

Memorandum on the People's Republic of Bangladesh Programme Audit report

The attached audit report sets out the conclusions on Gavi Secretariat's Programme Audit of the Government of Bangladesh's immunisation programmes as managed by Ministry of Health and Family Welfare. The audit was undertaken in October 2015 and reviewed the 3.5-year period from 1 July 2011 to 31 December 2014. The scope of the audit covered Ministry of Health and Family Welfare and its various associated departments', in their management of several Gavi grants, including Health Systems Strengthening (HSS), Measles Rubella (MR) operational support, and cash financing in lieu of immunisation supplies. A draft audit report was issued to the Ministry of Health and Family Welfare in January 2016.

In addition, a supplementary audit visit was conducted in July 2016 to undertake a detailed review of the self-procurement of immunisation supplies, for which the audit scope was expanded to include immunisation supply records from 2009 until mid-2016. The final audit report was issued to the Ministry in December 2018, following an extensive period of consultation and discussions.

The audit report's Executive Summary (pages 4 to 6) sets out the key conclusions, the details of which are set out in the body of the report:

1. There is an overall rating of Partially Satisfactory which means that "Internal controls and risk management practices were generally established and functioning but needed improvement." Several issues were identified that might affect the achievement of the objectives of the audited entit(ies)."
2. 21 issues were identified broadly relating to: (a) incomplete or inaccurate financial reporting; (b) unsupported or inadequately supported expenditures; (c) instances of non-compliance with procurement regulations; and (d) domestic immunisation supplies not being purchased in accordance with the applicable arrangements.
3. Key findings were that:
 - a. Expenditure reported to Gavi were wrongly stated in successive Annual Progress Reports and did not match the underlying books and records;
 - b. Instances of flawed procurement processes were identified, including the renovation and construction of health facilities;
 - c. Control lapses were observed on various expenditures reviewed which were inadequately supported or justified;
 - d. Finally, the team queried the fact that the volume of immunisation supplies self-procured by the government using Gavi funds, was less than the government was required to buy during the period 2009 to mid-2016. The team also found that the price the government paid for these supplies was an off-market price higher than the agreed benchmark price and that some of the supplies purchased were items not needed for the Gavi-funded programmes.

The results of the programme audit have been discussed with the Secretary of Health, with an understanding of the need to remediate the identified issues and refund the unsupported, inadequately supported and irregular expenditures as set out in a letter of 03 April 2018.

A subsequent assessment of additional evidence presented by the MoHFW on 30 April 2018 and this resulted in a reduction of the reimbursable misuse from US\$ 422,507 to US\$ 417,759.

In addition, Gavi also asked the MOHFW to pay back US\$ 2.65 million relating to the self-procurement of immunisation supplies, and for these funds to be placed into the programme account to support future immunisation programme activities in the country.

The modalities of the reimbursement for both these amounts are still being discussed between the MOHFW and the Gavi Secretariat, and in its March 2019 letter, Gavi has asked the Secretary of the Health Services Division on behalf of the Ministry to confirm that it will refund the amount by the end of 2019.

Gavi Secretariat continues to work with the Ministry of Health and Family Welfare to ensure the above commitments are met.

Geneva, March 2019

PEOPLE'S REPUBLIC OF BANGLADESH

Programme audit of the Gavi Support to the Ministry of Health and Family Welfare

GAVI Secretariat, Geneva, Switzerland

Final Audit Report – December 2017



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1 Executive Summary

In September – October 2015 and subsequently in July 2016, the CPA team conducted a Cash Programme Audit of the Government of Bangladesh on their Immunisation programme funded by Gavi. The second audit visit in July 2016 focused on a detailed review of the self-procurement of immunisation supplies purchased at an off-market price as first identified in October 2015.

The audit covered the Ministry of Health & Family Welfare (MOHFW) and other implementing agencies' management of ISS, NVS/ VIG, HSS funds, and MR Campaign during the period 01 July 2011 to 31 December 2014. During the period reviewed, the overall Gavi-related expenditure incurred by the country totalled USD 21.1 million. With respect to the second audit visit, the scope was expanded to include vaccine supply management records beginning 2007 until mid-2016.

Audit rating

The CPA team assessed the Ministry of Health & Family Welfare's management of Gavi funds as **partially satisfactory**, which means that "internal controls, financial and budgetary management processes were generally established and functioning, but needed improvement. Several issues were identified that may negatively affect the achievement of the objectives of the audited entity". The table below summarises ratings for each of the categories reviewed:

Summary of category audit ratings as classified by the CPA team:

Category	Audit Rating
Budgeting and Financial Management	Partially satisfactory
Expenditure and Disbursements	Unsatisfactory
Procurement	Unsatisfactory
Programme and Assets Management	Partially satisfactory
Overall rating	Partially satisfactory

Key issues

The Cash Programme Audit (CPA) raised 17 issues, which were mainly caused by weak compliance with the Government of Bangladesh's own guidelines as well as Gavi's Transparency and Accountability Policy. Issue wise categorization of risk is summarised in **Annex 26**.

To address these issues, 21 recommendations were made, of which 19% were ranked critical priority, which means that "action is required to ensure that the programme is not exposed to significant or material incidents. Failure to take action could potentially result in major consequences, affecting the programme's overall activities and output."

Among the high priority issues noted in this report, the most significant of these are presented below:

Budgeting and Financial Management	The expenditure was wrongly stated to Gavi in successive Annual Progress Reports. Figures reported: (i) did not match primary accounting records; (ii) were drawn from mismatching financial periods; (iii) double reported expenditure from one programme in 2014, while excluding another programme; and (iv) used inconsistent exchange rates for different programmes (Refer to Issue 3.1.2).
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Immunisation supplies not purchased in accordance with Decision Letters and applicable arrangements

The CPA team queried the fact that the volume of immunisation supplies actually purchased was less than the Government had agreed to in relevant Decision Letters. Under the arrangement agreed between Gavi and the Government, the Government would have been expected to have paid the difference in price with the UNICEF weighted average price and the higher price they actually paid, which would have resulted in USD 3.9 million Gavi-provided immunisation funds remaining in the Government bank account.

The CPA team was only able to confirm that USD 1.3 million of these funds remain available at the Government's bank account. The main drivers for this difference in funds were that: (i) the price that Government paid for immunisation supplies was significantly in excess of the UNICEF weighted average price; and (ii) Government expenditures on items outside of the Gavi-funded programmes.

Deficient renovation of community clinics

Tenders were awarded by Health Engineering Department for USD 0.49 million to extend 105 Community Clinics by constructing birthing rooms. The civil works for seven out of seventeen extended Community Clinics sighted by the CPA team were of poor quality and had significant deficiencies. The birthing rooms were rarely or never used, there were discrepancies in the works performed and the selection of contractors was not credible. As a result, value for money was not obtained on the 7 renovated clinics visited. Total expenditures of USD 81,884 for 17 Clinics is questioned, being all those overseen by the same two divisional offices of Health Engineering Department. (Refer to Issue 3.2.2).

Expenditure and disbursements

Unsupported or inadequately supported expenditures were identified. Similar handwriting was noted on invoices from different vendors at various levels. At district levels, health workers confirmed that they self-prepared invoices using blank invoice templates obtained from vendors. Amounts totalling USD 50,362 and USD 114,679 were questioned, respectively. (Refer to Issues 3.2.3 to 3.2.4)

Where it could not be adequately demonstrated that Gavi funds were properly used the expenditures were questioned by the CPA team as tabulated below.

Summary of questionable expenditures:

Issue	Amount (BDT)	Amount (USD)	Ref.	Annex
Self-procurement of supplies not in accordance with Decision Letters	See above	See below	3.2.1	Annex 17
Poor quality construction leading to low use of birthing rooms.	6,611,759	81,884	3.2.2	N/A
Unsupported/ Inadequately supported expenditure.	4,007,542	50,362	3.2.3	Annex 21
Questionable expenditure not adequately supported.	9,079,207	114,714	3.2.4	Annex 21
Excessive payment made/ excessive expenditure charged.	2,723,940	34,719	3.2.5	Annex 21
Expenditure not charged in accordance with Government Policies.	257,234	3,267	3.2.6	Annex 21

Issue	Amount (BDT)	Amount (USD)	Ref.	Annex
Expenditure not related to grant activities.	100,000	1,232	3.2.7	N/A
Unclear basis for charging costs.	200,000	2,597	3.2.8	N/A
Lack of transparency in procurement process.	10,795,224	133,732	3.3.1	Annex 21
Total	33,774,906	422,507		

From the above table, USD 422,507 (2.3%) of expenditures were questioned out of total USD 18,160,962 (100%) expenditures reviewed by the CPA team across 12 different implementing agents.

For a detailed understanding of the above issues, and for details of questionable expenditures identified, please refer to Section 3 of this report.

Section 2.3 of this report highlights certain limitations of scope affecting the Cash Programme Audit.

Good practice

The CPA team identified a good practice by the EPI programme team as summarized below:

- Under the HSS programme, the Expanded Programme on Immunisation (EPI) was disbursing funds to districts for carrying out different activities and had a reporting mechanism in place whereby statement of expenditures (SOEs) were submitted by districts after completion of the activity and expending the funds. Expanded Programme on Immunisation maintained a one-to-one correlation in respect of advances disbursed to districts. It settled the advance after receipt of SOEs from districts and obtained refund of the unspent balance. This was done for each advance disbursed to each of the district individually, thus ensuring tracking and settlement of each advance disbursed to each entity.

2 Objectives and Scope

2.1 Objectives

In line with Gavi's Transparency and Accountability Policy and oversight mechanisms, the main objective of a Cash Programme Audit is to ensure that the funds are spent in accordance with the terms and conditions agreed with Gavi and that the resources are being used for intended purposes.

As a consequence, the Cash Programme Audit assessed the adequacy of the control processes regarding the reliability and integrity of financial, managerial and operational information, the effectiveness of operations, the safeguard of assets, and compliance with respective national policies and procedures.

The purpose of the CPA was to help the Ministry of Health & Family Welfare (MOHFW), the Government of Bangladesh and Gavi ensure that:

- a) There is an appropriate and satisfactory level of oversight of the Gavi grants;
- b) Grant accounts/expenditures are properly maintained by the MOHFW, are up to date and accurately recorded and reported in accordance with the applicable accounting standards;
- c) Information in the financial reports submitted in the quarterly and Annual Progress Reports reconciles to the accounting systems and records and that there is a clear audit trail from the financial report to the accounting records;
- d) Expenditures incurred by the MOHFW using Gavi funds and resources have occurred, are accurate and were eligible in accordance with: the approved proposal budgets and work plans and terms and conditions of the Aide-memoire, the relevant Decision Letters and the Partnership Framework Agreement;
- e) The designated bank accounts have been maintained in accordance with the provisions, as set down in the respective grant documentation;
- f) Funds transferred/ advances to districts at decentralised levels are used for the intended purposes and timely liquidated;
- g) Adequate internal controls are in place and the financial and accounting procedures as assessed in the Financial Management Assessment and highlighted in the Aide-memoire and Partnership Framework Agreement are in operation and are adhered to;
- h) Procurement incurred has been undertaken in the most transparent and efficient manner, and value for money was achieved;
- i) Assets procured from the grant funds exist and have been provided to the intended beneficiaries.

2.2 Scope

From 19 August 2015 to 2015 October 2015, the CPA team conducted a Cash Programme Audit of the People's Republic of Bangladesh. A three-and-a-half-year period was reviewed, from 01 July 2011 to 31 December 2014. The review covered: income received, expenditures incurred and procurement activities conducted at national and district level.

Work was performed at both a central level in Dhaka and included sub-national visits. In agreement with Gavi, the following implementing entities were covered under the Cash Programme Audit:

#	Entities covered under review	Location
1.	Ministry of Health & Family Welfare (MOHFW)	Dhaka
2.	Extended Programme on Immunisation (EPI)	Dhaka
3.	Health Engineering Department (HED) Headquarter	Dhaka
4.	Obstetrical and Gynaecological Society of Bangladesh (OGSB)	Dhaka
5.	Central Medical Stores Depot (CMSD)	Dhaka
6.	Community Based Health Care (CBHC)	Dhaka
7.	Civil Surgeon Office – Comilla	Comilla District
8.	Health Engineering Department (HED), Divisional Office – Comilla	Comilla District
9.	Civil Surgeon Office – Noakhali	Noakhali District
10.	Health Engineering Department (HED), Divisional Office – Noakhali	Noakhali District
11.	Civil Surgeon Office – B. Baria	B. Baria District
12.	Dhaka South City Corporation (DSCC)	Dhaka

The coverage of the entities was agreed with Gavi. In addition to the above mentioned implementing entities, there were certain other agencies that participated in the implementation of the immunisation programme, but were excluded from the Audit scope due to their lesser involvement, including:

#	Entities not covered under review	Location
1.	Public Works Department (PWD)	Dhaka
2.	Bangladesh Television (BTV)	Dhaka
3.	Bangladesh Betar	Dhaka
5.	Director General, Mass Communication	Dhaka
4.	Divisional Health Offices	7 locations in Bangladesh
6.	Civil Surgeon Offices	61 locations in Bangladesh
7.	City Corporations	10 locations in Bangladesh
8.	Health Engineering Department (HED), Divisional Offices	6 locations in Bangladesh

The above mentioned entities located in Dhaka were not covered under CPA as these entities were not under the direct control of the Ministry of Health and Family Welfare. Also, the expenditures at these entities during the period covered by CPA were not substantially high.

Divisional Health Offices were not covered as expenditures at those were immaterial.

Based on the agreed scope, a sample of 4 districts/ city corporations were selected under CPA. Thus, offices of Civil Surgeons, City Corporations and Divisional Health Engineering Departments in the non-sampled districts were not covered under the CPA.

The table below illustrates Gavi's cash disbursements to the Government of Bangladesh during the period covered by the Cash Programme Audit:

Amounts in USD

Grant Type	2011	2012	2013	2014	Total
HSS	-	-	-	6,428,000	6,428,000
ISS	-	1,374,000	-	-	1,374,000
Measles Rubella Campaign	-	-	3,330,267	-	3,330,267
Measles Rubella - Operational costs	-	-	33,586,500	-	33,586,500
Vaccine Introduction Grant/ New Vaccine Support	-	1,195,500	-	5,731,500	6,927,000
Total disbursed	-	2,569,500	36,916,767	12,159,500	51,645,767

The total cash grants provided by Gavi to Bangladesh covered a range of activities including: HSS, ISS, operational costs for Measles-Rubella campaigns, and new vaccine support/ vaccine introduction grants.

The procedures performed under the CPA are detailed out in **Annex 2**.

As per the scope of work agreed with Gavi, expenditures directly incurred by the above mentioned agencies were verified on the basis of underlying supporting documents. However, expenditures incurred by districts and other implementing agencies at decentralized levels, which was charged to the programme on the basis of statement of expenditure (SOEs) submitted by these districts and agencies to Expanded Programme on Immunisation, Community Based Health Care and Health Engineering Department, were reviewed on the basis of the SOEs available at the Central level. This review included USD 11,874,939 expenditures which were verified on the basis of the “statements of expenditures” received.

Details of total expenditures at respective entities during the audit period and that verified have been tabulated below:

A. Expenditure incurred directly by implementing agencies selected under CPA and verified on the basis of underlying supporting documents:

#	Entities covered under CPA	Total Expenditure as per books of account [A] (in BDT)	Expenditure reviewed on the basis of supporting documents [B] (in BDT)	Percentage expenditure reviewed [C] = [B]/ [A]
Central level agencies:				
1.	MOHFW	18,618,287	9,557,187	51%
2.	EPI	488,651,092	348,623,130	71%
3.	CBHC	11,750,283	10,858,277	92%
Other agencies and district level entities:				
4.	HED HQ	126,886,884	70,111,787	55%
5.	OGSB	6,467,698	3,141,369	49%
6.	CMSD	5,335,275	5,335,275	100%
7.	Comilla District	29,708,326	6,624,500	22%
8.	HED – Comilla	3,062,489	3,062,489	100%
9.	Noakhali District	55,934,676	16,510,080	30%

#	Entities covered under CPA	Total Expenditure as per books of account [A] (in BDT)	Expenditure reviewed on the basis of supporting documents [B] (in BDT)	Percentage expenditure reviewed [C] = [B]/ [A]
10.	HED – Noakhali	3,549,270	3,549,270	100%
11.	B. Baria District	50,218,957	11,916,294	24%
12.	DSCC	13,941,881	3,913,470	28%
	TOTAL (in BDT)	295,105,456	124,164,534	61%
	TOTAL (in USD)	10,388,609	6,286,023	61%

B. Disbursements made to districts and other agencies against which SOEs submitted at the Central level, and expenditure reviewed on the basis of SOEs available:

#	Entities covered under CPA	Disbursements made to districts and other agencies (BDT) [A]	Refunds received from districts and other agencies (BDT) [B]	Net Expenditure of districts and other agencies (BDT) [C] = [A]- [B]	Expenditure reviewed on the basis of SOEs received from districts and other agencies out of [C] (BDT) [D]	Percentage Expenditure reviewed [E] = [D]/ [C]
1.	EPI	1,052,441,021	36,873,690	1,015,567,331	813,730,583	80%
2.	CBHC	117,359,148	3,051,840	114,307,308	82,212,919	72%
3.	HED HQ	40,570,391	823,045	39,747,346	34,477,635	87%
	TOTAL (in BDT)	1,210,370,560	40,748,575	1,169,621,985	930,421,137	80%
	TOTAL (in USD)	15,429,152	515,858	14,913,294	11,874,939	80%

The Government of Bangladesh had not calculated and did not provide the opening and closing balances of fund balance of Gavi funds in respect of the period covered under the CPA. Based on requirement of Gavi, the CPA team computed the fund balance as of 31 December 2014. The fund balance has been derived by the CPA team taking balance from bank statements and making adjustments to same and thus, cannot be considered as accurate.

The CPA team

The CPA was conducted by a team from Price Waterhouse Chartered Accountants LLP (PWCALLP), New Delhi, India. The audit was conducted under the supervision of Mr. Edmund Grove, Director of Programme Audit, Gavi Secretariat.

Processing of the audit results

The CPA team discussed the preliminary observations and recommendations with the Ministry of Health and Family Welfare of the People’s Republic of Bangladesh during the exit meeting on 20 October 2015 in the presence of Mr. Edmund Grove, Gavi’s Director of Programme Audit. The findings of the audit are presented in the detailed findings section below.

2.3 Scope Limitations

The CPA team identified several restrictions, which to some degree undermined the integrity of the financial records due to incomplete information in what was reported, and based on some gaps in the underlying financial accounting records. The following limitations on the scope of work were noted:

- a. Based on the agreed scope of work, MOHFW was requested to provide a consolidated report of expenditure incurred during period covered by the CPA of July, 2011 to December, 2014. However, this report was not provided to the CPA team.
- b. The supporting documentation and backup calculations showing how the expenditure reported in the annual progress reports (APRs) was computed were not available. Similarly, the expenditure recorded in the cash books differed from the expenditure reported in APRs. Thus, accuracy of the expenditure reported in the APR could not be validated. As a result, for the purposes of reconciling and determining the completeness of the records, a calculation of the total reportable expenditure for the period was re-performed by the CPA team, based on the following assumptions and approach:
 - All disbursements recorded in the cash books of MOHFW, Expanded Programme on Immunisation and Community Based Health Care (referred to as “Central level agencies”) were traced to their respective bank statements to validate actual payments.
 - Expenditure incurred by agencies such as Public Works Department, Bangladesh Television, etc. (referred to as “Other Agencies”) and Civil Surgeon offices in districts and City Corporations (referred to as “Lower Level Entities”) were verified from the statements of expenditures submitted by other agencies and local level entities to Central level agencies.
 - For the purpose of arriving at the expenditure reported in the APR, separate cut-off dates were taken for different grants, based on reporting cycle used by the Government of Bangladesh to report expenditure to Gavi (for HSS and MR Campaign – July to June [cut-off date: 30-June-2014] and other grants [ISS/VIG] - calendar year [cut-off date: 31-December-2014])
 - Disbursements recorded in the cash books during the period covered under APRs (2011 to 2014) was taken as the start point, and the following adjustments were made to the same so as to restate the total sum of transactions back to the net expenditure for the period:
 - all refunds received up to the cut-off date as per the bank statements were eliminated;
 - disbursements to other agencies and lower level entities pertaining to activities carried out subsequent to the cut-off date were eliminated;
 - disbursements against which the statements of expenditures were not submitted by other agencies and lower level entities up to the cut-off date were eliminated;
 - payments to vendors recorded in cash book up to the cut-off date, but actual payment/ expenditure was made/ incurred subsequent to the cut-off date were also eliminated;
 - expenditures not recorded in cash books, but actual payment made up to the cut-off date had been included;

- The amount arrived after making above adjustments has been considered as expenditure for the reporting period.
- c. Backup calculations of financial figures mentioned in the APRs/ budget vs actual spent sheets were not available. Also, there was no system in place to maintain ledgers for recording expenditure which referred back to the budget-lines/ activities; only cash books were maintained. Due to this, the accuracy of the figures reflected in budget verses actual analysis given in the activity based expenditure reports could not be validated.
- d. A number of statements of expenditures against disbursements made to other agencies and local level entities were not available and could not be verified (total value being USD 166,522). Also, refunds due as per SOEs received and available could not be traced to the bank statements. It was explained that number of cheques and pay orders received from districts were deposited together and single entry made in the cash book; however, details of cheques and pay orders deposited was not retained. Although in this particular case the information was not available since the advances were still open and were unjustified, the amounts outstanding were not questioned by the CPA team.
- e. Some of the documents, other than primary financial records, were not available to validate explanations provided with the expenditure charged to Gavi funds. Although the information available was incomplete, the expenses associated were not questioned, as relevant supporting documents were available.

3 Detailed Findings

Findings from the Cash Programme Audit were classified under the following categories:

1. Budgeting and Financial Management;
2. Expenditure and Disbursements;
3. Procurement; and
4. Programme and Assets Management.

For each finding, the observation has been summarised along with root cause(s) observed and the potential risk/effect. Recommendations along with the risk priorities have been included for taking necessary corrective actions.

Refer to **Annex 26** for details on definitions of the audit terms such as ratings, causes and risks.

3.1 *Budgeting and Financial Management*

3.1.1 Issue 1 - Irregular accounting of donor funds

Observation

As a good practice for settling advances paid to district offices (and other entities), the standardised national practice should be adhered to including the use of standard reporting templates, respecting submission deadlines, providing explanations for variances, and preparing valid statement of expenditures.

During the review of both cashbooks maintained by the Ministry of Health and Family Welfare; and the respective statements of expenditures prepared by the lower level entities and submitted to the: (i) the Expanded Programme on Immunisation; (ii) Community Based Health Care; (iii) or the Health Engineering Department, the following deficiencies were noted:

a. Difference in expenditure recorded and payments made

At the Ministry of Health and Family Welfare, original cash books for the financial years 2011-12 and 2012-13 were not available and the Accounts Officer provided a printout of transactions listing with details of expenses, but the same had no details of receipts. While tracing expenditure/ disbursements recorded in the cash book from the bank statement of the Sector Wide Programme Management and Monitoring account maintained with "Sonali Bank Ltd" for the financial year 2011-12 and 2012-13, many payments recorded in the cash book were not getting directly traced with the cash withdrawals as per the bank statement.

Upon performing a reconciliation on overall basis (all payments in bank account with expenditures recorded in transaction listing), it was noted that excess expenditure of BDT 7,722 was recorded in the transaction listing.

The MOHFW commented that the APR reporting was done as per calendar year (January to December); but the Government system uses fiscal year (July to June). So, the amount of BDT 7,772 spent after the calendar year was accidentally included in the APR. In future reporting to Gavi, the MOHFW will use only one reporting year (calendar year), and

therefore this confusion will no longer exist. A common directive will be given to all entities to follow the same reporting practice.

b. Financial Reporting Mechanism operating at lower level entities

For reporting details of expenditure incurred by other agencies and lower level entities, SOEs were submitted. The following shortcomings were observed with respect to the reporting mechanism and SOEs:

- No fixed timeline was followed for submission of SOEs by districts to headquarters. Generally, SOEs were submitted by districts after completion of the activity. However, certain instances were noted where the SOEs were submitted after a gap of more than 3 months after completion of the activity.
- No standard template or format was used for reporting expenditures across all levels. The content and detail of the SOEs varied from district to district. For example, for several SOEs reviewed, only the expenditure amount was mentioned and details on the amounts being returned were not provided.
- SOEs received with expenditure higher than the budget amount were restricted to budget amount by the Central level agency, but details were not available as to how the excess was paid/borne.
- SOEs were not consist that they be resent by the district offices. Furthermore, some SOEs were not available.

The MOHFW commented that it experienced acute staff shortage and lack of staff capacity throughout the country. To adjust to its human resource shortage, the Ministry relied on giving additional tasks to existing staffs, which do not result in good staff capacity. The reporting of excess expenditure does not reflect misappropriation, but rather it is an accounting error due to inclusion of current expenditure (for period after December) in the APR (which covered period up to December). In the next APR, this mistake will be corrected. The Ministry also understands that a common template of SOE is needed which it will develop and circulate to all levels and will ensure proper maintenance of documentation of records and efforts will be made to ensure that the overall budget is not exceeded.

Cause

- Human error;
- Lack of or inadequate office policies or procedures;
- Lack of or inadequate guidance or supervision at the lower levels;
- Inadequate oversight by the MOHFW, EPI and CBHC;
- Lack of or inadequate understanding or training.

Risk/Effect

- Excess expenditure reported to Gavi on account of differences in expenditures;
- Delayed adjustment of advances to districts on account of delayed submission of SOEs;
- Expenditure incurred could not be verified in absence of SOEs of districts.

Recommendations and Risk Priority

#	Recommendations	Risk Priority
1	<p>It is recommended that:</p> <ol style="list-style-type: none"> Expenditure reported more than the expenditure recorded in the books of account should be adjusted from the expenditure reported in latest or next annual progress report and revised annual progress report with correct information should be submitted to Gavi; All entities should ensure that the expenditure reported is reflective of actual expenditure incurred by the concerned entity and there is no discrepancy in the figures reported; and Transactions should be appropriately recorded in the cash book including cash receipts to ensure that the cash book reflect all transactions and balance of funds available. 	Essential

#	Recommendations	Risk Priority
2	<p>The system of submission of SOEs needs to be streamlined to ensure the following:</p> <ol style="list-style-type: none"> Timeline is specified for submission of SOEs (such as: within 30 days from completion of the activity), and the same should be monitored by Central level agencies including regular follow-up to enforce compliance with respective deadlines. A common template of SOE to be devised for obtaining information in standardised form at all levels. On receipt of SOEs these need to be appropriately recorded, retained and placed on file for reference. Adequate justification should be obtained and documented for understanding the reasons for actual expenditure exceeding the budget amount, and based on the justification, Central level agency should assess whether excess expenditure has to be allowed or disallowed. 	Desirable

Management comments

Ref #	Agree/ Disagree	Management Comment and Response	Rectified by when?	Entity responsible
1a	Agree with comment	In the future reporting to Gavi, the MOHFW will use only one reporting year and this confusion will no longer exist. A common directive will be given to all entities to follow same reporting practice.	Next Reporting time	MOHFW & all relevant LDs

Ref #	Agree/ Disagree	Management Comment and Response	Rectified by when?	Entity responsible
1b	Agree with comment	It has been rightly mentioned in the CPA report that the discrepancies in figures are due to human error, weaknesses in office policies or procedures, lack of or inadequate understanding or training, etc. A common directive is given to all entities to make sure no mistakes occur in the future.	Same as above	As above
1c	Agree with comment	The same factors for staff incapacities are also responsible for weakness in documentation and record keeping. It is to be noted that the Ministry could not provide professional accounting staffs in all settings and staffs assigned for account often may have other additional assignments. Therefore, despite existence of authentic invoices, they often keep cash book waiting for updating the entry at later dates. Appropriate directive issued and supervision strengthened so that cash books are updated without further delay.	Already instructed and will maintained follow up	As above
2a	Agree with comment	There is a common instruction that the entities will submit the SOEs after completion of activities. Some even reach before 30 days. But, it is true that it often takes time to get them from hundreds of entities and sub-entities across the country. As per the recommendation, we already instructed to submit the SOEs within 30 days of completion of activities, and trying to create mechanism of defaulter tracking.	Already instructed to the field level	MOHFW & all relevant LDs
2b	Agree	A common template of SOE development is under process and will be circulated at all levels.	As early as possible	As above
2c	Agree	Instruction is given to all entities for appropriate record and retained in files all SOEs after their receipt so that they can be used for future reference. Also head of office will ensure for cross-checking the activity so that the matter is institutionalized.	Assigned persons are already instructed	As above
2d	Agree with comment	There remains justification of additional expenditure over the estimated budget. Budget is made from an assumption without knowing details of local situation. During implementation, under or over attendance of participants in training is not unusual. The LDs need to face national audit system and justify all expenditures to the independent audit team. However, instruction given to the entities to add notes in	Already instruction given	As above

Ref #	Agree/ Disagree	Management Comment and Response	Rectified by when?	Entity responsible
		the SOEs with retaining documents in support of such situation.		

