



**INTERIM REPORT OF THE AUDITOR GENERAL
ON THE AUDIT OF UTILISATION
OF COVID-19 RESOURCES
AS AT 31st JULY 2020**



REPUBLIC OF ZAMBIA

INTERIM REPORT

OF THE

AUDITOR GENERAL

ON THE AUDIT OF

UTILISATION OF COVID-19 RESOURCES

AS AT 31st JULY 2020

OFFICE OF THE AUDITOR GENERAL

VISION: A dynamic audit institution that promotes transparency, accountability, and prudent management of public resources.

MISSION: To independently and objectively provide quality auditing services in order to assure our stakeholders that public resources are being used for national development and wellbeing of citizens.

GOAL: To give assurance that at least 80% of public resources are applied towards developmental outcomes.

CORE VALUES: Integrity
Professionalism
Objectivity
Teamwork
Confidentiality
Excellence
Innovation
Respect

Table of Contents	Page
Executive Summary	i
1. Introduction	1
2. Structure for Coordination of the COVID-19 Response	2
3. Response of Supreme Audit Institutions	3
4. Audit Mandate	3
5. Audit Objectives	4
6. Audit Scope and Limitation	4
7. Audit Methodology and Strategy	4
8. Source of COVID-19 Resources	5
9. Audit Findings	5
10. Conclusion	43
11. Recommendations	43
12. Way Forward	44

Executive Summary

On 30th January 2020, the Director-General of World Health Organisation (WHO) declared the Coronavirus Disease of 2019 (COVID-19) an outbreak caused by SARS-COV-2 a Public Health Emergency of International Concern (PHEIC).

To respond to the risk, the Ministry of Health developed a COVID-19 Preparedness and Response Plan in partnership with WHO, and subsequently the Country developed the COVID-19 Multi-Sectoral Contingency and Response Plan.

On 18th March 2020, Zambia recorded its first two (2) Coronavirus cases, fifty-five (55) days after WHO had declared COVID-19 a PHEIC.

In line with Article 250 of the Republican Constitution (Amendment) Act No. 2 of 2016, the Public Audit Act No. 13 of 1994 and the Public Finance Management Act No. 1 of 2018, my Office embarked on the audit of the utilisation of COVID-19 resources in order to assure various stakeholders that the COVID-19 resources are being properly managed and utilised.

Audit Objectives

The objectives of the audit were to ascertain among others whether:

- i. resources, financial or otherwise allocated or received for the fight against COVID-19, were being captured and correctly recorded,
- ii. the resources allocated or received for the fight against COVID-19 were being utilised for the intended purpose(s),
- iii. the laws relating to financial management, procurement, public health, and disaster management were being adhered to,
- iv. laws and regulations were in place and adequate,
- v. systems in place to manage the resources were adequate,
- vi. Statutory Instruments No. 21 and No. 22 and other policies put in place were effective, and
- vii. infrastructure, equipment, tools, and other assets being used to combat the pandemic exist and were adequate.

Audit Scope and Limitation

The scope of the audit for this report covered transactions from 1st February 2020 to 31st July 2020. This report covers the audit of Ministry of Health (MoH), Ministry of Finance (MoF), Disaster Management and Mitigation Unit (DMMU) and selected Provincial and District Administration Offices.

In this regard, the audit involved a follow up of all funds disbursed and materials distributed including equipment to various districts/institutions.

The findings mentioned in this report were communicated to the MoH, DMMU and MoF. The findings were communicated through the issuance of preliminary audit queries and management letters. The responses from management have been considered and where appropriate the necessary adjustments have been made. In addition, for the purposes of clarity, a summary of the responses from management have been included as part of the observations and appear in bold and italics.

There was an inherent limitation in the physical verification of resources at the isolation centres due to the high risk of infection. Therefore, the physical verification of COVID 19 resources in the isolation centres will be done once the risk is reduced.

Observations

Some of the observations raised in this Report are:

a. Government Funding

During the period from 1st February to 31st July 2020, the Treasury released K61,364,345 (MoH - K53,884,345, DMMU - K4,000,000 and K3,480,000 to other Ministries, Provinces and Agencies) for the fight against COVID-19 under the Epidemic Preparedness Fund.

In addition, between 1st May 2020 and 31st July 2020, the Treasury released K33,798,987 to DMMU against the budget provision of K450,000,000 under the COVID-19 Multi-Sectoral Contingency and Response Plan.

In this regard, a total of K95,163,332 had been released out of which K93,805,240 had been spent leaving a balance of K1,358,092 as at 31st July 2020.

b. Cooperating Partners and Other Donors (Cash and Aid-In-Kind)

A review of press releases by the Ministry of Finance as at 30th June 2020, revealed that there were pledges and donations in the form of cash in amounts totalling K12,922,755, Aid-In-Kind valued at K74,383,526 and US\$111,600 and other assorted items not valued.

Further, as at 31st July 2020, Zambia had received pledges and commitments from bilateral and multilateral Cooperating Partners in amounts totalling K6,399,286,226. See table 1 below.

Table 1: Pledges and Commitments from Cooperating Partners

No.	Cooperating Partner	Pledged Amount	US\$ Equivalent	ZMK Equivalent
1	African Development Bank	US\$67.5 Million	67,500,000	1,215,000,000
2	World Bank	US\$79.9 Million	79,900,000	1,438,200,000
3	European Union	EUR 89.3 Million	97,100,000	1,747,800,000
4	Global Fund	US \$6.7 Million	6,700,000	120,600,000
5	Germany	EUR18.5 Million	20,115,901	362,086,226
6	United States of America	US\$14.5 Million	14,500,000	261,000,000
7	United Kingdom (DFID)	GBP 46.4 Million	57,300,000	1,031,400,000
8	Sweden	USD 12.4 Million	12,400,000	223,200,000
	Total		355,515,901	6,399,286,226

Note: The exchange rate used was K18 per 1US\$.

