Memorandum on the Independent State of Papua New Guinea Programme Audit report (2) (in complement to an earlier report)

The attached Audit and Investigations report – in complement to the previous programme audit report, published in November 2025 – sets out additional conclusions on the programme audit of Gavi's support to the Independent State of Papua New Guinea's National Department of Health (NDoH), executed by the Expanded Programme on Immunisation (EPI) along with other implementing partners.

It summarises the additional work conducted in supplement to the prior programme audit that was initiated in October 2024 and finalised in November 2025. Under the present scope, the audit team focused on completing its review of the NDoH's budgeting, financial management, and assurance areas, including the documentation evidencing the use of Gavi cash support disbursed to or managed by the NDoH during the five-year period January 2019 to December 2023.

The report's executive summary (pages 3 to 4) summarises the key conclusions, the details of which are set out in the body of the report:

1. Consistent with the prior report, the overall audit rating remains as "ineffective", which means, "Multiple significant and material issues were noted. Internal controls, governance and risk management processes are not adequately designed and/or are not generally effective. The nature of these issues is such that the achievement of objectives is seriously compromised."

2. In total, three issues were identified in the following area: (i) budgeting and financial management..

3. To address the risks associated with the issues, the audit team raised three recommendations of which one was rated as high priority.

4. Key findings were that:

    a. The budgetary and financial management of the country is challenged by weaknesses in the maintenance of support documentation and inadequate oversight mechanism at the national level by NDoH and partners leading to insufficient accountability over the use of Gavi's funds.

The findings of the follow up programme audit were discussed with the National Department of Health and implementing partners. They accepted the audit findings, acknowledged the weaknesses identified.

In August 2026, Gavi wrote to the government requesting reimbursement for USD 430,583, an amount which was determined to be misused, as well as asking the NDoH to develop and

commit to implementing a management action plan addressing the additional findings. The Gavi Secretariat continues to work with the National Department of Health to ensure that these commitments are implemented, and to agree on how to make the programme whole, pending receiving their commitment.

Geneva, October 2026

PROGRAMME AUDIT REPORT

In complement to the September 2025 programme audit report

Independent State of Papua New Guinea
August 2026

Gavi
The Vaccine Alliance

Table of Contents

1. Executive Summary 3
2. Objectives and Scope 5
3. Background 7
4. Audit Issues 9
Annexes 16

1. Executive Summary

1.1 Overall audit opinion

Audit opinion:

The audit team assessed the National Department of Health's management of Gavi support during the period 1 January 2019 to 31 December 2023 as "ineffective" which means, **"Multiple significant and material issues were noted.** Internal controls, governance and risk management processes are not adequately designed and/or are not generally effective. The nature of these issues is such that the achievement of objectives is seriously compromised."

Through our audit procedures, we identified high risk issues relating to budgeting and financial management. To address the risks associated with these issues, the audit team raised 3 recommendations, of which 1 (33%) was rated as high risk. These recommendations need to be addressed by implementing remedial measures according to the agreed management actions.

1.2 Summary of key audit issues

Ref	Description	Rating*	Page
4.1	**Budgeting and financial management**		**9**
4.1.1	Gaps in financial internal controls resulted in questioned expenditures		9
4.1.2	Improvement required in financial management monitoring and reporting system		12
4.1.3	The assurance mechanisms need to be strengthened		14

** The audit ratings attributed to each section of this report, the level of risk assigned to each audit issue and each recommendation, are defined in Annex 2 of this report.*

1.3 Summary of issues

This report supplements the previous audit carried out in October 2024 and published in December 2025, covering the period 1 January 2019 to 31 December 2023. The audit team was previously unable to express an opinion on Gavi-funded expenditures incurred by the National Department of Health (NDoH) as the requested documents were not made available. The results of this subsequent review do not change the overall "**ineffective**" opinion provided in the prior December 2025 audit report.

The audit team identified 1 high and 2 medium risk issues regarding the financial management processes in managing Gavi support which are summarised below. Details of all the issues are explained in Section 4 of this report.

Budgeting and financial Management

Between 2019 and 2023, Gavi directly disbursed USD 36.7 million in cash to the partners for various initiatives, including Health Systems Strengthening (HSS), a Measles Rubella (MR) campaign, Polio vaccine operational costs and Covid-19 delivery support (CDS).

The audit team reviewed a sample of USD 2.8 million representing 19% of the overall expenditure reported by NDoH, the Provincial Health Authorities (PHAs), Immunisation Support Providers (ISPs) and Pricewaterhouse Coopers (PwC) during the period under review. The audit questioned amounts totalling USD 0.4 million (table 1 below)

The audit team attributed the gaps in budget and finance management to weaknesses in the maintenance of support documentation and inadequate oversight mechanism at the national level by NDoH and partners.

Until these gaps are addressed, there will be insufficient accountability over the use of Gavi's funds, which could result in these being misused, potentially affecting the programme's effectiveness or future funding.

1.4 Financial consequences of audit findings

The review of expenditure resulted in questioning amounts totalling USD 0.4 million, equivalent to 15% of the audit sample, most of which were either unsupported or inadequately supported. We also questioned ineligible expenditures as well as unutilised MR funds (USD 35,931 of the unutilised MR funds has already been refunded to WHO), as shown in the summary below:

Table 1: Summary of expenditures questioned by the audit team, by category

Category of questioned expenditures	Amount questioned (PGK)	Amount questioned (USD)	% of expenditures reviewed	Details (report reference)
Inadequately supported	699,332	*194,259*	15%	4.1
Ineligible*	87,839	*24,400*		
Unsupported	531,525	*147,646*		
Unutilised MR funds	231,401	*64,278***		
Total questioned	**1,550,097**	***430,583***		

**GST payments totalling USD 42,884 have been excluded from the table above. The country will be requested to refund such amounts to the Gavi in-country HSS account upon recovery from the Department of Treasury.*

***Unutilsed MR funds, refunded to WHO had not been refunded to Gavi at finalisation of this report*

1.5 Cash balances

Table 2: Gavi funds unspent, held on account at the central level by UNICEF and WHO as of 30 June 2024

Implementing partner	Balance USD	Date	Source of information
UNICEF	*4,973,692*	30 June 2024	Uncertified report for Gavi grants
WHO	*3,709,826*	30 June 2024	Gavi cash grant implementation report
TOTAL	***8,683,518***		

2. Objectives and scope

2.1 Audit objectives

In line with the respective Partnership Framework Agreement and with Gavi's transparency and accountability policy, all countries that receive Gavi's support are periodically subject to a programme audit, for which the primary objective is to provide reasonable assurance that the resources were used for intended purposes in accordance with the agreed terms and conditions and were applied to the designated objectives.

The audit team assessed the design and operating effectiveness of the existing financial management processes which support the timely utilisation and accountability of funds related to Gavi's support for which the respective entities were responsible. The audit team reviewed the relevance and reliability of the internal control systems relative to the accuracy and integrity of the books and records.

2.2 Audit scope

The audit scope covered the period from 1 January 2019 to 31 December 2023. The total cash, vaccines and ancillary support provided by Gavi to PNG during this five-year period is presented in table below.

Table 3: Cash, PEF TCA, equipment and vaccines support (2019 to 2023) in USD

	2019	2020	2021	2022	2023	Total
Cash Grants						
HSS	*7,507,051*	*6,230,013*	*343,019*	*66,916*	*4,740,272*	*18,887,271*
MR-FU-C	*8,091,865*			*5,110,084*		*13,201,949*
IPV			*74,877*			*74,877*
COVAX - CDS			*2,173,591*	*1,904,359*	*479,596*	*4,557,546*
Total cash (a)	***15,598,916***	***6,230,013***	***2,591,487***	***7,081,359***	***5,219,868***	***36,721,643***
PEF TCA						
Total PEF TCA (b)	***2,586,613***	***4,174,840***	***2,299,446***	***1,710,035***	***2,327,674***	***13,098,608***
Equipment support						
Total equipment (c)	***1,076,882***	-	***190,691***	-	-	***1,267,573***
Vaccines support						
Total vaccines (d)	***1,761,918***	***1,413,633***	***8,700,369***	***2,982,887***	***2,600,110***	***17,458,917***
Total = (a) + (b) + (c) + (d)	***21,024,329***	***11,818,486***	***13,781,993***	***11,774,281***	***10,147,652***	***68,546,741***

Refer Annex 6 for details of PEF TCA funding to partners

2.3 Audit approach

In October 2024, a programme audit with the same audit period was conducted and completed by Gavi whose findings, except for financial management, were published in November 2025.

Thereafter, in October 2025, at the request of NDoH and Gavi management, the audit team conducted a supplementary follow-up focused upon the programmes' financial management component. This additional mission was conducted at the EPI and PHA offices in Port Moresby and the respective provinces, with the NDoH management being responsible for ensuring that all documents were available for our review.

This report supplements the results from the prior audit, given that previously the audit team was unable to express an opinion on the Gavi-funded expenditures incurred by the NDoH, PHAs, ISPs and PwC because the full documentation was not provided at the time of the audit in October 2024.

Over the five-year period (2019-2023), Gavi's support to PNG was disbursed to Gavi alliance partners, expanded partners, and to the Accelerated Immunisation and Health System Strengthening Programme (AIHSS) which was primarily funded by DFAT (Australia), MFAT (New Zealand) and Gavi. Gavi's funding to this programme was managed via its designated fund managers – Abt. Gavi signed appropriate agreements with all of these partners and Abt. Abt signed grant agreements with ISPs.

During the audit period, Gavi disbursed overall amounts totalling USD 36.7 million as illustrated in table 4, with no Gavi funds being disbursed directly to the Government. The expenditures relating to cash amounts that were subcontracted to the Government by the UN Partners were considered in scope. Hence, the audit team reviewed the Government's resultant activities at the national and sub-national levels.