3.1.2 Issue 2 – Reporting of donor expenditure

Observation

Clause 8.1(d) of the Partnership Framework Agreement states: “Accuracy of information: All information that is provided to GAVI including, its applications, progress reports, any supporting documentation, and other related operational and financial information or reports is accurate and correct as of the date of the provision of such information.”

Additionally, clause 2.5 of Gavi’s Transparency and Accountability Policy states that: “the Funds must be managed in a transparent manner, and provide accurate and verifiable financial reports on a regular basis as specified by individual funding arrangements;”

Upon comparison of Annual Progress Reports (APR) submitted by the MOHFW to Gavi for the years 2011 to 2014, the following lapses were noted:

- The basis for the reporting period used by the MOHFW differed when reporting on the various Gavi grants, as tabulated below:

#	Grant Type	Reporting
1	HSS	Bangladesh Financial Year (July to June)
2	ISS	Calendar Year
3	Measles Rubella Campaign	Bangladesh Financial Year (July to June)
4	Measles Rubella - Operational costs	Bangladesh Financial Year (July to June)
5	Vaccine Introduction Grant	Calendar Year

- Backup workings for reporting the financial numbers in APR were not retained; as a result of which a number of un-reconciled differences were noted between the expenditure as per books of accounts and APR. The MOHFW explained that APRs were prepared jointly with representatives from UNICEF and WHO, based on financial information obtained from the Accounts Officers. However, these Accounts Officers were not directly involved in the actual preparation of APRs. This problem may also be attributed to the mismatch.
- Financial statements attached with the APR also did not reconcile with the expenditure reported in the APR.
- Foreign currency conversion rate mentioned in the APRs were different from the actual conversion rate, and similarly for the same period reported, different exchange rates were used across the various programmes (ISS/ NVS/ HSS/ MR Campaign).
- Overall expenditures mentioned in section 5.3 of APRs do not reconcile with the programme wide expenditure given in the same APRs.
- Instances noted indicating inconsistencies in financial reporting in APRs:
 - It was explained by MOHFW that in respect of HSS programme, expenditure was reported for the financial year completed within the period covered by the APR (e.g. expenditure for the financial year July 2011-June 2012 reported in APR of

2012). However, it was noted that in the 2012 APR, expenditure of HSS programme for the financial years 2012-13 and 2013-14 were also included and in the 2014 APR, expenditure of HSS programme for the financial years 2014-15 and 2015-16 were also included. No explanation could be provided on how expenditures for future years were reported in the APRs. It appears that these could be projected expenditure for the subsequent year;

- In 2013, although expenditure was incurred on the ISS and HSS programmes, no such expenditure was reported in the corresponding APR. Instead, the 2013 expenditure on the HSS programme for this year was reported in the 2014 APR, while 2013 expenditure on the ISS programme was never reported;
- When reporting the financial numbers for HSS programme in the 2014 APR some tables were annotated with the wrong currency header, e.g. APR Tables 8.1.3.a and 8.1.3. b refer;
- There were differences noted between the closing fund balance reported in one APR and opening fund balance reported in subsequent APR. Further, the closing balances mentioned in the APR were not arithmetically correct.
- Funds received from Gavi towards MR Campaign/ Operational Cost were comingled and reported under New Vaccine Introduction Grant in 2014 APR. Also, the expenditure incurred on MR Campaign/ Operational Cost was reported under New Vaccine Introduction Grant in the 2014 APR.
- In addition, the MR Campaign/ Operational Cost expenditure was also reflected under “Monitoring GAVI Support for Preventive Campaigns in 2014” resulting in double reporting of expenditure of BDT 897,932,985.

No adjustment from expenditure recorded in books of account has been recommended for above issues and no questionable expenditures were identified, as these are reporting issues impacting only the expenditure reported to Gavi.

The MOHFW commented that the CPA Report rightly identified the root causes including weakness in the oversight by the MOHFW. Please note that moderation is required, as despite having high aspirations for acquiring high standards in financial and reporting management, given the limited capacity of organizations and human resources, if we give disproportionate attention to improving these aspects rather than giving service to the people, we could fail in programme performance.

Moreover, the Ministry clarified that the difference between the expenditures recorded in cash book and in the APR relate to the Injection Safety Support fund (viz., procurement of AD syringes and safety boxes) and expenditure of MR campaign which were not included in the APR 2014, following our understanding that these two elements were not required.

Cause

- Lack of or insufficient human resources
- Responsibilities not clearly defined (for preparation of APR and oversight)
- Lack of or inadequate understanding or training (on preparation of APR)
- Human error
- Inadequate oversight by the MOHFW

Risk/Effect

- Inaccurate financial reporting to Gavi (by over-reporting expenditure)
- Financial numbers may not be reflective of programmatic progress enumerated in APR

Recommendations and Risk Priority

#	Recommendations	Risk Priority
3	The MOHFW should resubmit an amendment to its 2014 Annual Progress report showing the actual financial expenditure incurred for each respective grant, and correct existing errors including omitted grants and ensure that the financial periods all correspond. The amendment should include an overall summary of accumulated expenditure incurred as of 31 December 2014 and subsequent financial reporting for 2015 should do the same, including clearly indicating how previous carried forward balances reconcile to the opening balances for subsequent periods.	Essential
4	<p>The MOHFW should develop an appropriate review mechanism/ process for adequate review of the financial numbers reported in the annual progress report. As a minimum, the process should include the following:</p> <ol style="list-style-type: none"> Assigning responsibility to staff for preparation, verification and review of the financial numbers reported in annual progress report and clearly define the tasks that are required to be performed for ensuring accurate reporting to Gavi; Ensuring adequate back-up workings for all figures reported in annual progress report is maintained and appropriately documented/ filed. This will help reviewer understand how the reported figure was arrived even if the concerned responsible person is no longer in the position; Sign-off by persons responsible for preparation, verification and review of the annual progress report after completion of their respective tasks. <p>Furthermore, for the process of preparing annual progress reports:</p> <ol style="list-style-type: none"> A single reporting period should be followed for all programmes for reporting in annual progress report for consistency of information across programmes, ease of linking programmatic progress with financial spends, and providing up to date information. Thus, reporting years for all programmes should be synchronised to calendar year. 	Essential

Management comments

Ref #	Agree/ Disagree	Management Comment and Response	Rectified by when?	Entity responsible
3	Agree with comment	The discrepancies are simply reporting error occurred due to lack of clear understanding. In the APR 2015, the MOHFW will include a matrix in an easy to understand format calendar-year by	Next reporting period	MOHFW& relevant partners

Ref #	Agree/ Disagree	Management Comment and Response	Rectified by when?	Entity responsible
		calendar-year receipts, expenditure and balance, which would eliminate any future confusion.		
4a	Agree with comment	The Accounts sections already instructed to maintain good recordings and to provide all required information as per calendar year to prepare the financial report. A check-list will be prepared to see how the accuracy of figures and information will be crossed checked.	Instruction already given with monitoring by head of offices	MOHFW & all relevant LDs/ partners
4b	Agree	Measures taken to maintain adequate back-up workings along with preservation of documents/files for easy understanding of reviewer(s).	already instructed	As above
4c	Agree	Although there is shortage of manpower, still then the immediate supervisor will be assigned with the responsibility of Sign-off to ensure after the completion of the work of report preparation.	From now & onward during preparation of financial report	As above
4d	Agree	Reporting years for all programmes will be synchronized in calendar year for APR to be submitted to Gavi and all figures for only the pertinent calendar year will be incorporated.	Started from Jan 2017	As above

3.1.3 Issue 3 – Deficiencies in cash and bank arrangements/ controls

Observation

Clause 1(d) of the Financial Management Arrangements for Gavi HSS Support 2009-11 section of the Aide Memoire jointly agreed between Gavi and the Government of Bangladesh states that: “The procedures handbook will include clearly set out requirements for operation of the Bangladesh Take (BDT) bank accounts and the various sub-accounts including names and sample signatures and procedures for reconciliation of same at central level. Quarterly disbursements to sub accounts will be based on satisfactory financial reporting, including reconciliation of cash books with bank statements, thus enabling subsequent disbursements to be made.”

Clause 25.1 of Section C of Annex 2 to the Partnership Framework Agreement states that: “funds in the possession of the Government shall remain, to the extent practicable, in an interest bearing bank account at a reasonable commercial rate available in the country until they are used for the programmes.”

During review of the cash and banking arrangements, the following control weaknesses were observed:

i. Banking arrangements and related controls:

a. Non-interest bearing current accounts were used for Gavi monies -

- However, the Gavi funds received were deposited in non-interest bearing bank accounts at all the entities visited and no interest was ever earned or received on any of the bank account balance.
- Surplus funds were available under the programme, and these could have been deposited in interest bearing bank accounts or in short term deposits to earn interest.
- The MOHFW stated that there was a notification/ circular from the Ministry of Finance to use only non-interest bearing current accounts for all Government programmes. However, a copy of the said notification/ circular of the Ministry of Finance was not provided for review to the CPA team.

b. Bank Reconciliation Statements not prepared -

- There was no practice of preparing bank reconciliation statement for reconciling transactions recorded in cash book with those in bank statements at all the levels.

c. Inappropriate recording of transactions -

- 73 Instances were noted at Expanded Programme on Immunisation where consolidated transactions were recorded in cash book for a range of disbursements (especially salaries) consisting of multiple payments paid out using different cheques.
- Instances were noted at Expanded Programme on Immunisation where a number of refund cheques and bank drafts were deposited in bank account, but only a single bank deposit was recorded in the cash book, and without supplementary detail being maintained on the various cheques deposited.
- Some of the cheques received by Expanded Programme on Immunisation from districts for refunding the outstanding advance balance were not duly recorded in the Expanded Programme on Immunisation's cash book, meaning non recording of financial transactions in cash book.
- At all entities covered under CPA, instead of making direct payments through account payee cheques, cash (bearer) cheques were drawn in favour of employees as "uncrossed cheques". Meaning that there was little control regarding who was entitled to withdraw the cash from bank and thereafter make the required payments for honorariums, Transport Allowances, Daily Subsistence Allowance to staff, volunteers, porter salaries, training and meeting related expenses, and deposit of taxes.
- Transactions for cash withdrawal from bank not recorded in cash book instead recorded as direct payment of expenditure.

ii. Cash controls:

- a. High volumes and value of cash payments were observed, especially at the district offices (e.g., during MR campaign, cash was withdrawn from bank account at district level and disbursed to Upazilla staff for carrying out activities at Upazilla level. Maximum disbursement in cash noted of BDT 1,865,720 at B. Baria district to Sadar Upazilla)

- b. No insurance was taken out to cover against security risks to cash in-hand or cash in-transit (especially during MR Campaign, when high volume of cash was used). The MOHFW mentioned that such insurance was not common practice in Bangladesh.
- c. Receipts were normally not taken from vendors against cash payments made to them, only invoices were obtained.
- d. At MOHFW, an un-reconciled difference of BDT 7,722 was noted in total payments recorded in cash book and total actual payments as per bank statement (Refer Issue 3.1.1 for more details).

The MOHFW commented that:

- *In accordance with a directive from the Ministry of Finance and with a view to promote Sonali Bank which is Government-owned, it is a common practice to maintain government funds there in a non-interest bearing current account. Funds for day to day operational activities must be held in a current bank account. However, the ministry will explore the possibility or even communicate with Ministry of Finance to see whether some funds may be kept even in a savings account of Sonali Bank or of other Bank.*
- *In Bangladesh, reconciliation with bank is required in June in the end of fiscal year. All funds, government or foreign project aid, require reconciliation during that time. However, a six monthly reconciliation arrangement with the bank may be done for Gavi funds rather than on quarterly basis as Gavi funds are disbursed semi-annually.*
- *When large awareness programmes or campaigns take place, there remains no other way than to make high volume transactions other than using cash. Nor is it always possible to pay by cheque.*
- *There is no system prevailing in the country to protect cash carrying risks from theft or others through insurance system. Thus, the recipients or carriers of the cash bear the responsibility in any case. If accidents happen, the government makes sure of reimbursement from the responsible persons. Disbursement of funds or cash is made according to national audit guidelines and procedures of the country conducted by the independent statutory body, the Accountant General of Bangladesh.*

Cause

- Lack of or inadequate office policies or procedures
- Lack of or inadequate guidance or supervision at lower level agencies
- Human error

Risk/Effect

- Funds kept idle in bank account, while interest could have been earned and used for the programme activities. Gavi funds not optimally managed, as interest received would result in more financial resources being available for the programmes.
- Banking accounts having risk of being un-reconciled. Any exceptions or errors in cash payments or bank records may not be promptly identified and addressed, due to a deficient bank reconciliation process.
- High volume of cash transactions has an inherent risk of misappropriation.
- Cash in-hand/ in-transit not covered for loss of misappropriation and theft.

- Absence of receipts from vendors (especially for large cash payments) does not provide adequate evidence for actual cash payments. There is an increased risk of incurring ineligible or incorrect payments.

Recommendations and Risk Priority

#	Recommendations	Risk Priority
5	<p>So as to strengthen banking and cash management the following processes should be put in place:</p> <ol style="list-style-type: none"> The MOHFW should reassess its stance of maintaining non-interest bearing current bank account and consider the possibility of depositing funds into interest bearing bank accounts in accordance with the signed partnership framework agreement; Bank accounts should be reconciled with cash book at least on a quarterly basis to ensure that the transactions in the bank statement reconciles with those recorded in the cash book; Payments should be made using account payee cheques (wherever possible), and the use of cash should be minimised; Insurance of cash in-hand and cash in-transit should be obtained whenever high value of cash is kept on hand; and To the extent possible, money receipts should be obtained from vendors when large cash payments are made, as an additional evidence supporting expenditure incurred in cash. 	Essential
6	<p>To improve traceability in the primary records, entries should be made in the books of account to reflect actual transactions such as:</p> <ol style="list-style-type: none"> Cash withdrawn from bank should be recorded as cash receipts in cash book and expenditure incurred out of the same, should be recorded against cash balance. Each payment through issue of a cheque should be recorded separately, as the underlying payment document is different, which would ensure easy reconciliation of expenditure Fund receipts should be appropriately recorded and details should be maintained for each cheque received and deposited in bank account for easy tracking later on. 	Essential

Management comments

Ref #	Agree/ Disagree	Management Comment and Response	Rectified by when?	Entity responsible
5a	Agree with comment	The possibility of depositing funds into interest bearing bank accounts has been reassessed but due to the existing Government Policy, the initiative is not permissible.	Not Applicable (N/A)	Not Applicable (N/A)

Ref #	Agree/ Disagree	Management Comment and Response	Rectified by when?	Entity responsible
5b	Agree with modification	Funds are usually disbursed to district cost centres on a half-yearly basis. So instructions is given to reconcile cash book with bank account on a half-yearly basis.	January 2017	MOHFW & relevant LDs
5c	Agree with modification	Payments using account payee cheques (where possible) is already introduced. But in quite a number of cases making payments through cheques cannot possible for various reasons, urgency, non-existence of bank accounts of payees, subsequent holidays, etc.	Already implemented	Same as above
5d	Agree with modification	Insurance protection system for cash-in hand and cash-in transit does exist in the country and impossible in the sub-national settings of Bangladesh. However, the carriers and/or recipients are made accountable to reimburse to government in any mishaps. The government does not have risk. The Gavi project will take extra precaution and judgment to prevent any mishap, such as, not encouraging high volume cash carrying, security arrangement, etc.	N/A	Same as above
5e	Agree with modification	As per approved General Financial Rules (GFR) and Treasury Rules, taking of money receipts from the vendors in case of cash payments are taken. For cheque payments, bank reconciliation works as proofs also. However, effort will be made to strengthened the situation where there is room, weakness exists.	Now in practice & instructed again	MOHFW & all relevant LDs
6a	Agree with modification	Cash book in government system is prescribed for government audit. Cash withdrawal and expenditures with balance are usually recorded in the cash book. However head of offices will be instructed to ensure proper entry of cash withdraw and disbursement.	By August 2017	MOHFW, all relevant LDs & head of offices
6b	Agree	In future, MOHFW will take initiative so that the Accounts team(s) maintain records of cheque payment separately as well.	By September 2017	MOHFW
6c	Agree	Although fund receipts through cheques are collected from bank statements which are computer generated and accurate. Cheque register is also maintained, still in future the MOHFW will ensure that all cheque transactions are entered in cheque registers by the Accounts team(s).	By September 2017	MOHFW

3.2 *Expenditure and Disbursements*

3.2.1 Issue 4a – Self-procurement of supplies not in accordance with Decision Letters

Observation

In May 2007 at the time of the World Health Assembly, a delegation from Bangladesh led by the Special Adviser to the Prime Minister, met with Gavi's then Head of Country Support and signalled its intention to self-procure such supplies and receive "cash in lieu of supplies". The delegation stated that it was the Government's plan to catalyse its domestic industry to manufacture AD syringes and other vaccine devices. Gavi accepted the proposal, conditional on the country paying for any additional price increase for such self-procured supplies. This approach remains consistent with the Partnership Framework Agreement (PFA) signed by the Government of Bangladesh and Gavi, effective 23 November 2012.

That same 2012 Agreement includes the following three clauses on self-procurement:

- That "Gavi may approve the provision of cash in lieu of vaccines and related supplies to allow the Government to procure such supplies through their own procurement agency ("Cash In Lieu of Supplies"). The Annual Amount for such Cash In Lieu of Supplies shall be based on the equivalent value to the UNICEF weighted average or estimated prices (WAP) for such vaccines. Such Annual Amounts shall be notified to the Government in the relevant Decision Letter." (Clause 10.1)
- "The Government shall ensure that the vaccines and related supplies are purchased as soon as possible as stated in this Agreement and Decision Letter(s). (Clause 10.2)
- "If the Government's negotiated price with the suppliers is higher than the UNICEF weighted average or estimated price, the Government shall pay the difference in order to purchase sufficient vaccines to reach the target population associated with the Programme." (Clause 10.3)

Over an eight-year period August 2008 to February 2015, Gavi issued ten Decision Letters (DLs) providing vaccine support to Bangladesh, including a total of USD 8.4 million direct cash support to the MOHFW **Annex 17a** for it to procure its own immunisation supplies according to the agreed "cash in lieu of supplies" arrangements. Each DL included information on both the quantity of syringes and safety boxes to be purchased, as well the budget available for such supplies, based on the prevailing UNICEF weighted average price, as per **Annex 17a**.

During the same period, the MOHFW continued its best practice of annually forecasting both the total volume of vaccines and supplies required. Thus every year, the MOHFW finalised its overall annual procurement plan for both its vaccines and supplies which it sent to Gavi's procurement agent, UNICEF Supply Division, in which the MOHFW signalled its overall immunisation requirements for the following year, including a bundling of the vaccines and immunisation supplies required, balanced out by the self-reported wastage rates. The volumes of vaccines and supplies highlighted in these forecasts correlated with the corresponding requirements funded by Gavi as described in each of the decision letters. The purchase of the vaccines was executed by UNICEF Supply Division and delivered to the MOHFW's central stores. In accompaniment, the MOHFW selected on a single-sourced basis, a local manufacturer from which to purchase its immunisation supplies. All of the

funds to purchase these supplies, including Gavi's direct contribution, was pooled with the government's own resources.

Overall a total of USD 8.44m "cash in lieu of supplies" funding was provided by Gavi net of shipping, taxes and associated clearance charges, as these were not costs which the MOHFW would have incurred had it opted to receive its supplies from Gavi's procurement agent.

The MOHFW confirmed that it spent a total of USD 7.16m out the USD 8.44m received. This included USD 0.3m to purchase smaller-sized ADS 0.05ml syringes for a vaccine which was not supported by Gavi, and USD 0.1m on operational costs instead of immunisation supplies. A balance of USD 1.3m was left at bank, as follows.

Table 1: Gavi funds earmarked for self-procurement of immunisation supplies (2009-2015)

Gavi funds budgeted for GOB procurement, immunisation supplies	Funds received by MOHFW (USD)	Funds spent (USD)	Unspent balance 05 Feb 2017 (USD)
	8,437,767	7,160,286	1,277,481

The overall quantities of each type immunisation supplies purchased by the MOHFW with Gavi's funds from its local supplier was considerably less than as budgeted per the respective DLs. In particular, approximately 46% fewer ADS 0.5ml syringes were purchased with Gavi's funds than planned.

Table 2: Gavi funded immunisation supplies forecast and actual purchases 2009-2015

Supplies type:	Units to be purchased all per DLs	Units purchased Actual	Difference: DL less Actual	%
ADS, 0.05 ml	nil	3,001,900	3,001,900	N/A
ADS, 0.5 ml	137,369,300	74,701,082	(62,668,218)	-46%
5 ml reconstitution	8,081,350	6,500,000	(1,581,350)	-20%
Safety Box	1,613,250	360,000	(1,253,250)	-78%

One of the reasons for the MOHFW having procured fewer immunisation supplies with Gavi's funding was because the prices it paid for purchasing these items from its local manufacturer were significantly more expensive than the UNICEF weighted average prices. Specifically, a comparison for the main immunisation product required, namely the ADS 0.5ml making up 82% of Gavi's funding for supplies, indicated that the local price at which the MOHFW procured this product ranged from 39% to 67% higher than the weighted average price available to the UNICEF Supply Division. These prices, including all items under long term agreement accessible to UNICEF, are published in the public domain.¹

Given that the purchase of ADS 0.5ml units was pooled, in July 2016 the CPA team reviewed the MOHFW's entire procurement of all such syringes for the entire period 2009-2015, to determine if the MOHFW had procured additional syringes as the PFA set out to ensure that sufficient ADS syringes were available for the four Gavi-supported vaccines, namely: Measles Rubella, Pneumococcal, IPV and Pentavalent.

¹ [http://www.unicef.org/supply/files/Auto-Disable_\(AD\)_and_Re-Use_Prevention_\(RUP\)_Syringes_and_Safety_Boxes_price_data_-_April_2016.pdf](http://www.unicef.org/supply/files/Auto-Disable_(AD)_and_Re-Use_Prevention_(RUP)_Syringes_and_Safety_Boxes_price_data_-_April_2016.pdf)

The CPA team established that although the volume of all injectable vaccines² (both Gavi funded and others) received by the Bangladesh central cold stores was in line with its annual forecasts submitted to the UNICEF Supply Division, the overall number of corresponding ADS 0.5ml purchased by the MOHFW for the same period fell significantly short of the matching forecast of devices required.

In February 2017, the MOHFW was asked to explain this anomaly and discrepancy between the volume of vaccines received and the immunisation supplies for the period 2009-2015. In particular it was asked to explain what impact, the observed shortfall in ADS 0.5ml syringes had on the Gavi-funded programmes of newly introduced vaccines. However, the MOHFW was non responsive on this matter.

Under the arrangement agreed between Gavi and the Government, the Government would have been expected to have paid the difference in price with the UNICEF weighted average price and the higher price they actually paid, resulting in USD 3.9 million Gavi-provided immunisation funds remaining in the Government bank account. As it happens only USD 1.3 million remains and one of the main reasons was that the price that the Government paid for immunisation supplies was significantly in excess of the UNICEF WAP.

The CPA team concluded that the Government purchased less immunisation supplies than it had agreed to in the relevant Decision Letters. Although the Government did not spend all of Gavi provided immunisation supply funds, because the price the Government bought its supplies at was significantly higher than the WAP, the Government would have been expected to pay the difference between the WAP and the higher price they actually paid.

Moreover, notwithstanding the 10% national contribution to the MR campaign's supplies, the MOHFW did not purchase sufficient additional supplies to compensate for the overall shortfall to the Gavi-funded programmes.

Based on the above, the CPA team is questioning the fact that the Government's bank balance for immunisation supplies was only USD 1.3 million instead of USD 3.6 million, the amount Gavi would have expected under the applicable arrangements and Decision Letters. Refer to Annexes **17b** and **17c** for details of workings.

The MOHFW explained that, for the routine immunisation programme, it had a stock of AD syringes and safety boxes from procured from own fund. This procurement was done before the MR campaign. Gavi funds were earmarked also for buying AD syringes and safety boxes. But, as this procurement was not done utilizing the Gavi fund, the latter's earmarked fund remained unutilized. Then, decision was made for conduction of MR campaign which was the world's largest MR campaign covering 53 million children. There was extra requirement of AD syringes and safety boxes. It was decided then to use the earmarked Gavi fund to make this additional procurement. However, for an appropriate political and climatic situation convenient for conduction of such a large scale national MR immunisation campaign, it required quicker implementation and did not allow to wait for making the procurement from the extra-country sources utilizing the UNICEF channel.

² Excluding the BCG vaccine which is administered using a different sized auto-disabled syringe.

The matter was taken to the Inter Agency Coordination Committee (ICC) in its 41st meeting (Agenda 6, decision 2), where approval was given for utilizing the Gavi fund to meet up the funding gap for rapid procurement of the AD syringes and safety boxes from local source.

The CPA Report mentions that it is a result of inadequate planning. However, can we consider it as a part threat mitigation plan? It should be recognized that political situation in a country may often go outside the boundary of plan. Alternate immediate plan then helps to mitigate the situation. Priority to protection of over 50 million children was the target, not to save only some money in the name of efficiency gain and keeping unprotected the number children, which is even more than size of entire population of some countries.

Regarding non-compliance of the Decision Letters in accordance with the Partnership Framework Agreement (PFA), the MOHFW will discuss the issue with Gavi HQ to debrief the situation to Gavi and to requesting for appropriate revision of the clause.

Clarification comment from the CPA team:

The CPA team maintains that the outcome of the self-procurement arrangement was not in accordance with the applicable arrangements between Gavi and the Government and the respective Decision Letters as set out above.

In undertaking its analysis, the CPA team noted that even after adjusting for the opening and closing balance of ADS 0.5ml available in stock at the central stores at the beginning and the end of the period (2009-2015), the total volume of ADS 0.5ml syringes which passed through the central stores over this 7-year period was only 83% of the overall forecast requirement. Given that the total volume of injectable vaccines which were received and which passed through the central store was in line with forecasts, this means that there was significant, unexplained mismatch between the quantum of vaccines received and the number of syringes that the Government purchased.

During the Gavi audit debriefing meeting on 20 October 2015, the EPI management commented that it was aware of a shortfall in the resources available to purchase the necessary quantity of 0.5ml ADS for its 2013 MR campaign. Management recalled that the emergency Inter Agency Coordination Committee meeting was held on 22 July 2013, to discuss the reprogramming of additional Gavi funds earmarked for other purposes, to supplement the funds available so as to procure sufficient ADS for the campaign.

Ultimately, even though Gavi funds from three separate vaccine grants awards were used to contribute to the bulk procurement of 56 million domestically manufactured ADS, it was necessary for the Government to contribute BTK 32,969,004 of its own funds to pay for the remaining 10% of the order.

The CPA team noted that the additional expenditures for supplies charged to the Gavi-funded programme (**Annex 17c**), included procurement totalling USD 306,913 to purchase smaller syringes for a vaccine not supported by Gavi. Further expenditures on ineligible operational costs totalling USD 73,642 was also charged to the programme. These additional expenditures makes up part of the shortfall of immunisation funds held at bank.

Cause

- Inadequate planning;
- Non-compliance with the respective Decision Letters and Partnership Framework Agreement.

Risk/Effect

- Inefficient use of Gavi funds, as more resources should have been available to undertake programme activities; and
- Increase in the likelihood of forced stock-outs of supplies resulting in less children being immunised due to a mismatch between the quantity of devices and vaccines available.