However, the Ministry of Finance had not indicated the actual funds received from the donors listed in table 1 above as at 31st July 2020.

c. Non-Financial Matters

- i. The failure to Operationalise the National Disaster Relief Trust Fund,
- ii. Lack of Highly Infectious Disease Isolation Hospital,
- iii. Delayed Preparation of the Multi Sectoral Contingency and Response Plan,
- iv. Failure to Prepare Monitoring and Evaluation Reports at Provincial and District Level,
- v. Failure to Obtain Reports on Donations in the Provinces and Districts,

- vi. Irregularities in the Administration of Donations,
- vii. Delayed Preparation of the Procurement Plans, and
- viii. Human Resource Related Matters - Lack of Incentives for Front Line Personnel.

d. Financial Matters

Table 2: Financial Matters

No.	Details	Amount	
		K	US\$
1	Irregular transfer of GRZ funds to commercial bank	60,884,345	-
2	Irregular withdrawal of Cash	3,361,196	-
3	Over Payment of Daily Subsistence Allowance	225,690	
4	Irregular Payment of Daily Subsistence Allowance	112,033	
5	Over Commitment - Procurements not Supported by Funding	652,216,472	-
6	Uncompetitive Procurement – Cover Bidding	10,113,000	-
7	Procurement Contracts Awarded without Competition	194,368,015	-
8	Questionable Award of Contracts	383,868,472	-
9	Failure to Undertake Adequate Needs Assessment (Face Masks)	291,556,022	-
10	Failure to Procure within Budget Provisions (Face Masks)	130,827,922	-
11	Delayed delivery of procured goods	10,431,906	654,038
12	Lack of Receipt and Disposal Details - Fuel	100,000	

e. Conclusion

The weaknesses highlighted in the report if not addressed could affect the efforts to fight against the COVID-19.

f. Recommendations

The following are the proposed recommendations to those charged with management of public resources:

- i. The National Disaster Relief Trust Fund must be immediately operationalised to ensure funds are readily available.
- ii. A dedicated Highly Infectious Disease Isolation Hospital should be constructed in each province to handle infectious diseases such as COVID -19 and Ebola,
- iii. The Multi-Sectoral Contingency and Response Plan should be reviewed frequently, and sensitisation conducted among stakeholders,

- iv. Needs such as medical equipment, laboratories and medical personnel should be stated in the Multi-Sectoral Contingency and Response Plan in terms of their requirements, actual numbers available and shortfalls
- v. Proper Coordination should be enhanced among the stakeholders,
- vi. The provisions of the Public Finance Management Act No.1 of 2018, Circulars by Ministry of Finance and Public Procurement Act No. 12 of 2008 should be adhered to,
- vii. Guidelines must be developed and adhered to in the receipt, allocation, and distribution of COVID-19 related donations,
- viii. There should be transparency in the invitation, evaluation, selection and engagement of suppliers.
- ix. The implementers should ensure that the procurements are made within the approved budgets
- x. Appropriate action must be taken against erring officers.

g. Way Forward

The audit will focus on the following:

- i. Contract management which aims at highlighting any irregularities in the award contracts.
- ii. Actual deliveries against the specifications will be checked to ensure that the items ordered have been delivered accordingly.
- iii. Audit of all institutions that have received or are receiving funds relating to COVID-19.
- iv. Confirmations with donors on their pledges including the verification of the values attached to the Aid-In-Kind.



Dr. Dick Chellah Sichembe
AUDITOR GENERAL

1. Introduction

On 30th January 2020, the Director-General of World Health Organisation(WHO) declared the Coronavirus Disease of 2019 (COVID-19) an outbreak caused by SARS-COV-2 a Public Health Emergency of International Concern (PHEIC) under the International Health Regulations (IHR 2005), following advice from the International Health Regulations Emergency Committee. Further, on 11th March 2020, the Director-General declared COVID-19 a pandemic following a rapid increase in the number of cases outside China that had affected a growing number of countries.

Zambia recorded its first two (2) Coronavirus cases on 18th March 2020, fifty-five (55) days after WHO had declared COVID-19 a PHEIC.

a. International Preparedness and Response

On 4th February 2020, the Director-General of WHO briefed the Secretary-General of the United Nations (UN) and requested the activation of the United Nations Crisis Management Policy to establish a Crisis Management Team (CMT) to coordinate the UN system-wide scale up to assist countries prepare for and respond to COVID-19.

On 6th February 2020, the COVID-19 Strategic Preparedness and Response Plan (SPRP) was introduced, emphasizing the importance of responding to the crisis as “One UN.” The primary objective of the international response was to stop the human-to-human transmission of the virus and ensure caring for those affected.

The WHO COVID-19 Strategic Preparedness and Response Plan (SPRP) also outlined the measures to be taken at country level to contain the virus and was to be updated with further guidance if the epidemiological situation changed. The purpose of the document was to guide governments to develop Country Preparedness and Response Plans (CPRP). The initial CPRP was to be developed for a three (3) month period from 1st February to 30th April 2020, in alignment with the SPRP. Subsequent CPRPs were to be developed based on the evolving situation and needs.

b. National Preparedness and Response

As of 11th February 2020, Zambia was considered vulnerable of importing the virus and was therefore among twelve (12) of the forty-seven (47) countries in the WHO-African Region categorised as priority one (1) and therefore high risk. This was due to the fact that the Country experienced high population movement to and from China. There was also a high number of flights interconnecting Zambia and the rest of the world through the four (4) international airports. Further, a significant number of Chinese nationals resided in Zambia and some had travelled to China for the Chinese New Year Holidays of the 2020.

In addition, Zambia was considered a high risk because it is a landlocked country with borders shared with eight (8) countries. The country had sixteen (16) designated and twenty-four (24) authorised Points of Entries (PoEs) that included four (4) international airports as of March 2020.

To respond to the risk, the Ministry of Health, in February 2020, developed a COVID-19 Preparedness and Response Plan in partnership with WHO. Further in March 2020, the Country developed the COVID-19 Multi-Sectoral Contingency and Response Plan.

2. Structure for Coordination of the COVID-19 Response

According to COVID-19 Multi-Sectoral Contingency and Response Plan, the coordination of the COVID-19 response was being led as follows:

a. The National Coordinator (DMMU)

The National Coordinator of DMMU is tasked with working with all the Permanent Secretaries in line Ministries leading the implementation of the response at technical level.

b. The Committee of Permanent Secretaries on Epidemic Preparedness and Response

The Committee of Permanent Secretaries on Epidemic Preparedness and Response is chaired by the Secretary to the Cabinet. It provides policy recommendations to the National Disaster Management Council of Ministers.

c. The National Disaster Management Council of Ministers

The National Disaster Management Council of Ministers was chaired by the Vice President. It is responsible for coordinating response to the Pandemic while communication

on the COVID-19 response was led by the Chief Government spokesperson, the Minister of Information and Broadcasting.

d. Overall Coordination

The Plan further provides that if Zambia reached scenario 3, where more than five (5) confirmed cases were reported with wider spread in more than one cluster or more than one district, His Excellency the President of the Republic of Zambia would coordinate the overall response to the Pandemic.

