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LEGAL NOTICE NO. 137 OF 2006

**Finance (National Drug Service Organization Trading Account)
Notice, 2006**

In exercise of the powers conferred to me by section 18A of the Finance Order 1988¹, I,

TIMOTHY THAHANE THAHANE

Minister of Finance and Development Planning make the following Notice-

1. This Notice may be cited as the Finance (National Drugs Service Organisation Trading Account) Notice 2006, and shall come into operation on the date of its publication in the Gazette.

2. There is established a Trading Account to be known as the **NATIONAL DRUG SERVICE ORGANISATION TRADING ACCOUNT-**

“for the procurement, storage and distribution of Medicines and Medical consumables for the Government and other Health Institutions.”.

TIMOTHY THAHANE THAHANE
MINISTER OF FINANCE AND DEVELOPMENT PLANNING

NOTE

1. Act No. 6 of 1988

LEGAL NOTICE NO. 138 OF 2006

FINANCE (NATIONAL DRUG SERVICE ORGANIZATION)
REGULATIONS 2006

ARRANGEMENT OF REGULATIONS

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LEGAL NOTICE NO. 138 OF 2006

Finance (National Drug Service Organization) Regulations, 2006

In exercise of the powers conferred on me by section 37 of the Finance Order, 1988¹, I,

TIMOTHY THAHANE THAHANE

Minister of Finance and Development Planning make the following regulations,

Citation and commencement

1. These regulations may be cited as the Finance (National Drug Service Organization) Regulations, 2006 and shall come into operation on the date of publication in the Gazette.

Interpretation

2. In these regulations, unless the context otherwise requires,

“Committee” means the National Drug Service Committee provided for in section 5(1) of these regulations;

“General Manager” means an officer appointed by the Minister of Health and Social Welfare in terms of section 4(2) of these regulations;

“medicine and medical consumables” means the pharmaceuticals, the medical supplies, the laboratory reagents, the dental products, X-ray films-reagents and any other consumable products used in health institutions;

“Trading Account” means the National Drug Service Organization (NDSO) and vice versa.

Administration of the Trading Account

3. The Trading Account shall be administered by an officer to be known as the General Manager, who shall be appointed by the Minister of

Health and Social Welfare with the advice of the National Drug Service Committee (NDSC) after a transparent recruitment process.

Appointment of the General Manager

4. (1) Where there is a vacancy in the position of the General Manager,
 - (a) the chairperson of the Committee shall advertise the vacancy in the media.
 - (b) The Minister shall appoint a person to be the General Manager with the advice of the Committee.
- (2) The person eligible to be appointed as the General Manager shall be a Pharmacist registered with the Lesotho Medical, Dental and Pharmacy Council.

Purpose of the Trading Account

5. The purpose of the Trading Account is to promote the health of the people of Lesotho by developing, implementing and maintaining an equitable and reliable system for the procurement, storage and distribution of medicines and medical consumables of acceptable quality standard for all the health institutions in Lesotho at lowest possible costs.

National Drug Service Committee

6. (1) There shall be a National Drug Service Committee comprising of the following ex officio members:
 - (a) the Principal Secretary for the Ministry of Health and Social Welfare who shall be the chairperson;
 - (b) the representative of the Ministry of Finance and Development Planning;
 - (c) the Director General for Health Service, Ministry of Health and Social Welfare;

- (d) the Director of Pharmaceuticals, Ministry of Health and Social Welfare;
 - (e) the Director of Primary Health Care, Ministry of Health and Social Welfare;
 - (f) the United Nations International Children Educational Fund (UNICEF) representative or an appointee in Lesotho;
 - (g) the World Health Organisation (WHO) representative or an appointee in Lesotho;
 - (h) the Executive Secretary of the Christian Health Association of Lesotho (CHAL);
 - (i) the President of the Lesotho Medical Association; and
 - (j) the General Manager of the National Drug Service Organization (NDSO), who shall be the secretary of the Committee.
- (2) The following officers shall be observers:
- (a) the Representative of Health Planning and Statistical Unit (HPSU), Ministry of Health and Social Welfare;
 - (b) the Financial Controller, Ministry of Health and Social Welfare; and
 - (c) four members of the senior management of the National Drug Service Organization.

Meetings of the Committee

7. (1) The Committee shall meet at the end of every four months in each financial year.
- (2) The chairperson shall preside at all meetings of the Committee and in absence of the chairperson, the members present shall

elect one of their members to preside at the meetings.

- (3) The quorum for a meeting of the Committee shall be six (6) members and all decisions at a meeting shall be by resolution of the majority vote of members present at that meeting.
- (4) A presiding member shall have a deliberative vote and, in the event of an equality of votes, a casting vote.
- (5) The Committee may co-opt any competent person to advise it during its deliberations.

Powers and duties of the Committee

8. The Committee shall be responsible for,
 - (1) the establishment of policies, strategies and procedures as may be necessary and appropriate to ensure that the objectives of the Trading Account are achieved in an effective and efficient manner;
 - (2) advise the Minister of Health and Social Welfare in the appointment of the General Manager who shall be the chief executive officer of the Trading Account;
 - (3) discussing, approving or disapproving the, monthly, quarterly and annual financial and management reports of the Trading Account; and
 - (4) reporting the performance of the Trading Account to both the Ministry of Health and Social Welfare and the Ministry of Finance and Development Planning.

