed ↓





AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

 @AuditorGen\_SA

 Auditor-General of South Africa

 [www.agsa.co.za](http://www.agsa.co.za)

RP313/2016  
ISBN: 978-0-621-44911-2