3. Response of Supreme Audit Institutions

On 15th April 2020, the International Organization of Supreme Audit Institutions (INTOSAI) Policy, Finance, and Administration Committee (PFAC) launched an INTOSAI COVID-19 initiative.

The Initiative had the following key areas:

- practical information on remote work,
- real-time auditing, and
- staff training, among others.

In this regard, the Auditor-General embarked on a real time audit of COVID-19 resources raised, received and utilised by public bodies and any institutions financed from public resources in relation to the fight against the COVID-19 Pandemic. The audit is divided into three (3) areas relating to the three (3) stages WHO is undertaking in fighting the pandemic namely, Preparedness, Response and Recovery of the nation from pandemic.

4. Audit Mandate

Public resources (financial or otherwise) are subject to audit by the Auditor General in accordance with Article 250 of the Republican Constitution of Zambia (Amendment) Act No. 2 of 2016, the Public Audit Act No. 13 of 1994 and the Public Finance Management Act No. 1 of 2018.

Under these legislations, the Auditor General is required to audit public accounts, accounts of statutory corporations and private institutions that receive Government subsidies or subventions in any financial year.

5. Audit Objectives

The objectives of the audit were to ascertain among others whether:

- i. resources, financial or otherwise allocated or received for the fight against COVID-19, were being captured and correctly recorded,
- ii. the resources allocated or received for the fight against COVID-19 were being utilised for the intended purpose(s),
- iii. the laws relating to financial management, procurement, public health, and disaster management were being adhered to,
- iv. laws and regulations were in place and adequate,
- v. systems in place to manage the resources were adequate,
- vi. Statutory Instruments No. 21 and No. 22 and other policies put in place were effective, and
- vii. infrastructure, equipment, tools, and other assets being used to combat the pandemic exist and were adequate.

6. Audit Scope and Limitation

The scope of the audit for this Report covered transactions from 1st February 2020 to 31st July 2020. This report covered the audit of Ministry of Health (MoH), Ministry of Finance (MoF), Disaster Management and Mitigation Unit (DMMU) and selected Provincial and District Administration Offices.

In this regard, the audit involved a verification of all funds disbursed and materials distributed including equipment to various districts/institutions.

There was a limitation in the physical verification of resources at the isolation centres due to the high risk of infection. Therefore, the physical verification of COVID 19 resources in the isolation centres will only be done once the risk is reduced.

7. Audit Methodology and Strategy

The audit was conducted in accordance with the International Organisation of Supreme Audit Institutions (INTOSAI) Standards (ISSAIs). In particular (ISSAIs 5510 – Audit of Disaster and

Risk Reduction, 5520 - Audit of Disaster related aid and ISSAI 5530 – Adapting Audit Procedures to take account of increased risk of fraud and corruption in the emergence phase following a Disaster.

The findings mentioned in this report have been officially communicated to the MoH, DMMU and MoF. The findings were communicated through the issuance of the preliminary audit queries and the management letters. The responses from management have been considered and where appropriate the necessary adjustments were considered. In addition, for the purposes of clarity, a summary of the responses from management have been included as part of the observations report and appear in bold and italics.

8. Source of COVID-19 Resources

The sources of resources for activities undertaken in the fight against the Covid-19 pandemic included the Government funding, Cooperating Partners (pledges and commitments) and donations from well-wishers.

9. Audit Findings

A review of records relating to the fight against COVID 19 at the Ministry of Finance, Ministry of Health, DMMU and selected districts revealed the following:

a. Government Funding

During the period 1st February to 31st July 2020, the Treasury released K61,364,345 (MoH - K53,884,345, DMMU - K4,000,000 and K3,480,000 to other Ministries Provinces and Agencies) for the fight against COVID-19 under the Epidemic Preparedness Fund.

In addition, between 1st May 2020 and 31st July 2020, the Treasury released K33,798,987 to DMMU against the budget provision of K450,000,000 under the COVID-19 Multi-Sectoral Contingency and Response Plan.

In this regard, a total of K95,163,332 had been released out of which K93,805,240 had been spent leaving a balance of K1,358,092 as at 31st July 2020.

b. Cooperating Partners - Pledges and Commitments

As at 31st July 2020, Zambia had received pledges and commitments from both Local and International (bilateral and multilateral) Cooperating Partners in amounts totaling K6,399,286,226. See table 1 below.

Table 1: Pledges and Commitments from Cooperating Partners

No.	Cooperating Partner	Pledged Amount	US\$ Equivalent	ZMW Equivalent
1	African Development Bank	US\$67.5 Million	67,500,000.00	1,215,000,000
2	World Bank	US\$79.9 Million	79,900,000.00	1,438,200,000
3	European Union	EUR 89.3 Million	97,100,000.00	1,747,800,000
4	Global Fund	US \$6.7 Million	6,700,000.00	120,600,000
5	Germany	EUR18.5 Million	20,115,901.00	362,086,226
6	United States of America	US\$14.5 Million	14,500,000.00	261,000,000
7	United Kingdom (DFID)	GBP 46.4 Million	57,300,000.00	1,031,400,000
8	Sweden	USD 12.4 Million	12,400,000.00	223,200,000
		Total	355,515,901.00	6,399,286,226

Note: the exchange rate used was US\$1 to K18

However, the Ministry of Finance had not indicated the actual funds received from the Cooperating Partners listed above as at 31st July 2020.

c. Other Donors

A review of press releases by the Ministry of Finance done in June 2020 revealed that there were pledges and donations in the form of cash in amounts totalling K12,922,755, Aid-In-Kind valued at K74,383,526 and US\$111,600 and other assorted items not valued.

d. Lack of Highly Infectious Disease Isolation Hospital

A Highly Infectious Disease Isolation Hospital is a specialized facility that is built to handle highly infectious diseases such as Ebola, Measles, Yellow Fever, Poliomyelitis and Corona Virus Diseases. It is meant not only to minimize the infection risk of these infectious diseases but also allowing proper critical care and case management of patients.

It was however observed that the Country had no dedicated Highly Infectious Disease Isolation Hospital.

In response, the Controlling Officer, Ministry of Health indicated that plans to formulate the two (2) dedicated national infectious diseases isolation facilities; in

Mwembeshi for the Southern Region and in Ndola for the Northern Region were underway with the National Infectious Diseases Isolation Hospital located in Mwembeshi being at over 80% completion.

