

## **FINANCIAL CRISES FOR POOR MENTAL HEALTH NPO'S AS DEPARTMENT OF HEALTH OFFICIAL ENJOY - 28 April 2009**

Staff of more than 150 Non Profit Organisations providing services to people with intellectual and psychiatric disabilities in the Western Cape Province, are awaiting a dark and dreadful long-weekend without food for their families, transport and more as the Department of Health (DoH) failed to do their transfer payments of subsidies owed to them.

According to Roy Harris, CEO of Community Mental Health & Psychiatry (CMHP) formerly known as Kingdom Ministries Trust Mental Health & Psychiatry (KMMH) more than 84 of his employees couldn't be paid.

Mr Tony Joseph's (Deputy Director: Finance), responsible (among others) for the whole ordeal, didn't bother to return a call made to him by Harris, even though he was informed that the press was making enquiries as to what was happening.

In a desperate attempt to rectify the situation Harris sent an email to the Head of Health, Prof. Keith Househam, Western Cape Province South Africa, saying: *"I have received some calls today from NPO's in distress complaining that they wouldn't be able to pay their staff on time as the DoH had not processed subsidy payments. I was just (18h45) contacted by 'Die Burger' regarding the matter.*

*I made enquiries at the DoH this morning and was told that 'due to all the public holidays' they weren't able to process payments, which obviously is not acceptable and has an immense negative effect on our organisations and staff.*

- 1. No correspondence or warning or explanation was given to any of the NPO's and we found out by chance that payments were not going to materialize before the end of the month. Most organisations make use of a debit order system to pay staff. My own organisation's debit orders (84 staff members) are deducted on the 28<sup>th</sup> of the month in order to be available in the staff members accounts on the last day of the month.*
- 2. Debit orders now lapsed and this exercise is costing me more than R7500.00 to arrange a loan in order to pay staff as soon as possible. This amount excludes bank penalties we will have to pay. Amounts are less for the smaller NPO's but the negative effect and consequences similar.*
- 3. This now has a further ripple effect as staff members who have personal debit orders and commitments are charged penalties in their personal capacity averaging about R450 for staff who have basic debit orders (policies etc.) not forgetting their personal credit score that may be effected negatively.*
- 4. Staff members do not understand that the non payment is due to the forbearance of the DoH and it influences their morale and attitude tremendously, placing extreme pressure on management and patients/clients.*
- 5. Some staff just stay away from work with the excuse that they don't have travel money or food to eat.*
- 6. This is the second year that we had to go through this extreme mental, social and financial distress without any apology or recovery strategy or offering compensation for financial losses.*
- 7. This payment is part of the previous financial year's contract and has nothing to do with the new contracts that were signed late, also due to a delay from the DoH.*

*Dear Prof. Househam, I truly believe that you for one, are doing your utmost best under very difficult and trying circumstances. I apologise for complaining to you, but with so many of the officials who do not take ownership or pride themselves in their work, you are always our last resort. I hope you will be able to assist us so this matter does not repeat itself in future."*

Prof. Househam immediately replied later that evening and investigated the matter early the following day.

These organisations, already cash strapped, are only subsidized to a maximum of 30% of actual cost and are now feeling the financial and social harm and the consequences thereof caused by a few health officials who really just don't care, leaving many with additional bank costs, no food or transport for their families, and anxious patients. Promises had now been made to transfer funds early in May 2009