Recommendation and Risk Priority

#	Recommendation	Risk Priority
7	<p>It is recommended that the:</p> <p>a. The MOHFW should make whole Gavi's programmes with respect to any outstanding commitment from the respective Decision Letters, in accordance with the Partnership Framework Agreement; and</p> <p>b. The Gavi Secretariat and the MOHFW should discuss the implications of any potential mismatch in supplies versus the immunisation programme activities.</p>	Critical

Management comments

Ref #	Agree/ Disagree	Management Comment and Response	Rectified by when?	Entity responsible
7a	Partially Agree	In future, MOHFW will try to implement Gavi supported programme in accordance with the Partnership Framework Agreement along with country's existing rules & regulations.	August 2017	MOHFW & all concerned LDs
7b	Agree	The MOHFW discussed with Gavi Secretariat and intend to discuss in future also about the programmatic implications of any potential mismatch in supplies versus the immunisation programme activities so that necessary urgent and/or interim arrangement can be made. The MOHFW always appreciate about the contribution by Gavi in Country's immunisation programme.	Whenever required	MOHFW & concerned LDs

3.2.1 Issue 4b – Self-procurement not in accordance with the public procurement law**Observation**

In July 2016, during discussions with the MOHFW management, they stated that the national procurement law allows the Ministry to source domestic suppliers as long as their price is not more than 20% more expensive than non-domestic suppliers.

Additional documentation supporting the fact that the MOHFW privileged domestic suppliers for particular strategic supplies was also presented.

However, it was clarified that the overriding principle of value for money and the need to demonstrate due competition could not be set aside. Thus in the case of the self-procurement of immunisation supplies when using Gavi's earmarked "cash in lieu of supplies" the principle of ensuring best value for money must be applied.

Reference was made to a benchmarking study, but no substantive analysis to rationalise the self-procurement was presented as the non-domestic 0.5ml ADS catalogue prices referred to were significantly higher than the WAP prices as stated on UNICEF's public website.

In addition, issues in the procurement process carried out for procuring safety boxes were observed.

The CPA team concluded that the MOHFW's current procurement arrangements which single-sourced the purchase of auto-disabled syringes at a non-competitive price from its domestic manufacturer, did not fully comply with the Bangladesh Public Procurement Law.

Risks / Effect

The restriction on public tendering without meeting the Public Procurement Act prescriptions risks excluding qualified vendors with more competitive offers. The absence of due process in public procurement of immunisation supplies does not provide assurance that the contracts negotiated were public, fair and transparent. Furthermore, if unit prices paid are too high or not competitive, public funds are at risk of being wasted.

Recommendation

Following discussions with the MOHFW in June 2017, no recommendation is proposed, given that it has been accepted that all future procurements of immunisation supplies using Gavi funding will strictly follow a competitive process as outlined in the Bangladesh Government's Public Procurement Act or will be executed by UNICEF Supply Division, as Gavi's procurement agent.

Management comments

The MOHFW provided its revised management comments on 19 July 2017 to the audit recommendations, however no management comments were provided on this issue.

3.2.2 Issue 5 – Low quality construction leading to limited use of birthing rooms

Observation

Rule 38(2) of the Public Procurement Rules of Bangladesh states that: “The Procurement Entity shall apply professional ethics for adopting the contract administration and management techniques to ascertain the proper implementation of the signed contracts in line with the agreed conditions covering delivery, payments, quality control, contract implementation, liquidated damages and other related issues.”

It was noted that Community Based Health Care had a component in the budget (Activity 3.1: “Renovation and extension of 105 Community Clinics out of 1821 Community Clinics on a pilot basis for MCH and Immunisation services to make them fully functional”), under which it had transferred funds to HED-HQ for construction of birthing rooms at 105 Community Clinics. Health Engineering Department Headquarter, in turn, had transferred funds to Health Engineering Department divisional offices for actual construction work.

Two divisional offices (one at Comilla [responsible for construction at B. Baria district] and other at Noakhali) were selected for review by the CPA team. From a review of the contractor selection process by the above mentioned divisional offices of Health Engineering Department, and from a physical inspection of a sample of birthing rooms, the following material shortcomings were observed:

a. Poor quality of Construction:

The CPA team visited 7 birthing rooms out of 17 constructed by the two divisional offices of Health Engineering Department (Noakhali and Comilla) and a number of quality related issues were observed during physical verification and based on discussion with the Community Health Care Providers (CHCPs) of the respective Community Clinics which indicated poor construction quality of the Birthing rooms.

b. Low usage of birthing rooms:

During discussion with CHCPs at various Community Clinics visited, it was explained that very limited number of deliveries were conducted (lowest being nil and maximum being 11 in the past 2-3 years after construction of the birthing rooms) in the birthing rooms. Thus, the usage of the birthing rooms is also very low.

c. Procurement related issues:

The HED divisional offices’ management of the tender process for selecting contractors for the construction birthing room was questioned. Several shortcomings were noted by the CPA team including a lack of independence between bidders and the suggestion of price-fixing by the contractors’ bidding. Details were as follows:

- There were anomalous similarities in the quotations/ tenders submitted by bidders.
- For one of the lots only one bid was received, but inexplicably the bid opening meeting was attended by several other bidders.
- Bid security purportedly submitted by separate bidders in the form of Pay Orders were all issued in precise numbered sequence by the same respective bank on same date;

- Several discrepancies were noted in the arithmetic and calculation of bill of quantity estimates prepared for civil works.
- d. Difference in actual work done and measurements on the basis of which payment made to contractors:
- Upon review of the measurement books, it was noted that the actual measurements verified by the Engineers of Divisional offices of Health Engineering Department were similar to the estimated bill of quantities. However, the estimated bill of quantities was prepared on the basis of a drawing of a birthing room that was of a larger size and was to be constructed on the left side of the Community Clinic. However, during physical verification, it was observed that birthing rooms were constructed on other sides (front and back) also and were generally smaller as compared to the measurements mentioned in the measurement book.
 - At Noakhali, there was an arithmetic error on the measurement book for the construction of birthing rooms at Kabirhat and Shahid Abdul Upazilla on account, and BDT 1,204 was paid excess to the contractor.

Based on the above observations, it does not appear that value for money has been achieved for expenditure charged to Gavi in respect of the birthing rooms constructed through the two divisional offices of Comilla and Noakhali. Thus, the entire expenditure recorded in their respective cash books (BDT 3,062,489 [USD37,928] in case of Comilla and BDT3,549,270 [USD43,956] in case of Noakhali) totalling BDT 6,611,759 (USD 81,884) for construction of 17 birthing rooms at Community Clinics was questioned on the basis that value for money was not achieved.

The MOHFW commented that in 2016 the head office of the Health Engineering Department formed an enquiry committee to review the assessment of civil works and contractor recruitment process in response to the CPA report. The Terms of reference of the committee focused upon reviewing necessary remedial works for the seven birthing rooms visited by the CPA team at Noakhali and Comilla. Necessary punitive measures/ corrective actions will thereafter be taken based on the report from this enquiry. The Ministry believe that these seven birthing rooms visited should not be considered representatives of other birthing rooms in other divisions and districts. Moreover, capacity building of divisional offices of HED on monitoring and procurement will also be undertaken in the future.

Cause

- Lack of or inadequate guidance or supervision at the HED divisional level;
- Inadequate oversight by HED Divisional Offices and HED Headquarters;
- Inadequate planning; and
- Overriding of internal controls (monitoring, Bill of Quantities approvals, etc.).

Risk/Effect

- Inadequate procurement process;
- Wasteful/ uneconomical use of Gavi funds spent on poor quality construction; and
- Value for money was not achieved.

Recommendation and Risk Priority

#	Recommendation	Risk Priority
8	<p>a. The procurement and monitoring capabilities of the divisional offices of Health Engineering Departments should be strengthened through training and clear set of instructions to ensure that procurement processes are done transparently and that any lapses in the quality of construction are promptly identified and addressed through adequate supervision of contractors' work; and</p> <p>b. Appropriate planning should be done to ensure that any civil works constructed using Gavi funds are put to appropriate use and are in compliance with minimum quality standards for the provision of services to the community.</p>	Critical

Further to the above, an amount of BDT 6,611,759 (USD 81,884) spent on the civil works construction of birthing rooms at B. Baria and Noakhali is in question.

Management comments

Ref #	Agree/ Disagree	Management Comment and Response	Rectified by when?	Entity responsible
8a	Agree with comment	The Health Engineering Department head office constituted an enquiry committee to review the assessment of civil works and contractor recruitment process in response to the CPA report. Necessary punitive measures/ repair work as corrective actions already been taken based on the report of inquiry. Moreover, capacity building of divisional offices of HED on monitoring and procurement is ongoing process and planned to be undertaken.	Done and is ongoing process	MOHFW & CE, HED
8b	Agree with comment	For ensuring quality of civil works and better coordination, Chief Engineer of HED organised a central coordination and progress review meeting with all Divisional Officers of HED, National Coordinator, Gavi-HSS, and Cold Chain Engineers from UNICEF and Gavi-HSS. Appropriate measures are being taken as per CPA team recommendation. Accordingly the construction quality of District EPI Store is satisfactory and completed.	Ongoing	LD, CBHC & Chief Engineer, HED

3.2.3 Issue 6 – Unsupported/ inadequately supported expenditure

Observation

Rule 142 of the General Financial Rules of the Government of Bangladesh states that: “each bill presented at an Accounts Office should, therefore, contain full details of the expenditure, supported by necessary sub- vouchers for individual payments included in the bill.”

Further, clause 20.1(c) of Section C of Annex 2 to the Partnership Framework Agreement states that: “the Government shall ensure that all expenses relating to the use or application of funds are properly evidenced with supporting documentation sufficient to permit GAVI to verify such expenses.”

From a review of a sample of supporting documentation, certain instances were noted where the expenditures were:

- a. Unsupported, meaning the underlying documents were not available or were missing in entirety; or
- b. Inadequately supported such as:
 - the expenditure charged to the Gavi grant was only partially supported;
 - Supporting documents were available in photocopy only, but not as originals;
 - Secondary supporting documents, such as tally sheets in respect of volunteers, participant’s list, reports etc., were not prepared or were not available.

Summary of questioned expenditures that were unsupported or inadequately supported:

Support deficiency	Amount (BDT)	Amount (USD)
Unsupported Expenditure	411,556	5,095
Inadequately supported Expenditure	3,595,986	45,267
Total	4,007,542	50,362

Refer to **Annex 21** for details of unsupported and inadequately supported expenditures charged to the Gavi funded programmes. Further, it is also important to refer to the limitations to the scope of CPA in Section 2.3 of the report.

The MOHFW commented that:

- *The audit of foreign-aided funds including Gavi is done by the Foreign Aided Project Audit Directorate, a department of the Accountant General of Bangladesh. This Directorate requires that the LDs will bring all original copies to their head office in the capital to show to the audit team. As a result, some local offices had to show photocopies of the original documents.*
- *It recognized that there is gap in staff capacity, as well as a huge human resource shortage and staffs’ ability to catch up.*

Cause

- Lack of or inadequate office policies or procedures on the retention of documentation; and

- Lack of or inadequate guidance, supervision and oversight by the entities concerned.

Risk/Effect

- The validity of expenditures could not be confirmed without adequate supporting documentation; and
- Expenditures not related to the immunisation programme may be accidentally charged to Gavi.

Recommendation and Risk Priority

#	Recommendation	Risk Priority
9	Document management should be strengthened by ensuring that: <ol style="list-style-type: none"> Supporting documents are appropriately filed and retained in relevant files; and Training should be provided to staff on the documentation that should be obtained/ maintained in support of the expenditure to ensure that in future the required documents are appropriately maintained. 	Essential

Further, expenditure of BDT 4,007,542 (USD 50,362) which was unsupported or inadequately supported is under question.

Management comments

Ref #	Agree/ Disagree	Management Comment and Response	Rectified by when?	Entity responsible
9a	Agree with comment	Instructions have been given already so that, in the future, supporting documents are appropriately filed and retained in the relevant files for demonstration when required.	Done	MOHFW & relevant LDs
9b	Agree with comment	Staff training has been started on the documentation in support of the expenditure to ensure that in future the required documents are appropriately maintained and demonstrated. The training is ongoing process & will continue.	Started & will continued	Same as above

3.2.4 Issue 7 – Similar handwriting on invoices of different vendors

Observation

Rule 10.I of the General Financial Rules of the Government of Bangladesh states: “Every public officer is expected to exercise the same vigilance in respect of expenditure incurred

from public moneys as a person of ordinary prudence would exercise in respect of expenditure of his own money.”

Further, clause 20.1(b) of Section C of Annex 2 to the Partnership Framework Agreement states that: “the Government shall ensure that there is no misuse or waste of, or corrupt, illegal or fraudulent activities involving the funds and vaccines and related supplies”

Rule 103 of the General Financial Rules of the Government of Bangladesh states: “It is contrary to the interest of the State that money should be spent hastily or in an ill-considered manner merely because it is available or that the lapse of a grant could be avoided. In the public interest, grants that cannot be profitably utilised should be surrendered. The existence of likely savings should not be seized as an opportunity for introducing fresh items of expenditure which might wait till next year. A rush of expenditure particularly in the closing months of the financial year will ordinarily be regarded as a breach of financial regularity.”

The following practices were noted in respect of certain expenditure incurred by lower level entities including: Civil Surgeon Offices and the Dhaka South City Corporation. The handling of these transactions detracted from their transparency and posed a risk to the overall accuracy, validity or existence of the expenses:

- From discussions with staff, blank invoices were routinely obtained from vendors or photocopies of blank invoices were made and the final invoices were prepared by the staff themselves for refreshment and stationery expenses. This practice was corroborated by the fact that the same handwriting was observed on a range of invoices from different vendors.
- The Upazilla staff explained that they followed this practice so as to satisfy their local government auditors, who request for such invoices to be complete with all the pertinent details. In general, as vendors do not mention all such details on invoices, it was explained that it was necessary for staff to obtain and fill out the suppliers’ blank invoices by themselves.
- In the majority of cases, for such expense types, the invoice amounts exactly matched the budget amounts.
- Furthermore, across districts, with respect to expenditure on MR Campaign, overall consolidated invoices were prepared at the Upazila level, whereas actual expenditures were incurred across a range of wards within the Upazila and related to local activities which took place over arrange of dates. As a result, some of the invoices relating to several Upazillas did not mention dates.
- Money receipts were also not available for cash payments made to vendors at any of the locations to substantiate with a third party evidence that payments were in fact made to the vendors.
- Certain examples were observed at Noakhali district that substantiate the practice of obtaining the blank invoices and those being prepared by the staff:
 - During review of expenditure of Begumgonj Upazilla, additional invoices totalling BDT 105,400 for refreshments and snacks provided by a local hotelier, were placed on the expenditure file along with other supporting documentation. Although these invoices were dated to the precise period matching similar expenditures for the MR campaign and available on the expenditure file, however, this expense of BDT

105,400 was not charged to Gavi. No explanation was provided by the local accounting staff in relation to the existence and validity of these supplemental invoices.

- In one of the expenditure files of Subhuralachar Upazilla 12 blank invoices of a printing firm were available along with other primary accounting records. The invoices for this particular vendor were frequently used by most of the Upazilla as per the sample invoices reviewed by the CPA team.

Further, during the review of expenditure at Expanded Programme on Immunisation, Community Based Health Care & Obstetrical and Gynaecological Society of Bangladesh, 9 instances were noted with similar handwriting on few invoices from different vendors. Also, several invoices were identified where the invoice numbers were precisely in sequence, however the corresponding invoice dates were mismatched and out of sequence.

Refer to **Annex 21** for a total of BDT 9,079,207 (USD 114,714) expenditures, for which every transaction reflected at least one of the above characteristics, and was incompatible with the principle of transparency.

The MOHFW commented that this is an application of conventional compromise theory as a solution in a setting of poor literacy rate and small vendors who do not have printed invoices. As the national audit system requires properly prepared invoices, the local staffs responsible for accounting are advised to follow alternate practice. In addition, Vendor's inaccessibility often calls for self-preparation of invoices to save time.

Cause

- Lack of or inadequate office policies or procedures.
- Lack of or inadequate supervision and oversight by the entities concerned.

Risk/Effect

- The validity of expenditures could not be confirmed without adequate supporting documentation. The basis of self-prepared invoices undermines the credibility of whether the expense was actually incurred.
- Funds could possibly be misappropriated, as expenditures may be misstated or may not relate to actual payments to vendors.

Recommendations and Risk Priority

#	Recommendations	Risk Priority
10	The practice of self-preparing invoices should be discontinued and only invoices prepared by vendors should be accepted as suitable supporting documentation of immunisation programme expenditures.	Critical
11	Staff should be trained so as to ensure that they are aware of their ethical responsibilities and that they no longer prepare invoices by themselves.	Essential

Further to above, expenditures of BDT 9,079,207 (USD 114,714) which reflected the poor practice of self-prepared invoices is under question.

Management comments

Ref #	Agree/ Disagree	Management Comment and Response	Rectified by when?	Entity responsible
10	Partially agree	Definitely the practices of self-preparing invoices are unacceptable. It is to be noted that observed practice is from field offices. EPI HQ prepares the details budget for conducting EPI/MR campaign which is approved in ICC meeting. This budget contains the fund allocation against each line activities which are circulated in field level with an instruction not to exceed expenditure beyond allocated line items. Some of the activities like refreshment cost for volunteers, stationary, etc. held at field level and payment made by the supervisors. It is difficult to obtain printed invoices at rural areas. Considering the above circumstances practice of self-preparing invoices are sometime overlooked by central level with an understanding that expenditures lies within the allocated amount of line items. However, field officers are already instructed not to repeat such practice in future.	Instruction given to field level	LD, MNCAH
11	Partially agree with important comment	Already the matter is explained through training and orientation of the staff with focus on properly preparing and maintaining the invoices so that the validity of expenditures is not put into question.	Done and ongoing process	MOHFW & LD-MNCAH

3.2.5 Issue 8 – Excessive payments made/ excessive expenditure recorded**Observation**

Rule 10.II of the General Financial Rules of the Government of Bangladesh states that: “the expenditure should not be prima face more than the occasion demands.”

Further, Rule 110 of the General Financial Rules of the Government of Bangladesh states that: “A disbursing officer may not on his own authority authorise any payment in excess of the funds placed at his disposal; but absence of funds should not necessarily prevent the payment of any sums really due by Government.”

During review of expenditure incurred by different entities, issues relating to excessive payments and expenditures charged to the immunisation programme were noted, including:

- At MOHFW (central level), a local consulting agency was paid to facilitate the overseas travel arrangements of staff, however the contract was not transparent and did not

provide adequate details on the services to be provided, nor the basis and nature of the expenses to be incurred.

- At B. Baria, VAT was withheld and deducted from an invoice but was not deposited with the tax authorities as required. However, the VAT withheld was charged to the programme.
- At Expanded Programme on Immunisation, Civil Surgeon Office Comilla and Dhaka South City Corporation, excessive payments relating to Travel allowances and Daily Subsistence Allowance were made to staff.
 - At Expanded Programme on Immunisation & Obstetrical and Gynaecological Society of Bangladesh, the quantity of goods and printing supplies procured for several associated meetings/trainings/workshops were considerably in excess of what was required for the number of participants.
 - At Community Based Health Care, the actual payment for printed materials exceeded the amount as shown on the invoice.

Refer to **Annex 21** for details of all instances noted, based on which an amount of BDT 2,723,940 (USD 34,719) pertaining to excessive payments/ expenditures is in question. Further, it is also important to refer to the limitations to the scope of CPA in Section 2.3 of the report.

The MOHFW commented:

- *That the payment issue to a local consulting agency to facilitate overseas travel arrangements of staffs was discussed and explained with the CPA team. Due to lack of proper orientation, sufficient documentary evidences may not have been maintained.*
- *For inclusion of VAT payment in the Gavi financial account may be have been an omission and will be adjusted in the next APR where a matrix of easy to understand calendar-year by calendar year receipts, expenditures and balance will be shown.*
- *The travel allowance (TA) and daily subsistence allowance (DSA) shown in the estimated budget are just averages. Different personnel, according to their job position, are entitled to get privileged travel allowance and DSA. The Ministry will examine to see whether beyond privileged amount has been paid for TA and DSA.*
- *For the Community Based Health care, the Ministry will enquire whether the programme missed some invoices and will take action if irresponsibility is identified.*

Cause

- Lack of or inadequate office policies or procedures;
- Lack of or inadequate supervision and oversight by the entities concerned; and
- Overriding of internal controls.

Risk/Effect

- Funds may have been wasted if the expenditures incurred were higher than necessary.

Recommendation and Risk Priority

#	Recommendation	Risk Priority
12	A monitoring mechanism be put in place to ensure that excessive payments are not made and excessive expenditures are not charged to the grant.	Essential

An amount of BDT 2,723,940 (USD 34,719) of expenditures is under question, as the costs incurred exceeded requirements.

Management comments

Ref #	Agree/ Disagree	Management Comment and Response	Rectified by when?	Entity responsible
12	Disagree with comment	In future, the monitoring mechanism will be further improved so that financial management is further improved.	Already instructed to the Accounts Team	MOHFW & relevant LDs

3.2.6 Issue 9 – Expenditure not charged in accordance with Government policies

Observation

The Government of Bangladesh Circular dated 28-Oct-2007 on Daily Subsistence Allowance entitlements provides staff with grade-based entitlements to Daily Subsistence Allowance for attending meetings, trainings, seminars. The Circular also states that: “if refreshments/ lunch is provided to trainers, trainees, resource person and participants, the DSA needs to be deducted as per the rates given in the Circular.”

Further, Rule 10.V of the General Financial Rules of the Government of Bangladesh states that: “The amount of allowances granted to meet expenditure of a particular type should be so regulated that the allowances are not on the whole a source of profit to the recipients.”

However, for some of the trainings and meetings relating to the MR Campaign, Daily Subsistence Allowances (DSA) payments were not in accordance with the applicable Government policy, as follows:

- In most cases refreshments were provided at trainings and meetings, but the appropriate deduction from the full Daily Subsistence Allowance was not done in recognition that part of the “meals component” was provided; and
- Further, at the Obstetrical and Gynaecological Society of Bangladesh, Community Based Health Care and MOHFW, instances were noted where the levels of Daily Subsistence Allowance paid to staff exceeded the prescribed rates.

Based on the above exceptions, a total DSA over payment of BDT 257,234 (USD 3,267) was disbursed to staff as detailed in **Annex 21**.

The MOHFW clarified that in 2014, an approval letter from the Health Secretary authorized the payment of higher rates DSA and superseded the requirement for the deduction of incidental meals, as specified in the above circular. The letter effectively doubled the rate of DSA payments for government staff (from BDT 1,000 to BDT 2,000 per person per day) when attending meetings specifically relating to Gavi programme hosted by the MOHFW.

However the CPA team noted that, the cases of excessive DSA identified predated the approval letter which was only effective from November 2014. Furthermore, the approval letter stated that it was only applicable to meetings held at the MOHFW, therefore the letter did not apply to meetings held by other non-MOHFW entities.

Furthermore, it did not seem equitable that only the Gavi funded programme was singled out for a policy-based increase in DSA rates, whereas the DSA for Government-funded and other donor funded programmes continued to be paid at the same lower rate.

The MOHFW commented that:

- *To encourage individuals to attend workshops or meetings, it is important to ensure that participating in the event will not cause them financial loss;*
- *The Government circular for DSA rate referred to by the CPA team above was issued in 2007 and applied to pool funding in connection to the HPNSP 2003-2011.*
- *However, for HPNSDP 2011-2016, no such circular was issued. The cost of living has increased gradually subsequently. So, for grant-funded programmes outside the pool fund, new practices have been implemented to pay reasonable amounts to cover the cost of participation.*
- *The MOHFW issued a new guideline in 2014 which does not contravene the Rule 10.V of the General Financial Rules of the Government of Bangladesh stating that: "The amount of allowances granted to meet expenditure of a particular type should be so regulated that the allowances are not on the whole a source of profit to the recipients."*

Cause

- Overriding of internal controls.
- Inadequate oversight by different agencies involved.

Risk/Effect

- Government policies contravened.
- Gavi funds used for payments without clear basis.

Recommendation and Risk Priority

#	Recommendation	Risk Priority
13	DSA payments should be made in accordance with the entitlements specified in the National policies and guidelines. DSA payments to staff providing support to the immunisation programme should be in line with what is being paid from either Government funded or other donor funded programmes.	Essential

BDT 257,234 (USD 3,267) of DSA payments not in accordance with the applicable policy is under question.

Management comments

Ref #	Agree/ Disagree	Management Comment and Response	Rectified by when?	Entity responsible
13	Disagree with comment	DSA payments to staff providing support to the immunisation programme will be made reasonably without contravening government rules. Agreeing with the recommendation would make it difficult to attract appropriate participants to join and fully contribute to the cause of training.	Not applicable	Not applicable

CPA team response to the MOHFW's Management comment.

The Management of the MOHFW is not in agreement with the audit recommendation, citing their concerns for DSA payments to be fair and proportionate. However, we reiterate our recommendation regarding the principles of fairness and transparency with respect to the basis for DSA payments and furthermore, the MOHFW did not provide any evidence which contradicted the exceptions identified by the CPA team.

3.2.7 Issue 10 – Expenditure not related to grant activities

Observation

Annex 1 to the Aide Memoire jointly agreed between Gavi and the Government of Bangladesh states that: “The implementing country confirms that all funding provided by the GAVI Affiance will be used and applied for the sole purpose of fulfilling the programme(s) described in the approved proposal documents.”

At Community Based Health Care, the cost of printing booklets on Autism were charged to Gavi funds. Thus on 13 August 2012, BDT 100,000 was charged to the Gavi programme under Activity 1.4: “Development of Activity Guide and orientation of Community Support Group (CSG) biannually” for printing these booklets, although they were not connected to the immunisation programme.

The MOHFW commented it wished to integrate other complimentary activities and programmes within primary health care immunisation. So, a connection was established between routine immunisation programme and autism and NDD programme.

Cause

Lack of or inadequate guidance or supervision at CBHC, impacting on the financial management and the attribution of expenses.

Risk/Effect

Use of Gavi funds on unrelated activities not falling within overall programme objectives.

Recommendation and Risk Priority

#	Recommendation	Risk Priority
14	Care should be exercised while recording expenditure under the immunisation programme to ensure that only those expenditures that are budgeted and related to the immunisation programme are charged and not otherwise.	Essential

Further, BDT 100,000 (USD 1,232) of expenditures on activities which did not fall within overall programme objectives is under question.

Management comments

Ref #	Agree/ Disagree	Management Comment and Response	Rectified by when?	Entity responsible
14	Disagree with comment	It was felt that a holistic approach and mainstreaming autism and NDD programme with integrated primary healthcare was the only solution to address the problem. In Bangladesh community clinics and outreach immunisation So, a connection was established between routine immunisation programme and autism and NDD programme. Given this context, the MOHFW felt this expenditure relevant.		–

CPA team response to the MOHFW's Management comment.

The Management of the MOHFW is not in agreement with the audit recommendation. However, we maintain that no evidence was provided making a clear link between these autism IEC activities and the immunisation programme. We therefore reiterate our recommendation that this expenditure was not directly connected to any relevant objective in line with the Partnership Framework Agreement requirement that HSS funds need to “contribute to the strengthening of the capacity of integrated health systems to deliver immunisation in the country”.

3.2.8 Issue 11 – Unclear basis for charging costs

Observation

During verification of expenditure at the MOHFW, it was noted that the MOHFW organised a four day “Policy Dialogue Mid-Term Review” from 29 September 2014 until 2 October 2014, hosted at the Centre on Integrated Rural Development for Asia and the Pacific (CIRDAP) in Dhaka. The total cost of organising the event was BDT 483,800 out of which 38.8% or BDT 187,500 was charged to the Gavi programme.

However, based on the agenda/ programme schedule for the entire four-day event, there was no specific session or direct activity connected with the immunisation programme funded by Gavi. Further, the invoice on file indicated that the allocated cost related to the event's final day (half-day event), largely taken up by key activities such as an overall presentation of the key findings from the Mid Term Review 2014 reports and speeches given by guests of honour.

A further BDT 12,500 for stationery items to be distributed during the meeting was allocated to Gavi funds.

The reason for charging 38.8% of the total cost of this event as well as stationery items to Gavi funds was not adequately explained, nor was there an overall schedule available for review to clarify the basis for the allocation of this expense.

During discussion with an official at the MOHFW, it was suggested that higher percentage of this expenditure was allocated to Gavi based on the availability of funds and not specifically on the basis of value accruing to the immunisation programme.