However, as at 31st July 2020, the Country had no dedicated National Infectious Diseases Isolation Hospital.

e. Failure to Operationalise the National Disaster Relief Trust Fund

Section 30 (1 and 2) of the Disaster Management Act of 2010 states that “There is hereby established the National Disaster Relief Trust Fund”.

The Trust Fund shall consist of —

- i. such moneys as Parliament may appropriate for the purpose of the Trust Fund;
- ii. voluntary contributions to the Trust Fund from any person or organisation;
- iii. any grants mobilised from any source within or outside Zambia for the purpose of disaster management; and
- iv. interest arising out of any investment of the Trust Fund.

Further, the Act provides under Section 32 that the Fund would be used for any matter relating to the preparedness, prevention, mitigation of, and recovery from disasters.

It was however observed that as of the time the COVID-19 was reported in March 2020, the Fund had not been made operational, ten (10) years from the time it was established by the Act.

In his response, the National Coordinator (DMMU) deeply regretted the audit concern and further indicated that the Unit had since commenced the requisite processes to operationalise the Trust Fund.

However, as at 14th August 2020, the National Disaster Relief Trust Fund had not been operationalised.

f. Weaknesses in COVID-19 Multi-Sectoral Contingency and Response Plans

The following weaknesses were observed in relation to the Multi-Sectoral Contingency and Response Plans:

i. Delayed Preparation of Multi-Sectoral Contingency and Response Plan

According to the WHO Guidelines of February 2020, initial Country Preparedness and Response Plans (CPRPs) were to be developed for a three (3) month period from 1st February to 30th April 2020. Further, Section 3.5.3.1 (28)(i) of the 2015-2020, National Disaster Management Policy requires that contingency plans at community, district, provincial and national levels of governance should be formulated at preparedness stage.

However, it was observed that the Multi-Sectoral Contingency and Response Plan was developed after 28th March 2020 when the country had already recorded twenty eight (28) cases of COVID-19 and fifty eight (58) days had passed from the time WHO had declared COVID-19 as a Public Health Emergency of International Concern.

In response the National Coordinator DMMU indicated that Ministry of Health in liaison with DMMU developed a Sectoral Contingency and Response Plan in January 2020 which was later escalated into the Multi-Sectoral Contingency and Response Plan within a four (4) week period which was reasonable considering that the Plan had to be validated through the processes prescribed in the Disaster Management Act No. 13 of 2010.

However, the Multi-Sectoral Contingency and Response Plan was only developed after 28th March 2020, two (2) months after WHO had declared COVID-19 as a Public Health Emergency of International Concern.

ii. Failure to Provide Provincial Plans

Section 18 (1) of the Disaster Management Act No.13 of 2010 states that “Subject to the other provisions of this Act, the Provincial Committee shall oversee all disaster prevention, preparedness and mitigation programmes in the Province and provide the link between national level resources and functions of the districts”.

Further, Section 18(2) (b) states that “Notwithstanding the generality of subsection (1), the functions of the Provincial Committee shall be to prepare and consolidate provincial disaster management plans in line with national development plans;”

However, no provincial multi-sectoral plans and budgets were availed for audit scrutiny.

In response, the National Coordinator (DMMU) stated that the omission was regretted and that, the DMMU had written to the Provincial Disaster Management Committees to re-emphasise the need to develop and submit Provincial and District plans on time.

As at 31st July 2020, no Provincial, and District plans had been availed for audit.

g. Failure to Coordinate Aid In Kind

The Multi-Sectoral Contingency and Response Plan provided for the participation of various stakeholders such as Cooperating Partners, the Private Sector and Civil Society Organisations.

However, there was no evidence such as correspondence and minutes of meetings with donors to ensure that donations in kind were based on expert advice and items reflected in the Contingency and Response Plan. In this regard, it was observed that donations of K28,000,000 and K1,000,000 received in form of cheques on face value from Trade Kings Foundation and National Pension Scheme Authority (NAPSA) respectively were later converted to Aid In Kind. This was done without guidance from Government.

In response, the National Coordinator DMMU stated that he will ensure wider dissemination of the Multi-Sectoral Contingency and Response Plan to guide donations and contributions.

However, there was no evidence availed to show that stakeholders willing to help in the fight against COVID-19 were engaged or made aware of the needed requirements.

h. Failure to Indicate the Health and Isolation Facility Requirements

As at 30th April 2020, Zambia had a total of 144 hospitals and health centres that were identified as facilities to use in the fight against COVID-19.

It was however observed that other needs such as medical equipment, laboratories and medical personnel were not stated in Multi-sectoral Contingency and Response Plan in terms of their requirements, actual numbers available and shortfalls.

In response, the Controlling Officer, Ministry of Health indicated that the needs such as medical equipment, laboratory reagents, consumables and medical personnel were submitted but not captured in the finalised Multi-sectoral Contingency and Response Plan.

i. Failure to Prepare Monitoring and Evaluation Reports at Provincial and District Level

Government prepared the COVID-19 National Multi-sectoral Contingency and Response Plan (NMRCPP) to provide a framework for coordinated multi-sectoral preparedness and response to the socio-economic threat posed by COVID-19. The response is anchored on four (4) pillars namely; coordination, planning and monitoring; prevent, treat and halt COVID-19; continuity of provision of essential goods and services; and preservation of socio-economic stability.

The strategy is to strengthen monitoring and evaluation of the implementation of COVID-19 Contingency and Response Plan based on key performance indicators and to produce regular situation reports.

It was however observed that no reports were produced to show that the implementation of COVID-19 Contingency and Response Plan was being monitored and evaluated at provincial and district levels. As a result, the performance of districts and provinces towards the fight against COVID-19 as well as the challenges faced could not be ascertained.

In response, the Controlling Officer, Ministry of Health stated that being a new disease entity, whose course of evolution remained unpredictable, plans were advanced to update

the current Ministry of Health monitoring and evaluation framework to enhance one system of disease surveillance and reporting.

j. Failure to Adhere to Issued Guidance (Circulars) on COVID-19

Ministry of Finance Treasury and Financial Management Circular No. 3 dated 3rd April 2020 and ZPPA Circular No. 1 dated 29th May 2020 outlines that the implementing Agencies during COVID-19 situation should utilise electronic Government Procurement (e-GP) system for procurement and Integrated Financial Management System (IFMIS) for payments.

It was however observed that the Ministry of Health was not utilising either e-GP or IFMIS in the administration of procurements and payments during this period. In this regard, all procurements and payments were done manually outside the system.