Any Gavi funding that was either directly expensed by either UN organisation, or was subcontracted by the UN organisations to their own partners (other than the Government), was excluded from our audit review (i.e. out of scope) due to the United Nations single audit principle[1]. Table 4 below summarises the sources of Gavi funding and its recipients, and Table 5 focuses on which recipients were selected, and the resultant expenditures reviewed by the audit team.

Table 4: Gavi's cash disbursements by grant and recipient as of 31 December 2023 (in USD)

Cash grants	Fund Recipient	Total	Amounts sub-contracted MoH	Audit comments:
HSS	Abt	*6,820,936*	-	Included in scope
	UNICEF	*8,988,619*	*396,282*	Transfers to Govt. included in scope
	WHO	*2,657,372*	*570,000*	Transfers to Govt. included in scope
	MM Global Health (MMGH)	*420,344*	-	Scoped out by the audit team
Sub-total HSS		***18,887,271***	***966,282***	
MR follow-up campaign	WHO	*10,858,494*	*4,400,000*	Transfers to Govt. included in scope
	UNICEF	*2,343,455*	*388,379*	Transfers to Govt. included in scope
Sub total MR		***13,201,949***	***4,788,379***	
IPV	WHO	*74,877*	-	Scoped out by the audit team due to the UN Single audit principle
Sub-total IPV		***74,877***	**-**	
CDS	Abt	*1,631,090*	-	Included in scope
	PwC	*2,526,456*	-	Included in scope
	CDC	*400,000*	-	Scoped out by the audit team
Sub-total CDS		***4,557,546***	**-**	
Grand Total		***36,721,643***	***5,754,661***	

Table 5: Percentage of Gavi-funded expenditures reviewed by the audit team.

Recipients	Expenditures reported (in USD)	Expenditures reviewed (in USD)	% reviewed by the team
PHAs (HSIP-Trust Account through UNICEF / WHO)	*5,754,661*	*1,325,185*	23%
ISPs through the AIHSS Fund Manager Abt	*8,452,026*	*1,225,381*	14%
PwC (*Note 1*)	*872,984*	*260,277*	30%
Total	***15,079,671***	***2,810,843***	19%

Note 1 – The expenditures reported are less than the amount disbursed, with the difference relating to PwC's management fees totalling USD 0.5 million, and to transfers made to Abt totalling USD 1.1 million.

The team sampled and reviewed expenditures totalling USD 2.8 million, which accounted for 19% of the total spending reported by respective entities for the period January 2019 to December 2023 including an examination of the related activities at national and sub-national level.

2.4 Exchange rate

Most in-country expenditures were incurred using the PNG Kina (PGK). For information purposes and as part of the summary of this report, the equivalent amounts are also reflected in United States Dollars (USD). An overall rate was applied to the summary of expenditures, based on the average bank rate across the audit period. This equates to an exchange rate of PGK 3.6 against USD 1.00.

[1] The single audit principle is part of a common internal control and audit framework in United Nations system organisations. It directs a system of checks and balances, where the control and audit functions with regard to funds directly expensed by the UN agencies are based on common methods and framework enabling auditors of one institution to rely on the work of auditors from another institution instead of re-performing the audit themselves

3. Background

3.1 Introduction

Papua New Guinea (PNG), officially the Independent State of Papua New Guinea, is a geographically diverse country made up of over 600 islands and 5,152 km of coastline. Its total land area is 462,840 sq. km, with only 27% of the land being inhabited. PNG comprises the eastern half of the island of New Guinea and includes offshore islands in Melanesia, such as New Britain, New Ireland, Bougainville, and Manus, along with many smaller islands. It shares a land border with Indonesia to the west and is close to Australia and the Solomon Islands. The country is the most linguistically diverse in the world, with over 850 indigenous languages. The capital, Port Moresby, is situated on the southern coast. About 87% of PNG's population lives in rural areas, making it the country with the highest rural population proportion in the world.

Economy and demographics

In 2023, PNG's GDP was USD 30.97 billion, with a GDP per capita of USD 2,994.5 and GNI per capita of USD 2,700. The country has a population of 10.5 million in 2024 and ranks 154 out of 193 on the United Nations Human Development Index. The Gender Inequality Index (GII) stood at 0.725 in 2021, the lowest in the East Asia and Pacific region and was ranked at 160 out of 161 countries. This highlights a notable degree of gender inequality in the country, particularly in terms of health, empowerment, and the labour market. Despite being a lower-middle-income economy, PNG struggles with low tax revenues, leading to insufficient government resources for public services. In 2017, 37.5% of the population lived below the poverty line, and in 2021, 24% of the employed population earned below the international poverty threshold. The country's fiscal situation remains precarious, with public debt exceeding 50% of GDP due to the accumulation of external debt.

3.2 National health sector [2]

PNG has developed a national health plan for 2021-2030 to guide its health sector stakeholders. The health sector operates under a decentralised system, headed by the National Department of Health (NDoH) which coordinates health services, and working with the Provincial Health Authorities (PHAs) established in each province. The health system is governed by multiple laws, including the National Health Administration Act (1997) and the Provincial Health Authorities Act (2007). PNG's health system is structured across six levels, from the national hospital in Port Moresby to community health posts and aid posts. The health workforce faces significant challenges, with over 40% vacant positions. The government has set a goal to increase the health workforce by 2030, with a majority of the increase supported by the government and churches, the latter which play a critical role in delivering healthcare in rural regions.

3.3 Gavi's relationship with PNG

In November 2013, Gavi signed a partnership framework agreement (PFA) with PNG, providing a framework for the country's management of Gavi support. During the five-year period 2019 to 2023, PNG received a total of USD 68.5 million in cash, vaccines, technical assistance and equipment support from Gavi (see table 3 above for details).

PNG was initially scheduled to transition from Gavi support in 2020. However, in November 2018, the Government of PNG submitted a request to the Gavi Alliance Board for an exceptional extension of its transition period from 2020 until 2025. In June 2019, this request was approved by the Gavi Board.

In December 2024, the Gavi Board approved the country's request to continue to receive support from Gavi till December 2027. The Gavi Board also approved the Eligibility, Transition & Co-Financing Policy (ELTRACO) policy under which PNG can request new HSS Support and new vaccine introduction for the period up to December 2031.

[2] National Health Plan 2021-2030.

3.4 Entities involved in executing and managing Gavi's funds.

For the PNG programme, Gavi funds are channelled through: the core partners (WHO and UNICEF); AIHSS/PATH (with Abt as the fund manager); PwC as fund manager for CDS funds; and to a range of partners including CHAI, University of Oslo, IBRD and CDC in support of various technical assistance activities.

Gavi signed agreements with each of these elaborating what programme activities were to be implemented. The core partners WHO and UNICEF subcontracted approximately 23% of their funding to the Government, disbursing the funds to the health services improvement programme trust account (HSIP Trust Account) at NDoH. See Table 4 for details.

Abt in its role of managing the PNG partnerships fund, was engaged by the Governments of PNG, Australia, New Zealand and by Gavi to manage the "Accelerating Immunisation and Health Systems Strengthening (AIHSS) Programme".

Correspondingly, in July 2019, Gavi signed a grant agreement with Abt, for it to provide Gavi fund management services for the AIHSS programme. Similarly, Abt signed partnership grant agreements with five ISPs under the Gavi component of the AIHSS1 programme and disbursed funding to them.

Each partner was responsible for developing a detailed budget for their respective projects, in coordination with Gavi, the NDoH, the EPI and other stakeholders.

4. Findings

4.1 Budgeting and financial management

4.1.1 Gaps in financial internal controls resulted in questioned expenditures

Context and Criteria

PFA clause 15 requires that "*the Gavi funds provided under this Agreement shall not be used to pay any taxes, customs, duties, toll or other charges imposed on the importation of vaccines and related supplies. The Government shall use its reasonable efforts to set up appropriate mechanism to exempt from duties and taxes all purchases made locally and internationally with Gavi funds.*"

PFA paragraph 20, Annex 2 defines misuse. In addition, sub-paragraph 20.1 states that "in respect of all funds and vaccines and related supplies provided to the Government under the Programme(s), the Government shall comply with obligations and requirements on the use of such funds and supplies, including the following:

- *The Government shall use the funds and vaccines and related supplies received from Gavi under a Programme for the sole purpose of carrying out the Programme Activities of such Programme.*
- *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; and*
- *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*."

PFA Paragraph 23, Annex 2 also requires that "*the Government shall maintain accurate and separate accounts and records of each of the Programmes prepared in accordance with internationally recognised standards that are sufficient to establish and verify accurately the costs and expenditures under the Programmes. The Government shall maintain such accounts and records and any other supporting documents evidencing expenses made with Gavi's funds according to the Country's fiscal requirements for a minimum of five (5) years after the completion of a Programme. In the event where Gavi provided funds are pooled with other sources of funding, accounts and records will equally be maintained for the pooled funds.*"

Condition

Questioned expenditures amounting to USD 0.4 million – The audit team reviewed a sample of expenditures at 9 PHAs, as well as expenditures incurred by 4 ISPs and PwC during the 5-year period (2019 to 2023). From the transactions reviewed, expenditures totalling USD 0.4 million were questioned, as summarised in table 6 below (see Annex 7 for details):

*Table 6: Summary of questioned expenditures**

Fund Recipients	Expenditures reported	Expenditures reviewed by the audit team	Unsupported (a)	Inadequately supported missing multiple documents (b)	Ineligible* (c)	Unutilised MR funds (d)	Expenditures questioned = (a+b+c+d)	Expenditures questioned (USD)
PHAs	10,297,979	4,770,667	463,267	61,106	8,560	231,401	764,334	***212,315***
ISPs	23,860,967	4,411,372	68,258	638,226	79,279	-	785,763	***218,268***
PwC	3,142,742	936,998	-	-	-	-	-	-
Total-PGK	37,301,688	10,119,037	531,525	699,332	87,839	231,401	1,550,097	***430,583***
Total- USD	***10,361,580***	***2,810,843***	***147,646***	***194,259***	***24,400***	***64,278***	***430,583***	

** GST totalling USD 42,884 is excluded from table 6. The country should refund this additional GST amount to the Gavi in-country HSS account upon recovery from the Department of Treasury.*

Recommendation 1

To ensure that funds are properly and adequately accounted for, the management of NDoH/EPI, together with fund managers like Abt should:

- Implement document retention policies to ensure that documents are retrievable for review.
- Reinforce compliance with financial management and procurement guidelines

Unsupported expenditures (USD 147,646) – These were the expenditures reported by the respective agencies for which the audit team did not receive any vouchers / or supporting documents. Amounts toalling USD 126,674 was incurred by the Jiwaka province towards the MR campaign for which no transaction listing or supporting documents were made available. Amounts totalling USD 15,270 was incurred by ISPs towards the CDS campaign and the balance related to other routine immunisation activities for which necessary supporting documents such as payment vouchers, absence of flight tickets for travels, absence of hotel invoices and payment proofs for accomodation, lack of declaration or computation for allowances making it impossible to verify whether the expenditure was incurred or not.