The MOHFW commented that as the Gavi supported project is the part of overall government health systems strengthening programme and of Health, Population and Nutrition Sector Programme, the Gavi programme should not be kept isolated from the discussion of whole Health, Population and Nutrition sector programme. The Gavi fund utilization issue was discussed in the same event and necessary recommendations gathered

Cause

Inadequate accounting for activity based costing and allocation of shared costs.

Risk/Effect

Use of Gavi funds on unrelated activities not falling within overall programme objectives.

Recommendation and Risk Priority

#	Recommendation	Risk Priority
15	Those expenses should be allocated to Gavi that are directly relatable to the programme objective and in case expenses are indirectly related, then adequate justification needs to be maintained for the basis of charge to Gavi and the value it would bring to the programme.	Essential

In addition, BDT 200,000 (USD 2,597) of expenditures on indirect activities not falling within overall programme objectives is under question.

Management comments

Ref #	Agree/ Disagree	Management Comment and Response	Rectified by when?	Entity responsible
15	Disagree with comment	As the Gavi supported project is the part of overall government health systems strengthening programme and Health, Population and Nutrition (HPN) Sector Programme, Gavi programme should not be kept isolated from the discussion of whole HPN sector programme. We urge that these expenses will be considered reasonably.	–	–

CPA team response to the MOHFW’s Management comment.

The Management of the MOHFW is not in agreement with the audit recommendation. However, we maintain that no evidence was provided justifying the basis for charging 38.8% of the Mid-Term Policy Dialogue to the immunisation programme. We therefore reiterate our recommendation that the majority of this expenditure was an indirect expense and therefore was not in line with the Partnership Framework Agreement requirement that HSS funds need to “contribute to the strengthening of the capacity of integrated health systems to deliver immunisation in the country”.

3.2.9 Issue 12 – Timeliness of payments

Observation

Rule 14 of the General Financial Rules states that: “Delay in the payment of money indisputably due by Government is contrary to all rules and budgetary principles and should be avoided.”

Instances were noted at various entities of delays in releasing salaries and in disbursements made by Central level agencies to lower level entities as per details below:

- Delays in payment of salary to the national coordinator ranging between 5 to 13 months
- Delays in making disbursement by Expanded Programme on Immunisation to district level agencies towards salaries for Immunisation workers, volunteers between 3 to 6 months
- Delayed disbursement of fund to Obstetrical and Gynaecological Society of Bangladesh by Community Based Health Care for carrying out CSBA training by more than 4 months
- Delay of more than 3 months in payment of salary to Immunisation workers, volunteers, porters at 2 district offices
- Delay in payment of meeting expense by more than 9 months at B. Baria district office.

The MOHFW commented that despite aspiring to ensure efficient management of funds, it is not always possible to maintain everything as per schedule. The Ministry duly recognizes this problem and will give attention to improve the situation.

Cause

- Lack of or insufficient financial resources at lower levels
- Inadequate planning

- Procedural delays

Risk/Effect

- Personnel may be less motivated in how they execute their work if their salaries are not paid on time with possible adverse effect on programme activities.
- Similarly other programme activities may be delayed due to liquidity shortfalls.

Recommendation and Risk Priority

#	Recommendation	Risk Priority
16	To the extent possible, payments should be released timely to staff and to lower level entities by Central level entities to ensure smooth functioning of the programme activities. Further, wherever possible, sufficient liquidity and funds for salary payments for lower level entities should be released on time by the respective Central level entities to avoid any interruption in the execution of programme activities.	Desirable

Management comments

Ref #	Agree/ Disagree	Management Comment and Response	Rectified by when?	Entity responsible
16	Agree	The Ministry duly recognizes this problem and will give attention to improve the situation. Advanced disbursement may not be possible due to national audit guideline. However, the MOHFW will check different options.	As soon as possible	MOHFW & relevant LDs

3.2.10 Issue 13 – Lapses in documentation maintained

Observation

From a review of the supporting documentation charged to the Gavi funds, certain lapses and shortcomings were observed in the availability, quality and credibility of the documentation, such as:

- Support for travel such as train/ bus tickets, boarding passes was not available from the individuals who travelled;
- Activity reports, agendas and participant attendance lists were not prepared or were not available for some of the activities;
- Suitable documentation (such as supervisory visit reports) were not prepared after conducting supervisory visits;
- Appointment letters were not issued or were not renewed for porters, immunisation workers and volunteers;

- Documents were not always placed on file properly, as many documents could not be retrieved on request;
- No records were maintained for consumable items including stationery, bags, etc. purchased for trainings/ meetings;
- Payment vouchers were not prepared at MOHFW central, Community Based Health Care and districts offices. Instead only supporting documents, including various supplier invoices, were kept on in file;
- Log books for vehicles were not made available at central level; and
- At the Obstetrical and Gynaecological Society of Bangladesh, one instance was noted whereby advance was taken by one staff while settlement was done by another staff. In the corresponding books of account, advance accounts for staff were not individually reconciled, but were done in aggregate weakening the overall control.

The MOHFW commented that it recognizes the problem. However, due to low skilled and weak capacity staffs, often it becomes impossible to strictly maintain all the financial procedures properly. To find alternate means, payment at reasonable rate is made. The MOHFW will try to progressively improve the situation.

Cause

- Lack of or inadequate office policies or procedures
- Lack of or inadequate guidance or supervision at the concerned entities
- Inadequate oversight by the entities concerned
- Lack of or inadequate understanding or training

Risk/Effect

- Adequate documentation was not always available to validate the accuracy and existence of expenditures, or to trace transactions to the associated activities.

Recommendation and Risk Priority

#	Recommendation	Risk Priority
17	<p>Completeness of documentation should be improved by ensuring that:</p> <ol style="list-style-type: none"> A complete trail of transactions should be maintained by all entities concerned by retaining primary as well as secondary documents for each expenditure charged to the grant; and Suitable training should be provided to the personnel responsible for accounting and record keeping to ensure that the supporting documentation is adequately prepared and maintained. 	Desirable

Management comments

Ref #	Agree/ Disagree	Management Comment and Response	Rectified by when?	Entity responsible
17a	Agree with comment	The MOHFW commented that it recognizes the problem. However, due to low skilled and weak capacity staffs often it becomes impossible strictly maintain all the financial procedures. To find alternate means, payment at reasonable rate is made. The MOHFW will try to consistently improve the situation.	As soon as possible	MOHFW & relevant LDs
17b	Agree with comment	Suitable training will be provided to the personnel responsible for accounting and record keeping to ensure that the supporting documentation is adequately prepared and maintained.	As soon as possible	MOHFW & relevant LDs

3.3 Procurement

3.3.1 Issue 14 – Lack of transparency in procurement processes

Observation

Code 5(1) of the Code of Ethics for Public Procurement attached as schedule to the Public Procurement Rules of Bangladesh states that: “A Person shall always act professionally and selflessly, seeking to assist in enhancing efficiency, competition, transparency and accountability in public procurement in Bangladesh by:

- (a) complying with —
 - (i) the Act, Rules, guidelines, orders or other documents concerning public procurement in Bangladesh; and
 - (ii) any contractual obligations established between the Procuring Entity and a Person;
- (b) maintaining the highest possible standard of integrity in all their dealings with public servants both within and outside the Procuring Entity;
- (c) encouraging and developing the highest possible standards of professional competence amongst Persons, and those who work under their supervision and for whom they are responsible;
- (d) enhancing the proficiency and reputation of public procurement by acquiring and maintaining current technical knowledge, following best procurement practices and establishing the highest standard of ethical behaviour;
- (e) optimising the use of resources under their control and supervision to provide the maximum benefit to the Procuring Entity and the nation.”

Rule 17(1) of the Public Procurement Rules of Bangladesh states that “The Procuring Entity shall not generally split a Project or a Programme component into successive packages of lower value when preparing its Procurement Plan with the intention of avoiding either a particular Procurement method or the obligations of seeking the approval of a higher authority.”

Thus based on the above required practices, procurements should be carried out in a transparent manner to ensure adequate competition and attain best value for money.

Procurement processes were reviewed for each of the 12 entities reviewed by the CPA team. In at least 85% of the procurement processes reviewed, the processes were not complete or entirely satisfactory, and certain lapses in the processes were identified:

- For 5 of the procurement instances reviewed, there were similarities in the formats and contents of the quotations/ tenders submitted by bidders;
- In 2 instances the same handwriting was noted on envelopes used to submit bids on the same lot, where the specific envelopes supposedly originated from different suppliers;
- For 4 procurement instances, sealed quotations were not obtained or envelopes in which the bids were received were not available;
- 26 instances were noted where expenditure was directly incurred without carrying out any procurement process and quotations were not obtained though the expenditure exceeded the threshold for tendering;

- In 1 procurement process carried out at the MOHFW, quotations of two unsuccessful bidders were not signed in original format, but instead reflected scanned signatures;
- At the Central Medical Stores Depot, only a single bid was received against a public tender for the procurement of bicycles. However this bid was assessed as responsive to the tender even though the documentation submitted did not meet the tender requirements;
- At Community Based Health Care it was noted that procurements were divided into number of lots, effectively circumventing the prescribed procedure of undertaking national competitive bidding, and in breach of Rule 17(1); and
- Similarly, at Obstetrical and Gynaecological Society of Bangladesh, procurements were also divided into number of lots so as to avoid the need to carry out any formal procurement process, in breach of Rule 17(1).

Based on the above, it appears that there was lack of transparency in the procurements with the possibility of bidders not being independent of each other in some of the procurements. Refer to **Annex 21** for details of procurements done totalling to BDT 10,795,224 (USD 133,732) where issues of transparency were noted.

In addition, the divisional offices of Health Engineering Department management of the tender process for selecting contractors for the construction birthing room was questioned. Several shortcomings were noted by the CPA team including a lack of independence between bidders and the suggestion of price-fixing by the contractors' bidding. Details were as follows:

- There were anomalous similarities in the quotations/ tenders submitted by bidders.
- For one of the lots only one bid was received, but inexplicably the bid opening meeting was attended by several other bidders.
- Bid security purportedly submitted by separate bidders in the form of Pay Orders were all issued in precise numbered sequence by the same respective bank on same date.
- Several discrepancies were noted in the arithmetic and calculation of bill of quantity estimates prepared for civil works.

(Refer **Issue 3.2.2** for details on issues noted during review of procurement process carried out for selection of contractors for construction birthing rooms at Noakhali and B. Baria)

Furthermore, the following other procurement issues were also identified:

- At Expanded Programme on Immunisation, on the tender of safety boxes, only 1 out of 4 bidders was technically qualified based on submission requirement of providing the necessary certificate of assured quality from relevant national authority. In response to the bids, Expanded Programme on Immunisation awarded the contract to this bidder on 19 January 2014 by issuing a work order for 320,000 safety boxes with customized printing adorning. However on 20 January 2015, the local supplier was ready to deliver and dispatch the entire order to the recipient districts;
- At HED-HQ, procurement procedures were performed to select contractors for 12 EPI stores. The following anomalies were noted:
 - Tenders submitted by all of unsuccessful bidders for construction of all 12 EPI stores were not available due to the absence of the individual in charge of the central HED store during the period of visit by the CPA team (19-Aug-15 to 20-Oct-15). Further,

- for the Noakhali EPI store contract the tender of the successful bidder was also not available;
- Successful bidder of one of the lots matched all of the items prices estimated by HED-HQ, as its submission quoted identical prices for each line item. It was explained by official of Health Engineering Department that the estimated bill of quantities was confidential and none of the bidders had access to it.
 - In addition to above, 5 other bidders which were selected as contractors for construction of EPI stores in different districts also quoted identical prices for certain items (e.g. furniture) as those estimated by HED-HQ, which were not even part of the Public Works Department Rate Schedule (which the contractors may had access to) on the basis of which estimates for construction work were prepared.
 - For three lots (relating to the Bhola, Rangamati and Bandarban districts), the successful bidders selected did not meet the tender requirements, as the documentation they submitted was incomplete, since the required last 5 years of audit reports and financial statements were not submitted. However, even though required documents were missing, the contracts were awarded.

In contrast to the above deficiencies identified in the HED-HQ's procurement process, the CPA team noted from its site visit of 2 out of 12 EPI stores recently constructed, that works were completed and of reasonable quality, with both the stores serving the programme.

Refer to **Annex 21** for instances where above mentioned issued were noted.

Further, it is also important to refer to the limitations to the scope of CPA in Section 2.3 of the report.

The MOHFW commented that:

- *The national "Public Procurement Act 2006" endorsed by the Parliament and "Public Procurement Rules 2008" apply. These Rules and Act prescribe that competition exists, so as to ensure broad advertisement and participation duly happens. Strict evaluation procedures are also described. Additional safeguards are in place including the "Rights to Information Commission" and "Rights to Information Act 2009".*
- *Public procurements are audited by the Office of the Accountant General of Bangladesh, and its dedicated Foreign Aided Project Audit Directorate to routinely audits foreign-aid funded public procurement.*
- *However, despite such legal protection and safeguard mechanisms, the lack of knowledge and limitations in staff capacities, results in defects in some procurements.*
- *The MOHFW will continue its efforts to improve its procurement processes, based on the Law and Rules and standard procedures, so that in future questions do not arise about the transparency and validity of procurements.*

Cause

- Lack of or inadequate guidance or supervision at the entities concerned
- Inadequate oversight by the concerned agency
- Inadequate planning
- Lack of or inadequate understanding or training

- Human error
- Overriding of internal controls

Risk/Effect

- Reasonableness of the price paid for procurement of goods and services could not be assured;
- Possible conflicts of interest or price-fixing between bidders;

Recommendation and Risk Priority

#	Recommendation	Risk Priority
18	<p>Procurement processes carried out should follow the principles set out in Gavi's Transparency and Accountability Policy. Further, following should be ensured as good practices in the procurements undertaken under the programme:</p> <ol style="list-style-type: none"> Transparency is reflected in the entire process. Bids with similarities or indicating that the bidders are not independent, should be rejected. Sealed quotations, as specified in the national procurement rules should be obtained and all documents relating to procurement process should be appropriately filed/ stored including the bids and envelopes received from all bidders. Procurement process as per the threshold defined in the national procurement rules should be followed and purchase should not be split into multiple procurements to avoid carrying out more competitive procedures. Evaluation of the bids received should be done as per the evaluation criteria mentioned in the bidding documents to ensure transparency in selection of bidder. 	Critical
19	Training/ orientation to be provided to staff handling procurements for enabling them in carrying out transparent procurement process.	Desirable

As a result of the deficiencies in the transparency of various procurement processes, BDT 10,795,224 (USD 133,732) is under question.

Management comments

Ref #	Agree/ Disagree	Management Comment and Response	Rectified by when?	Entity responsible
18a	Agree with comment	Despite recognizing that responsible personnel try not intentionally breach rules, MOHFW will continue its effort to improve transparency and accountability in public procurement remaining adherent to the country's globally acclaimed Law of public procurement. Govt. Phase introducing the e-tendering process very soon.	As soon as possible	MOHFW & relevant LDs

Ref #	Agree/ Disagree	Management Comment and Response	Rectified by when?	Entity responsible
18b	Agree	So long a bid will not conform to the national public procurement guideline will not be accepted.	As soon as possible	MOHFW & relevant LDs
18c	Agree	Unsealed quotations that do not conform to the national procurement rules will not be accepted and all documents relating to procurement process will be appropriately filed/ stored including the bids and envelopes received from all bidders.	As soon as possible	MOHFW & relevant LDs
18d	Agree	Procurement process as per the threshold defined in the national procurement rules will be adhered to and purchase will not be split for the sake of competitive bidding.	As soon as possible	MOHFW & relevant LDs
18e	Agree	Evaluation of the bids received will be done as per the evaluation criteria mentioned in the bidding documents to ensure transparency in selection of bidder.	As soon as possible	MOHFW & relevant LDs
19	Agree	Training/orientation on procurement for the staffs handling with it is continuous programme of the government for establishing transparency in procurement process.	As soon as possible	MOHFW & relevant LDs

3.4 Programme and Assets Management

3.4.1 Issue 15 – Observations during field visit

Observation

During the CPA team's field visits in September – October 2015 to Comilla, B. Baria, Noakhali and Dhaka South City Corporation, spot checks were made to some of the EPI sessions to understand how the programme was being implemented and volunteers and health workers were interviewed. The following concerning remarks were noted:

- As IPV vaccine was currently out of stock, children were being immunised with OPV;
- There were shortages of consumables including child vaccination cards at one of the EPI session visited;
- During interviews with beneficiaries, it was highlighted that the “Inter-personal communication” activity was not being done at some locations, while at other locations it was done inadequately. For example, at Kalibazaar Union ward # 3, on-spot registration of children was done, through registrations were supposed to be done on the previous day, when the health staff had to do inter-personal communication with the community;
- At 2 locations, lapses in documentation maintained for child registration and vaccine administration whereby details of vaccines administered were not mentioned;
- In some EPI sessions all children were not vaccinated as the amount of vaccines or supplies was insufficient;
- Some children who were identified on the child registration register as being due for vaccination, were omitted from the daily EPI plan as per the Tally Sheets without appropriate justifications;
- There was no suitable mechanism in place to track lost cases or for following up on the immunisation needs of children who knowingly relocated. It was explained by the District Maternal Child Health and Immunisation Officers that this was supposed to be covered through inter-personal communication; however, due to inadequate inter-personal communication by the health staff tracking could not be done;
- Based on the above issues, some of the supervision of EPI sessions by Assistant Health Inspectors and Health Inspectors was ineffective. Also, during discussion with some of the health staff, it was suggested that the Assistant Health Inspectors and Health Inspectors were not providing them with adequate supervision.

The MOHFW commented that the above observations should not be generalized as in a large scale national health programme, some sporadic weaknesses may exist in immunisation programme. Out hundreds of field workers (FW) some may have knowledge gap and may be reluctant to assigned task. Training/orientation to FW is a continuous program. Moreover regularly monthly performance review & monitoring meeting held at Upazila level where FW & supervisors are oriented with update programme knowledge & commitment.

Cause

- Inadequate oversight by EPI
- Lack of or inadequate guidance or supervision at field level
- Lack of or inadequate understanding or training

Risk/Effect

- Inappropriate implementation of the programme
- Qualitative service not delivered to the citizens

Recommendation and Risk Priority

#	Recommendation	Risk Priority
20	To ensure the consistency of immunisation processes, it is suggested: <ol style="list-style-type: none"> Training be provided to volunteers/ staff for improving on the issues observed during the field visit including on IPC, planning for EPI, documentation, quality of service to citizens, etc.; At the Central level, adequate stock monitoring and planning should be performed to ensure that situations such as stock-out of vaccines and consumables does not arise which may impact the programme; and Monitoring mechanism of HI and AHI to be strengthened through trainings, and developing checklists to be followed during their visits. 	Desirable

Management comments

Ref #	Agree/ Disagree	Management Comment and Response	Rectified by when?	Entity responsible
20a	Partially agree with comment	Electronic system is being scaled to further improve monitoring and tracking. Training and monitoring of field works (FW) will be further improved.	Ongoing process	MOHFW & relevant LDs
20b	Partially agree with comment	Stock outs only occur rarely. However, we are trying to introduce electronic tracking system for vaccine management logistics. Monitoring in this area will be improved.	As soon as possible	MOHFW & relevant LDs
20c	Partially agree with comment	e-monitoring of the performances of staff and stock position of immunisation supplies using DHIS2 software is being introduced.	Under process	MOHFW & relevant LDs

3.4.2 Issue 16 – Control over programme assets**Observation**

As a good practice, assets procured out of grant funds should be adequately recorded, capable of being identified from other assets and put to appropriate use for use in the programme activities. Assets procured should also be verified on regular intervals.

The following control weaknesses were noted in respect of programme assets procured using Gavi funds, based on a review of documents maintained and the physical verification of a sample of assets:

- Vehicles procured from Gavi funds were not allocated to staff who were directly involved in Gavi activities such as National Coordinator and District Maternal Child Health and Immunisation Officer (DMCH&IO). Specifically out of the 27 working vehicles, only 10 vehicles were allocated for use by DMCH&IO, the remaining vehicles at the Central level were used for other programmes not related to immunisation;
- At Expanded Programme on Immunisation and district offices, no comprehensive list of assets procured with Gavi funds was maintained. Instead a common asset register was maintained with details of all assets available without any details of source of funds.
- At MOHFW (the central level agency), adequate details on items were not recorded in the assets register such as: serial numbers, complete description, vendor who supplied the item and his invoice number.
- Unique Identification numbers or tags were not mentioned on physical assets and in assets records.
- Physical verifications were not done on a regular basis and no reports documenting the findings and outcomes of the verification process were prepared.
- The actual remodelling works done at the Noakhali EPI store was different than the approved drawing. Though variations in the bill of quantities were approved by Health Engineering Department, revised drawings were not prepared and approved.
- Office equipment procured using GAVI monies such as: computers, laptops, printers, etc. were not insured against risks of damage, loss and theft.

The MOHFW recognized that the above-mentioned area requires further attention which will be addressed henceforth.

Cause

- Inadequate planning
- Inadequate oversight by entities concerned
- Lack of or inadequate office policies or procedures

Risk/Effect

- Weak controls over assets procured using Gavi funds
- Risk to loss/ damage not covered through an insurance policy, as a result vehicles damaged after accident were loss to the programme
- Assets procured not used/ used for other purposes

Recommendation and Risk Priority

#	Recommendation	Risk Priority
21	The management and security of assets should be strengthened by ensuring that: <ol style="list-style-type: none"> The vehicles should be re-allocated to the areas of greatest need in direct support of immunisation activities. Appropriate asset registers should be maintained with complete details of assets and assets procured out of Gavi funds should be capable of being segregated from other assets from the asset registers; 	Essential

#	Recommendation	Risk Priority
	<p>b. Assets should be procured only when there is a need for the same and should be put to use for the purposes of the Gavi supported activities;</p> <p>c. Assets procured out of Gavi grants should be adequately covered through an insurance policy for risk of loss, damage and theft; and</p> <p>d. Assets procured should be numbered for easy identification and physical verification of the assets should be performed of all assets at least once a year, which should be documented through a physical verification report.</p>	

Management comments

Ref #	Agree/ Disagree	Management Comment and Response	Rectified by when?	Entity responsible
21a	Agree	In future, effort would be made to make sure appropriate asset registers are maintained with complete details.	From now & onward	MOHFW & relevant LDs
21b	Agree	Henceforth MOHFW will ensure that procurement of assets based on need and it uses Gavi funded assets for the immunisation related programme activities only.	From now & onward	MOHFW & relevant LDs
21c	Agree	The possibility will be explored to determine whether Gavi funded assets can be insured to protect them from loss, damage or theft.	From now & onward	MOHFW & relevant LDs
21d	Agree	Assets procured from Gavi funds will be individual tagged and recorded in a register to track them thereafter.	From now & onward	MOHFW & relevant LDs

Annexes to Final CPA Report

List of Annexes:

Annex No.	Description
1	Summary and ranking of Issues
2	Audit Procedures
3	Computation of Gavi Fund Balance as on 31-Dec-2014
4a	Computation of expenditure as per books of account for HSS programme for comparison with expenditure reported in Annual Progress Reports (APRs)
4b	Computation of expenditure as per books of account for other than HSS programme for comparison with expenditure reported in APRs
5	Details of SOEs not available and refunds received from districts not traceable from bank statement
6	Details of information (other than primary records) not made available
7	Annex removed
8	Reconciliation of expenditure recorded with payments made at MOHFW
9	Details of SOE submitted by Districts after more than 3 Months
10	Details of SOE where expenditure more than the disbursed amount reported, but Central level agency restricted the expenditure to the amount disbursed
11	Comparison of expenditure reported on the face of APR with expenditure recorded in books of account
12	Difference between expenditure reported on the face of APR and Financial Statements/Audit Reports attached with APR
13	Comparison of Exchange Rates mentioned in APR and that used for conversion
14	Comparison of Overall Expenditure mentioned in APR with Programme-wise breakup given in the APR
15	Differences between Closing Fund Balances reported in APR and Opening Fund Balances in subsequent year's APR
16	Instances of surplus fund balance remaining idle in bank account
17a	Gavi Decision letters relating to self-procurement, period 2008-2015
17b	Analysis of self-procurement of supplies
17c	Immunisation supply expenditures charged to Gavi for period 2008-2015
18	Deficiencies noted in procurement processes followed
19	Observations during visit to Birthing Rooms in Noakhali and B. Baria district
20	Annex removed
21	Details of expenditure questioned with classification under different observation categories
22	Details of taxes (VAT) deducted and deposited to Government Treasury from out of Gavi funds
23	Details of delays noted in making payments at various entities

Annex No.	Description
24	Abbreviations and acronyms
25	Closing balance of 0.5ml ADS at GOB national stores
26	Definitions of audit terms - Ratings, Causes, Risks, and Priorities

Annex 1 – Summary and ranking of Issues

Issue	Critical	Essential	Desirable
Budgeting and Financial Management:			
1. Irregular accounting of donor funds		✓	
2. Reporting of donor expenditure	✓		
3. Deficiencies in cash and bank arrangements/ controls		✓	
Expenditure and disbursements:			
4. Self-procurement of supplies not in accordance with DLs	✓		
5. Low quality construction leading to limited use of birthing rooms	✓		
6. Unsupported/ Inadequate supported expenditure	✓		
7. Similar handwriting on invoices of different vendors	✓		
8. Excessive payments made/ excessive expenditure recorded	✓		
9. Expenditure not charged in accordance with Government policies		✓	
10. Taxes charged to Gavi	✓		
11. Expenditure not related to grant activities		✓	
12. Unclear basis for charging costs		✓	
13. Timeliness of payments			✓
14. Lapses in documentation maintained		✓	
Procurement:			
15. Lack of transparency in procurement processes	✓		
Programme and Assets Management:			
16. Observations during field visit		✓	
17. Control over programme assets		✓	

Annex 2 – Audit Procedures

Using risk-based approach, the work performed include analysis of reported expenditure (in the Annual Progress Reports or any other periodical financial reports), inquiry/ discussions, computation, accuracy checks, reconciliation and inspection of records/ accounting documents, interviews of individuals receiving cash disbursements, and the physical inspection of assets purchased and works performed using grant funds. Triangulation of physical evidence, discussions and supporting documentation, as necessary were performed to cover areas of high risk, and material transactions and balances.

Consistent with the requirement to validate the accuracy and eligibility of expenditures and underlying supporting documentation, the following audit activities were undertaken:

- Examined the Financial Management arrangements for the programmes, focusing on the control procedures e.g. appropriation and approval, segregation of duties, roles and responsibilities, reconciliation, verification of delivery of goods and services, invoice verification, payroll controls, retirement of advances controls and imprest;
- Examined the arrangements for managing the bank accounts, including tracing all withdrawals and transfers from the programme and designated accounts to determine that they were for eligible expenditures for the programmes;
- Examined the bank accounts where designated and Programme accounts balances were credited to ensure that the inflows and outflows were appropriate;
- Verified on a sample basis, procurement undertaken to ensure that the applicable policies and procedures were strictly adhered to and that transparency and value for money was maintained;
- Examined the implementing agencies' procurement process of selecting and awarding local suppliers contracts – e.g. for manufacturing immunisation injection safety supplies, that was WHO prequalified;
- Examined the mechanism for channelling cash advances from National level to sub-national levels, and ensured that there were adequate internal controls in place to timely liquidated such advances;
- Undertaken field level visits to sub-national levels, conducted interviews of beneficiaries and Health employees and determined whether principal activities actually took place according to the work plan/ schedule of cash advances. The selection of field visits was based upon suitable risk-based criteria and agreed with Gavi;
- Performed physical verifications, on a sample basis, to check the actual delivery of goods, works and services purchased as per the source documents;
- Assessed adequacy of relevant fixed assets policies and procedures, and determined whether adequate fixed asset registers were maintained by the project. Verified a sample of project assets;
- Based on the work performed, prepared report and obtained, on a sample basis, document on expenditures which were identified as not eligible for funding from Gavi programme funds. Taken photographs/copies of all material and significant supporting documentation which relates;
- Highlighted (in the report) specific matter of concern that may impede the achievement of the intended objectives of the grant;
- Discussed the issues during debrief meeting with the implementing entities;
- Made appropriate recommendations in the report.