Further, contrary to Ministry of Finance Treasury and Financial Management Circular No.3, the Ministry of Health received and utilised K504,000 after the issuance of the Circular No.3 through an account (First Capital Bank Account) not authorised by Ministry of Finance.

In response, the Controlling Officer Ministry of Health stated that the Ministry did not use both the e-GP and IFMIS platforms to process transactions under the Covid-19 funding due to practicable challenges relating to connectivity as well as restrictive configuration of e-GP and IFMIS, and that the Ministry based the payment process on past experience in the management of emergency responses where commercial banks were used to ensure expediency.

The Controlling Officer further stated that authority was sought from the Treasury and there were indications that approval was going to be granted, however, the request was rejected.

Despite the response given by the Controlling Officer Ministry of Health, there was no evidence that the Ministry had experienced and communicated the challenges to the relevant authorities on the use of the e-GP and IFMIS.

k. Irregularities in the Administration of Donations

i. Jack Ma Foundation

A review of documentation from the Embassy of the Republic of Zambia in Addis Ababa revealed that Zambia had been allocated 200,000 COVID-19 test kits, 1,000,000 face masks, 1,000 medical use protective suits and shields from the Jack Ma Foundation. The donated consignment arrived in Zambia on 24th March 2020.

A review of a letter dated 5th June 2020 from Medical Stores Limited revealed that the following items were received as detailed in table 2 below.

Table 2: Donations from Jack MA Foundation

No.	DESCRIPTION OF DONATION	QUANTITY
1	Breathe care (Positive Airway Pressure Unit)	5
2	Detection Kit (2019 n-cov) RNA PCR-Fluorescence Probing	208
3	Examination gloves (nitrile) powder free large	190
4	Infrared thermometer	36
5	Medical face shield	6,400
6	N95 face mask	4,850
7	Nucleic acid isolation kit 48tests	394
8	Specimen container (EDTA) Single use 3ml	378
9	Surgical face mask	7,650
10	Tyvek (disposable overalls)	3,800

As at 31st July 2020, there was no evidence of reconciliation between the items indicated in the correspondence from the Embassy of Zambia in Addis Ababa with the actual items received by Medical Stores Limited.

Further, the Ministry had not provided the disposal details regarding where the received items had been distributed.

In response, the Controlling Officer, Ministry of Health, stated that a reconciliation between the pledges in the documentation and the items received had since been undertaken and documentation was available for verification.

However, the audit verification conducted on 14th August 2020 revealed that the reconciliation had not been done.

ii. Trade Kings Foundation

On 9th April 2020, Trade Kings Group wrote to the Ministry of Health requesting to make a pledge towards the fight against the COVID-19 as part of its corporate social responsibility. The Company made a pledge of K28 million through the Trade Kings Foundation.

The donations were broken down into three (3) categories as follows:

- **Prevention**

The prevention measures were aimed at benefiting employees at Trade Kings, five (5) bus terminals and ten (10) markets in Lusaka, two (2) of the largest prisons, COVID-19 quarantine centres, thirty (30) hospitals and pharmacies, 1000 front line medical personnel and twenty (20) of the busiest shopping malls.

The campaign was to run for a minimum of three (3) months commencing in April 2020.

- **Medical Supplies**

The items pledged were twenty (20) ventilators and advanced respiratory machines, twenty-five thousand (25,000) pieces of personal protective equipment such as KN95 masks, medical goggles, face shields and sterile medical gowns, twenty-five thousand (25,000) nasopharyngeal swabs for specimen collection that would enable efficient testing; large quantities of infusion pumps, syringe pumps, high pressure type medical oxygen regulators, medical oxygen flow meters, oxygen probes non-breathing masks, nasal cannulas, water chamber exchange connectors, oropharyngeal airways, video laryngoscopes among other medical accessories that are very vital in operation respiratory machines and to conduct other medical procedures, supply of assorted medication and prescribed medicines to ten thousand (10,000) COVID-19 patients and supply of 100-500 oxygen cylinders daily to earmarked COVID-19 Centers.

- **Awareness through the Media**

Multi-lingual programs and advertisements educating the masses and creating awareness on COVID-19 was to be propagated through various forms of media in conjunction with Ministry of Health which included eight (8) television stations, forty (40) radio channels, various social media platforms, several outdoor hoardings and posters, banners and other advertisements media.

However, it was observed that there were no reconciliations by the Ministry of Health on the items that had been pledged, received and distributed. Further, there were no measures put in place to verify the cost of the pledges made by Trade Kings Foundations as at 31st July 2020.

In response, the Controlling Officer, Ministry of Health stated that the donations from Trade Kings were in various forms and for various beneficiaries and that management would only account for what the Ministry directly received.

- 1. Irregular Transfer of Funds – Ministry of Health**

According to Section 32(5) of the Public Finance Management Act No.1 of 2018, “a transfer of public money shall not be made between accounts at the same bank or different banks without written approval of the Secretary to Treasury”.

Contrary to the provision of the Act and the Circular, the Ministry of Health transferred K60,884,345 which it received from the Treasury Single Account (TSA) to a bank account held at First Capital Bank, without approval from the Secretary to Treasury. There was no explanation as to why the Ministry had moved the GRZ funds from the Treasury Single Account at Bank of Zambia into a bank account that had been opened for Donor Funds at a commercial bank.

In response, the Controlling Officer, Ministry of Health stated that authority was sought from Secretary to Treasury and there were indications that approval was going to be granted but instead the request was later rejected.

m. Irregular Cash Withdrawals – Ministry of Health

According to the Treasury and Finance Management Circular No. 1 of 2020, Controlling officers were guided that no cash shall be withdrawn for payment of subsistence allowances, fuel refunds and any other allowances. “These shall be paid directly into the beneficiary’s bank account.”

Contrary to the Treasury and Finance Management Circular No. 1 of 2020, between 20th March 2020 and 30th May 2020, the Ministry of Health made cash withdrawals in amounts totalling K3,361,196 which were used to pay various allowances and fuel among others.

n. Irregularities in the Administration of Payments for Training - Critical Care and Case Management

Between 7th and 23rd April 2020, the Ministry of Health HQ undertook trainings in Patient’s Critical Care and Case Management of COVID-19 patients for healthcare workers in Southern, Eastern, Copperbelt and Muchinga Provinces at a total cost of K2,361,419. The training was done in two (2) phases with Phase I being Case Management and Phase II being Critical Care. The total amount that was approved and paid for Case Management was K1,183,710 and K1,183,710 was paid for Critical Care.