Inadequately supported expenditures (USD 194,259) – The audit reviewed the expenditure controls over procurement and other programme related expenditure. Overall amounts totalling USD 194,259 were deemed inadequately supported due to procurement and documentation weaknesses, notably less than three quotations were obtained before awarding the contract. There was insufficient documentation for allowances, making it impossible to confirm whether payments were made to the intended recipients or if the associated activities took place; Appropriate supporting documents were lacking such as invoices and tickets for travel related expenses to ensure whether the intended activity was conducted. As a result, the audit team could /not ensure that these expenditures were attributable to Gavi-funded activities.

Ineligible expenditures (USD 24,400) – These comprise overpayments amounting to USD 8,247 for grant activities including calculation errors, payments more than approvals, excess of payment made to L2 vendor (vendor whose quote was second lowest) as compared to the quote of L1 vendor (vendor with the lowest quote) without any justification for selection of L2 vendor and amounts totalling USD 16,153 which were paid to agencies in Eastern Highlands who were awarded contracts in contravention of the financial guidelines.

Unutilised MR funds (USD 64,278) – This relates to funds which were disbursed by the WHO to the respective provinces, however, were not subsequently utilised by the respective provinces. Out of the above amount, USD 35,931 was refunded to WHO by the time the Gavi audit team completed its field work, but was not yet reported to Gavi.

GST charged to the Programme (USD 42,884): The audit team noted that GST amounting to USD 42,884 was charged to the programme as per table below.

Table 7: Details of GST charged to the programme

Implementer	GST ineligibles* (in PGK)	GST ineligibles* (in USD)
PHAs		
NdoH	2,385	***663***
Madang	47,473	***13,187***
Morobe	43,999	***12,222***
ISPs		
Eastern Highlands	6,902	***1,917***
CHAI-Central	1,710	***476***
Gulf	1,940	***539***
World Vision – Morobe	9,070	***2,519***
World Vision - Madang	1,653	***459***
PwC	39,246	***10,902***
Total (in PGK and *USD*)	**154,378**	***42,884***

- Ensure that all expenditures are adequately supported with relevant original documents that fully support activities implemented.
- Ensure that the fund managers maintain adequate oversight over the ISPs.
- Ensure that regular supervisions to the subnational level are conducted, findings documented and followed up to close all issues noted.
- Track any Goods and Services Tax (GST) that is paid from Gavi grants and ensure that discussions are held with the Department of Treasury to obtain the necessary tax exemptions. Funds recovered should be refunded to the Gavi in-country HSS programme and unrecovered funds reported to Gavi in a timely manner.

Weaknesses in expenditure controls resulting in inadequately supported expenditures - In addition to the amounts questioned above, the audit reviewed the expenditure control environment over procurements and other expenditures. Overall, amounts totalling USD 270,901 were deemed inadequately supported due to procurement and documentation weaknesses, related to procurement of goods & services, allowances and travel related expenditure for which all the necessary supporting documents could not be made available. Several procurements reviewed were completed with less than three quotations and there was no documented justification and approval waiver of the requirement. Only one or two quotations were available on file, although these ultimately invoiced amounts were consistent with the lowest bids received but without documented justification on the selection criteria. For allowances paid, receipts were not available and for travel related expenditure travel tickets were not available among others. However, the respective implementing partners have maintained activity reports or alternative evidences to confirm that the related activities were conducted and were related to the Gavi funded grants. The audit team conducted further review procedures to ensure that the activity was conducted, taking note of the weaknesses in the retention of documents. Based on the available supporting document, the team did not question these expenditures. Furthermore, expenditures totalling USD 694,011 were supported by photocopies or scanned copies of documents, as original documents were not retained by the entities. The respective entities had maintained scanned copies in line with their internal documentation procedures. The audit team noted that the corresponding activities were conducted and were related to Gavi-funded grants. Based on the available supporting documents, the team did not question these expenditures.		
Root Cause • Inadequate document retention and archiving processes at NDoH and all implementers. • Procurement guidelines, while available at all agencies sampled, were not consistently complied with throughout the audit period. • Controls are dependent on people rather than a systematic control environment. Supporting documents are often retained in emails which weakens control processes when individuals leave the organisation as observed at several implementers and at PwC. • Abt relies on ISPs and provinces to account for funds received and liquidate expenditures. There was limited review of supporting documents to ensure that all liquidated expenditures were adequately supported. • The HSIP-TA team manages funds from various sources like DFAT and Gavi while one staff member is responsible for support supervision activities, there were no finance support supervision activities at PHAs during the audit period. • NDoH did not have the necessary tax exemption in place to cover funds received on the HSIP TA. Also other implementers like PwC, World Vision had not obtained tax expemption or tracked taxes charged to support advocay and/or recovery from Department of Treasury.	Management comments Refer Annex 9	
Risk / Impact / Implications • Gavi funds not being used effectively and efficiently, including potentially financial mismanagement or fraud. • Questioned expnditures may result in loss of trust in implementing entities, which could impact on future donor funding (including Gavi). • GST charges reduce the amount of funding available for the programme.	Responsibility Refer Annex 9	Deadline / Timetable Refer Annex 9

4.1.2 Improvement required in financial management monitoring and reporting system

Context and Criteria

PFA Paragraph 23, Annex 2 requires that "*the Government shall maintain accurate and separate accounts and records of each of the Programmes prepared in accordance with internationally recognised standards that are sufficient to establish and verify accurately the costs and expenditures under the Programmes. The Government shall maintain such accounts and records and any other supporting documents evidencing expenses made with Gavi's funds according to the Country's fiscal requirements for a minimum of five (5) years after the completion of a Programme. In the event where Gavi provided funds are pooled with other sources of funding, accounts and records will equally be maintained for the pooled funds.*"

PFA, Paragraph 16, Annex 2 states that: "*The Government's use of Gavi's vaccine and cash support is subject to strict performance monitoring. Gavi seeks to use the Government reports and existing country-level mechanisms to monitor performance. The Government shall monitor and report on the use of vaccines and related supplies and the funds provided by Gavi stating the progress made towards achieving the objectives of the Programme(s) during the preceding year by submitting the Annual Progress Report(s). The Government shall also share their internal management reports on the use of funds on a quarterly or periodic basis with Gavi. The Government shall also submit all documents and reports that are required to be submitted as part of the Annual Progress Reports and country applications. For certain cash support, Gavi shall monitor and review annually the progress made in the Country towards the funded objectives of the Programme(s) by participating in the annual health sector review through existing country-level mechanisms. The Government shall submit all documents relevant to annual health sector reviews as requested by Gavi.*"

Grant management requirement for asset management mandates "NDoH will enhance the asset management practices and procedures, as guided in the final Gavi Programme Capacity Assessment report of March 2019. Particularly, a comprehensive Fixed Asset Register (FAR) will be maintained and regularly updated for assets at all levels, including cold chain equipment and vehicles procured through Gavi grants to PNG; NDoH will ensure that physical inventory count of fixed assets is performed at least once a year and periodic surprise spot checks of fixed assets as a control measure to protect them from loss, theft, fraud, waste and abuse will be carried out as deemed necessary."

Condition

Financial management monitoring needs improvement: Gavi grants received by the PHAs through the HSIP-Trust Account (TA) account are managed centrally by the HSIP-TA team within the NDoH. No supporting documents were submitted by PHAs to NDoH for implemented activities. Also, although the audit team was informed that PHAs submit monthly reports to NDoH, copies of these were not provided for review. In addition, there was no evidence of periodic financial management supervision visits by the HSIP TA team to the PHAs to review expenditures and provide technical support and capacity building.

***Inadequate monitoring of budgets*:** There was no evidence to demonstrate that periodic monitoring of budgets was undertaken or discussed in the governance and oversight structures like the inter-agency coordination committee or by the senior management of NDoH, to ensure that activities were timely implemented and grant funds were absorbed. This was due to a lack of reporting by sub-national level, compounded by the provinces' use of manual reporting systems.

***Sub-optimal management of advances/ disbursements to PHAs*:** Funds advanced/ disbursed to PHAs during the period (2019-2023) were recorded as expenses and not tracked as advances.

Recommendation 2

To ensure that the financial management practices are strengthened NDoH/EPI should:

- Ensure that regular supervisions to the subnational level are conducted, findings documented and followed up to close all issues noted.
- Establish a process of budget monitoring at both the national and provincial levels, such that budget monitoring is undertaken for all Gavi grants; and
- Ensure that funds disbursed to PHAs and individuals at national level or subnational level, for the purpose of implementing activities, should be recorded as advances, to encourage and facilitate due follow-up and accountabilities.
- Ensure that robust fixed asset management plan is developed and implemented including the maintenance of fixed asset register(s) and regular asset verification.