Annexes 3 to 20, etc. – full details of other Annexes are presented in excel

- Additional analytical annexes are presented in excel, a full list of all of these annexes which is presented on pages 58-59;
- These annexes number from 3 to 25, excluding annexes #7 and #20 which were removed, or for which the information was subsumed into other annexes.
- Particular annexes which are pertinent to the issue of the GOB's self-procurement of immunisation supplies not being in accordance with Gavi Decision Letters, are shown in this report on annexes 17a, 17b and 17c.
- Similarly, expenditures which were questioned by the CPA team are shown on annex 21, enclosed herein.

Annex 17a – Details on self-procurement grants

Gavi Decision letters relating to self-procurement, period 2008-2015							
#	Vaccine	Decision letter date:	Date Gavi funds were disbursed:	Gavi Funds disbursed (in USD):	Immunisation supplies to be purchased (in units)		
					ADS 0.5ml	Reconstitution 5ml	Safety box
1	Penta	02/07/2008	10/12/2008	\$1,274,000	16,034,300	-	178,000
2	Penta	21/12/2009	20/04/2010	\$863,500	10,868,400	-	120,650
3	Penta	27/08/2010	24/05/2012	\$568,000	10,265,600	-	113,950
4	Penta	13/10/2011	24/05/2012	\$607,000	10,087,600	-	111,975
5	Measles	15/06/2012	05/08/2012	\$199,000	2,672,600	445,450	34,625
6	Measles-Rubella	11/04/2013	29/06/2013	\$3,330,267	57,355,400	6,768,000	711,775
7	Penta	23/11/2012	25/02/2015	\$1,596,000	11,695,600	-	129,825
8	Measles	23/11/2012	25/02/2015		4,850,800	867,900	63,500
9	IPV	22/12/2014	25/02/2015		4,087,300	-	44,975
10	Pneumococcal	23/12/2014	25/02/2015		9,451,700	-	103,975
Total				\$8,437,767	137,369,300	8,081,350	1,613,250

Annex 17a – Details on self-procurement grants (continued)

UNICEF public immunisation supplies WAP (price/unit) ¹				
#	Year	Weighted Average Price (USD)		
		ADS 0.5ml	Reconstitution 5ml syringes	Safety box
1	2008	\$0.0690		\$0.9400
2	2009	\$0.0690		\$0.9400
3	2010	\$0.0690		\$0.9400
4	2011	N/A	N/A	N/A
5	2012	\$0.0465	\$0.0370	\$0.5800
6	2013	\$0.0465	\$0.0350	\$0.5800
7	2014	\$0.0465	\$0.0350	\$0.5800
8	2015	\$0.0448	\$0.0350	\$0.5800

¹ Source : [http://www.unicef.org/supply/files/Auto-Disable \(AD\) and Re-Use Prevention \(RUP\) Syringes and Safety Boxes price data - April 2016.pdf](http://www.unicef.org/supply/files/Auto-Disable%20(AD)%20and%20Re-Use%20Prevention%20(RUP)%20Syringes%20and%20Safety%20Boxes%20price%20data%20-%20April%202016.pdf)

Annex 17b – Analysis of self-procurement of supplies

A. Reconciliation between information in the decision letters to the purchases of devices (period 2012-2015):												
Particulars	Details			Receipt 1	Receipt 2	Receipt 3	Receipt 4	Receipt 5a	Receipt 5b	Receipt 5c	Receipt 5d	
Date of funds receipt in Sonali Bank	Statement of FCAD No. 00011	Not available	Not available	24-May-12	24-May-12	5-Aug-12	29-Jun-13	25-Feb-15	25-Feb-15	25-Feb-15	25-Feb-15	
Amount received by MOHFW (USD)	FCAD Statement			\$1,175,000		\$199,000	\$3,330,267		\$1,596,000			
Amount transferred from Gavi (USD)	Gavi Secretariat	\$1,274,000	\$863,500	\$568,000	\$607,000	\$199,000	\$3,330,267	\$595,500	\$244,000	\$228,500	\$528,000	
Exchange rate BDT/USD as per Sonali Bank	Statement of FCAD No. 00011			₹ 77.40	₹ 77.40	₹ 77.40	₹ 77.40	₹ 77.40	₹ 77.40	₹ 77.40	₹ 77.40	₹ 77.40
Equivalent BDT				₹ 43,963,200	₹ 46,981,800	₹ 15,402,600	₹ 257,762,666	₹ 46,091,700	₹ 18,885,600	₹ 17,685,900	₹ 40,867,200	
Corresponding decision letter	Decision letter date	2-Jul-08	21-Dec-09	27-Aug-10	13-Oct-11	15-Jun-12	11-Apr-13	23-Nov-12	23-Nov-12	22-Dec-14	23-Dec-14	
Funds budgeted for supplies as per decision letter	WAP budget estimate	\$1,274,000	\$863,500	\$574,000	\$607,000	\$199,000	\$3,330,267	\$595,500	\$244,000	\$228,500	\$528,000	
Supplies budgeted as per decision letter	AD Syringes	16,034,300	10,868,400	10,265,600	10,087,600	2,672,600	57,355,400	11,695,600	4,850,800	4,087,300	9,451,700	
Supplies budgeted as per decision letter	Reconstitution syringes	-	-	-	-	445,450	6,768,000	-	867,900	-	-	
Supplies budgeted as per decision letter	Safety Boxes	178,000	120,650	113,950	111,975	34,625	711,775	129,825	63,500	44,975	103,975	
Vaccine	-	Penta	Penta	Penta	Penta	Measles 2nd Dose	Measles Rubella	Penta	Measles	IPV	PCV	
WAP price (per unit) (USD)	AD Syringes	\$0.0690	\$0.0690	\$0.0465	\$0.0465	\$0.0465	\$0.0465	\$0.0448	\$0.0448	\$0.0448	\$0.0448	
WAP price (per unit) (USD)	Reconstitution syringes	N/A	N/A	\$0.0370	\$0.0370	\$0.0370	\$0.0350	\$0.0350	\$0.0350	\$0.0350	\$0.0350	
WAP price (per unit) (USD)	Safety Boxes	\$0.9400	\$0.9400	\$0.5800	\$0.5800	\$0.5800	\$0.5800	\$0.5800	\$0.5800	\$0.5800	\$0.5800	

Annex 17c – Immunisation supply expenditures charged to Gavi for period 2008-2015

Particulars	Reference	Purchase 1	Purchase 2	Purchase 3	Purchase 4	Purchase 5	Purchase 6	Purchase 7	Purchase 8	Purchase 9	Purchase 10	Total
Vendor Name	-	JMI Syringes & Medical Devices Ltd.										
Invoice No.	-							14Y JMI-01	14Y JMI-02	14Y JMI-03	15Y JMI-04	
Procurement year/ Invoice Date	-	2009	2009	2009	2010	2010	2010	16-Jan-14	12-Feb-14	12-Feb-14	21-May-15	
Item Description	-	Auto disable Syringe 0.05 ml	Auto disable Syringe 0.5 ml	Safety Boxes	Auto disable Syringe 0.05 ml	Auto disable Syringe 0.5 ml	Safety Boxes	Auto disable Syringe 0.5 ml	5 ml reconstitution syringes	Safety Boxes	Auto disable Syringe 0.5 ml	
Quantity Purchased (units)		2,000,000	12,000,000	20,000	1,001,900	7,863,885	20,000	56,000,000	6,500,000	320,000	4,332,031	
Less Government of Bangladesh's actual Contribution (units)		-	-	-	-	-	-	(5,494,834)	-	-	-	- ₹ 5,494,834
Net quantity purchased with Gavi funds (units)	A	2,000,000	12,000,000	20,000	1,001,900	7,863,885	20,000	50,505,166	6,500,000	320,000	4,332,031	
Unit Procurement Price (BDT)	B	₹ 7	₹ 6	₹ 60	₹ 7	₹ 6	₹ 60	₹ 6	₹ 7	₹ 45	₹ 6	
Total Cost (BDT)	C=A*B	₹ 14,000,000	₹ 72,000,000	₹ 1,200,000	₹ 7,013,300	₹ 47,183,310	₹ 1,200,000	₹ 303,030,996	₹ 45,500,000	₹ 14,400,000	₹ 25,992,186	₹ 531,519,792
UNICEF's Weighted Average unit Price (WAP) (US\$)	D	Not a Gavi funded device	\$0.069	\$0.940	Not a Gavi funded device	\$0.069	\$0.940	\$0.0465	\$0.037	\$0.580	\$0.0465	
UNICEF's Weighted Average Price for 2013 (BDT)	E	-	₹ 4.72	₹ 64.30	-	₹ 4.73	₹ 64.48	₹ 3.60	₹ 2.86	₹ 44.89	₹ 3.60	
Cost Allocable to Gavi based on UNICEF WAP (BDT)	F=A*E	-	₹ 56,635,200	₹ 1,285,920	-	₹ 37,222,913	₹ 1,289,680	₹ 181,773,143	₹ 18,614,700	₹ 14,365,440	₹ 15,611,557	₹ 326,798,553
Applicable exchange rate (per MOHFW)	G	68.4	68.4	68.4	68.6	68.6	68.6	77.4	77.4	77.4	77.5	
Additional Expenditures charged to the Gavi Programme (BDT)	H=C-F	₹ 14,000,000	₹ 15,364,800	- ₹ 85,920	₹ 7,013,300	₹ 9,960,397	- ₹ 89,680	₹ 121,257,853	₹ 26,885,300	₹ 34,560	₹ 10,380,629	₹ 204,721,239
Additional Expenditures charged to the Gavi Programme (US\$)	J=H/G	\$ 204,678	\$ 224,632	-\$ 1,256	\$ 102,235	\$ 145,195	-\$ 1,307	\$ 1,566,639	\$ 347,355	\$ 447	\$ 133,944	\$ 2,722,561

Annex 21 – Details of expenditure questioned with classification under different categories

S. No.	Entity	Date	Programme/ Activity No./ Name	Description/Details	Expenditure Amount (BDT)	Expenditures Questioned (BDT)						Total Expenditure Questioned (BDT)	Exchange Rate	Total Expenditure Questioned (USD)	Comments: (Note: For each expense weighted average of the monthly exchange rate, calculated on the basis of actual funds converted, at the time of the expense has been used)	
						Unsupported Expenditure	Inadequately supported Expenditure	Similar handwriting for different Vendors	Excessive Payments/ Expenditures	Expenditure not in accord with Govt's policies	Lack of transparency in procurement					
						A	B	C	D	E	F	G=A+B+C+D+E+F	H	I=G/H		
1	MOHFW	26-Feb-12	HSS/ SWPMM - Support Cost	Consultancy fee paid towards preparation of Financial Management handbook	25,000	25,000	-	-	-	-	-	25,000	82.59	301	Unsupported Expenditure: 1. An ex-employee of MOHFW was paid an amount of BDT 50,000 towards preparation of Financial Management handbook. A Financial Management handbook was already prepared in the year 2010 by a WHO consultant. It was explained that this amount was paid towards making revisions in the financial management handbook. However, there was no contract, invoice or receipt in support of this expenditure. Further, this handbook has not been given to any of the agencies implementing the Gavi programme raising questions on the need of this expenditure. Thus, the amount of BDT 50,000 has been questioned, being unsupported.	
2	MOHFW	15-Nov-12	HSS/ SWPMM - Support Cost	Consultancy fee paid towards preparation of Financial Management handbook	25,000	25,000	-	-	-	-	-	25,000	81.10	308	Unsupported Expenditure: 1. An ex-employee of MOHFW was paid an amount of BDT 50,000 towards preparation of Financial Management handbook. A Financial Management handbook was already prepared in the year 2010 by a WHO consultant. It was explained that this amount was paid towards making revisions in the financial management handbook. However, there was no contract, invoice or receipt in support of this expenditure. Further, this handbook has not been given to any of the agencies implementing the Gavi programme raising questions on the need of this expenditure. Thus, the amount of BDT 50,000 has been questioned, being unsupported.	
3	MOHFW	8-Mar-12	HSS/ SWPMM - Support Cost	Honorarium paid to staff for attending meetings/ preparing recruitment questionnaire/ attending PIC meeting	44,210	7,210	-	-	-	16,000	-	23,210	81.25	286	Unsupported Expenditure: 1. Vouchers were not prepared by MOHFW, only invoices/ receipts were retained in files. With respect to this expenditure, supports for payment of honorarium were made available, which totalled to BDT 37,000. No supports for the remaining expense of BDT 7,210 were made available. Also, though the payment date as per transaction listing was 8-Mar-2012, but the supports provided were dated between Jan to Mar 2012 indicating that the entry made in the transaction listing was not reflective of actual transactions made. Thus, the amount of BDT 7,210 has been questioned, being unsupported. Government guidelines not followed: 1. As per the government circular on Daily Subsistence Allowance entitlements, honorarium of BDT 1,000 was payable to local resource persons; however, honorarium of BDT 3,000 was paid to each individual for attending meeting for drafting recruitment questionnaire. Thus, amount in excess of the Government policies of BDT 16,000 has been questioned. Documentation Related Observations: 1. Recruitment questionnaire drafted and the attendance sheet of the meeting was not available; only honorarium payment sheet was available.	
4	MOHFW	1-Jan-12	HSS/ SWPMM - Support Cost	Expenditure incurred on Program implementation Committee (PIC) held on 01-Jan-2012	33,150	9,570	-	-	-	9,600	-	19,170	77.40	248	Unsupported Expenditure: 1. Vouchers were not prepared by MOHFW, only invoices/ receipts were retained in files. With respect to this expenditure, supports like DSA payment sheet and invoices for lunch, snacks, stationery were made available, which totalled to BDT 23,580. No supports for the remaining expense of BDT 9,570 were made available. Thus, the amount of BDT 9,570 has been questioned, being unsupported. Government guidelines not followed: 1. As per the government circular on Daily Subsistence Allowance entitlements, in case refreshments/ lunch are provided to trainers, trainees, resource person and participants, the Daily Subsistence Allowance (DSA) needs to be deducted at the prescribed rates. It was noted that DSA was paid to 8 participants at double the entitlement amount of BDT 1,000 and lunch and refreshments expenses was also charged indicating that expenditure was not charged in accordance with the government guidelines. DSA deduction for providing lunch and refreshments work out to BDT 1,600 for 10 participants. Thus, the amount of BDT 9,600 has been questioned, being not in accordance with Government policies.	
5	MOHFW	1-May-12	HSS/ SWPMM - Support Cost	Vehicle rental cost for period from 15 February to 30 June 2012 for use at MOHFW	124,138	-	-	-	-	-	124,138	124,138	81.25	1,528	Lack of Transparency in Procurement: 1. Three quotations were obtained, but all were open quotations though the requirement is to obtain closed quotations. Also, all the quotations were without any date and were not counter-signed by the procurement committee members. 2. The quotations of the unsuccessful bidders were on computer printout which financial details were handwritten.	
6	MOHFW	5-Jun-12	HSS/ SWPMM - Support Cost	Vehicle rental cost for period from 15 February to 30 June 2012 for use at MOHFW	50,000	-	-	-	-	-	50,000	50,000	81.30	615	Lack of Transparency in Procurement: 1. Three quotations were obtained, but all were open quotations though the requirement is to obtain closed quotations. Also, all the quotations were without any date and were not counter-signed by the procurement committee members. 2. The quotations of the unsuccessful bidders were on computer printout which financial details were handwritten.	
7	MOHFW	1-Jul-12	HSS/ SWPMM - Support Cost	Vehicle rental cost for period from 15 February to 30 June 2012 for use at MOHFW	50,000	-	-	-	-	-	50,000	50,000	81.30	615	Lack of Transparency in Procurement: 1. Three quotations were obtained, but all were open quotations though the requirement is to obtain closed quotations. Also, all the quotations were without any date and were not counter-signed by the procurement committee members. 2. The quotations of the unsuccessful bidders were on computer printout which financial details were handwritten.	
8	MOHFW	7-Jul-12	HSS/ SWPMM - Support Cost	Expenditure on conducting Performance Evaluation workshop on 7 July 2012	205,678	-	75,596	-	-	15,160	-	90,756	81.30	1,116	Inadequately Supported Expenditure: 1. Reimbursement of travel expenses of BDT 75,596 has been paid to 34 staff travelling from district level. However, no supporting documents were obtained in support of the expenditure incurred; only acknowledgment for payment was obtained from district level staff. Further, different amounts were paid to staff travelling from same district without detailing of reasons on the basis of which differing amounts were paid. Thus, the amount of travel expense paid to district level staff of BDT 75,596 has been questioned as inadequately supported expenditure, being not supported by travel receipts. Government guidelines not followed: 1. As per the government circular on Daily Subsistence Allowance entitlements, honorarium of BDT 1,000 was payable to local resource persons; however, differing DSA/ honorarium was paid to staff ranging from BDT 1,000 to BDT 3,000. 2. Further, as per the government circular on Daily Subsistence Allowance entitlements, in case refreshments/ lunch are provided to trainers, trainees, resource person and participants, the Daily Subsistence Allowance (DSA) needs to be deducted at the prescribed rates. It was noted that DSA was paid to the participants along with providing lunch and refreshments expenses indicating that expenditure was not charged in accordance with the government guidelines. Thus, based on the above, the amount of BDT 15,160 has been questioned, being not in accordance with Government policies. Documentation Related Observations: 1. No minutes/ report prepared to document the results of the workshop.	
9	MOHFW	26-Oct-12	HSS/ SWPMM - Support Cost	Cost of painting the vehicle	25,000	-	-	-	1,125	-	-	1,125	81.30	14	Excessive Payments made: 1. It was noted that as a standard practice VAT was deducted from the invoice amount and deposited to Government treasury. However, in this particular case, it was noted that VAT of BDT 1,125 was not deducted from the invoice value, but was deposited over and above the invoice value of BDT 25,000. Thus, resulting in excess payment of BDT 1,125 from Gavi funds. Documentation Related Observations: 1. No procurement process was done for car painting job.	
10	MOHFW	15-Jan-13	HSS/ SWPMM - Support Cost	Purchase of Computers, Laptops, Pendrives and Hard disks	498,552	-	-	-	-	-	498,552	498,552	79.80	6,248	Lack of Transparency in Procurement: 1. Three quotations were obtained; however, all 3 quotations had same format and language. Also, envelopes in which quotations obtained were not available. Further, address and phone number were not mentioned on the letterhead of one non-selected bidder. Thus, based on above, expenditure of BDT 498,552 has been categorised under the head Transparency in Procurement. Documentation Related Observations: 1. Instead of a proper invoice, the invoice was submitted on a letterhead without any serial number, VAT No., and date (date mentioned below signatures). Excessive expenditure charged: 1. Amount of BDT 2,170,130 had been paid to a consulting firm (Global Consulting Group) for organising and implementing the experience gathering visits to Cambodia (for 4 persons) and India (for 5 persons). 2. Proposal submitted by the agency mentioned providing air-ticket procurement & purchase, and hotel accommodation booking. However, flight cost and DSA were separately paid to the staff (Amounts paid of BDT 821,102 for Cambodia and BDT 746,057 for India as mentioned in the first two rows).	
11	MOHFW	19-Jan-14	HSS/ SWPMM - Support Cost	Cost relating flight, DSA and Agency charges for experience gathering	821,102	-	-	-	-	-	-	-	77.40	-	Excessive expenditure charged: 1. Amount of BDT 2,170,130 had been paid to a consulting firm (Global Consulting Group) for organising and implementing the experience gathering visits to Cambodia (for 4 persons) and India (for 5 persons). 2. Proposal submitted by the agency mentioned providing air-ticket procurement & purchase, and hotel accommodation booking. However, flight cost and DSA were separately paid to the staff (Amounts paid of BDT 821,102 for Cambodia and BDT 746,057 for India as mentioned in the first two rows).	
12	MOHFW	19-Jan-14	HSS/ SWPMM - Support Cost	Cost 4: To exchange ideas with other implementing countries and gain practical knowledge to develop more effective	746,057	-	-	-	-	-	-	-	77.40	-	Excessive expenditure charged: 1. Amount of BDT 2,170,130 had been paid to a consulting firm (Global Consulting Group) for organising and implementing the experience gathering visits to Cambodia (for 4 persons) and India (for 5 persons). 2. Proposal submitted by the agency mentioned providing air-ticket procurement & purchase, and hotel accommodation booking. However, flight cost and DSA were separately paid to the staff (Amounts paid of BDT 821,102 for Cambodia and BDT 746,057 for India as mentioned in the first two rows).	
13	MOHFW	21-Jan-14	HSS/ SWPMM - Support Cost	Cost 4: To exchange ideas with other implementing countries and gain practical knowledge to develop more effective	674,028	-	-	-	451,282	-	-	222,746	674,028	77.40	8,708	Excessive expenditure charged: 1. Amount of BDT 2,170,130 had been paid to a consulting firm (Global Consulting Group) for organising and implementing the experience gathering visits to Cambodia (for 4 persons) and India (for 5 persons). 2. Proposal submitted by the agency mentioned providing air-ticket procurement & purchase, and hotel accommodation booking. However, flight cost and DSA were separately paid to the staff (Amounts paid of BDT 821,102 for Cambodia and BDT 746,057 for India as mentioned in the first two rows).
14	MOHFW	21-Jan-14	HSS/ SWPMM - Support Cost	Cost 4: To exchange ideas with other implementing countries and gain practical knowledge to develop more effective	628,050	-	-	-	420,499	-	-	207,551	628,050	77.40	8,114	Excessive expenditure charged: 1. Amount of BDT 2,170,130 had been paid to a consulting firm (Global Consulting Group) for organising and implementing the experience gathering visits to Cambodia (for 4 persons) and India (for 5 persons). 2. Proposal submitted by the agency mentioned providing air-ticket procurement & purchase, and hotel accommodation booking. However, flight cost and DSA were separately paid to the staff (Amounts paid of BDT 821,102 for Cambodia and BDT 746,057 for India as mentioned in the first two rows).
15	MOHFW	25-Feb-14	HSS/ SWPMM - Support Cost	Cost 4: To exchange ideas with other implementing countries and gain practical knowledge to develop more effective	325,519	-	-	-	217,945	-	-	107,574	325,519	77.40	4,206	Excessive expenditure charged: 1. Amount of BDT 2,170,130 had been paid to a consulting firm (Global Consulting Group) for organising and implementing the experience gathering visits to Cambodia (for 4 persons) and India (for 5 persons). 2. Proposal submitted by the agency mentioned providing air-ticket procurement & purchase, and hotel accommodation booking. However, flight cost and DSA were separately paid to the staff (Amounts paid of BDT 821,102 for Cambodia and BDT 746,057 for India as mentioned in the first two rows).
16	MOHFW	30-Jun-14	HSS/ SWPMM - Support Cost	Cost 4: To exchange ideas with other implementing countries and gain practical knowledge to develop more effective	542,533	-	-	-	363,242	-	-	179,291	542,533	77.40	7,009	Excessive expenditure charged: 1. Amount of BDT 2,170,130 had been paid to a consulting firm (Global Consulting Group) for organising and implementing the experience gathering visits to Cambodia (for 4 persons) and India (for 5 persons). 2. Proposal submitted by the agency mentioned providing air-ticket procurement & purchase, and hotel accommodation booking. However, flight cost and DSA were separately paid to the staff (Amounts paid of BDT 821,102 for Cambodia and BDT 746,057 for India as mentioned in the first two rows).
MOHFW Sub Total					4,818,017	66,780	75,596	-	1,454,093	40,760	-	3,077,081	39,318			
1	EPI	23-Dec-14	HSS/ New Activity 10 - Quarterly EPI Divisional	Payments made towards the Quarterly Review	533,900	-	161,047	-	9,500	-	-	170,547	77.60	2,198	Inadequately supported Expenditure 1. Travel reimbursements were paid on the basis of claim forms submitted by 26 EPI HQ staffs (for attending division-level meeting).	
2	EPI	10-May-12	HSS/ Activity 1.1 Recruitment and training	Payment made to various Participants and resource	255,800	-	4,440	41,431	8,102	-	-	53,973	81.25	664	Similar handwriting on invoices of different vendors: 1. The following issues were observed in the expenditure incurred for refreshments/stationery items procured in trainings: Excessive Expenditure Charged to the grant. 1. 90 bags were purchased for participants; however, as per attendance sheet of the workshop, there were only 39 participants in the	
3	EPI	24-May-12	HSS/ Activity 2.1- For each administrative	Expenditure booked against Advance paid to	162,696	-	36,790	-	20,279	-	-	57,069	81.25	702	Excessive Expenditure Charged to the grant. 1. 90 bags were purchased for participants; however, as per attendance sheet of the workshop, there were only 39 participants in the	

S. No.	Entity	Date	Programme/ Activity No./ Name	Description/Details	Expenditure Amount (BDT)	Unsupported Expenditure	Inadequately supported Expenditure	Similar handwriting for different Vendors	Excessive Payments/ Expenditures	Expenditure not in accord with Govt policies	Lack of transparency in procurement	Total Expenditure Questioned (BDT)	Exchange Rate	Total Expenditure Questioned (USD)	Comments: Notes: For each expense weighted average of the monthly exchange rate, calculated on the basis of actual funds converted, at the time of the expense has been used)
						A	B	C	D	E	F	G=A+B+C+D+E+F	H	I=G/H	
4	EPI	21-Oct-12	HSS/ New Activity 1 - Recruitment, orientation, equipped with essential tools of 'District MCH and Immunization Officer' in targeted 13 Districts and recruitment of a Admin. & Financial asst. at HQ level to support the activities of DMCH & Immunization and other works.	Payment made to various vendors towards maintenance of vehicles for the month of October 2012.	20,200	-	-	20,200	-	-	-	20,200	81.30	248	Similar handwriting in invoices of different vendors: The following issues were observed in the expenditure incurred for repair and maintenance of vehicles: - Hand writing on the invoices received from different vendors appear to be similar and it appears that all the invoices were prepared in one go. - All payments were made in cash and no acknowledgement for the receipt of cash payment was available. - Logbook for vehicles were not made available. Hence, there was no verification of vehicles whether they were sent for repairs or not. All the above factors indicate possibility of misuse of Gavi funds. Thus, the amount of BDT 20,200 has been questioned.
5	EPI	22-Nov-12	HSS/ New Activity 1 - Recruitment, orientation, equipped with essential tools of 'District MCH and Immunization Officer' in targeted 13 Districts and recruitment of a Admin. & Financial asst. at HQ level to support the activities of DMCH & Immunization and other works.	Payment made to various vendors towards maintenance of vehicles for the month of Nov 2012.	21,900	-	-	21,900	-	-	-	21,900	81.10	270	Similar handwriting in invoices of different vendors: The following issues were observed in the expenditure incurred for repair and maintenance of vehicles: - Hand writing on the invoices received from different vendors appear to be similar and it appears that all the invoices were prepared in one go. - All payments were made in cash and no acknowledgement for the receipt of cash payment was available. - Logbook for vehicles was not made available. Hence, there was no verification of vehicles whether they were sent for repairs or not. All the above factors indicate possibility of misuse of Gavi funds. Thus, the amount of BDT 21,900 has been questioned.
6	EPI	21-Oct-12	HSS/ New Activity 1 - Recruitment, orientation, equipped with essential tools of 'District MCH and Immunization Officer' in targeted 13 District and recruitment of a Admin. & Financial asst. at HQ level to support the activities of DMCH & Immunization and other works.	Payment made to various vendor towards maintenance of vehicle for the month of October 2012.	21,900	-	-	21,900	-	-	-	21,900	81.30	269	Similar handwriting in invoices of different vendors: 1. The following issues were observed in the expenditure incurred for repair and maintenance of vehicles: - Hand writing on the invoices received from different vendors appear to be similar and it appears that all the invoices were prepared in one go. - All payments were made in cash and no acknowledgement for the receipt of cash payment was available. - Logbook for vehicles were not made available. Hence, there was no verification of vehicles whether they were sent for repairs or not. All the above factors indicate possibility of misuse of Gavi funds. Thus, the amount of BDT 21,900 was questioned.
7	EPI	30-Jun-13	HSS/ New Activity 1 - Recruitment, orientation, equipped with essential tools of 'District MCH and Immunization Officer' in targeted 13 Districts and recruitment of a Admin. & Financial asst. at HQ level to support the activities of DMCH & Immunization and other works.	Payment made to various participants and vendor towards the conducting Orientation and Review of DMCH & IO held on 23/6/2013 & 24/6/2013	36,360	-	-	-	-	3,120	-	3,120	79.30	39	Government guidelines not followed: As per the government circular on Daily Subsistence Allowance entitlements, in case refreshment/lunch is provided to trainers, trainees, resource person and participants, the Daily Subsistence Allowance (DSA) needs to be deducted at the prescribed rates. In this case, lunch has been provided to 13 out of 19 participants for attending the workshop and the whole DSA amount is also reimbursed to the employees. Hence, the prescribed amount (i.e. BDT 120) which was supposed to be deducted has been paid extra to the 13 employees and charged to the grant. Thus, amount of BDT 3,120 (i.e. 13 participants * BDT 120 (as prescribed in rules) * 2 days) excess paid to participants has been questioned. Documentation related observation Agenda/reports/minutes of workshop were not prepared.
8	EPI	19-Dec-13	HSS/ New Activity 1 - Recruitment, orientation, equipped with essential tools of 'District MCH and Immunization Officer' in targeted 13 Districts and recruitment of a Admin. & Financial asst. at HQ level to support the activities of DMCH & Immunization and other works.	Payment made to 8 District Maternal Child Health & Immunization Officer for the reimbursement of Sep to Oct 2013 expenditure.	369,335	-	-	40,390	-	-	-	40,390	77.40	522	Invoices numbers and dates not in sequence: 1. One of the project employees Dr. Rezaur Rahman (DMCH&IO) has claimed fuel expenses for monitoring visit to various Upazillas & Unions. However, on review of the fuel invoices it was noticed that, though the invoices were from the same vendor i.e. M/s Bhi Bhi Enterprises, the invoice number and date were not in the same sequence (for example the invoice number 658 was dated 05-Sep-2013 and the invoice number 640 was dated 11-Sep-2013). The same indicates that the invoices might not be from genuine third party. Hence, there is a possibility of misuse of Gavi funds. Thus, the amount of BDT 40,390 has been questioned. Documentation related observations 1. Report/Attendance sheet of Effective Vaccine Management Training held on Sep 2013 was not available.
9	EPI	23-Mar-14	HSS/ New Activity 1 - Recruitment, orientation, equipped with essential tools of 'District MCH and Immunization Officer' in targeted 13 Districts and recruitment of a Admin. & Financial asst. at HQ level to support the activities of DMCH & Immunization and other works.	Payment made to 8 District Maternal Child Health & Immunization Officer for the reimbursement of Sep to Oct 2013 expenditure.	347,547	-	-	51,638	-	-	-	51,638	77.40	667	Invoices numbers and dates not in sequence: One of the project employees had claimed fuel expenses for monitoring visit to various Upazillas & Unions. However, on review of the fuel invoices, the following issues were noted: - The invoice number and dates of invoices were not in same sequence - The dates on the invoices were modified by overwriting. - In some cases, invoices attached were in sequence but there were gaps in the dates of invoices. The above factors indicate that the invoices might not be from genuine third party. Hence, there is a possibility of misuse of Gavi funds. Thus, the amount of BDT 51,638 has been questioned.