The participants for the training were selected by the Provincial Health Offices in the four (4) provinces.

An examination of accounting records maintained at the Ministry of Health HQ and Provincial Health Offices in Eastern, Southern and Copperbelt Provinces revealed the following:

i. Irregular Payment of DSA and Fuel to Officers who did not Participate in the Training - Eastern Province

A total amount of K277,690 was spent on conducting a training of officers in COVID–19 Case Management in Eastern Province between 7th and 10th April 2020.

However, a comparison of participants that attended the training to the schedule of participants that were paid subsistence allowances and fuel revealed that ten (10) officers who did not participate in the training were paid amounts totalling K52,820.

As of 31st July 2020, MOH had not provided evidence authenticated by the Provincial Health Director to confirm that the ten (10) officers travelled to Eastern Province and that they participated in the workshops and what role they played during the workshops.

In response, the Controlling Officer, Ministry of Health stated that the cited officers had since been asked to pursue recoveries from the recipients.

However, as at 14th August 2020, no recoveries had been made.

ii. Over Payment of Officers - Muchinga Province

A total amount of K269,328 was spent on conducting a training of officers in COVID-19 Case Management in Muchinga Province between 8th and 10th April 2020.

An examination of records in respect of the training at the Muchinga Provincial Health Office and the accountable imprest retirement documents by the Programme Officer revealed that a total amount of K216,130 was paid as DSA and lunch allowances to twelve (12) officers for five (5) days instead of K205,880 for the workshop period of four (4) days for the COVID-19 Case Management Workshop (3 days for Workshop and 1 day for travelling) resulting in an overpayment of K10,250. As at 15th June 2020, the overpaid amount had not been recovered from the affected officers

In response, the Controlling Officer Ministry of Health stated that the cited officers had been asked to pursue recoveries from the recipients.

However, as at 14th August 2020 no recoveries had been made.

iii. Irregular Payment of DSA and Fuel to Officers who did not Participate in the Training - Eastern Province

A total amount of K277,690 was spent on conducting a training of officers in COVID-19 Case Management in Eastern Province between 21st and 23rd April 2020.

However, a comparison of participants that attended the training to the schedule of participants that were paid subsistence allowances and fuel revealed that twelve (12) officers who did not participate in the training were paid amount totaling K59,213.

As of 31st July 2020, MOH had not provided evidence authenticated by the Provincial Health Director to confirm that twelve (12) officers travelled to Eastern Province and that they participated in the workshops and what role they played during the workshops.

In response, the Controlling Officer Ministry of Health stated that the cited officers had been asked to pursue recoveries from the recipients.

However, as at 14th August 2020, no recoveries had been made.

iv. Overpayment of DSA and Lunch Allowances – Eastern Province

The COVID-19 Patient's Critical Care workshop in Eastern Province was held between 21st and 23rd April 2020. It was observed that, a total amount of K249,000 was paid as DSA and lunch allowances to seventy six (76) participants for five (5) days instead of K198,900 for the workshop period of four (4) days (3 days for Workshop and 1 day for traveling) resulting in an overpayment of K50,100.

In response, the Controlling Officer Ministry of Health stated that the cited officers had been asked to pursue recoveries from the recipients.

However, as at 14th August 2020, no recoveries had been made.

v. Payment for Conference Facilities and Beverages not Utilised – Eastern Province

A review of records at Ministry of Health HQ revealed that on 17th April 2020 the Ministry transferred K24,200 to Luangwa House for the provision of conference facilities, teas and mineral water for the Patient's Critical Care Training workshop. The training was supposed to be for a period of four (4) days. However, the workshop took three (3) days for which the Ministry was invoiced a total amount of K17,970 for the actual services provided.

It was not clear why the Ministry paid K24,200 against an invoice of K17,970 resulting in an overpayment of K6,230.

In response, the Controlling Officer Ministry of Health indicated that a request to Luangwa House to reimburse the over payment of K6,230 for unutilised conference facilities and beverages had been made.

However, the funds had not been refunded as at 14th August 2020.

vi. Overpayment of DSA and Lunch Allowances – Southern Province

The COVID-19 Patient's Critical Care workshop for Southern province was held between 21st and 23rd April 2020. It was observed that a total amount of K239,500 was paid as DSA and lunch allowances to fifty four (54) participants for five (5) days instead of K191,600 for the workshop period of four (4) days (workshop - 3 days and travelling – 1 day) resulting in an overpayment of K47,900.

In response, the Controlling Officer, Ministry of Health stated that the cited officers have been asked to pursue recoveries from the recipients.

However, as at 14th August 2020, no recoveries had been made.

vii. Payment for Conference Facilities and Beverages not Utilised – Southern Province

On 17th April 2020, a total amount of K25,280 was paid to Livingstone Lodge for the provision of conference facilities, teas and mineral water for the Patient's Critical Care Training workshop for four (4) days.

However, the workshop was only conducted for a period of three (3) days (From 22nd April 2020 to 24th April 2020) for which the MOH Headquarters was invoiced a total amount of K18,960 for the actual services provided resulting in unutilised amount of K6,320.

In response, the Controlling Officer Ministry of the Health indicated that, a request was made to Livingstone Lodge to reimburse the over payment of K6,230 for unutilized conference facilities and beverages.

However, the funds had not been recovered as at 14th August 2020.

viii. Overpayment of DSA and Lunch Allowances – Copperbelt Province

The COVID-19 Patient’s Critical Care Workshop in Copperbelt was held from 22nd April 2020 to 24th April 2020. It was however observed that a total amount of K185,500 was paid as DSA and lunch allowances to fifty eight (58) people instead of K148,400 for the workshop period of four (4) days for (workshop - 3 days and travelling – 1 day) resulting in an overpayment of K37,100.

In response, the Controlling Officer, Ministry of Health stated that the cited officers had been asked to pursue recoveries from the recipients.

However, as at 14th August 2020, no recoveries had been made resulting in the risk of loss of public funds.

ix. Payment for Conference Facilities and Beverages not Utilised – Copperbelt Province

On 17th April 2020, a sum of K32,000 was paid to Levy Mwanawasa Stadium for the provision of conference facilities, teas and mineral water for the Patient’s Critical Care Training workshop for four (4) days.

However, the workshop was only conducted for a period of three (3) days from 22nd April 2020 to 24th April 2020 for which the MOH Headquarters was invoiced a total amount of K24,000 for the actual services provided resulting in an utilised balance of K8,000.