The responsibilities of the General Manager

9. The General Manager shall be responsible for,
 - (1) preparing the estimates to be presented every year for consideration and approval of the Committee on or before the 31st March;

- (2) maintaining such accounts as may be directed by the Accountant General and the Committee.
- (3) preparing and forwarding the monthly financial statements of the Trading Account to the office of the Accountant General and the Committee;
- (4) preparing the annual accounts, in not later than three (3) months after the end of the financial year, to be submitted to the Auditors appointed by the office of the Auditor General for the purpose of expressing an opinion on the accounts of the Trading Account;
- (5) observing the provisions of the Financial and Stores Regulations and other applicable laws, regulations and directions governing the receipts, control and disbursement of funds except as otherwise indicated in these regulations; and
- (6) other day to day activities for the smooth running of the Trading Account.

Ordering and distribution of medicines to the Government Hospitals

10. (1) The Government hospitals shall order their medicines and medical consumables from the Trading Account in order to maintain sole source commitment.
- (2) The Government hospitals shall obtain authorization from the Trading Account before purchasing medicines and medical consumables elsewhere where such products are not obtainable from the Trading Account.
- (3) (a) The Trading Account shall be used to facilitate the redistribution of medicines and medical consumables within the Government health institutions in order to address the problem of overstocking and wastage.
- (b) The Medical Consultants from the Trading Account shall work together with management of the Government health institutions to facilitate the redistri-

bution.

- (c) The Trading Account shall distribute medicines and medical consumables at the markup approved by the Committee.
- (4) The Trading Account shall provide inventory management support to Government health institutions in order to improve the security and accountability on medicines and medical consumables.
- (5) The Trading Account shall distribute the medicines and medical consumables at a markup approved by the Committee.

Receipts into the Trading Account

- 11. There shall be paid into the Trading Account,
 - (1) the proceeds of the sale of medicines and medical consumables to the Government and other non-governmental health institutions and shall show the amount of taxes and duties collected on receipt;
 - (2) any appropriations made by the Government;
 - (3) any grants made by a donor whether in cash or kind; and
 - (4) the value of the medicines transferred by the Government in to the Trading Account.

Disbursement from the Trading Account

- 12. There shall be paid from the Trading Account,
 - (1) the purchases of medicines and medical consumables;
 - (2) the running expenses of the Trading Account;
 - (3) the cost of repairs and maintenance to the buildings, equipment and vehicles;

- (4) the cost of procurement of movable assets, construction of stores and other buildings; and
- (5) the cost of any other payments needed for the Trading Account.

Annual budget

- 13. (1) The General Manager shall prepare and present to the Committee for approval, in advance of each financial year, a budget for that year indicating the anticipated revenues, allocation of the revenues, and expenditures.
- (2) The Committee shall present the budget under sub-section (1) to the Ministry of finance for approval.

Annual report and accounts

- 14. (1) As soon as possible after the end of a financial year, but not later than three (3) months thereafter, the General Manager shall submit to the Committee, an annual report and financial accounts of the Trading Account comprising,
 - (a) a report on activities of the Trading Account during the preceding year; and
 - (b) a balance sheet showing the assets and liabilities at the end of the financial year.
- (2) An annual report and audited accounts shall be submitted to both the Ministry of Health and Social Welfare and Ministry of Finance and Development Planning.

Audit of accounts

- 15. (1) The accounts of the Trading Account shall be audited by the Auditor-General or auditors appointed by him or her.
- (2) The auditors shall complete their audit of the accounts of the Trading Account within three (3) months after the end of each financial year and shall include in their report assessments

relating to the achievement of the purpose and effectiveness of the administration of the Trading Account.

- (3) The General Manager shall submit the Auditors' report and its comments thereon one month from the date of completion to the Accountant General and the Committee.

Financial year

16. The financial year of the Trading Account shall be the same as that of the Government.

DATED:

TIMOTHY THAHANE THAHANE
MINISTER OF FINANCE AND DEVELOPMENT PLANNING

NOTE

1. Order No. 6 of 1988
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LEGAL NOTICE NO. 139 OF 2006

Basotho Enterprises Development Corporation (Board of Directors) **Notice, 2006**

Pursuant to section 7(3) of the Basotho Enterprises Development Corporation Act 1980¹, I,

MPHO 'MELI MALIE

Minister of Trade and Industry, Cooperatives and Marketing make the following notice:

Amendment

1. The Basotho Enterprises Development Corporation Board of Directors membership is amended as follows:

“by deleting the name “MR. LETUKA SEPHELANE” and substituting with the name “MR. MTHWALO MTHWALO” as the new representative of the Lesotho Tourism Development Corporation.”

DATED:

**MPHO 'MELI MALIE
MINISTER OF TRADE AND INDUSTRY, COOPERATIVES
AND MARKETING**

NOTE

1. Act No. 9 of 1980 as amended by Order No. 8 of 1993 and Act No. 10 of 2000