<table>
<tr><td>Gaps in fixed asset management: There was no comprehensive fixed asset register held by NDoH. In addition, there was no evidence that asset physical verification exercises were carried out.</td><td colspan="2">• Conduct regular financial management training of the provincial finance staff, on how to comply with grant management requirements. While this was initiated in August 2025, a review of the effectiveness of training will only be validated in subsequent audits.</td></tr>
<tr><td>Root Cause
• The HSIP-TA team manages funds from various sources like DFAT and Gavi. While the audit team did not review the team structure and overall volume of grants managed, it was noted that one staff member is responsible for support supervision activities. As such, there were no support supervision activities to the PHAs during the audit period resulting in lack of financial management and budget monitoring.
• Prudent financial management guidelines for advance management and fixed asset management not followed
• Inadequate financial management training</td><td colspan="2">Management comments
Refer Annex 9</td></tr>
<tr><td>Risk / Impact / Implications
• There is a risk that the programme’s objectives might not be achieved, as some planned activities might be signficantly delayed or not completed.
• The funds intended for the immunisation programme may not be used effectively due to inadequate financial procedures and controls.</td><td>Responsibility
Refer Annex 9</td><td>Deadline / Timetable
Refer Annex 9</td></tr>
</table>

4.1.3 The assurance mechanisms need to be strengthened

Context and Criteria

NDoH has an internal audit department which is responsible for undertaking internal audits of the Government funds that are managed by NDoH. In addition, the Auditor General's Office has a separate mandate, to undertake external audits of Government funds that are managed by the various Government departments. Given that PNG is in accelerated transition from Gavi support, Gavi's CFM team needs to explore the use of country systems to ensure that the financial management systems at NDoH are strengthened and Gavi funds are visible to the Department of Treasury. This will enable adequate oversight over Gavi funding as required by the PFA and support transition planning to cover all expenditure that is currently covered by Gavi.

Condition

Although several assurance mechanisms exist in relation to resources managed by NDoH, at both the national and subnational levels, these mechanisms are not functioning effectively. The audit team noted the following weaknesses associated with the various assurance structures in place:

Weaknesses in assurance mechanisms: During the 2019-2023 period, the NDoH internal audit department did not conduct any internal audits of the EPI. This gap highlights a deficiency in assurance processes, given their role in monitoring and assessing the efficiency, effectiveness, of the use of programme resources, and compliance with applicable internal controls, policies, and procedures.

In addition, even though the Health Services Improvement Programme Trust Account (HSIP TA) was reportedly audited by the Auditor General, the relevant Trust Account audit reports were not made available to the audit team for review. Also, there was no evidence that these audit reports were presented to the Interagency Coordination Committee for further scrutiny and validation. This suggests that there was a lack of transparency, which could potentially undermine the programme's accountability, while limiting the relevant governing bodies responsibilities for oversight.

The HSIP TA, which receives part of the Gavi funds that were channelled through WHO and UNICEF, has also not undergone an audit of Gavi funds as required by the PFA, as confirmed by the Auditor General's office indicating that there is a gap in financial oversight, over the management and utilisation of Gavi funds.

Recommendation 3

To strengthen assurance mechanisms, the NDoH/EPI with support from partners should:

- In preparation for the programme's future transition, Gavi funds and related activities should be incorporated into the national financial management systems (e.g., GoPNG budgeting processes, public financial management systems, and treasury management systems) to ensure these become properly aligned with other sources of public funds, and future budgetary allocation processes, so that the programme as a whole, is progressively subject to the same reporting, scrutiny and accountability as regular government funds.
- Ensure that the external audit processes include Gavi support, using the same audit frameworks that apply to Government public funds. Such project audits reports should be shared with Gavi, the TWG, NDoH, and relevant stakeholders for validation.

Root Cause

- Gavi funds are not disbursed through the National treasury systems and instead are channelled via the core partners and the AIHSS pooled fund. As a result, the respective funds at both NDoH and province levels are not included in the NDoH budgetary allocations since they form part of supplementary budget amounts. As a consequence, national oversight mechanisms (including the AGO Office) do not have the full overview of the magnitude of funds concernered, and may exclude these from from their audits.

Management comments

Refer Annex 9

Risk / Impact / Implications	Responsibility	Deadline / Timetable
Insufficient assurance could dilute transparency, and fail to ensure that earmarked, donor funds are spent in accordance to the agreed purposes and could potentially lead to issues with financial accountability, misuse of funds or misreporting.	Refer Annex 9	Refer Annex 9

Annexes

Annex 1 : Acronyms

Abt	Abt Associates
AIHSS	Accelerated Immunisation Health System Strengthening
CDC	Centre for Disease Control
CDS	Covid 19 Delivery Support
COVAX	Covid 19 Vaccine Global Access
DG	Director General
EPI	Expanded Programme for Immunisation
FAR	Fixed Asset Register
FY	Financial Year
GDP	Gross Domestic Product
HR	Human resources
HSS	Health Sector Strengthening
IP	Implementing Partner
IPV	Inactivated poliovirus Vaccine
MR	Measles Rubella
OPV	Oral Polio Vaccine
PATH	PNG Australia Transition to Health
PEF	Partnership Engagement Framework
PFA	Partnership Framework Agreement
RI	Routine Immunisation
SIA	Supplementary Immunisation Activities
TA	Technical Assistance
TCA	Targeted Country Assistance
USD	United States Dollar

Annex 2 : Methodology

Gavi's Audit and Investigations (A&I) audits are conducted in conformance with the Global Internal Audit Standards of the Institute of Internal Auditors. These Standards constitute the fundamental requirements for the professional practice of internal auditing and for evaluating the effectiveness of the audit activity's performance. The Institute of Internal Auditors' Global Guidance is also adhered to as applicable to guide operations. In addition, A&I staff adhere to A&I's Audit Manual.

The principles and details of the A&I's audit approach are described in its Board-approved Terms of Reference and Audit Manual and specific terms of reference for each engagement. These documents help our auditors to provide high quality professional work, and to operate efficiently and effectively. They help safeguard the independence of the A&I's auditors and the integrity of their work. The A&I's Audit Manual contains detailed instructions for carrying out its audits, in line with the appropriate standards and expected quality.

In general, the scope of A&I's work extends not only to the Gavi Secretariat but also to the programmes and activities carried out by Gavi's grant recipients and partners. More specifically, its scope encompasses the examination and evaluation of the adequacy and effectiveness of Gavi's governance, risk management processes, system of internal control, and the quality of performance in carrying out assigned responsibilities to achieve the stated goals and objectives.

Annex 3 : Definitions – audit opinion, audit rating and prioritisation

A. Overall Audit Opinion

The audit team ascribes an audit rating for each area/section reviewed, and the summation of these audit ratings underpins the overall audit opinion. The audit ratings and overall opinion are ranked according to the following scale:

Effective	**No issues or few minor issues noted**. Internal controls, governance and risk management processes are adequately designed, consistently well implemented, and effective to provide reasonable assurance that the objectives will be met.
Partially Effective	**Moderate issues noted.** Internal controls, governance and risk management practices are adequately designed, generally well implemented, but one or a limited number of issues were identified that may present a moderate risk to the achievement of the objectives.
Needs significant improvement	**One or few significant issues noted.** Internal controls, governance and risk management practices have some weaknesses in design or operating effectiveness such that, until they are addressed, there is not yet reasonable assurance that the objectives are likely to be met.
Ineffective	**Multiple significant and/or (a) material issue(s) noted.** Internal controls, governance and risk management processes are not adequately designed and/or are not generally effective. The nature of these issues is such that the achievement of objectives is seriously compromised**.**

B. Issue Rating

For ease of follow up and to enable management to focus effectively in addressing the issues in our report, we have classified the issues arising from our review in order of significance: High, Medium and Low. In ranking the issues between 'High,' 'Medium' and 'Low,' we have considered the relative importance of each matter, taken in the context of both quantitative and qualitative factors, such as the relative magnitude and the nature and effect on the subject matter. This is in accordance with the Committee of Sponsoring Organisations of the Treadway Committee (COSO) guidance and the Institute of Internal Auditors standards.

Rating	Implication
High	At least one instance of the criteria described below is applicable to the finding raised: • Controls mitigating high inherent risks or strategic business risks are either inadequate or ineffective. • The issues identified may result in a risk materialising that could either have: a major impact on delivery of organisational objectives; major reputation damage; or major financial consequences. • The risk has either materialised or the probability of it occurring is very likely and the mitigations put in place do not mitigate the risk. • Fraud and unethical behaviour including management override of key controls. Management attention is required as a matter of priority.
Medium	At least one instance of the criteria described below is applicable to the finding raised: • Controls mitigating medium inherent risks are either inadequate or ineffective. • The issues identified may result in a risk materialising that could either have: a moderate impact on delivery of organisational objectives; moderate reputation damage; or moderate financial consequences. • The probability of the risk occurring is possible and the mitigations put in place moderately reduce the risk. Management action is required within a reasonable time period.
Low	At least one instance of the criteria described below is applicable to the finding raised: • Controls mitigating low inherent risks are either inadequate or ineffective. • The Issues identified could have a minor negative impact on the risk and control environment. • The probability of the risk occurring is unlikely to happen. Corrective action is required as appropriate.