In response, the Controlling Officer, Ministry of the Health indicated that a request had been made to Levy Mwanawasa Stadium to reimburse the over payment of K8,000 for unutilised conference facilities and beverages.

However, the funds had not been recovered as at 14th August, 2020.

x. Overpayment of DSA and Lunch Allowances – Muchinga Province

A total amount of K229,200 was paid as subsistence and lunch allowances to seventy seven (77) people for five (5) days instead of K183,360 for the workshop period of four (4) days for the COVID-19 Patient’s Critical Care workshop (Workshop - 3 days and traveling – 1 day) resulting in an overpayment of K45,840.

In response, the Controlling Officer Ministry of Health stated that the cited officers have been asked to pursue recoveries from the recipients.

However, as at 14th August 2020, no recoveries had been made resulting in the risk of loss of public funds.

xi. Over Payment of Division II Officers

Forty-nine (49) officers who were in Division II were irregularly paid allowances for Critical Care and Case Management Workshops (Held between 7th and 23rd April 2020) at rates for Division I, resulting in a total overpayment of K34,500. As of 31st July 2020, the funds had not been recovered.

In response, the Controlling Officer stated that seven (7) of the 48 were correctly paid, while eight (8) officers who were erroneously paid had since paid back. In addition, management stated that the remaining officers had been directed to reimburse the overpaid amount failure to which recoveries will be made against their salaries.

However, details of reimbursements for the forty-one (41) officers as well as details for the seven (7) officers that were correctly paid were not availed for audit as of August 2020.

o. Procurement of Goods and Services

i. Delayed Preparation of the Procurement Plans

The ZPPA Circular No. 1 of 2020 dated 15th April 2020 requires Procuring Entities (PEs) to identify all COVID-19 procurement requirements and prepare procurement plans and submit a copy of the plans to the ZPPA in line with Section 42(2) of the Public Procurement Act No. 12 of 2008. Contrary to the Circular, the Ministry of Health procured medical supplies and services between 3rd March and 5th April 2020 amounting to K129,010,714 without a procurement plan.

The Ministry prepared the procurement plan on 26th May 2020, two (2) months after the outbreak of the pandemic.

In response, the Controlling Officer stated that Management endeavours to adhere to the procurement plan, with the flexibility to respond to the evolving pandemic and that the procurement plan was adjusted based on the evolving pandemic and needs. Further, it was stated that the initial procurements were not haphazard as they were based on the adjustable contingency plan.

Although management indicated that the procurement plan was based on the adjustable Contingency plan, the Ministry had only submitted one procurement plan to ZPPA which was dated 26th May 2020 and the adjustable contingency plan used was not availed for audit.

ii. Over Commitment of Expenditure on Government

As at 26th June 2020, the Ministry of Health had engaged one hundred (100) suppliers to supply various medical items to be used in the fight against the COVID -19 pandemic at a total cost of K779,783,529. As at 31st July 2020, the Ministry of Health had received funding of K60,884,345 against which K52,326,519 was paid to suppliers.

It was however, observed that the total contracts entered into by the Ministry of Health exceeded the overall total budget provision of K716,000,000 (K659,000,000 - Multi-Sectoral Contingency and Response Plan and K57,000,000 - Epidemic Preparedness Fund) by K63,783,528 resulting in over commitment of expenditure.

In response, the Controlling Officer Ministry of Health indicated that the commitments were entered into based on the adjustable emergency plans which initially costed ZMK57m and then increased to ZMK1.2 billion leading to the current draft of ZMK3.4 billion. Hence, the contracts were within the approved budgets.

However, the approved adjustable emergency plan and the Treasury Authority for the budget of K3.4 billion were not availed for audit as at 14th August 2020.

iii. Procurement Contracts Awarded without Competition

Contrary to the Public Procurement Regulation No. 39 (4) which states that, “Where an emergency situation affects the choice of procurement method, the procuring entity

shall not automatically exclude competitive methods of procurement but shall obtain competition to the maximum extent practical in the circumstances”.

It was observed that between 19th March 2020 and 5th May 2020, the Ministry single sourced eight (8) suppliers with a total contract value of K35,090,425

In addition, although the Ministry had invited bids for various items, it was observed that the suppliers’ quoted for items that were not quoted by the other suppliers. In this regard, items valued at K159,277,590 were procured from various suppliers between March 2020 and 31st July 2020 without subjecting the procurements to competitive bidding.

In response, the Controlling Officer, Ministry of Health acknowledged that competition was a primary enabler of a very key fundamental principle of public procurement-value for money (VFM). Following a surge in reported cases there was urgent need to source commodities from vendors who had them available ex-stock or with competitive delivery periods. An example in point was when the Ministry urgently needed to equip the Levy Mwanawasa Teaching Hospital Covid-19 Isolation Centre. This needed a quick delivery turnaround time for linen, ventilators and other essential commodities.

The Controlling Officer further stated that, “With respect to Regulation 39 (4) of the Public Procurement Regulations, 2011, it is our considered position that the regulation actually supports our procurement approaches thus far”.

In light of the COVID-19 crisis, the Ministry of Health in a letter dated 13th March, 2020, applied for a no objection from the Zambia Public Procurement Authority to deviate from using full standard solicitation documents and instead use simplified requests for quotations irrespective of the threshold. In the same application, the Ministry requested the Authority to issue a circular specific to the COVID-19 pandemic for the purpose of ensuring that Zambia successfully fight the pandemic. The ZPPA on 14th April 2020 granted the Ministry a ‘No Objection’ to deviate from using full standard solicitation documents and instead use simplified requests for

quotations irrespective of threshold. The authority granted is available for verification.

However, a review of the letter from ZPPA revealed that the Ministry was granted a ‘No Objection’ to deviate from using a full solicitation documentation, but did not exclude the need to adhere to other procurement regulations such as the Public Procurement Regulation No. 39 (4) of 2011 which requires the need for the Ministry to apply maximum competition practical under the circumstance.

iv. Cover Bidding – Unfair and Uncompetitive Procurements

According to the Certified Fraud Examiner’s Manual, cover bidding occurs when a competitor submits bids that are intended to be unsuccessful so that another conspirator can win the contract.

An examination of accounting records and contracts in respect of the fight against the COVID-19 pandemic maintained at the Ministry of Health HQ revealed practices of cover bidding in relation to four (4) contracts amounting to K10,113,000 as detailed below.