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10	EPI	23-Dec-14	HSS/ New Activity 1 - Recruitment, orientation, equipped with essential tools of District MCH and Immunization Officer in targeted 13 Districts and recruitment of a Admin. & Financial asst. at HQ level to support the activities of DMCH & Immunization and other works.	Payment made to 18 District Maternal Child Health & Immunization Officer for the reimbursement of Sep to Nov 2014 expenditure and attending the following programme Division Coordination meeting TOT on introduction of PCV vaccine held on 7/11/2014 at Dhaka Consultative workshop & GAVI -HSS Programme	836,764		14,626	26,816				41,442	77.60	534	Inadequately supported Expenditure Travel reimbursement to DMCH&IO has been made on the basis of claim form submitted by them and the supports for fare of bus/Train/taxi/ship are not attached with the claim forms. Hence, out of total travel reimbursement of BDT 50,466 for 10 DMCH&IO amount pertaining to fare of bus/Train/taxi/ship amounting to BDT 14,626 has been questioned as inadequately supported expenditure. Invoice numbers and dates not in sequence: One of the project employees had claimed fuel expenses for monitoring visit to various Upazillas & Unions. However, on review of the fuel invoices, it was noticed that the invoice numbers and dates of invoices of the same vendor were not in same sequence. The same indicates that the invoices might not be from genuine third party. Hence, there is a possibility of misuse of Gavi funds. Thus, the total amount of BDT 26,816 has been questioned. Documentation related observation Attendance sheet/Report of programme/Agenda of programme for Division Coordination meeting & Consultative workshop & GAVI -HSS Programme were not available.
11	EPI	11-Mar-13	HSS/ New Activity 1 - Recruitment, orientation, DMCH&IO towards	Payment made to DMCH&IO towards	385,266		21,210	63,148				84,358	79.30	1,064	Inadequately supported Expenditure Travel reimbursement to the DMCH&IO was made on the basis of claim form submitted by the them and the supports for fare of
12	EPI	12-Jun-13	HSS/ Activity 3.2: Obtain sets (computer/printer/UPS) per district and 1 set for each Upazilla.	Payment made to M/S H.A.Traders towards purchase of Laser Jet Printer	449,800						449,800	449,800	79.30	5,672	Lack of Transparency in Procurement 13 printers were procured out of Gavi funds. 3 quotations were invited and lowest was awarded the contract. However, on review of the procurement process the following issues were observed: - The quotations from the three vendors were exactly in the same format. - The font used in three quotations was also similar. - The envelop in which the quotations were received were also same and the handwriting on the envelopes for writing the address also appear to be similar. - The price quoted in the three quotations had a sequential increase of exact BDT 200 (e.g. BDT 34600/BDT 34,800/BDT 35,000) - The quotation from the vendors did not have VAT registration number and telephone numbers. Based on the above, the procurement process carried out does appear to be transparent and there exists possibility of misuse of funds. Thus, the amount of BDT 427,310 (after adjusting VAT of BDT 22,490) has been questioned. Expenditure not in accordance with Government policies DSA was claimed twice (@BDT 1000 per day) for the same day i.e. 30 August 2013, by 6 employees of EPI HQ for attending the meeting for selection of drivers and attending the test drive of drivers. Thus, amount BDT 6,000 has been paid in excess as compared to the government policy, which has been charged to the grant and has been questioned.
13	EPI	8-Nov-13	HSS/ New Activity 1- Recruitment, orientation, equipped with essential tools of District MCH and Immunization Officer in targeted 13 Districts and recruitment of a Admin & Financial asst. at HQ level to support of DMCH & Immunization and other works.	Payment made to Committee Member towards daily allowance for Local Staff for the recruitment of Driver.	51,250					6,000		6,000	79.30	76	Expenditure not in accordance with Government policies DSA was claimed twice (@BDT 1000 per day) for the same day i.e. 30 August 2013, by 6 employees of EPI HQ for attending the meeting for selection of drivers and attending the test drive of drivers. Thus, amount BDT 6,000 has been paid in excess as compared to the government policy, which has been charged to the grant and has been questioned.
14	EPI	28-Jan-14	MR Campaign - Operational Cost	Payment made to various Government staff towards the supervision of the NID and MR Campaign at various Upazilla/Wards/ Vaccination Centre/ Municipality/ City Corporation.)	800,000	612	345,415	23,948				369,975	77.40	4,780	Unsupported Expenditure The total of supporting documents attached with the voucher was BDT 799,388 whereas the expenditure of BDT 800,000 was charged to the Gavi program. Thus, the amount of BDT 612 has been questioned, being unsupported. Inadequately supported expenditure 1. Travel reimbursement to various staff of EPI HQ and other individual of department were given on the basis of claim form submitted by the them and the supports for fare of bus/Train/taxi/ship were not attached with the claim forms. 2. TA claim form only mentioned date, location with round amount (no breakup) and mode (in certain case mode was mentioned). Hence, out of total travel reimbursement of BDT 446,258 for 129 staff amount pertaining to fare of bus/Train/taxi/ship amounting to BDT 345,415 has been questioned, being inadequately supported. Expenditure with indicators of possible misuse: One driver claimed fuel bill of BDT 23,948 for travelling Kushtia from Dhaka and back. One time Octane filled for 240 liters, which is not even possible in a car, which indicates possibility of misuse of Gavi funds. Thus, the amount of BDT 23,948 has been questioned. Documentation related observation Supervisory visit report was not made available.
15	EPI	1-Feb-14	MR Campaign - Operational Cost	Expenditure incurred towards meeting with various participants on	1,113,550	9,309	89,200	27,000		40,594		166,103	77.40	2,146	Unsupported Expenditure The expenditure as per the supporting documents attached with the voucher was BDT 1,104,241 whereas the expenditure of BDT 1,113,550 was charged to the Gavi program. Thus, the amount of BDT 9,309 has been questioned, being unsupported.
Sub Total					3,636,630	9,921	470,451	140,912	-	46,594	449,800	1,117,678	14,272		
1	CBHC	10-Oct-12	HSS/ Activity 1.4 - Development of 'Activity Guide and orientation of Community Support Group (CSG)' biannually.	Payment made to Nizam Printing and Publications towards printing of Community support group directing and training manual	817,121						817,121	817,121	81.30	10,051	Lack of Transparency in Procurement: The following observations were noted for printing of the manual: - Printing of Manual was done from the various vendors, however, no selection process was followed for procurement above the limit prescribed in PPR 2008. - Procurements were split into number of small purchases to avoid carrying out national competitive bidding. - Format of invoices received from different vendors were same. - Total expenditure as per the books is BDT 8,17,121, however, actual support was available for BDT 990,450. Reason for the difference was not explained. - There was difference in quantity mentioned on invoice (i.e. 32,850 unit) and quantity distributed (i.e. 30,345 unit). Thus, expenditure of BDT 817,121 has been questioned, being various transparency issues in procurement process.
2	CBHC	10-Oct-12	HSS/ Activity 1.4 - Development of 'Activity Guide and orientation of Community Support Group (CSG)' biannually.	Payment made to Monirampur Printing Press towards printing of Community support group directing and training manual	816,750						816,750	816,750	81.30	10,046	Transparency in Procurement: The following observations were noted for the printing of the manual: - Printing of manual was done from various vendors, however, no selection process was followed for procurement above the limit prescribed in PPR 2008. - Procurements were split into number of small purchases to avoid carrying out national competitive bidding. - Format of invoices received from different vendors were same. - Total expenditure as per the books was BDT 8,16,750, however, actual support was available for BDT 9,90,000. Reason for the difference was explained. Thus, expenditure of BDT 8,16,750 has been questioned, being various transparency issues in procurement process.
3	CBHC	10-Oct-12	HSS/ Activity 1.4 - Development of 'Activity Guide and orientation of Community Support Group (CSG)' biannually.	Payment made to Priyanka Printing towards the printing of Community support group directing and training manual	644,363				162,163		482,200	644,363	81.30	7,926	Excessive Expenditure charged: - Total expenditure as per the books was BDT 1,649,538, however, actual support was available for BDT 1,487,375; hence, excess payments of BDT 1,62,163 has been questioned, being excess expenditure. - Further, there was invoice of BDT 100,000 charged towards printing for manual, "Identification problems regarding autism and others for expansion and running of the Community Clinic Level". This was not fit under this budget, same has been questioned under issue no. 3.2.8.
4	CBHC	10-Oct-12	HSS/ Activity 1.4 - Development of 'Activity Guide and orientation of Community Support Group (CSG)' biannually.	Payment made to Priyanka Printing towards the printing of Community support group directing and training manual	505,175						505,175	505,175	81.30	6,214	Transparency in Procurement: The following observations were noted for printing of the manual: - Printing of manual was done from various vendors, however, no selection process was followed for procurement above the limit prescribed in PPR 2008. - Procurements were split into number of small purchases to avoid carrying out national competitive bidding. - Format of invoices received from different vendors were same. Thus, expenditure of BDT 1,387,375 has been questioned, being various transparency issues in procurement process.
5	CBHC	13-Aug-12	HSS/ Activity 1.4 - Development of 'Activity Guide and orientation of Community Support Group (CSG)' biannually.	Payment made to Priyanka Printing towards the printing of Community support group directing and training manual	500,000						400,000	400,000	81.20	4,926	Documentation related observation - Distribution list of manual was not made available.

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						A	B	C	D	E	F	G=A+B+C+D+E+F	H	I=G/H	
3	CBHC	10-Oct-12	HSS/ Activity 1.4 - Development of 'Activity Guide and orientation of Community Support Group (CSG)' biannually.	Payment made to Priyanka Printing towards the printing of Community support group directing and training manual	644,363				162,163		482,200	644,363	81.30	7,926	Excessive Expenditure charged: - Total expenditure as per the books was BDT 1,649,538, however, actual support was available for BDT 1,487,375; hence, excess payments of BDT 1,62,163 has been questioned, being excess expenditure. - Further, there was invoice of BDT 100,000 charged towards printing for manual, "Identification problems regarding autism and others for expansion and nursing at the Community Clinic Level". This was not fit under this budget, same has been questioned under issue no. 3.2.8.
4	CBHC	10-Oct-12	HSS/ Activity 1.4 - Development of 'Activity Guide and orientation of Community Support Group (CSG)' biannually.	Payment made to Priyanka Printing towards the printing of Community support group directing and training manual	505,175						505,175	505,175	81.30	6,214	Transparency in Procurement: The following observations were noted for printing of the manual: - Printing of manual was done from various vendors, however, no selection process was followed for procurement above the limit prescribed in PPR 2008. - Procurements were split into number of small purchases to avoid carrying out national competitive bidding. - Format of invoices received from different vendors were same. Thus, expenditure of BDT 1,387,375 has been questioned, being various transparency issues in procurement process.
5	CBHC	13-Aug-12	HSS/ Activity 1.4 - Development of 'Activity Guide and orientation of Community Support Group (CSG)' biannually.	Payment made to Priyanka Printing towards the printing of Community support group directing and training manual	500,000						400,000	400,000	81.20	4,926	Documentation related observation - Distribution list of manual was not made available.
6	CBHC	20-Jun-12	HSS/ Activity 1.4 - Development of 'Activity Guide and orientation of Community Support Group (CSG)' biannually.	Payment made to Rose Touch towards printing of PIC material.	485,370		485,370					485,370	81.30	5,970	Inadequately supported Expenditure The following observations were noted for printing of the manual: - Printing of manual was done from the various vendors, however, no selection process were followed for procurement above the limit prescribed in PPR 2008. - Procurements were split into number of small purchases to avoid carrying out national competitive bidding. - Total expenditure as per the books was BDT 899,702, however, actual support was available for BDT 946,920. Reason for the difference was not provided.
7	CBHC	7-Jun-12	HSS/ Activity 1.4 - Development of 'Activity Guide and orientation of Community Support Group (CSG)' biannually.	Payment made to Rose Touch towards the printing of PIC material.	414,332		414,332					414,332	81.30	5,096	- Invoice of the vendor was on letterhead instead of a proper invoice. - Further, various manuals were already printed for Community Support Group; thus, need for printing these additional manuals could not be explained. - Sample of the manual printed was not made available. - Distribution list and acknowledgement from Community Clinic was also not made available.
8	CBHC	8-Jul-14	HSS/ Activity 1.4 - Development of 'Activity	Expenditure incurred towards the	3,074,470		12,500	632,120	525,400	41,840		1,211,860	81.20	14,924	Similar handwriting on invoices of different vendors. The following issues were observed in the expenditure incurred for refreshment, bags and stationery items etc. procured in orientation
CBHC Sub Total					5,623,710		912,202	632,120	687,563	41,840	1,387,375	3,661,100		45,056	
1	HED-HQ	Various	HSS/ Activity 3.1 - Renovation and extension of 104 CCs out of 1821 CCs on pilot basis for MCH and immunization services to make them fully functional.	Disbursements made to Divisional offices for construction of birthing rooms (expensed on the basis of SOEs) at HED HQ	24,067,159				67,365			67,365	80.75	834	Excessive payments made: 1. Three divisional offices (Chittagong, Sylhet and Rangpur) submitted SOEs based on which refund was due to be given to HED HQ. However, amounts totalling to BDT 43,711 were not refunded by these offices (Chittagong - BDT 41,000, Sylhet - BDT 677 and Rangpur - BDT 2,034). 2. HED HQ has submitted its SOEs for an amount of BDT 39,771,000 (consolidated for all divisional offices), whereas the actual expenditure was BDT 39,703,635. Thus, overall (including excess of point 1 above), HED HQ has overcharged amount of BDT 67,365, which has been questioned, being excess charged to the program.
2	HED-HQ	26-Nov-12	HSS/ New Activity 2: Structure Development for EPI vaccines and logistics Establishment of District EPI Cold and logistic room (EPI store) with separate sitting arrangement for storekeeper, CCT in 13 targeted Districts	Soil Testing for 12 Sites by Expert Boring & Consultant	280,665	280,665						280,665	81.28	3,453	Unsupported Expenditure 1. No supporting document like voucher, invoice was available in relation to the expenditure charged to the Gavi program. Further, reports for soil testing were available only for 4 districts and for the remaining 8 districts, reports were also not available. Thus, the amount of BDT 280,665 has been questioned, being unsupported. Transparency in Procurement: 1. No documents relating to procurement process adopted were available for selection of the consultant for carrying out the soil test.
HED-HQ Sub Total					24,347,824	280,665			67,365			348,030		4,287	
1	CMSD	31-Jan-13	HSS/ Activity 3.7 - Critical gaps in transportation vehicles (boats and	Purchase of 669 bicycles for porter for transportation of	5,335,275						5,335,275	5,335,275	81.20	65,705	Transparency in Procurement: 1. Only one bid was received against the advertised tender notice for procurement of bicycles and the same was evaluated as responsive though adequate documents were not submitted by the bidder for satisfying the qualification requirements, such as:
CMSD Sub Total					5,335,275						5,335,275	5,335,275		65,705	
1	OGSB	16-Nov-14	HSS/ Activity 4.4 - Institute routine 6-month	Printing cost of materials for trainees and trainers	151,200				50,949		100,251	151,200	77.60	1,948	Excessive expenditure charged: 1. Printing was done for 60 training kits (comprising Trainee's Curriculum, Log Books, Utan Balthak, Referral slips) instead of 54 no. of
2	OGSB	31-Dec-14	HSS/ Activity 4.4 - Institute routine 6-month	Expenses incurred on participants TA & DSA,	316,616			24,000		19,250		43,250	77.60	557	Similar handwriting on invoices of different vendors: 1. In each of the three vouchers for TOT, invoices for photocopying 20 books of trainees & trainers curriculum were attached for BDT 24,000
3	OGSB	31-Dec-14	HSS/ Activity 4.4 - Institute routine 6-month	Expenses incurred on Training of 15 Trainers	218,260			24,000		22,400		46,400	77.60	598	Similar handwriting on invoices of different vendors: 1. In each of the three vouchers for TOT, invoices for photocopying 20 books of trainees & trainers curriculum were attached for BDT 24,000
4	OGSB	31-Dec-14	HSS/ Activity 4.4 - Institute routine 6-month	Expenses incurred on Training of 15 Trainers	226,310			24,000		24,850		48,850	77.60	630	Similar handwriting on invoices of different vendors: 1. In each of the three vouchers for TOT, invoices for photocopying 20 books of trainees & trainers curriculum were attached for BDT 24,000
OGSB Sub Total					912,386			72,000	50,949	66,500	100,251	289,700		3,733	
1	Civil Surgeon Noakhali	12-Mar-12	HSS/ Activity 1.6: Pilot a scheme to recruit additional vaccine porters (VP) at taka 200/EPI session to ensure at least 1 VP per 3 unions for plains and 1 VP per 1 union for the CHT	Payment made at Kabihat Upazilla to 3 Porters for the months of Mar 2012 to June 2012 and transportation cost by MT(EPI) for logistic carrying from District to Upazilla	60,400		19,200					19,200	81.25	236	Inadequately supported Expenditure Payment made to Mohamad Faisal Hussin towards Porter salary, however, no appointment letter and other supporting document were made available and paid BDT 19,200 (BDT 4,800 for 4 months). As explained by MTEPI that he has been hired for 4 month verbally on urgent basis, hence, no documents are available. Thus, BDT 19,200 has been questioned, being inadequately supported expenditure.

S. No.	Entity	Date	Programme/ Activity No./ Name	Description/Details	Expenditure Amount (BDT)	Unsupported Expenditure	Inadequately supported Expenditure	Similar handwriting for different Vendors	Excessive Payments/ Expenditure not in record with Govt policies	Lack of transparency in procurement	Total Expenditure Questioned (BDT)	Exchange Rate	Total Expenditure Questioned (USD)	Comments: Notes: For each expense weighted average of the monthly exchange rate, calculated on the basis of actual funds converted, at the time of the expense has been used)	
					A	B	C	D	E	F	G=A+B+C+D+E+F	H	I=G/H		
2	Civil Surgeon Noakhali	17-Jun-13	HSS/ Activity 2.5 - CC Management committee (10+HA+FWA) hold monthly management review meeting	At Begumgonj Upazilla, refreshment cost for 43 community clinic for the period October 2012 to June 2013 - Community Clinic Management - Monthly Meeting .	158,800	4,000		154,800				158,800	81.30	1,953	Unsupported Expenditure 1. Daily subsistence allowance (DSA) was paid to the UH&FPO towards participating in Community Clinic Meeting; however, no such trip report was available and it was explained that budget for DSA to UH&FPO was available under this activity; hence, the same has been paid. Thus, BDT 4,000 has been questioned, being unsupported expenditure. Similar handwriting on invoices of different vendors: 1. Refreshment items were provided to participants during the monthly community clinic meeting; however, the following observations were noted: - Handwriting on the invoices of refreshment items purchased for different community clinic meeting from various vendors appeared to be same. It appeared that these invoices were prepared by the staff themselves on blank invoices obtained from vendors or on photocopies of blank invoices. The same was also confirmed by the staff who explained that this was done for the reason of meeting the local auditor's requirements of having proper invoices for each expense with complete details mentioned on the invoices. It was further explained that the vendors normally do not write adequate details on account of which blank invoices were obtained and prepared by staff. - Even dates were not mentioned on the invoice. - All payments were made in cash and no acknowledgement for the receipt of cash payments were available. All the above factors indicate possibility of misuse of Gavi funds. Thus, the amount of BDT 154,800 has been questioned, being charged on the basis of self prepared invoices without adequate third party supporting document. Documentation related observation 1. Minutes of meeting were not prepared.
3	Civil Surgeon	17-Oct-12	HSS/ Activity 2.5 - CC Management committee	At Kabihat Upazilla, Payments made to	68,800	4,000		64,800				68,800	81.30	846	Unsupported Expenditure Daily subsistence allowance (DSA) was paid to the UH&FPO towards participating in Community Clinic Meeting; however, no such trip report was available and it was explained that budget for DSA to UH&FPO was available under this activity; hence, the same has been paid. Thus, BDT 4,000 has been questioned, being unsupported expenditure.
4	Civil Surgeon Noakhali	17-Oct-12	HSS/ Activity 2.5 - CC Management committee (10+HA+FWA) hold monthly management review meeting	At Civil Surgeon Office, Payment made to Civil Surgeon towards the Honorarium BDT 6000 fixed as per budget	6,000	6,000						6,000	81.30	74	Unsupported Expenditure Honorarium was paid to the Civil Surgeon towards participating in Community Clinic Meeting; however, no trip report was available for which the community clinic visit. It was explained that budget for Honorarium to Civil Surgeon was available under this activity; hence, the same has been paid. Thus, BDT 6,000 has been questioned, being unsupported expenditure.
5	Civil Surgeon	12-Jan-14	HSS/ Activity 2.5 - CC Management committee	At Begumgonj Upazilla, refreshment cost for 43 community clinics for the period Jan 2014 to Mar 2014 - Community Clinic Management - Monthly Meeting .	35,040	2,280		28,080				30,360	77.40	392	Unsupported Expenditure 1. Honorarium was paid to the UH&FPO towards participating in Community Clinic Meeting; however, no such trip report was available for which the community clinic visit. It was explained that budget for Honorarium to Civil Surgeon was available under this activity; hence, the same has been paid. Thus, amount of BDT 1,500 has been questioned, being unsupported.
6	Civil Surgeon Noakhali	12-Jan-14	HSS/ Activity 2.5 - CC Management committee (10+HA+FWA) hold monthly management review meeting	At Kabihat Upazilla, refreshment cost for 43 community clinics for the period Jan 2014 to Mar 2014 - Community Clinic Management - Monthly Meeting .	15,540	1,500	14,040					15,540	77.40	201	Unsupported Expenditure Photocopies of invoices were attached with voucher, most of the invoices were from same vendor for various community clinics, which were faraway from Upazilla. Due to the non-availability of original support cost of BDT 14,040 has been questioned, being inadequately supported expenditure.
7	Civil Surgeon Noakhali	26-Nov-14	New Vaccine Support/PCV Vaccine Introduction and training	Expenditure incurred towards PCV Vaccine Introduction and training conducted by Kobihat Upazilla in Nohakhali District.	98,820	1,210		11,205				12,415	77.60	160	Unsupported Expenditure Total expenditure as per the books was BDT 98,820; however, actual support was available for only BDT 97,610. There was a difference of BDT 1,210 for which support was not attached. Thus, BDT 1,210 has been questioned, being unsupported expenditure. Similar handwriting on invoices of different vendors: - Invoices relating to snacks/ refreshments, printing, etc. were prepared by the staff themselves on blank invoices obtained from vendors or on photocopies of blank invoices. The same was also confirmed by the staff who explained that this was done to meet the local auditor's requirement of having a proper invoice for each expense with complete details mentioned on the invoices. - It was further explained that the vendors normally do not write adequate details on account of which blank invoices were obtained and prepared by staff. - All payments were made in cash and no acknowledgement for the receipt of cash payments were available. On account of the above, there is a possibility of misuse of Gavi funds. Thus, the amount of BDT 11,205 has been questioned, being charged on the basis of self prepared invoices without adequate third party supporting document. Documentation related observation Report was not prepared for the training.
8	Civil Surgeon Noakhali	28-May-12	HSS/ Activity 2.4 - Community Group (CC management Committee) semi-annual workshop at Upazilla. Level for 13 Districts.	At Kabihat Upazilla, expenditure incurred towards Community Clinic Management Group Training held on various dates.	193,300		193,300					193,300	81.25	2,379	Inadequately supported Expenditure Original documents were not available, only photocopies of supports were available. Thus, BDT 193,300 has been questioned, being inadequately supported expenditure. Documentation related observation Report was not prepared for the training
9	Civil Surgeon Noakhali	28-Jun-12	HSS/ Activity 1.5: Observation of Health Promotion Days in the targeted area of targeted Districts to ensure 100% coverage.	At Begumgonj Upazilla, expenditure towards Annual Orientation Meeting on Health Promotional Days held on 23/6/2012 at Begumgonj.	250,600		48,000	152,000				200,000	81.30	2,460	Similar handwriting on invoices of different vendors: - Invoices relating to snacks/ refreshments, printing, etc. were prepared by the staff themselves on blank invoices obtained from vendors or on photocopies of blank invoices. The same was also confirmed by the staff who explained that this was done to meet the local auditor's requirement of having a proper invoice for each expense with complete details mentioned on the invoices. - It was further explained that the vendors normally do not write adequate details on account of which blank invoices were obtained and prepared by staff. - All payments were made in cash and no acknowledgement for the receipt of cash payments were available. All the above factors indicate possibility of misuse of Gavi funds. Thus, the amount of BDT 1,52,000 has been questioned, being charged on the basis of self prepared invoices without adequate third party supporting document. Inadequately supported Expenditure Travel reimbursement to the medical officers were made on the basis of the claim form submitted by them and the supports for fare of bus/Train/taxi/ship were not attached with the claim forms, which is normally available. Hence, out of total travel reimbursement of BDT 48000 for 16 medical officers amount pertaining to fare of bus/Train/taxi/ship amounting to BDT 48,000 has been questioned as inadequately supported expenditure. Further, payments were made as per budget i.e. BDT 3,000; however, participants were from different Union. Documentation related observation 1. Attendance sheet was not available attached. 2. Minutes of meeting were not prepared.
10	Civil Surgeon Noakhali	23-Oct-12	HSS/ Activity 3.6: Priority water and sanitation repairs for all CCs, including water (arsenic) filters supplied to all CCs with arsenic contamination.	Payment made to various vendors for the purchase of material for the maintenance of Community Clinic tube well and Toilet Maintenance at Begumgonj Upazilla	53,750		3,750					3,750	81.30	46	Inadequately supported Expenditure Photocopies of bill were attached for the payments of maintenance of tube well and toilet. Thus, due to non availability of original support, cost of BDT 3,750 has been questioned, being inadequate supported expenditures.

