



USING FINANCIAL PERFORMANCE INDICATORS TO PROMOTE TRANSPARENCY AND ACCOUNTABILITY IN HEALTH SYSTEMS

This case-based brief presents experiences of district health management teams in South Africa, where interventions to improve district health planning and reporting, including the integration of financial data and service utilization statistics, proved helpful in increasing transparency and focusing attention on areas most vulnerable to abuse.

Financial corruption in health facilities can take many forms. Corrupt officials may divert patient fee revenue or siphon off funds from the facility budget. Fee exemptions meant for the poor and especially vulnerable may instead be granted to family and friends. Agents may create false invoices for supplies never received, or collude with suppliers to create inflated invoices for procured items, with the procurement agent pocketing the government payment or kickback. Drugs and supplies beyond what is needed may be purchased from the public budget then diverted for re-sale or private use. Government officials may also ignore the spending priorities stated in public policies or strategy documents, instead channeling funds to pet programs or favored geographic regions. Corruption may be a greater problem in decentralized systems, where agents are sometimes given greater discretion without sufficient control systems in place, or in countries where public sector employees may engage in private practice, which adds ambiguity to responsibility structures.



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FURTHER READING

- Management Sciences for Health. The Equity Project 1997-2003: Final Report (50 pages) Boston, MA: Management Sciences for Health. Download by clicking on .pdf file link (2.5 MB) http://www.msh.org/programs/southafrica_equity.html
- National Department of Health, Republic of South Africa. The web site of the Department of Health contains many documents of interest, including Financial Management: An Overview and Field Guide for District Management Teams (April 2002) <http://www.doh.gov.za/docs/index.html>
- Soeters, Robert and Fred Griffiths. 2003. Improving government health services through contract management: a case from Cambodia. Health Policy and Planning. 18(1): 74-83.

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more information on CORRUPTION IN THE HEALTH SECTOR : www.U4.no/themes/health/

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