Annex 4 : List of facilities visited by the audit team during the entire field work

Provinces (9)	Districts (3)	Health Facilities (30)
National capital district		Tokarara Clinic, St Therese Clinic, Karua Medical Center, Lawes Urban Clinic, Gordons Clinic
Central	Rigo	Kwikila Hospital, Porebada, Pacific Adventist University (PAU) Clinic
Jiwaka		Kimil, Minj, Dona
Morobe		Buimo, Centre of Mercy, Situm
Southern Highlands	Ialibu District- Ialibu District Hospital	Muli, Mongol,
Eastern Highlands	Goroka	West Goroka Urban Clinic, Asaro,
Western		Ougelbeng, Paiakona, Togoba, Tipulga,
Gulf		Malalaua, Terapo, Murua, Kerema Urban Clinic
Madang		Yagaum, Town Clinic, Bunabun, Mugil

Annex 5 : PNG immunisation schedule

Vaccine	Doses	Age of administration
BCG	1	Birth to 11 months
Hep B	1	Birth within 24 hours
bOPV	3	1, 2, 3 months
IPV	2	3 months and 9 months
Penta	3	1, 2, 3 months
PCV	3	1, 2, 3 months
Measles Rubella	3	6, 9, 18 months
TT/Td	5	Women of childbearing age

Annex 6: Details of PEF TCA funding to partners (in USD)

PEF TCA	2019	2020	2021	2022	2023	Total
Abt	-	*339,838*	-	*284*	-	*340,122*
CDC	*880,720*	*750,000*	*250,000*	-	-	*1,880,720*
CHAI	*14,913*	*258,635*	*180,717*	*444,375*	-	*898,640*
University of Oslo	-	*15,000*	*728*	*50,126*	-	*65,854*
UNICEF	*1,049,023*	*1,545,560*	*865,839*	*1,036,079*	*1,271,060*	*5,767,561*
WHO	*641,957*	*1,265,807*	*1,002,162*	*59,171*	*936,614*	*3,905,711*
IBRD				*120,000*	*120,000*	*240,000*
Total	***2,586,613***	***4,174,840***	***2,299,446***	***1,710,035***	***2,327,674***	***13,098,608***

Annex 7: Detailed grant and location wise breakdown of Questioned Expenditures

Annex 7.1: Grant-wise detail of questioned expenditures

Grant	Sample Reviewed (PGK)	Unsupported (PGK)	Inadequately supported (PGK)	Ineligible (PGK)	Unutilised MR funds (PGK)	Total (PGK)	Total (USD)
PHAs							
MR	4,496,902	463,267	43,800	8,560	102,410	618,037	*171,677*
HSS	273,765	-	17,306	-	128,991	146,297	*40,638*
ISPs							
HSS	3,266,220	13,285	566,765	54,373	-	634,423	*176,229*
CDS	1,145,152	54,973	71,461	24,906	-	151,340	*42,039*
PWC							
CDS	936,998	-	-	-	-	-	-
Total	**10,119,037**	**531,525**	**699,332**	**87,839**	**231,401**	**1,550,097**	***430,583***

Annex 7.2: Details of questioned expenditures at PHAs (HSS and MR funds provided by UNICEF / WHO, as direct recipients from Gavi, to the Government)

PHA Name	Expenditures reported	Expenditures reviewed by the audit team	Unsupported (a)	Inadequately supported (b)	Ineligible* (c)	Unutilised MR funds (d)	Expenditures questioned = (a+b+c+d) (PGK)	Expenditures questioned (USD)
Jiwaka	818,195	818,661	456,027	-		102,410	558,437	***155,122***
Eastern Highlands	1,000,914	221,671	-	-	-	-	-	-
Madang	1,618,862	1,168,740	-	-	-	-	-	-
National capital district	93,508	48,216	-	800	-	-	800	***222***
Southern Highlands	1,556,011	222,160	7,240	-	-	-	7,240	***2,011***
Central	868,975	60,674	-	-	1,635	-	1,635	***454***
NDoH	456,095	344,195	-	17,306	5,525	128,991	151,822	***42,173***
Gulf	686,008	217,875	-	-	-	-	-	-
Western Highlands	731,895	168,868	-	-	1,400	-	1,400	***389***
Morobe	2,467,516	1,499,607	-	43,000	-	-	43,000	***11,944***
Total- PGK	**10,297,979**	**4,770,667**	**463,267**	**61,106**	**8,560**	**231,401**	**764,334**	***212,315***
Total- USD	***2,860,549***	***1,325,185***	***128,685***	***16,974***	***2,378***	***64,278***	***212,315***	

** GST payments totaling USD 26,072 have been excluded from the table above. The country will be requested to refund such amounts to the Gavi in-country HSS account upon recovery from the Department of Treasury.*

Annex 7.3: Details of questioned expenditures at ISPs (HSS and CDS funds provided by Abt – as a direct recipient from Gavi – to the ISPs)

Province:	ISP Name	Expenditures reported	Expenditures reviewed by audit team	Unsupported (a)	Inadequately supported missing multiple documents (b)	Ineligible* (c)	Expenditures questioned = (a+b+c) (PGK)	Expenditures questioned (USD)
Eastern Highlands	EHPHA - AIHSS	3,070,129	813,694	-	35,175	52,317	87,492	***24,303***
Eastern Highlands	EHPHA - CDS	258,329	175,182	-	-	5,835	5,835	***1,621***
Central	CHAI – AIHSS	8,745,120	944,890	11,080	115,370	2,056	128,506	***35,696***

Province:	ISP Name	Expenditures reported	Expenditures reviewed by audit team	Unsupported (a)	Inadequately supported missing multiple documents (b)	Ineligible* (c)	Expenditures questioned = (a+b+c) (PGK)	Expenditures questioned (USD)
Central	CHAI – CDS	2,195,253	293,636	15,750	43,107	19,071	77,928	***21,647***
Southern Highlands	Santos Foundation – AIHSS	4,179,937	1,068,117		384,756	-	384,756	***106,877***
Gulf	Santos Foundation – AIHSS	3,895,500	439,519	2,205	31,464	-	33,669	***9,353***
Morobe	World Vision - CDS	799,870	342,822	28,600	-	-	28,600	***7,944***
Madang	World Vision - CDS	716,829	333,512	10,623	28,354		38,977	***10,827***
Total-PGK		**23,860,967**	**4,411,372**	**68,258**	**638,226**	**79,279**	**785,763**	***218,268***
Total-USD		***6,628,046***	***1,225,381***	***18,961***	***177,285***	***22,022***	*218,268*	

** GST payments totaling USD 5,910 have been excluded from the table above. The country will be requested to refund such amounts to the Gavi in-country HSS account upon recovery from the Department of Treasury.*

Annex 8: Questioned expenditures (in PGK)

PHAs

Central Province

Voucher n°	Voucher Date	Transaction description	Amount	Ineligible
389	5-Apr-23	Procurement of Lunch for the participants of MR training from HILL CATERING LIMITED	2,035	35
587	11/1/2023	Premium Car Rental - Hire vehicle for Officers conducting MR and Oral clinic in Hiri district	8,000	1,600
		Total	**48,917**	**1,635**

Jiwaka Province

Voucher n°	Voucher Date	Grant Entity	Amount	Unsupported	Unutilised MR funds
Direct Debit	11.01.24	WHO- SIA Funds	9,240		9,240
Direct Debit	11.01.24	WHO- SIA Funds	5,390		5,390
Direct Debit	11.01.24	WHO- SIA Funds	10,010		10,010
Direct Debit	11.01.24	WHO- SIA Funds	9,240		9,240
Direct Debit	11.01.24	WHO- SIA Funds	7,700		7,700
Direct Debit	11.01.24	WHO- SIA Funds	9,240		9,240
Direct Debit	11.01.24	WHO- SIA Funds	9,240		9,240
Direct Debit	11.01.24	WHO- SIA Funds	7,700		7,700
Direct Debit	11.01.24	WHO- SIA Funds	7,700		7,700
Direct Debit	11.01.24	WHO- SIA Funds	7,700		7,700
Direct Debit	11.01.24	WHO- SIA Funds	19,250		19,250
CHQ No.'s 880 - 886	3.12.19	RI Fund	30,770	30,770	
		MR OPV Fund	653,311	425,257	
TOTAL			**786,491**	**456,027**	**102,410**

Western Highlands Province

Voucher n°	Voucher Date	Grant	Transaction description	Amount	Ineligible
44766	13.12.23	WHO- SIA Funds	Outstanding payment to Balg Health Center during the SIA campaign	1,840	1400
TOTAL				**1.840**	**1,400**

Morobe Province

Voucher n°	Voucher Date	Grant	Transaction description	Amount	Inadequate	GST
003-2019	16.01.19	MR SIA	Being payment of chopper drop off for Markham district and part Bulolo district for polio round four (4) as per invoices: 2387 and part 2391 (7, 342.60)	48,896		4,444
017-2019	04.03.19	MR SIA	Being payment of chopper hire for polio round 4 by health division	50,000		4,545
039-2019	15.03.19	MR SIA	Being payment of Polio SIA 5 charters to Kabwum districts and Bulolo districts and other parts of remote Morobe were is hard to reach areas.	30,000		2,727
045-2019	22.03.19	MR SIA	Being payment of vehicle hire by Watut HC, Wau HC and Bulolo HC for polio round 5 as per attached.	49,720		4,520
054-2019	26.03.19	MR SIA	Being payment of charter from Yus LLG & Bulolo for polio round 5	30,000		2,727
061-2019	26.03.19	MR SIA	Being complete payment of invoice no. 2363 and part of 2368 for drop off logistics & officers for polio round 5	50,000		4,545
095-2019	09.04.19	MR SIA	Being for hire of vehicle by PHO Supervisors to Bulolo district & Menyemya and Wampar Health Centre for polio round #06 from 3rd to 17th April, 2019	31,790		2,890
099-2019	09.04.19	MR SIA	Being for chopper dropped off of staffs & polio vaccines for polio round #05 Bulolo, Menyemya, Nawaeb & Tewai/Siassi districts respectively. Invoices: 2646 (part payment K14720.80), 2640, 2639, & 2643	50,000		4,545
146-2319	12.06.19	MR SIA	Being payment of Cash Advance for Measles Rubella-Oral Polio Vaccine (MR-OPV) in Morobe Province (Bulolo Bistrict)	43,000	43,000	