S. No.	Entity	Date	Programme/ Activity No./ Name	Description/Details	Expenditure Amount (BDT)	Unsupported Expenditure	Inadequately supported Expenditure	Similar handwriting for different Vendors	Excessive Payments/ Expenditures	Expenditure not in record with Govt's policies	Lack of transparency in procurement	Total Expenditure Questioned (BDT)	Exchange Rate	Total Expenditure Questioned (USD)	Comments: Note: For each expense weighted average of the monthly exchange rate, calculated on the basis of actual funds converted, at the time of the expense has been used)
						A	B	C	D	E	F	G=A+B+C+D+E+F	H	I=G/H	
11	Civil Surgeon Noakhali	25-Jun-12	HSS/ Activity 1.5: Observation of Health Promotion Days in the targeted area of targeted Districts to ensure 100% coverage.	At Kabihat Upazilla, expenditure towards Health Promotion day held on month of June 2012 at Kabihat.	109,900		21,000	80,500				101,500	81.30	1,248	Inadequately supported Expenditure Payment was made to 7 CNG drivers of B Baria for the transportation of medical officer, as informed by Upazilla staff, CNG vehicles were used by each union MO/Hi for campaign to different wards/outreach centres. Lump sum payment of BDT 3,000 was paid to each CNG driver as per the Budget. No information was provided related to who travelled and when, except payments to CNG drivers. Thus, cost of BDT 21,000 has been questioned, being inadequate supported expenditures. Similar handwriting on Invoices of different vendors: - Invoices relating to snacks/ refreshments, printing, etc. were prepared by the staff themselves on blank invoices obtained from vendors or on photocopies of blank invoices. The same was also confirmed by the staff who explained that this was done to meet the local auditor's requirement of having a proper invoice for each expense with complete details mentioned on the invoices. - It was further explained that the vendors normally do not write adequate details on account of which blank invoices were obtained and prepared by staff. - All payments were made in cash and no acknowledgement for the receipt of cash payment was available. - No records were maintained for receipt and distribution of stationery items and medicines All the above factors indicate possibility of misuse of Gavi funds. Thus, the amount of BDT 80,500 has been questioned, being charged on the basis of self prepared invoices without adequate third party supporting document. Documentation related observation - Report was not prepared for the health promotion day.
12	Civil Surgeon Noakhali	10-Feb-12	HSS/ Activity 3.2: Obtain 2 sets (computer/printer/UPS) per district and 1 set for each Upazilla.	Payment made by Civil Surgeon Office to Micronet Computer towards the purchase of printer for the 11 upazilla.	448,800						448,800	448,800	79.80	5,624	Lack of Transparency in Procurement The following procurement observations were noted for the purchase of printer: - One vendor Noakhali Computer Shamily quoted BDT 36,720 under the procurement process and was lowest bidder with the same configuration but quotation was not considered for the evaluation (comparative) and no reason was mentioned regarding the same - Phone number of the two vendor (Micronet Computers and Noakhali Computer Samity) was same. - Other than selected vendor i.e. Micronet Computers, there were no supporting documents (i.e. Trade license, VAT registration etc.) with the quotation and phone number was not mentioned on quotation. - Further, two non selected vendors were used same font in quotation. All the above factors indicate possibility of misuse of Gavi funds. Thus the amount of BDT 448,800 has been questioned. Documentation related observation 1. Separate list was not prepared for the assets purchased under GAVI project and only consolidated register was maintained for all. 2. Identification number was not mentioned on printer kept at CS office.
13	Civil Surgeon Noakhali	17-Dec-12	MR Campaign - Operational Cost	At Kabihat Upazilla, expenditure incurred towards the 21 st NID and MR Campaign held on 25 Jan 2014 to 13 Feb 2015	823,530			282,600				282,600	77.40	3,651	Similar handwriting on Invoices of different vendors: - Invoices relating to snacks/ refreshments, printing, etc. were prepared by the staff themselves on blank invoices obtained from vendors or on photocopies of blank invoices. The same was also confirmed by the staff who explained that this was done to meet the local auditor's requirement of having a proper invoice for each expense with complete details mentioned on the invoices. - It was further explained that the vendors normally do not write adequate details on account of which blank invoices were obtained and prepared by staff. - All payments were made in cash and no acknowledgement for the receipt of cash payments were available. All the above factors indicate possibility of misuse of Gavi funds. Thus, the amount of BDT 282,600 has been questioned, being charged on the basis of self prepared invoices without adequate third party supporting document. Documentation related observation Minutes and reports of workshop/training were not prepared.
14	Civil Surgeon Noakhali	23-Sep-12	New Vaccine Support/Training on MR and MCV2 vaccine introduction	At Kabihat Upazilla, Training, adv./briefing and Launching on MR & MCV2 Vaccine 2012	141,690			39,240			39,240	81.30	483	Similar handwriting on Invoices of different vendors: - Invoices relating to snacks/ refreshments, printing, etc. were prepared by the staff themselves on blank invoices obtained from vendors or on photocopies of blank invoices. The same was also confirmed by the staff who explained that this was done to meet the local auditor's requirement of having a proper invoice for each expense with complete details mentioned on the invoices. - It was further explained that the vendors normally do not write adequate details on account of which blank invoices were obtained and prepared by staff. - All payments were made in cash and no acknowledgement for the receipt of cash payments were available. All the above factors indicate possibility of misuse of Gavi funds. Thus, the amount of BDT 39,240 has been questioned, being charged on the basis of self prepared invoices without adequate third party supporting document. Transparency in procurement As per the PPR 2008, any procurement of stationery item that exceed BDT 25000, minimum 3 quotations should be obtained from vendors; however, bags were purchased for BDT 30,000. However, no selection process was followed. Documentation related observation Report was not prepared for the training	
15	Civil Surgeon Noakhali	10-Dec-12	New Vaccine Support/PCV Vaccine Introduction and training	At Begumoni Upazilla, Expenditure incurred towards PCV vaccine Introduction and training.	229,700			29,950			29,950	77.60	386	Similar handwriting on Invoices of different vendors: - Invoices relating to snacks/ refreshments, printing, etc. were prepared by the staff themselves on blank invoices obtained from vendors or on photocopies of blank invoices. The same was also confirmed by the staff who explained that this was done to meet the local auditor's requirement of having a proper invoice for each expense with complete details mentioned on the invoices. - It was further explained that the vendors normally do not write adequate details on account of which blank invoices were obtained and prepared by staff. - All payments were made in cash and no acknowledgements for the receipt of cash payments were available. All the above factors indicate possibility of misuse of Gavi funds. Thus, the amount of BDT 29,950 has been questioned, being charged on the basis of self prepared invoices without adequate third party supporting document. Documentation related observation Report was not prepared for the training.	
16	Civil Surgeon	17-Dec-12	MR Campaign - Operational Cost	At Begumoni Upazilla, expenditure incurred	1,694,210			607,260			607,260	77.40	7,846	Similar handwriting on Invoices of different vendors: 1. Invoices relating to snacks/ refreshments, printing, etc. were prepared by the staff themselves on blank invoices obtained from vendors	
17	Civil Surgeon	23-Sep-12	New Vaccine Support/Training on MR	At Begumoni Upazilla, expenditure incurred	351,130			13,080			13,080	81.30	161	Similar handwriting on Invoices of different vendors: Invoices relating to snacks/ refreshments, printing, etc. were prepared by the staff themselves on blank invoices obtained from vendors or	
18	Civil Surgeon Noakhali	30-Nov-12	New Vaccine Support/PCV Vaccine introduction and training	Expenditure incurred at Civil Surgeon Office towards the Training on Introduction of PCV Vaccine for Medical officers) & TOT Batch 1 & Batch 2.	281,180			12,640			12,640	77.60	163	Similar handwriting on Invoices of different vendors: Invoices relating to snacks/ refreshments, printing, etc. were prepared by the staff themselves on blank invoices obtained from vendors or on photocopies of blank invoices. The same was also confirmed by the staff who explained that this was done to meet the local auditor's requirement of having a proper invoice for each expense with complete details mentioned on the invoices. It was further explained that the vendors normally do not write adequate details on account of which blank invoices were obtained and prepared by staff. - All payments were made in cash and no acknowledgements for the receipt of cash payments were available. All the above factors indicate possibility of misuse of Gavi funds. Thus, cost of BDT 12,640 has been questioned, being charged on the basis of self prepared invoices without adequate third party supporting document. Government guidelines not followed: As per the government circular on Daily Subsistence Allowance entitlements, in case refreshments are provided to trainers, trainees, resource person and participants, the Daily Subsistence Allowance (DSA) needs to be deducted at the prescribed rates (which was equal to the cost of refreshments charged). As the invoices towards refreshments have been questioned being prepared by staff, no further expenditure has been questioned for this observation. Documentation related observations: There is no system in place for preparing reports of training.	
19	Civil Surgeon	7-Aug-12	HSS/ Activity 1.4 - Development of Activity	At Kabihat Upazilla, Expenditure has been	600,080			256,680			256,680	81.20	3,161	Similar handwriting on Invoices of different vendors: - Invoices relating to snacks/ refreshments, printing, etc. were prepared by the staff themselves on blank invoices obtained from vendors	

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					A	B	C	D	E	F	G=A+B+C+D+E+F	H	I=H/H		
19	Civil Surgeon	7-Aug-12	HSS/ Activity 1.4 - Development of 'Activity'	At Kabihat Upazilla, Expenditure has been	600,080			256,680				256,680	81.20	3,161	Similar handwriting on invoices of different vendors: - Invoices relating to snacks/ refreshments, printing, etc. were prepared by the staff themselves on blank invoices obtained from vendors.
20	Civil Surgeon	7-Aug-12	HSS/ Activity 1.4 - Development of 'Activity'	At Begumgonj Upazilla, expenditure was	1,426,580			613,180				613,180	81.20	7,551	Similar handwriting on invoices of different vendors: - Invoices relating to snacks/ refreshments, printing, etc. were prepared by the staff themselves on blank invoices obtained from vendors or
21	Civil Surgeon	6-Dec-12	HSS/ Activity 1.4 - Development of 'Activity'	At Kabihat Upazilla, Expenditure has been	132,880			60,980				60,980	81.20	751	Similar handwriting on invoices of different vendors: - Invoices relating to snacks/ refreshments, printing, etc. have been prepared by the staff themselves on blank invoices obtained from
22	Civil Surgeon Noakhali	14-Aug-12	HSS/ Activity 1.4 - Development of 'Activity' Guide and orientation of Community Support Group (CSG) biannually.	At Begumgonj Upazilla, expenditure incurred towards the Community Support Group TOT held on 27 Sep to 4 Oct 2012.	291,540					10,820		10,820	81.20	133	Government guidelines not followed: 1. As per the government circular on Daily Subsistence Allowance entitlements, in case refreshments are provided to trainers, trainees, resource person and participants, the Daily Subsistence Allowance (DSA) needs to be deducted at the prescribed rates. In this case, the refreshment was provided to 244 participants for attending the workshop and the whole DSA amount was also reimbursed to the employees. Hence, the prescribed amount (i.e. BDT 30) which was supposed to be deducted has been paid extra to the 244 participants and charged to the grant. Thus, amount of BDT 10,820, (i.e. 244 participants * BDT 30 (as prescribed in rules) * 1 days) which needs to be recovered from the participants has been questioned. Procurement related issues: Expenditure incurred towards the purchase of bags amounted above the threshold of BDT 25,000; however, no selection process was followed for purchase of bags (amounting BDT 108560). Documentation related observation 1. Stock records for receipt, distribution, and balance of bags and stationery purchased for training were not maintained. 2. Training report was not prepared for this training.
23	Civil Surgeon Noakhali	28-Jun-12	HSS/ Activity 1.4 - Development of 'Activity' Guide and orientation of Community Support Group (CSG) biannually.	At Begumgonj Upazilla, expenditure incurred towards Community Clinic Management Group Training held on various dates	347,400			117,900				117,900	81.25	1,451	Similar handwriting on invoices of different vendors: Invoices relating to snacks/ refreshments, printing, etc. were prepared by the staff themselves on blank invoices obtained from vendors or on photocopies of blank invoices. The same was also confirmed by the staff who explained that this was done to meet the local auditor's requirement of having a proper invoice for each expense with complete details mentioned on the invoices. - It was further explained that the vendors normally do not write adequate details on account of which blank invoices were obtained and prepared by staff. - Only one invoice was available for refreshment of all trainings for the period of 25 May to 22 Jun 2012 without the date of invoice. - Payments were made in cash and no acknowledgements for the receipt of cash payments were available. All the above factors indicate possibility of misuse of Gavi funds. Thus, the amount of BDT 1,17,900 has been questioned, being charged on the basis of self prepared invoices without adequate third party supporting document. Government guidelines not followed: As per the government circular on Daily Subsistence Allowance entitlements, in case refreshments are provided to trainers, trainees, resource person and participants, the Daily Subsistence Allowance (DSA) needs to be deducted at the prescribed rates (which was equal to the cost of refreshments charged). As the invoices towards refreshments have been questioned being prepared by staff, no further expenditure has been questioned for this observation. Documentation related observation It was explained that there is no system in place for preparing reports of trainings.
Civil Surgeon Noakhali Sub Total					2,798,480	-	-	1,048,740	-	10,820	-	1,059,560		13,048	
1	DSCC	20-Mar-14	MR Campaign - Operational Cost	Expenditure has been incurred by Zone 5 of	3,119,160		11,320	1,404,890	252,000			1,668,210	77.40	21,553	Similar handwriting on invoices of different vendors: 1. Invoices relating to snacks/ refreshments, printing, etc. were prepared by the staff themselves on blank invoices obtained from vendors
2	DSCC	8-May-14	MR Campaign - Operational Cost	Expenditure incurred by DSCC towards Orientation of Doctors of District Hospital and medical College Hospitals on AEFI Management during Measles - Rubella vaccination Campaign	43,000			30,000				30,000	77.02	390	Similar handwriting on invoices of different vendors: - Invoices relating to snacks/ refreshments, stationery, etc. have been prepared by the staff themselves on blank invoices obtained from vendors or on photocopies of blank invoices. The same was also confirmed by the staff, which was explained having been done to meet the local auditor's requirement of having a proper invoice for each expense with complete details mentioned on the invoices. It was further explained that the vendors normally do not write adequate details on account of which blank invoices were obtained and prepared by staff. - All payments were made in cash and no cash payment receipt was available. On account of the above, there is a possibility of misuse of Gavi funds. Thus, the amount of BDT 30,000 has been questioned, being charged on the basis of self prepared invoices without adequate third party supporting document. Government guidelines not followed: As per the government circular on Daily Subsistence Allowance entitlements, in case refreshments/lunch are provided to trainers, trainees, resource person and participants, the Daily Subsistence Allowance (DSA) needs to be deducted at the prescribed rates. As the invoices towards refreshments have been questioned being prepared by staff, no further expenditure has been questioned for this observation. Documentation related observation Report is not prepared for this orientation meeting.
3	DSCC	7-May-14	MR Campaign - Operational Cost	Expenditure incurred by DSCC towards MR Campaign held at Dhaka South City Corporation during 25 Jan to 13 Feb 2014.	164,420			90,320				90,320	77.40	1,167	Similar handwriting on invoices of different vendors: - Invoices relating to snacks/ refreshments, printing, etc. were prepared by the staff themselves on blank invoices obtained from vendors or on photocopies of blank invoices. The same was also confirmed by the staff who explained that this was done to meet the local auditor's requirement of having a proper invoice for each expense with complete details mentioned on the invoices. It was further explained that the vendors normally do not write adequate details on account of which blank invoices were obtained and prepared by staff. - All payments were made in cash and no cash payment receipts were available. On account of the above, there is a possibility of misuse of Gavi funds. Thus, the amount of BDT 90,320 has been questioned, being charged on the basis of self prepared invoices without adequate third party supporting document. Documentation related observation 1. The following documents were not available related to attendance sheet of participants for the following workshops: - Launching Workshop - 25 Jan 2014 - Press Conference - 19 Dec 2013 - 2 Coordination Consultative Workshop - 6 Jan 2014 - Advocacy Workshop - 6 Jan 2014 2. For various meetings conducted during MR campaign, no minutes were prepared.
4	DSCC	7-May-14	New Vaccine Support/PCV Vaccine Introduction and training	Expenditure has been incurred towards Training on introduction of PCV Vaccine (Medical Officers) at Zone 1 of Dhaka South City Corporation.	116,270			15,270				15,270	77.60	197	Similar handwriting on invoices of different vendors: - Invoices relating to snacks/ refreshments, printing, etc. were prepared by the staff themselves on blank invoices obtained from vendors or on photocopies of blank invoices. The same was also confirmed by the staff who explained that this was done to meet the local auditor's requirement of having a proper invoice for each expense with complete details mentioned on the invoices. It was further explained that the vendors normally do not write adequate details on account of which blank invoices were obtained and prepared by staff. - All payments were made in cash and no cash payment receipts were available. On account of the above, there is a possibility of misuse of Gavi funds. Thus, the amount of BDT 15,270 has been questioned, being charged on the basis of self prepared invoices without adequate third party supporting document. Government guidelines not followed: As per the government circular on Daily Subsistence Allowance entitlements, in case refreshments are provided to trainers, trainees, resource person and participants, the Daily Subsistence Allowance (DSA) needs to be deducted at the prescribed rates (which was equal to the cost of refreshments charged). As the invoices towards refreshments have been questioned being prepared by staff, no further expenditure has been questioned for this observation. Documentation related observation 1. Reports for the training were not prepared.

S. No.	Entity	Date	Programme/ Activity No./ Name	Description/Details	Expenditure Amount (BDT)	Unsupported Expenditure	Inadequately supported Expenditure	Similar handwriting for different Vendors	Excessive Payments/ Expenditures	Expenditure not in accord with Govt's policies	Lack of transparency in procurement	Total Expenditure Questioned (BDT)	Exchange Rate	Total Expenditure Questioned (USD)	Comments:
						A	B	C	D	E	F	G=A+B+C+ D+E+F	H	I=G/H	
5	DSCC	7-May-14	New Vaccine Support/PCV Vaccine Introduction and training	Expenditure incurred towards Training on introduction of PCV Vaccine (Medical Officers) at Zone 5	216,810			13,090				13,090	77.60	169	<p>Similar handwriting on invoices of different vendors:</p> <p>- Invoices relating to snacks/ refreshments, printing, etc. were prepared by the staff themselves on blank invoices obtained from vendors or on photocopies of blank invoices. The same was also confirmed by the staff who explained that this was done to meet the local auditor's requirement of having a proper invoice for each expense with complete details mentioned on the invoices. It was further explained that the vendors normally do not write adequate details on account of which blank invoices were obtained and prepared by staff.</p> <p>- All payments were made in cash and no cash payment receipt was available. There is no signature of vendor in the invoice as well. On account of the above, there is a possibility of misuse of Gavi funds. Thus, the amount of BDT 13,090 has been questioned, being charged on the basis of self prepared invoices without adequate third party supporting document.</p> <p>Government guidelines not followed:</p> <p>1. As per the government circular on Daily Subsistence Allowance entitlements, in case refreshments are provided to trainers, trainees, resource person and participants, the Daily Subsistence Allowance (DSA) needs to be deducted at the prescribed rates (which was equal to the cost of refreshments charged). As the invoices towards refreshments have been questioned being prepared by staff, no further expenditure has been questioned for this observation.</p> <p>Documentation related observation</p> <p>1. Report was not prepared for this training.</p> <p>2. Stock records related to purchase and distribution of stationery items were not maintained.</p>
6	DSCC	16-Oct-12	New Vaccine Support/Training on MR and MCV2 vaccine introduction	Expenditure incurred by Zone 5 towards Supervisors and Vaccinators/FW Training on MR and MCV-2 Vaccine 2012.	253,810			28,210				28,210	81.30	347	<p>Similar handwriting on invoices of different vendors:</p> <p>- Invoices relating to snacks/ refreshments, printing, etc. were prepared by the staff themselves on blank invoices obtained from vendors or on photocopies of blank invoices. The same was also confirmed by the staff who explained that this was done to meet the local auditor's requirement of having a proper invoice for each expense with complete details mentioned on the invoices. It was further explained that the vendors normally do not write adequate details on account of which blank invoices were obtained and prepared by staff.</p> <p>- All payments were made in cash and no cash payment receipts were available.</p> <p>On account of the above, there is a possibility of misuse of Gavi funds. Thus, the amount of BDT 28,210 has been questioned, being charged on the basis of self prepared invoices without adequate third party supporting document.</p> <p>Government guidelines not followed:</p> <p>1. As per the government circular on Daily Subsistence Allowance entitlements, in case refreshments are provided to trainers, trainees, resource person and participants, the Daily Subsistence Allowance (DSA) needs to be deducted at the prescribed rates. As the invoices towards refreshments have been questioned being prepared by staff, no further expenditure has been questioned for this observation.</p> <p>Documentation related observations</p> <p>1. Stationery records were not maintained for the purchase of stationery items during the training.</p> <p>2. It was explained that there is no system of preparing reports of the training.</p>
DSCC Sub Total					470,620	-	-	41,300	-	-	-	41,300		516	
1	Civil Surgeon B.Barua	4-Jun-12	HSS/ Activity 1.4 - Development of 'Activity Guide and orientation of Community Support Group (CSG)' biannually.	Expenditure incurred towards CC Management Group Training held in Sadar Upazilla during May to June 2012.	679,000			234,000				234,000	81.30	2,878	<p>Similar handwriting on invoices of different vendors:</p> <p>1. Only one invoice was available for refreshment supplied for training of 20 Batches (29 May to 26 Jun 2012) from one party and handwriting/signature on invoice of refreshment and stationery items of various vendors were same. The same was also confirmed by the staff who explained that this was done to meet the local auditor's requirement of having a proper invoice for each expense with complete details mentioned on the invoice. It was further explained that the vendors normally do not write adequate details on account of which blank invoices were obtained and prepared by staff. All payments were made in cash and no cash payment receipts were available. Thus, expenditure of BDT 234,000 has been questioned.</p> <p>Government guidelines not followed:</p> <p>1. As per the government circular on Daily Subsistence Allowance entitlements, in case refreshments are provided to trainers, trainees, resource person and participants, the Daily Subsistence Allowance (DSA) needs to be deducted at the prescribed rates. As the invoices towards refreshments have been questioned being prepared by staff, no further expenditure has been questioned for this observation.</p> <p>Documentation related observation</p> <p>1. It was explained that there is no system in place for preparing training reports.</p>
2	Civil Surgeon	13-Jun-12	HSS/ Activity 1.5 - Observation of Health	Expenditure incurred by Sadar Upazilla towards	423,900		81,000	310,500				391,500	81.30	4,815	<p>Similar handwriting on invoices of different vendors:</p> <p>- Invoices relating to snacks/ refreshments, printing, etc. were prepared by the staff themselves on blank invoices obtained from vendors</p>
3	Civil Surgeon	24-Sep-12	New Vaccine Support/Training on MR	Expenditure incurred by Sadar Upazilla towards	338,110			81,560				81,560	81.30	1,003	<p>Similar handwriting on invoices of different vendors:</p> <p>- Invoices relating to snacks/ refreshments, printing, etc. were prepared by the staff themselves on blank invoices obtained from vendors</p>
4	Civil Surgeon	11-Oct-12	HSS/ Activity 2.4 - Community Group (CC)	Expenditure incurred by Sadar Upazilla towards	346,680			180,880				180,880	81.30	2,225	<p>Expenditure with indicators of possible misuse:</p> <p>- Invoices relating to snacks/ refreshments, printing, etc. were prepared by the staff themselves on blank invoices obtained from vendors</p>
5	Civil Surgeon	31-Oct-12	HSS/ Activity 2.4 - Community Group (CC)	Expenditure has been incurred by Sadar	1,764,380	900		827,080				827,980	81.30	10,184	<p>Unsupported Expenditure.</p> <p>The total of supporting documents attached with the voucher was BDT 17,63,480 whereas the expenditure of BDT 17,64,380 was charged to</p>
6	Civil Surgeon	29-Dec-13	MR Campaign - Operational Cost	Expenditure incurred by Sadar Upazilla towards	1,189,020		219,600	439,870				659,470	77.40	8,520	<p>Inadequately supported Expenditure</p> <p>Payments were made to 24 Rikshawwala of Sadar Upazilla towards travelling of filed worker/vaccinator etc., based on the budgeted</p>
7	Civil Surgeon B.Barua	17-Dec-14	New Vaccine Support/PCV Vaccine Introduction and training	Advance has been adjusted by Sadar Upazilla against the expenditure incurred for PCV Vaccine Training on various dates	170,460			23,235				23,235	77.60	299	<p>Similar handwriting on invoices of different vendors:</p> <p>- Invoices relating to snacks/ refreshments, printing, etc. were prepared by the staff themselves on blank invoices obtained from vendors or on photocopies of blank invoices. The same was also confirmed by the staff who explained that this was done to meet the local auditor's requirement of having a proper invoice for each expense with complete details mentioned on the invoices. It was further explained that the vendors normally do not write adequate details on account of which blank invoices were obtained and prepared by staff.</p> <p>- All payments were made in cash and no cash payment receipts were available.</p> <p>On account of the above, there is a possibility of misuse of Gavi funds. Thus, the amount of BDT 23,235 has been questioned, being charged on the basis of self prepared invoices without adequate third party supporting document.</p> <p>Government guidelines not followed:</p> <p>1. As per the government circular on Daily Subsistence Allowance entitlements, in case refreshments are provided to trainers, trainees, resource person and participants, the Daily Subsistence Allowance (DSA) needs to be deducted at the prescribed rates (which was equal to the cost of refreshments charged). As the invoices towards refreshments have been questioned being prepared by staff, no further expenditure has been questioned for this observation.</p> <p>Documentation related observations</p> <p>1. Stationery records were not maintained for the purchase of stationery items during the training.</p> <p>2. Report was not prepared for the training.</p>