Voucher n°	Voucher Date	Grant	Transaction description	Amount	Inadequate	GST
169-2019	04.07.19	MR SIA	Being for the payment of vehicle hire by Markham district health services from11th to 30th June 2019	36,960		3,360
181-2019	04.07.19	MR SIA	Being for the payment of chopper hire by Kabwum District Health for MR-OPV rollout. Complete payment of invoice #x2801 (23,897.40)	23,897		2,172
188-2019	04.07.19	MR SIA	Being for the payment of chopper hire by Finschaffen District Health for MR-OPV rollout. Complete payment of invoice #xx2797	43,167		3,924
2023-201	11/22/2023	MR SIA	Being for vehicle hire for 20days for Special Immunisation Activity (SIA) Torowa HC	19,800		1,800
2023-206	11/22/2023	MR SIA	Being for vehicle hire for 20days for Special Immunisation Activity (SIA) Ongawaffa HC	19,800		1,800
TOTAL				**577,030**	**43,000**	**43,999**

Madang Province

Voucher Date	Voucher No	Agency	Transaction description	Amount	GST
25/03/19	63/19	WHO	Chopper charter per polio R/5 prgm for **MRD** & USB Districts	104,544	9,504
20/06/19	231/19	WHO	MR/OPV Hard to Reach Areas chopper charter (Bogia Dist)	165,000	15,000
4/7/2019	236/19	WHO	Veh hire engaged for MR/OPV program (PEOC/SSPHO)	32,930	2993
4/7/2019	237/19	WHO	Veh hire engaged for MR/OPV prgm (Bagia)	82,720	7,520
16/04/19	126/19	WHO	Helicopter charter for **Mamusi, Sangapi, Simbai** & Walium HC	60,016	5,456
12/11/2020	69577	WHO	Chopper charters for Polio HTR teams/logistics drop offs	77,000	7,000
TOTAL				**522,210**	**47,473**

Southern Highlands Province

DATE	CHEQUE NO	PAYEE	Grant Entity	Amount	Inadequate	Unsupported
10/21/2+A6:C11020	787702	Salome Pagasa	WHO	7,240		7,240
30-Nov-20	787801	Kumul Building Maintenance & Construction	WHO	11,400	11,400	
Total				**185,369**	**11,400**	**7,240**

National Capital District

S.No.	DATE	CHEQUE NO	PAYEE	ACTIVITITY	PAYMENT DESCRIPTION	Amount	Inadequate
1	19-Dec-23	1009	Stanley Sondo	Vaccinators and Volunteers	Incid Allowance: MR SIA Mop Up Activity	400	400
2	19-Dec-23	1084	Leo Guspe	Vaccinators and Volunteers	Incid Allowance: MR SIA Mop Up Activity	400	400
						800	800

NDoH

Voucher n° (Cheque No.)	Voucher Date	Transaction description	Amount	Inadequate	Ineligible	GST	Unutilised MR funds
222382	31-Jul-19	Airfares: HSIP Routine/Polio Review (ENB, MAN, WNB & GKA)	12,577			1143	
222598	2-Sep-19	Airfare: HSIP Routine Review, Madang	3,020				
222599	2-Sep-19	Accom: HSIP Routine Review, Madang	3,168	2,880		288	
222784	16-Oct-19	Airfare: HSIP Routine/Review, AROB & Oro	6,810			619	
223050	27-Nov-19	TA: HSIP Independent Audit	1,521	1,521			
223053	27-Nov-19	TA: HSIP Provincial Officers W/Shop, Port Moresby	12,905	12,905			

Voucher n° (Cheque No.)	Voucher Date	Transaction description	Amount	Inadequate	Ineligible	GST	Unutilised MR funds
223229	13-Dec-19	Stationaries for HSIP Refresher Training	3,682			335	
232004	10/18/2023	Hire Ca:Prov Monitoring ToT MR SIA, Buka	6,620		1,040		
232004	10/18/2023	H/Car:Prov Monitoring ToT MR SIA,Buka	5,050		625		
232005	10/18/2023	Accom:Prov Monitoring ToT MR SIA, DARU	5,500		600		
232012	10/18/2023	Accom:Prov Monitoring ToT MR SIA,Buka	5,250		2,260		
232162	11/16/2023	Hire Car: MR SIA Monitoring-Central Prov	5,950		800		
232191	11/30/2023	Hire Car: MR SIA Campaign -NIP	5,350		200		
232200	12/20/2023	Airfare: Prov HSIP Officers Training & M	37,811				37,811
001103	12/21/2023	Venue Hire: HSIP Finance Officers Traini	77,605				77,605
001126	12/27/2023	Per Diem for HSIP Officers Training	13,575				13,575
		Total	**206,394**	**17,306**	**5,525**	**2385**	**128,991**

ISP

Central CHAI

Voucher Date	Grant	Transaction description	Amount	Inadequate	Unsupported	Gst	Ineligible
4/28/2022	AIHSS	Paramount Printing Q#G126-2022 - Apr 2022 - Printing of Posters for WIW (Printing of caps and posters for world immunisation week)	15,510	-	-	1,410	-
8/31/2022	CDS	Per diem paid to CDS Participants-August 2022-Perdiem for CDS Training Participants, Alotau	32,800	-	-	-	1,800
5/13/2022	AIHSS	Perdiem for MoH Staff-05/13/2022-May 2022-Per diem for Goilala Routine Immunisation Participant...	7,680	7,680	-	-	-
12/1/2022	CDS	Hotel Morobe Inv#Z11LGL161122- Nov 2022- Conf Room Hire -CDS Training Menyamya-Morobe	8,856	2,100	-	-	6,756
10/31/2020	AIHSS	In-service workshop/Training for provincial and district managers and program coordinators for capacity building on supply chain and improved data capture, data analysis and use for decision-making	4,004	4,004	-	-	-
3/1/2022	AIHSS	Anna Wemin -MoH staff - March 2022- per diem during routine immunisation	9,600	9,600	-	-	-
12/1/2022	CDS	Lae Travelers Inn Inv# 130822-Nov 2022-First Payment for Participants Accommodation CDS Training...	10,492	10,492	-	-	-
5/24/2022	CDS	Travel Services Inv#445025 - May 2022 - Dr. Ila - Airfares	1,568		-	-	15

Voucher Date	Grant	Transaction description	Amount	Inadequate	Unsupported	Gst	Ineligible
		for Staff Covid Deployment Support, A...					
4/19/2022	AIHSS	Dominion Impact Security Services Limited- Inv# Inv#200211223-March 2022-car rental for World Imm...	3,900	3,900	-	-	-
8/18/2021	AIHSS	Printing - Commemorate World Immunisation Day - Central Ace Ltd - Quote# CAP-3061 - August 2021-Printing of Vaccine control book	22,125	22,125	-	-	-
8/18/2021	AIHSS	Lodging - Sivarai Namona - Ref#P4553004880 - August 2021-lodging for participants attending SCM training	7,967	7,967	-	-	-
8/18/2021	AIHSS	Meals - Sivarai Namona-Ref#P4553004880 - August 2021-meals for participants attending SCM training	3,680	3,680	-	-	-
8/23/2021	AIHSS	Government Organisations - Per Diem - CPHA Government Staff-July 2021-per diem during supply chain management training	23,252	23,166	-	-	86
3/17/2021	AIHSS	Meetings & Trainings - Event Fees and Costs - Lamana Hotel Tax Inv# 1668 - March 17 2021-conference room hire - CHAI CPHA Meeting	1,927	1,927	-	-	-
9/23/2020	AIHSS	Accommodation at hotel during Staff bonding & induction meeting	3,824	3,824	-	-	-
4/30/2453	AIHSS	Basil Tamatai, Josephine Ivoro: 28xCPHA Government Health Worker per diem during IIP Training 1st week	23,708	23,708	-	-	-
5/3/2453	AIHSS	Nation Link Hire Cars INV# 00200907 - April 2021 Car hired during Abau supply chain assessment by...	3,300	-	-	300	-
3/29/2022	AIHSS	Anna Wemin MoH staff #P5041545880 - Mar.22 - per diem during Routine Immunisation in Hiri	7,710	-	7,710	-	-
4/11/2022	AIHSS	MoH per-diems for Officers - 04/11/2022-Mar 2022 - Routine Immunisation for Abau ,Central Province	16,930	-	-	-	1,970
5/10/2022	AIHSS	Tactical Security International Inv# CHAI2204 - May 2022 - Rental Vehicle for Staff daily pick ...	3,789	3,789	-	-	-
7/18/2022	AIHSS	Judith Ame-05/27/2022-July 2022-Judith Disbursing Transport fee to participant in May during RI...	1,400	-	1,400	-	-
7/18/2022	AIHSS	Judith Ame-05/25/2022-July 2022-Judith Disbursing Transport fee to participant in May during RI...	1,400	-	1,400	-	-
7/18/2022	AIHSS	Immenna Wau-July 2022--Immenna Disbursing Transport Hire funds to Central Liner in June during ...	570	-	570	-	-
3/18/2022	CDS	Bayviews Apartments-Inv#1251-March 2022-lodgement for CDS advocacy w/shop participants, Alotau	22,400	22,400	-	-	-
10/6/2022	CDS	Cossam Guest House-Inv#381-Oct 2022-Accommodation for CHAI and	10,500	-	-	-	10,500

Voucher Date	Grant	Transaction description	Amount	Inadequate	Unsupported	Gst	Ineligible
		PHA staff for Covid Training, Morobe					
4/27/2022	CDS	Lokuia Lodge Ltd Inv#020/2022 - Apr 2022 - Accommodation for 3x Staff during Covid District Visi...	6,615	6,615	-	-	-
5/5/2022	CDS	Ulumani Treetops Lodge Proinv#012 - May 2022 - Hire Vehicle - Security Visit Alotau MBP	1,500	1,500	-	-	-
12/31/2022	CDS	To record: Per diem for all participants attending the RCCE training for Markham district	15,750	-	15,750	-	-
			272,757	**187,013**	**26,830**	**1,710**	**21,127**

Southern Highlands – Santos Foundation

Voucher n°	Voucher Date	Grant	Transaction description	Amount	Inadequate
775847	13th/01/23	AIHSS	V/H for RI C/up for Ialibu Pangia -DHF	6,000	6,000
775889	13th/01/23	AIHSS	Being for v/hire RI c/up Nov/22 @ Yaria HSC	4,200	4,200
775951	25th/01/23	AIHSS	Being for v/hire RI c/up sup M/M & Lower Mendi Nov/22	4,800	4,800
775984	2/8/2023	AIHSS	Being for OS fuel bill Feb RI c/up Estern/End- DHF's	23,392	23,392
776392	6/18/2023	AIHSS	Being for v/hire-RI c/up-Aril 23-Tegibo	3,000	3,000
776392	6/18/2023	AIHSS	Being for v/hire-RI c/up-April 23-Kar HC	3,000	3,000
776392	6/18/2023	AIHSS	Being for v/hire-RI c/up-April 23-Nipa	4,800	4,800
776399	6/18/2023	AIHSS	Being for v/hire-RI c/up-April23-Pimaga	4,800	4,800
776412	6/26/2023	AIHSS	Charter for HTR Areas RI C/up	205,557	205,557
776661	12/20/2023	AIHSS	O/S v/hire-RI c/up-sept 2023-Imbongu HC	4,200	4,200
775040	24-05-22	AIHSS	meals & accom- ri micro plan & fb budget	15,000	15000
775154	7/8/2022	AIHSS	accom & meals- ri micro plan w/shop	23,891	23,891
775226	8/8/2022	AIHSS	travel itineraries- budget submission	11,550	11,550
775227	8/8/2022	AIHSS	travel itineraries- budget submission	7,350	7,350
775228	8/8/2022	AIHSS	travel itineraries- budget submission	11,750	11,750
775229	8/8/2022	AIHSS	travel itineraries- budget submission	11,550	11,550
775463	19-10-22	AIHSS	paediatric services reconfiguration	39,916	39,916
TOTAL				**384,756**	**384,756**

Gulf – Santos Foundation

Posting Date	Jrnl. Entry Item Text	Amount	Inadequate	Unsupported	GST
4/30/2023	WBS OF-P00019.0010.003.03.01	21,346			1,940
9/28/2022	101161/40450/Telephone & Mobile	205		205	
10/31/2022	Contract Services	3,400	3,400		
11/30/2022	Conferences & Seminars	4,000		2,000	
11/30/2022	Printing & Stationery	1,500	1,500		
4/6/2023	Kevin Hoaki 60% RI Outreach Patrol 10-17/4/23 Gulf	546	546		
4/13/2023	Kerema Patrol-RI Activities OBM Hire Opao Village	4,200	4,200		
4/13/2023	Regina Palek RI Activity Planning 16-22/4/23 Mendi	1,235	1,235		
4/20/2023	Kerema Urban Clinic RI Patrol-Diesel Fuel Drums	4,200	4,200		
4/30/2023	WBS OF-P00019.0010.004.01.01	4,363	4,363		

Posting Date	Jrnl. Entry Item Text	Amount	Inadequate	Unsupported	GST
5/31/2023	Obed Silas 40% Perdiem 3-7/4/23 Kikori	220	220		
6/30/2023	RI Patrol Zoom Supply-Kukipi Hlt Centre	2,400	2,400		
9/27/2023	Diesel For RI Urban Patrol -11/9-2/10 Kerema	1,400	1,400		
9/27/2023	RI Urban Patrol Hire Car-11/9-2/10 Kerema	8,000	8,000		
		57,015	**31,464**	**2,205**	**1,940**

Eastern Highlands – EHPHA

Voucher n°	Voucher Date	Grant	Transaction description	Amount	Inadequate	GST	Ineligible
5258	16.4.21	AIHSS	Printing of Banners, T&Collar shirts, caps for World Immins.Day	24,494	24,494		-
5757	19.07.22	AIHSS	Being for stationeries for Public Health Office to support routine immunisation program	4,870			4,871
5859	16.08.22	AIHSS	Being for tonners & stationeries for Accounts HSIP for printing of AIHSS reports & ledgers	4,629			4,630
5860	16.08.22	AIHSS	Being for Flash & Hard drives for Accounts HSIP for backup of AIHSS reports & ledgers	2,244			2,244
7491	17.01.23	AIHSS	Tonner inks & stationeries for DPH office to print reports & documents for Covid-19 trainings & meetings	3,960			3,960
7492	17.01.23	AIHSS	Tonner inks & stationeries for Deputy DDHS to print reports & documents for Covid-19 trainings & meetings	2,583			2,584
7502	26.01.23	AIHSS	Tea, sugar, coffee & assorted goods for Covid-19 meetings	764			765
7552	13.02.23	AIHSS	Stationeries for Accounts (HSIP) for processing requisitions & cheques for Covid-19 advocacy & vaccination	4,994			4,994
7606	11.03.23	AIHSS	Stationeries to be used by Technical Officers for Mentorship & Advocacy Training in Ktu.Dist.	2,887			2,888
7609	11.03.23	AIHSS	Stationeries to be used by Technical Officers for Mentorship & Advocacy Training in O/Wan Dist.	2,887			2,888
7638	29.03.23	AIHSS	Stationeries for Technical Officers for mentorship & advocacy training in Henganofi District	2,887			2,888
7640	29.03.23	AIHSS	Stationeries for Technical Officers for mentorship & advocacy training in Okapa District	2,887			2,888
7642	29.03.23	AIHSS	Stationeries for Technical Officers for Accounts HSIP to process requisitions & cheques for STC wages	7,367			7,367
932096	26.10.23	AIHSS	Hire Car for tech. staff & support staff for mentorship training form 23-25/10/23 for immunisation coverage	9,350			9,350
7417	08.12.22	CDS	Stationeries for HSIP Accounts for processing requisitions & cheques for 3rd RI & C-19 vaccine	5,835			5,835
5210	30.3.21	AIHSS	Airflight health offi.to conduct immu. activities	33,640		3,058	
5263	22.4.21	AIHSS	P/ment for stationaries PEOC operation to supp. AIHSS prog.	4,195	3,814	381	
5376	22.07.21	AIHSS	P/mnt stationeries to conduct Supervision, Mentoring & Monitoring of DHF for 2nd Qtr. Immun. Act	3,268	3,268		
5520	10.11.21	AIHSS	P/mnt for Laptop to support PEOC operations under AIHSS project	4,603		418	

Voucher n°	Voucher Date	Grant	Transaction description	Amount	Inadequate	GST	Ineligible
5521	10.11.21	AIHSS	P/mnt for stationeries to support PEOC operations under AIHSS project	3,959	3,599	360	
5734	30.06.22	AIHSS	Being for drone purchase to be used for aerial photos & mapping out health facilities	6,391		581	
5861	16.08.22	AIHSS	Being for accommodation & meals for O/Wan, Kainantu & Daulo Dist. Officers attended Perf. Review & RI meeting	6,350		635	
7418	08.12.22	CDS	Vehicle repair for Barabundora HC ambulance for 3rd RI & C-19 vaccine in O/Wan. Dist.	16,158		1469	
TOTAL				**161,202**	**35,175**	**6,902**	**58,152**

Morobe – World Vision

Voucher No.	Voucher Date	Grant	Transaction description	Amount	Adequate	GST
20649	5/21/2022	CDS	Conference Hire x 5 days 16-20 May 222	10,850		986
20649	5/21/2022	CDS	AM/PM TEA x 5 days 16-20 May 22	10,125		920
20649	5/21/2022	CDS	Lunch x 5 days 16-20 May 22	15,750		1,431
P6C20220515	7/6/2022	CDS	Manuatu Hire Car Service -First 50% payment	20,790		1,890
P0C20222562	8/4/2022	CDS	Aug'22 WVPNG Pom Office Rental S/Cost	1,122		102
P0C20222562	8/4/2022	CDS	Aug'22 Morobe Office Rental	3,575		325
P6C20220568	8/5/2022	CDS	PST-1358784-2 Vehicle Hire 30x Days Yamaya HC	19,800		1,800
P6C20220591	8/30/2022	CDS	Being accommodation for Benny, Edwin- (AIHSS)	2,100		190
P6C20220591	8/30/2022	CDS	Being accommodation for Jamea, Sharon- (AIHSS)	2,100		190
P0J20221400	8/30/2022	CDS	P.B Transport & Logistics Management - PBTLM -2-13	11,990		1,090
51310	4/1/2022	CDS	Accommodation Twin Share x11	500		45
51315	4/2/2022	CDS	Accommodation Twin Share x11	625		56
51316	2/4/2022	CDS	Accommodation Twin Share x11	500		45
P6C20220596	9/5/2022	CDS	PST-146086-2 accommodations & hotel meals	28,600	28,600	
TOTAL				**128,427**	**28,600**	**9,070**

Madang – World Vision

Voucher n°	Voucher Date	Grant	Transaction description	Amount	Inadequate	Unsupported	GST
P0J2022S269	10/31/2022	WHO	Adjustment on P0J2022S269 for PGK reporting	10,623		10,623	
P2C20230107	12/20/2022	WHO	Accm- Albert G/Brenda Tagine-Donor visit by PATH	4,200			381
P0C20221589	4/25/2022	WHO	Travel Services ltd-April22 Airfare chges	28,354	28,354		
P0J20221655	9/30/2022	WHO	Logistics support PHAS Qtr. Meeting	6,696			608
P0J20221655	9/30/2022	WHO	Support Routine Planning Meeting -AIHSS Madang	7,307			664
TOTAL				**67,555**	**28,354**	**10,623**	**1,653**

PwC

Voucher n°	Voucher Date	Transaction description	Amount	GST
34181022	3-Nov-22	Kaipal Investment Limited - Lunch Buffet with assorted drinks	13,475	1225
Highlands-8152/8183	29-Mar-23	ISLAND MOBILE HIRE CARS LTD - Quote#8183 10 door Vehicle to be hired for 13 x days from 12MAR2023 to 24MAR2023 (Mendi to Goroka) no driver	13,860	1260
Hela	29-Mar-23	ISLAND MOBILE HIRE CARS LTD - 10-Seater Vehicle to be hire for 4 x days from 26/03/23-29/03/23 Vehicle to be derived to Hela Province for use by Security Personals	4,565	415
Buka- Quote#9000	31-Mar-23	ISLAND MOBILE HIRE CARS LTD - 5 door Dulex Vehicle to be hired for 5 x Days with Fuel and Chauffer - Inter Passage fee included	6,957	632