S. No.	Entity	Date	Programme/ Activity No./ Name	Description/Details	Expenditure Amount (BDT)	Unsupported Expenditure	Inadequately supported Expenditure	Similar handwriting for different Vendors	Excessive Payments/ Expenditures	Expenditure not in accord with Govt's policies	Lack of transparency in procurement	Total Expenditure Questioned (BDT)	Exchange Rate	Total Expenditure Questioned (USD)	Comments: (Note: For each expense weighted average of the monthly exchange rate, calculated on the basis of actual funds converted, at the time of the expense has been used)
					A	B	C	D	E	F	G=A+B+C+D+E+F	H	I=G/H		
8	Civil Surgeon B.Baria	NA	MR Campaign - Operational Cost	Expenditure incurred towards the MR Campaign held during 25 Jan 2014 to 13 Feb 2014 by B. Baria Municipal.	463,485			190,331	12,089			202,420	77.40	2,615	Excess Expenditure While making the payment to the vendor towards refreshment and stationery items, VAT has been reduced from invoices, however; VAT has been not deposited and expenditure has been fully charged to GAVI. Hence, expenditure of BDT 12,089 has been questioned, being excess expenditure charged to project. Similar handwriting on invoices of different vendors: -Invoices relating to snacks/ refreshments, printing, etc. were prepared by the staff themselves on blank invoices obtained from vendors or on photocopies of blank invoices. The same was also confirmed by the staff who explained that this was done to meet the local auditor's requirement of having a proper invoice for each expense with complete details mentioned on the invoices. It was further explained that the vendors normally do not write adequate details on account of which blank invoices were obtained and prepared by staff. - All payments were made in cash and no cash payment receipts were available. On account of the above, there is a possibility of misuse of Gavi funds. Thus, the amount of BDT 1,90,331 (net of VAT) has been questioned, being charged on the basis of self prepared invoices without adequate third party supporting document. Documentation related observations Various training and workshop were held during the campaign, however; no reports and minutes of meetings were prepared.
9	Civil Surgeon B.Baria	30-Oct-11	HSS/ Activity 1.1 - Recruitment and training of 'Community MCH and Immunization Workers' where HA/FWA post lying vacant	Payment made by Sadar Upazilla to 5 Volunteer Honorarium for the period July 11 to Dec 2011	36,000		36,000					36,000	74.60	483	Inadequately supported Expenditure Five volunteers were recruited with the financial support of Gavi in the vacant 5 ward of the sadar upazilla where vaccination activities hampering. Only acknowledgement for payments and letter from UH&FPO was provided for the work performed by the volunteer. But no other supporting documents like tally sheet, details of wards where required the volunteer. It was explained that no agreements were done with them and appointed verbally. Thus, the amount of BDT 36,000 has been questioned, being inadequately supported expenditure.
10	Civil Surgeon B.Baria	13-Jun-12	HSS/ Activity 2.1- For each administrative level, develop a supervisory tool to assist supervisors to monitor problems with the supply of and access to MCH services.	Payments made by Sadar Upazilla to (UH&FPO, UFPO,MODC) towards DSA for the Union and ward-level supervision.	5,600		5,600					5,600	81.30	69	Inadequately supported Expenditure DSA payment was made to UH&FPO, UFPO,MODC for supervisory visit; however, no trip report and office order for the supervisory visit was not made available. It was explained that DSA was paid to the officers based on the availability of budget. Thus, the amount of BDT 5,600 has been questioned, being inadequately supported expenditure.
11	Civil Surgeon B.Baria	20-Nov-12	HSS/ Activity 3.6: Priority water and sanitation repairs for all CCS, including water (arsenic) filters supplied to all CCS with arsenic contamination.	At Sadar Upazilla, expenditure incurred towards maintenance tube well and toilet at 38 Community Clinics.	66,250			48,525				48,525	81.10	598	Similar handwriting on invoices of different vendors: Invoices relating to purchase of hardware items for maintenance of tube well and toilets were prepared by the staff themselves on blank invoices obtained from vendors or on photocopies of blank invoices. The same was also confirmed by the staff who explained that this was done to meet the local auditor's requirement of having a proper invoice for each expense with complete details mentioned on the invoices. It was further explained that the vendors normally do not write adequate details on account of which blank invoices were obtained and prepared by staff. Further, expenditure has been incurred as per the budget and through cash and budget was available for 53 CC but total expenditure incurred was for 38 CCS only. All payments were made in cash. On account of the above, there is a possibility of misuse of Gavi funds. Thus, the amount of BDT 48,525 has been questioned, being charged on the basis of self prepared invoices without adequate third party supporting document.
12	Civil Surgeon B.Baria	17-Sep-12	New Vaccine Support/Training on MR and MCV2 vaccine introduction	Expenditure incurred towards MR & MCV2 Vaccine Orientation at Sadar upazilla	135,470			34,520				34,520	81.30	425	Similar handwriting on invoices of different vendors: -Invoices relating to snacks/ refreshments, printing, etc. were prepared by the staff themselves on blank invoices obtained from vendors or on photocopies of blank invoices. The same was also confirmed by the staff who explained that this was done to meet the local auditor's requirement of having a proper invoice for each expense with complete details mentioned on the invoices. It was further explained that the vendors normally do not write adequate details on account of which blank invoices were obtained and prepared by staff. - All payments were made in cash and no cash payment receipts were available. On account of the above, there is a possibility of misuse of Gavi funds. Thus, the amount of BDT 34,520 has been questioned, being charged on the basis of self prepared invoices without adequate third party supporting document. Documentation related observations Report was not prepared for the training held at Dhaka office.
13	Civil Surgeon B.Baria	5-Mar-13	HSS/ Activity 2.3: Pilot joint monthly reporting on performance of CCS, between Upazillas Family Planning and Health Service Directorates' (AHI & HI & FPI), with monthly review meetings jointly chaired by UH&FPO & UFPO.	Payment made to CS and DFPO towards DSA for attending AHI, HI and FPI combined Monthly Meeting - May & Jun 2012	7,000		7,000					7,000	81.30	86	Inadequately supported Expenditure DSA payment was made to CS and DFPO towards DSA for attending Monthly review meeting; however, trip report and office order for the supervisory visit were not made available. It was explained that DSA was paid to the officers based on the availability of budget. Thus, the amount of BDT 7,000 has been questioned, being inadequately supported expenditure.
14	Civil Surgeon B.Baria	22-Oct-12	HSS/ Activity 2.5 - CC Management committee (10HA+FWA) hold monthly management review meeting	Payment made to CS and DFPO towards DSA for attending Monthly combined meeting at Community level for the period Oct 12 to June 13	6,000		6,000					6,000	81.30	74	Inadequately supported Expenditure DSA payment was made to CS and DFPO towards DSA for attending Monthly review meeting, however, trip report and office order for the supervisory visit were not made available. It was explained that DSA was paid to the officers based on the availability of budget. Thus, the amount of BDT 6,000 has been questioned, being inadequately supported expenditure.
15	Civil Surgeon B.Baria	21-Jan-14	MR Campaign - Operational Cost	Expenditure has been incurred towards MR Campaign at B. Baria C.S. Office	399,210	4,300				42,380		46,680	77.40	603	Unsupported Expenditure. The total of supporting documents attached with the voucher was BDT 394,910 whereas the expenditure of BDT 399,210 was charged to the Gavi program. Thus, the amount of BDT 4,300 has been questioned, being unsupported. Government guidelines not followed: 1. As per the government circular on Daily Subsistence Allowance entitlements, in case refreshments are provided to trainers, trainees, resource person and participants, the Daily Subsistence Allowance (DSA) needs to be deducted at the prescribed rates. In this case, refreshment lunch was provided to various participants for attending the workshop/MR campaign and the whole DSA amount was also reimbursed to the employees. Hence, the prescribed amount (i.e. BDT 40 for refreshment and BDT 100 for lunch) which was supposed to be deducted has been paid extra to the various participants and charged to the grant. Thus, amount of BDT 42,380 for 1 day paid excess to participants has been questioned. Documentation related observation 1. Records were not maintained for receipt and disbursement of bags and stationery purchased for training. 2. Training report was not prepared for these trainings. 3. Supervisory visits reports were not available for visits done during MR Campaign.

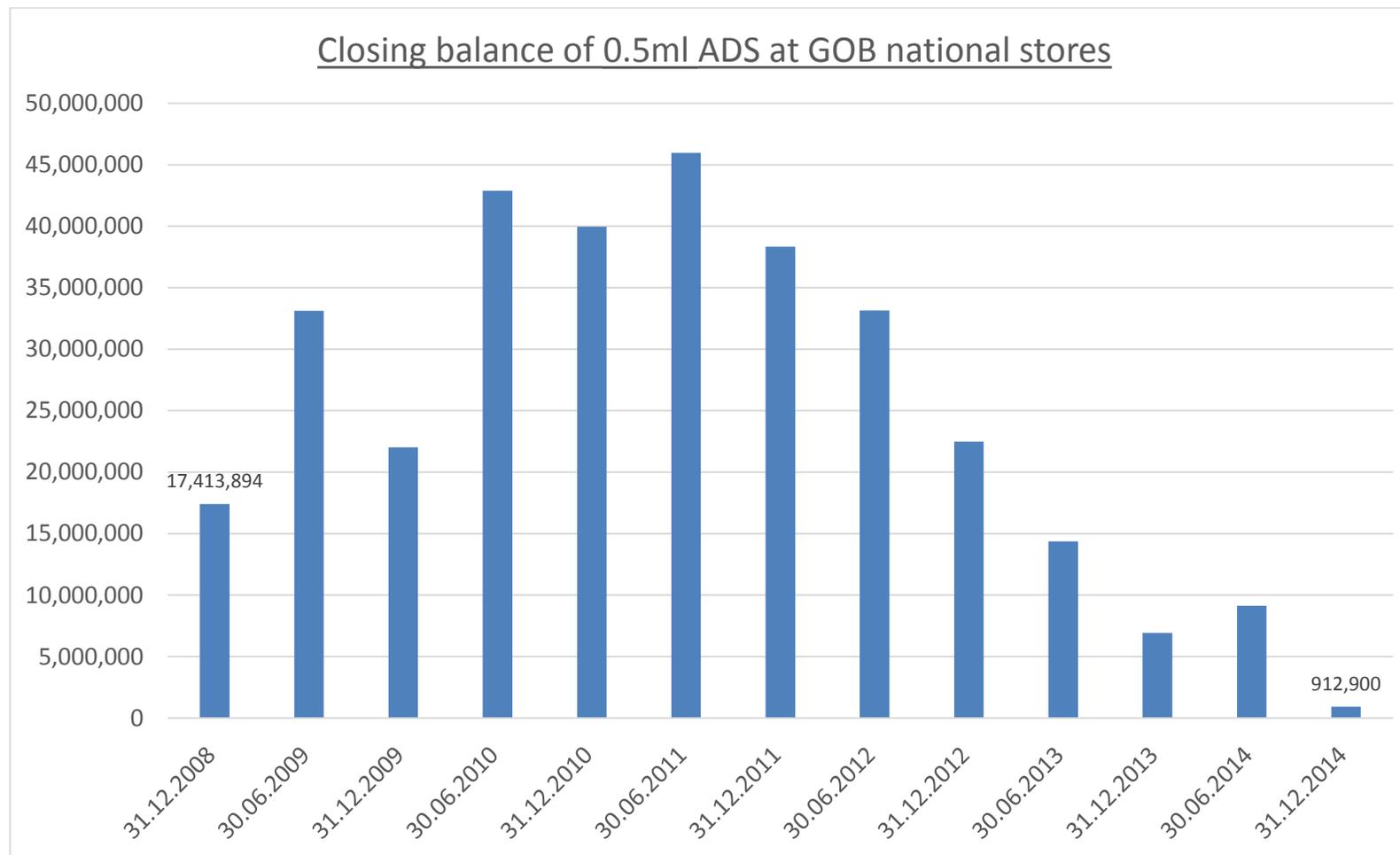
S. No.	Entity	Date	Programme / Activity No./ Name	Description/Details	Expenditure Amount (BDT)	Unsupported Expenditure	Inadequately supported Expenditure	Similar handwriting for different Vendors	Excessive Payments/ Expenditures	Expenditure not in accord with Govt's policies	Lack of transparency in procurement	Total Expenditure Questioned (BDT)	Exchange Rate	Total Expenditure Questioned (USD)	Comments (Notes: For each expense weighted average of the monthly exchange rate, calculated on the basis of actual funds converted, at the time of the expense has been used)
						A	B	C	D	E	F	G=A+B+C+D+E+F	H	I=G/H	
16	Civil Surgeon B.Baria	17-Dec-14	New Vaccine Support/ PCV Vaccine Introduction and training	Expenditure incurred by CS office towards the PCV vaccine training.	116,300					1,700		1,700	77.60	22	Government guidelines not followed: 1. As per the government circular on Daily Subsistence Allowance entitlements, in case refreshments were provided to trainers, trainees, resource person and participants, the Daily Subsistence Allowance (DSA) needs to be deducted at the prescribed rates. In this case refreshment/lunch was provided to 41 participants for attending the workshop and the whole DSA amount is also reimbursed to the employees. Hence, the prescribed amount (i.e. BDT 40 for refreshment/BDT 100 for lunch) which was supposed to be deducted has been paid extra to the 41 participants and charged to the grant. Thus, amount of BDT 1700 (i.e. 40 participants * BDT 40 (as prescribed in rules for refreshment)/1 participants@100 (as prescribed in rules for lunch)* 1 days) excess paid to participants has been questioned. Documentation related observation 1. Records were not maintained for receipt and disbursement of bags and stationery purchased for training. 2. Training report was not prepared for this trainings.
17	Civil Surgeon B.Baria	17-Dec-14	New Vaccine Support/ PCV Vaccine Introduction and training	Expenditure incurred by CS Office towards the PCV vaccine training.	33,910					1,600		1,600	77.60	21	Government guidelines not followed: 1. As per the government circular on Daily Subsistence Allowance entitlements, in case refreshments are provided to trainers, trainees, resource person and participants, the Daily Subsistence Allowance (DSA) needs to be deducted at the prescribed rates. In this case refreshment/lunch has been provided to 37 participants for attending the workshop and the whole DSA amount is also reimbursed to the employees. Hence, the prescribed amount (i.e. BDT 40 for refreshment/BDT 100 for lunch) which was supposed to be deducted has been paid extra to the 41 participants and charged to the grant. Thus amount of BDT 1600 (i.e. 35 participants * BDT 40 (as prescribed in rules for refreshment)/2 participants@ BDT100(as prescribed in rules for lunch) * 1 days) excess paid to participants has been questioned. Documentation related observation 1. Records were not maintained for receipt and disbursement of bags and stationery purchased for training. 2. Training report is not prepared for this trainings.
18	Civil Surgeon B.Baria	17-Dec-14	New Vaccine Support/ PCV Vaccine Introduction and training	Expenditure incurred by CS Office towards the PCV vaccine training.	160,760					1,920		1,920	77.60	25	Government guidelines not followed: 1. As per the government circular on Daily Subsistence Allowance entitlements, in case refreshments are provided to trainers, trainees, resource person and participants, the Daily Subsistence Allowance (DSA) needs to be deducted at the prescribed rates. In this case refreshment has been provided to 48 participants for attending the workshop and the whole DSA amount is also reimbursed to the employees. Hence, the prescribed amount (i.e. BDT 40) which was supposed to be deducted has been paid extra to the 41 participants and charged to the grant. Thus, amount of BDT 1920 (i.e. 48 participants * BDT 40 (as prescribed in rules) * 1 days) excess paid to participants has been questioned. Documentation related observation 1. Records were not maintained for receipt and disbursement of bags and stationery purchased for training. 2. Training report was not prepared for this trainings.
Civil Surgeon B.Baria Sub Total					310,970	-	-	-	-	5,220	-	5,220		67	
1	Civil Surgeon Office,	16-Mar-14	MR Campaign - Operational Cost	Expenditure incurred during MR Campaign at 51 wards of Barora	1,734,290	30,000	624,050	649,260	82,800	-	-	1,386,110	77.40	17,908	Unsupported Expenditure: 1. The total of supporting documents attached with the voucher was BDT 1,704,290 whereas the expenditure of BDT 1,734,290 was charged to the Gavi program. Thus, the amount of BDT 30,000 has been questioned, being unsupported.
2	Civil Surgeon	16-Mar-14	MR Campaign - Operational Cost	Expenditure incurred during MR Campaign at	1,004,660	-	-	379,170	-	-	-	379,170	77.40	4,899	Similar handwriting on invoices of different vendors: 1. Invoices relating to snacks/ refreshments, printing, etc. were prepared by the staff themselves on blank invoices obtained from vendors
3	Civil Surgeon	16-Mar-14	MR Campaign - Operational Cost	Expenditure incurred during MR Campaign at	2,220,940	-	-	387,300	79,200	-	-	466,500	77.40	6,027	Similar handwriting on invoices of different vendors: 1. Invoices relating to snacks/ refreshments, printing, etc. were prepared by the staff themselves on blank invoices obtained from vendors
4	Civil Surgeon	10-Dec-11	ISS/ Envelope Budget	Payment made to 7 volunteers during July	42,000	-	42,000	-	-	-	-	42,000	74.60	563	Inadequately Supported Expenditure: 1. Payment sheets signed by volunteers and SOE from Barora Upazilla for the period Jul-Sep 2011 were not available in originals; instead
5	Civil Surgeon Office, Comilla	7-Jul-12	ISS/ Envelope Budget	Payment made to 7 volunteers during Jan-Mar 2012 and to 10 volunteers during Apr-Jun 2012 and AEFI expenditure at Barora Upazilla	116,400	-	116,400	-	-	-	-	116,400	82.60	1,409	Inadequately Supported Expenditure: 1. Payment sheets signed by volunteers and SOE from Barora Upazilla for the period Jan-Jun 2012 were not available in originals; instead photocopies were available. It was explained that original documents were lost. Thus, the amount of BDT 115,200 has been questioned, being inadequately unsupported. 2. Towards AEFI expenditure of Tk. 1,200, it was explained that original supporting have been submitted to EPI Dhaka office, but original documents were also not available at EPI HQ. Thus, the amount of BDT 1,200 has been questioned, being inadequately unsupported. 3. Though salary was paid to following volunteer, but tally sheets for some of the months were missing: - Shiyazul Islam: Tally sheets not available (4 out of 4 months) - Salma Akhtar: Tally sheets for 3 months (out of 8 months) not available - Naazneen: Tally sheets for 1 month (out of 8 months) not available - Shimil Akhtar: Tally sheets not available (2 out of 2 months) - Abdus Salam: Tally sheets not available (2 out of 2 months) As the entire expenditure has been questioned above, being charged on the basis of photocopies, the financial impact of this observation of BDT 28,800 has not been separately questioned. Documentation Related Observations: 1. Salary payments were made to three volunteers (Shiyazul Islam, Md. Ali & Shahida begum) in May-Jun 2012, but no appointment order was issued for them. 2. One volunteer (Shahida begum) was appointed from 01-May-2012 and was paid salary from that date, but additional 6 tally sheets with her name and signature were available bearing dates in April 2012. No explanation was provided on how she worked as Gavi volunteer in April 2012.
6	Civil Surgeon Office, Comilla	29-Feb-12	ISS/ Envelope Budget	Payment made to 7 volunteers during Jan-Dec 2011 at Sadar (South) Upazilla	50,400	-	50,400	-	-	-	-	50,400	74.60	676	Inadequately Supported Expenditure: 1. Payment sheets signed by volunteers and SOE from Sadar (South) Upazilla for the period Jul-Dec 2011 were not available in originals; instead photocopies were available. It was explained that original documents were lost. Thus, the amount of BDT 50,400 has been questioned, being inadequately unsupported. 2. Polish Chandra Debonath worked from July 11 to Oct 2011 as Gavi Volunteer in Baghmara Union Ward # 2. It was explained that government appointed Health Assistant worked in this location in Nov-Dec 2012. Tally sheets were available only till October 2011 and for Nov-Dec 2012, tally sheets were not available. However, Polish Chandra Debonath worked again in 2012 as Gavi Volunteer in the same union (as per the tally sheets), but no explanation how this swapping was done. Payment was made for all 6 months (Jul-Dec 2011) @ BDT 3,600 per month. As the entire expenditure has been questioned above, being charged on the basis of photocopies, the financial impact of this observation of BDT 7,200 has not been separately questioned. 3. Tally sheets of two Gavi volunteers (Ridhwan & Ghulam Hyder in union Bhuloin and West Jorkan respectively) for Jul 2011 were not available. It was explained that government employed Health Assistant signed the tally sheet and the volunteers were working with him and did not sign the tally sheets. Based on discussion at EPI headquarter, Gavi volunteers were appointed only at locations where government appointed Health Assistant was not available. Thus, salary payments of BDT 7,200 to these two volunteers was inadequately supported. As the entire expenditure has been questioned above, being charged on the basis of photocopies, the financial impact of this observation of BDT 7,200 has not been separately questioned.

S. No.	Entity	Date	Programme/ Activity No./ Name	Description/Details	Expenditure Amount (BDT)	Expenditures Questioned (BDT)						Total Expenditure Questioned (BDT)	Exchange Rate	Total Expenditure Questioned (USD)	Comments: (Note: For each expense weighted average of the monthly exchange rate, calculated on the basis of actual funds converted, at the time of the expense has been used)
						Unsupported Expenditure	Inadequately supported Expenditure	Similar handwriting for different Vendors	Excessive Payments/ Expenditures	Expenditure not in accord with Govn't policies	Lack of transparency in procurement				
7	Civil Surgeon Office, Comilla	28-Jun-12	ISS/ Envelope Budget	Payment made to 8 volunteers during Jan-Mar 2012 and to 9 volunteers during Apr-Jun 2012 at Sadar (South) Upazilla	120,000	-	120,000	-	-	-	-	120,000	82.60	1,453	Inadequately Supported Expenditure: 1. Payment sheets signed by volunteers and SOEs from Sadar (South) Upazilla for the period Jan-Jun 2012 were not available in originals; instead photocopies were available. It was explained that original documents were lost. Thus, the amount of BDT 120,000 has been questioned, being inadequately unsupported. Documentation Related Observations: 1. Against 8 days EPI session carried out by Gavi volunteers, only 7 tally sheets were available for all the 6 months for 8 out of 9 Gavi volunteers. It was explained that sheets for one sub-block were misplaced and were not traceable.
8	Civil Surgeon Office, Comilla	29-Sep-12	ISS/ Envelope Budget	Payment made to 5 volunteers during Jul-Aug 2012 at Muradnagar Upazilla	24,000	-	24,000	-	-	-	-	24,000	81.30	295	Inadequately Supported Expenditure: 1. Payment sheets signed by volunteers from Muradnagar Upazilla for the period Jan-Jun 2012 were not available in originals; instead photocopies were available. It was explained that original documents were lost. Thus, the amount of BDT 120,000 has been questioned, being inadequately unsupported. Documentation Related Observations: 1. Single appointment order was issued for appointment of all 5 volunteers w.e.f 01-Jul-2012; however, no terms and conditions were mentioned in the same.
9	Civil Surgeon Office, Comilla	25-Sep-12	ISS/ Envelope Budget	Payment made to 12 volunteers during Jul-Aug 2012 at Barora Upazilla	57,600	-	4,800	-	-	-	-	4,800	81.30	59	Inadequately Supported Expenditure: 1. Tally sheets of one volunteer (Ameena Begum at Devra South Union) was not available for two months, though payment sheet was available. It was explained that tally sheets for this volunteer were not traceable, while sheets for other volunteers were available. Further, no appointment order was issued for her appointment. Thus, the amount of BDT 4,800 has been questioned, being inadequately unsupported. Documentation Related Observations: 1. Salary payments were made to two volunteers (Shuli & Abdus Salam), but no appointment order was issued for them.
10	Civil Surgeon Office, Comilla	2-Apr-14	HSS/ New Activity 7 - Need based nation wide support for volunteer against vacant post of health assistant	Payment made to 14 volunteers during Feb 2014 at Sadar (South) Upazilla	44,800	-	32,000	-	-	-	-	32,000	77.40	413	Inadequately Supported Expenditure: 1. Tally sheets of only 7 volunteers were available and for the remaining 7, tally sheets were not available, though payment sheets were available. It was explained that tally sheets for these volunteers were not traceable. Thus, the amount of BDT 22,400 has been questioned, being inadequately unsupported. 2. In respect of volunteers appointed in 3 unions (Baghmara - ward # 3, Baghmara - ward # 1 and Bhuloin - ward # 1), there was mismatch between names of volunteers mentioned in the tally sheets and payment sheets. Thus, though as per Tally sheet name of one person was mentioned, but payment was made to some other person as per details mentioned in the payment sheets. Thus, the amount of BDT 9,600 has been questioned, being inadequately unsupported. Documentation Related Observations: 1. Three new volunteers were appointed in Feb 2014, out of which appointment orders for only 2 volunteers were available. Appointment order was not issued for volunteer Suman Mia appointed at West Jorkanon Union.
11	Civil Surgeon	9-Dec-12	MR Campaign - Operational Cost	At CS Office, expenditure on carrying out advocacy	399,810	-	256,000	143,810	-	-	-	399,810	81.30	4,918	Similar handwriting on invoices of different vendors: 1. Invoices relating to snacks/ refreshments, printing, etc. were prepared by the staff themselves on blank invoices obtained from vendors
Civil Surgeon, Comilla Sub Total					5,814,900	30,000	1,269,650	1,559,540	162,000	-	-	3,021,190		38,620	
Grand Total (in BDT)					71,966,926	411,556	3,595,986	9,079,207	2,723,940	257,234	10,795,224	26,863,147		336,795	
Grand Total (in USD)					902,171	5,095	45,267	114,714	34,719	3,267	133,732				

Annex 24 – Abbreviations and acronyms

Acronyms	Full Form
USD	United States Dollar
AEFI	Adverse Effect Following Immunisation
AHI	Assistant Health Inspector
APR	Annual Progress Report
B. Baria	Brahamanbaria
BCG	Bacille Calmette-Guerin
BDT	Bangladeshi Taka
BTV	Bangladesh Television
CBHC	Community Based Health Care
CC	Community Clinic
CHCP	Community Health Care Provider
CIRDAP	Centre on Integrated Rural Development for Asia and the Pacific
CMSD	Central Medical Stores Depot
CNG	Compressed Natural Gas Rickshaw
CPA	Cash Programme Audit
CS	Civil Surgeon
CSBA	Community Skilled Birth Attendant
CSG	Community Support Group
DFPO	District Family Planning Officer
DISMO	District Immunisation and Surveillance Medical Officer
DMCH	District Maternal Child Health
DMCH&IO	District Maternal Child Health and Immunisation Officer
DSA	Daily Subsistence Allowance
DSCC	Dhaka South City Corporation
EPI	Expanded Programme on Immunisation
FMA	Financial Management Assessment
FPI	Family Planning Inspector
FWA	Family Welfare Assistant
HA	Health Assistant
HED	Health Engineering Department
HI	Health Inspector
HQ	Headquarter
HSS	Health Systems Strengthening
IPC	Interpersonal Communication
IPV	Inactivated Polio Vaccine
IRCH	Institute of Reproductive and Child Health
ISS	Immunisation Services Support
MCH	Mother-Child Health
MCV2	Measles-containing Vaccine 2nd dose
MNC&IW	Maternal, Neonatal, Child and Immunisation Worker

Acronyms	Full Form
MNCH	Maternal, Neonatal and Child Health
MO	Medical Officer
MODC	Medical Office Disease Control
MOHFW	Ministry of Health and Family Welfare
MR	Measles Rubella
MT (EPI)	Medical Technologist (Expanded Programme on Immunisation)
NA	Not Applicable
NID	National Immunisation Day
NVS	New Vaccine Support
OGSB	Obstetrical and Gynaecological Society of Bangladesh
OPV	Oral Polio Vaccine
PCV	Pneumococcal Conjugate Vaccine
PFA	Partnership Framework Agreement
PIC	Programme Implementation Committee
PPA	Public Procurement Act
PPR	Public Procurement Rules
PwC Geneva	PricewaterhouseCoopers SA
PWCALLP	Price Waterhouse Chartered Accountants LLP
PWD	Public Works Department
RFQ	Request for Quotation
SBA	Skilled Birth Attendant
SOE	Statement of Expenditure
SWPMM	Sector Wide Programme Management and Monitoring
TA	Travel/ Transport Allowance
TEC	Tender Evaluation Committee
TESC	Tender Evaluation Sub-Committee
TOT	Training of Trainers
UFPO	Upazilla Family Planning Officer
UHFPO/ UH&FPO	Upazilla Health and Family Planning Officer
UNICEF	The United Nations Children's Fund
UPS	Uninterrupted Power Supply
VAT	Value Added Tax
VIG	Vaccine Introduction Grant
WAP	Weighted Average Price
WHO	World Health Organization
USD	United States Dollar

Annex 25 – Closing balance of 0.5ml Auto-disabled syringes at GOB national stores

Annex 26 – Definitions of audit terms - Ratings, Causes, Risks, and Priorities

A. CATEGORIES OF RISK RATINGS

The severity of the potential impact of each issue or risk is rated in accordance to the following three-point scale, as follows: High – Medium – Low.

B. CATEGORIES OF PRIORITIZATION RATING

The prioritization of the recommendations included in this report includes proposed deadlines for completion as discussed with the Ministry of Health, and an indication of how soon the recommendation should be implemented. The urgency and priority for addressing recommendations is rated using the following three-point scale, as follows: Critical – Essential – Desirable.

The three categories of priority are defined as follows:

- **Critical** Action is considered imperative to ensure or mitigate exposure to high risks. Failure to take action could potentially result in major consequences and incidents.
- **Essential** Action is considered necessary to avoid exposure to significant risks. Failure to take action could result in significant consequences.
- **Desirable** Action is considered desirable and should result in enhanced control or better value for money.

C. CATEGORIES OF CAUSES OF AUDIT ISSUES

As a further guide to the possible causes of the audit issues identified in this Report, and to assist the Government of Bangladesh in addressing audit issues the following list of common underlying root causes of issues have been categorized by Gavi as follows:

- Lack of or inadequate national policies or procedures
- Lack of or inadequate office policies or procedures
- Lack of or inadequate guidance or supervision at the <entity name/ business unit>
- Inadequate oversight by the <entity name/ business unit>
- Lack of or insufficient resources (specify: financial, human, or technical resources)
- Inadequate planning
- Lack of or inadequate understanding/ training
- Human error
- Overriding of internal controls
- Responsibilities not clearly defined
- Procedural delays
- It appears that the availability of funds under Gavi programme was the key factor on the basis of which such high percentage of expenditure has been allocated to Gavi programme.