Voucher n°	Voucher Date	Transaction description	Amount	GST
		26-31 March 2023		
Buka- Quote#9000	31-Mar-23	ISLAND MOBILE HIRE CARS LTD - 5 door Dulex Vehicle to be hired for 5 x Days with Fuel and Chauffer - Inter Passage fee included 26-31 March 2023	7,315	665
PO-00237	31-Mar-23	Stanley Hotel - Catering	30,560	2960
PO-00237	31-Mar-23	Stanley Hotel - AV Hire	22,240	2022
Inv 1630064	15-Sep-22	Date - HP PB 450 i7/16f"12 GB i7-1165G7/16G/512G/15" W10P64/ 5267221 Geforce-MX450-2GB **comes with bag**	62,091	5644
Quote No. 1672727	9-Feb-23	Datec (PNG) Limited - HP PB 450 i7/8/256 G8 365N4PA i7 - 1165G7/8G/256G/15" W10P64365N4PA Geforce-MX450-2GB *comes with bag*	19,497	1772
	8-Sep-22	Stephanie Copus Campbell & Associates - Payment for Stephanie and Shannon's services to the taskforce for the periods Aug and September 2022 @ AUD 58,025	134,660	11129
various inv	18-Apr-22	TCB Travel PNG Ltd - Round trip airfare from West New Britain to POM and POM to West New Britain for PTOT Workshop	5,995	545
various inv	18-Apr-22	TCB Travel PNG Ltd - Round trip airfare from Vanimo to POM and POM to Vanimo for PTOT Workshop	8,272	752
various inv	18-Apr-22	TCB Travel PNG Ltd - Round trip airfare from AROB (Buka) to POM and POM to AROB (Buka) for PTOT Workshop	11,097	1008
HQIN00025136	19-Sep-22	TCB Travel PNG Ltd - TGULPC - 1.1BOTTY/LUKE MR 2.1KAPA/BEN MR 3.1HULAMBUKIE/ EILLEN 4.NANADAI/MARYANNE 5.HEKAU/VAVINE 1 PX 112Y 19SEP 1 POMMAG HK3 1530 1630 /DCPX*QWKZMN /E 2 PX 111Y 24SEP 6 MAGPOM HK3 0700 0800 /DCPX*QWKZMN /E	10,086	916
PO-00058	30-Sep-22	TCB Travel PNG Ltd - 1. Glenda Suagu 2. Emily John 3. Sipora Yanabis 2 PX 110Y 25SEP 7 POMMAG SS1 1130 1245 /DCPX /E 4 PX 129Y 01OCT 6 MAGPOM SS1 1255 1500 /DCPX /E	6,018	547
Hela	8-Mar-23	TCB Travel PNG Ltd - DVYPIM 1.1THOMAS/JOSEPHINE MS 2.1KEBO/RICHARD MR 3.1JOHN/GIBSON MR 1 PX 864 26MAR 7 POMTIZ HK5 0815 0950 2 PX 865 29MAR 3 TIZPOM HK5 1200 1335	8,384	762
Buka	14-Mar-23	TCB Travel PNG Ltd - 2.1WARTOVO/METELISH 4.1DAGINA/ROSHIELA 6.1VATE/FRANCISCA 1 CG8820Q 26FEB 7 POMBUA HK6 0700 1140 2 PX 251Y 03MAR 5 BUAPOM HK6 1400 1430	12,061	1315
71011122	14-Nov-22	Kaipal Investment Limited - Lunch Buffet with assorted drinks	14,322	1302
Quote No. 1672727	9-Feb-23	Datec (PNG) Limited - Len L13 Yoga G2 i5/16/256 20VK i5-113G7G7/16G/256G//W10P/1Yr5169034 20VK000CAU Touch	5,499	499
PO-00064	27-Oct-22	TCB Travel PNG Ltd - Being for travel for ref EVIHU : 1.1KARO/ROSEMARY 2.1TOIKILIK/STEVEN MR 3.1KAIMA/PETRONIA	13,401	1218
PO-00092	16-Dec-22	TCB Travel - WQDRDX 1.1ESOROM/DAONI DR 2.1DAGINA/ROSHIELA MS 3.1JOHN/GIBSON MR 4.1MONI/JOHN MR 5.1GEORGE/MARGARET MS	16,000	290
various inv	18-Apr-22	TCB Travel PNG Ltd - Round trip airfare from Mt Hagen to POM and POM to Mt Hagen for PTOT Workshop 1.1MANAPE/MAX DR 2.1GAHARE/JAMES MR 3.1DAVID/SLOS SR	26,050	2368
Total			**452,405**	**39,246**

Annex 9: Management action plan from the 2025 financial review - Supplemental

Issues	Audit Recommendations	Management Action	Action Owner	Timelines
Gaps in financial internal controls resulted in questioned expenditures	Recommendation 2 To ensure that funds are properly and adequately accounted for, the management of NDoH/EPI, together with fund managers like Abt should: • Implement document retention policies to ensure that documents are retrievable for review. • Reinforce compliance with financial management and procurement guidelines • Ensure that all expenditures are adequately supported with relevant original documents that fully support activities implemented. • Ensure that the fund managers maintain adequate oversight over the ISPs. • Ensure that regular supervisions to the subnational level are conducted, findings documented and followed up to close all issues noted. • Track any GST that is paid from Gavi grants and ensure that discussions are held with the Department of Treasury to obtain the necessary tax exemptions. Funds recovered should be refunded to the Gavi in-country HSS programme and unrecovered funds reported to Gavi in a timely manner.	**Action 1** Management acknowledges the audit finding and agrees with the recommendation to strengthen financial internal controls, documentation practices, procurement compliances and oversight mechanisms across national, provincial and implementing partner levels. We recognise that weaknesses in these areas increase the risk of questioned expenditures and reduce assurance over the appropriate use of Gavi funds. At the same time, management partially disagrees with aspects of findings, particularly the classification and factual basis of certain questioned expenditures. In several cases, the expenditures were valid and related to approved programme activities but were questioned due to documentation availability at the time of audit, or the way in which records were provided. Specifically: Some supporting documents were unavailable during field visits due to office relocations or logistical constraints but have since been retrieved. Certain expenditures classified as ineligible or unutilised were reimbursed to WHO and were therefore incorrectly reflected as outstanding. GST related amounts were inconsistently reported across sections of the audit report, including instances where amounts already adjusted continued to appear elsewhere. For some items labelled as “inadequately supported”, the audit did not clearly specify which documents were considered insufficient, limiting management’s ability to respond. In relation to PwC, the questioned expenditures relate solely to the use of scanned or electronic documentation, notwithstanding that contractual agreements and established procedures explicitly permit electronic record-keeping and no fundings of impropriety, procurement non-compliance or misuse of funds were identified. Notwithstanding these concerns, management accepts the need to strengthen systems and practices to prevent recurrence and to meet Gavi’s assurance expectations.	**Action 1** EPI	**Action 1** June 2027
Improvement required in financial	Recommendation 2 To ensure that the financial management practices are strengthened NDoH/EPI should:	**Action 2**	**Action 2** EPI	**Action 2** June 2027

Issues	Audit Recommendations	Management Action	Action Owner	Timelines
management monitoring and reporting system	• Ensure that regular supervisions to the subnational level are conducted, findings documented and followed up to close all issues noted. • Establish a process of budget monitoring at both the national and provincial levels, such that budget monitoring is undertaken for all Gavi grants; and • Ensure that funds disbursed to PHAs and individuals at national level or subnational level, for the purpose of implementing activities, should be recorded as advances, to encourage and facilitate due follow-up and accountabilities. • Ensure that robust fixed asset management plan is developed and implemented including maintenance of fixed asset register and regular asset verification. • Conduct regular financial management training of the provincial finance staff, on how to comply with grant management requirements. While this was initiated in August 2025, a review of the effectiveness of training will only be validated in subsequent audits.	Management acknowledges the auditors' observations on weaknesses in financial management, monitoring, reporting and oversight at the national and provincial levels during the period under review. While management contests some elements of the auditors' characterisation – particularly in relation to existing budget monitoring practices and the application of government cash-basis accounting – there is a broad agreement on the need to strengthen systems, consistency, documentation and visibility of financial information for Gavi-funded activities.		
The assurance mechanisms need to be strengthened	Recommendation 3 To strengthen assurance mechanisms, the NDoH/EPI with support from partners should: • In preparation for the programme's future transition, Gavi funds and related activities should be incorporated into the national financial management systems (e.g., GoPNG budgeting processes, public financial management systems, and treasury management systems) to ensure these become properly aligned with other sources of public funds, and future budgetary allocation processes, so that the programme as a whole, is progressively subject to the same reporting, scrutiny and accountability as regular government funds. • Ensure that the external audit processes include Gavi support, using the same audit frameworks that apply to Government public funds. Such project audits reports should be shared with Gavi, the TWG, NDoH, and relevant stakeholders for validation.	**Action 3** Management across the NDoH and key implementing partners acknowledges the audit finding that existing assurance mechanisms, while present, have not functioned as effectively as intended during the period under review. All parties recognise that stronger, more systematic assurance arrangements are critical to ensuring accountability, transparency, and effective management of Gavi-funded resources, particularly in the context of PNG's transition from Gavi support. NDoH acknowledges the absence of internal reviews of the EPI during the audit period and agrees that this represents a significant gap in assurance. Management commits to re-establishing internal audit coverage for EPI and Gavi-funded activities as part of the Department's annual internal audit plan. This will improve oversight of compliance with internal controls, financial procedures and programme effectiveness.	**Action 3** EPI	**Action 3** June 2027