- **Award of Contract for the Supply and Delivery of Specialised Medical Equipment (Contract No. MOH/SP/COVID-19/002/20-04)**

On 25th March 2020, the Ministry of Health Evaluation Committee through its Ministerial Procurement Committee (MPC) Paper No. 094 of 2020 evaluated four (4) bids for the supply of specialised equipment to support management of the COVID-19. See table 3 below.

Table 3: Suppliers with Complementary Bids

No.	Bid Amount K
1	9,344,400
2	10,590,320
3	11,213,280
4	9,967,360

The Ministry of Health Procurement and Evaluation Committee recommended the awarding of the contract to the lowest bidder at a contract sum of K9,344,400.

A scrutiny of the bids submitted revealed that out of the four (4) bids, three (3) bids shared the same details. Particularly, the following:

- Two (2) of the bids shared the same;
 - contact person,
 - email address, and
 - contact phone number

Further, one of the directors in one company was also a director in the other company.

- The three (3) unsuccessful bids out of four (4) were eliminated in the first stage (Preliminary Evaluation) of the tender evaluation process for lack of capacity to deliver within five (5) days, despite quoting for items available ex-stock leaving one (1) bid to proceed to the second stage (Commercial Evaluation) and which was eventually awarded the contract.

In response, the Controlling Officer Ministry of Health stated that it was regrettable to note that contact details for specific suppliers were the same in certain groups as attention was paid to primary requirements as espoused by Section 61(1) of the Public Procurement Act No.12 of 2008 and to this end, the Ministry of Health was committed in implementing the recommendation in collaboration with the ZPPA.

- **Award of Contract for the Supply and Delivery of BP Machines for COVID-19 Isolation Facilities**

On 24th March 2020, the Ministry of Health Tender Evaluation Committee through its Ministerial Procurement Committee (MPC) Paper No. 086 of 2020 evaluated three (3) bids for the supply and delivery of BP machines for COVID-19 isolation facilities. See table 4.

Table 4: Supplier with Complementary Bids

No.	Bid Amount K
1	160,000
2	155,000
3	130,000

The Ministry of Health Procurement and Evaluation Committee recommended the awarding of the contract to the lowest bidder at a contract sum of K130,000.

A scrutiny of the bids submitted by the three (3) bidders, and a company search at Patent and Companies Registration Agency (PACRA) revealed that the owner of one company that bid was also a director in the other two (2) companies that bid.

In addition, one of the bids had no description of the items quoted for on the bid.

In response, the Controlling Officer Ministry of Health stated that it was regrettable to note that contact details for specific suppliers were the same in certain groups as attention was paid to primary requirements as espoused by section 61(1) of the Public Procurement Act No.12 of 2008 and to this end , the Ministry of Health was committed in implementing the recommendation in collaboration with the ZPPA.

- **Award of Contract for the Supply of Methylated Spirit and Jik 500ml**

On 1st April 2020, the Ministry of Health Evaluation Committee through its Ministerial Procurement Committee (MPC) Paper No. 112 of 2020 evaluated three (3) bids for the supply of methylated spirit and Jik 500ml. See table 5 below.

Table 5: Suppliers with Complementary Bids

No.	Bid Amount K
1	448,000
2	381,400
3	340,200

The Ministry of Health Procurement and Evaluation Committee recommended the awarding of the contract to the lowest bidder at a contract sum K340,200.

A scrutiny of the bids received revealed that two (2) of the three (3) bids shared the same contact mobile number.

In response, the Controlling Officer Ministry of Health stated that it was regrettable to note that contact details for specific suppliers were the same in certain groups as attention was paid to primary requirements as espoused by section 61(1) of the Public Procurement Act No.12 of 2008 and to this end , the Ministry of Health was committed in implementing the recommendation in collaboration with the ZPPA.

- **Award of Contract for the Supply of Hand Sanitizers, Hand Wash, Cotton Wool and Methylated Spirit**

On 23rd March 2020, the Ministry of Health Procurement Evaluation Committee through its Ministerial Procurement Committee (MPC) Paper No. 085 of 2020 evaluated three (3) bids for the supply of hand sanitizers, hand wash, cotton wool and methylated spirit. See Table 6 below.

Table 6: Suppliers with Complementary Bids

No.	Bid Amount K
1	298,400
2	330,800
3	362,000

The Ministry of Health Procurement and Evaluation Committee recommended the awarding of the contract to the lowest bidder at a contract sum of K298,400.

A scrutiny of the bids received revealed that two (2) out of the three (3) bids shared the same mobile number.

In response, the Controlling Officer Ministry of Health stated that it was regrettable to note that contact details for specific suppliers were the same in certain groups as attention was paid to primary requirements as espoused by section 61(1) of the Public Procurement Act No.12 of 2008 and to this end, the

Ministry of Health was committed in implementing the recommendation in collaboration with the ZPPA.

v. Award of Contract for Supply and Delivery Of N-95 Face Masks and 3 Ply Surgical Face Masks (Contract No. MOH/SP/COVID-19/002/20-95)

On 7th May 2020, the Ministry of Health engaged Ciagra Enterprises Limited to supply and deliver N-95 face masks and 3-ply surgical face masks to support preparedness and response towards COVID-19 at a contract sum of K48,500,000, VAT exclusive, with a contract period of thirty (30) to forty five (45) days. This was after the initial successful bidder, North China Pharmaceuticals who had been engaged to supply and deliver 2,000,000 3-ply surgical face masks and 200,000, N95 respiratory face masks pulled out of the contract on account of failure to deliver the face masks due to reasons beyond their control.

Although as at 22nd July 2020, the supplier had delivered the face masks in full, no payment had been made. The following were observed:

- **Failure to Retender Contract**

Ciagra Enterprises Limited was awarded a contract to supply 300,000 x N95 respiratory face masks which was more than the initial contract awarded to North China Pharmaceuticals (200,000 x N95 respiratory face masks) by 100,000 x N95 respiratory face masks costing K7,500,000 without being subjected to competitive bidding.

In response, the Controlling Officer, Ministry of Health stated that in light of the COVID-19 circumstances, the withdrawal of North China Pharmaceuticals called for timely resolutions of the problem and thus, Ciagra Enterprises Limited having been issued with an enquiry was subjected to the procurement process.

- **Delivery of KN95 Face Masks instead of N95 Face Masks**

Although the contract was for the supply of 300,000 x N95 respiratory face masks, the supplier delivered 300,000 x KN95 respiratory face masks instead of N95 face masks contrary to the contract agreement.

In response, the Controlling Officer Ministry of Health stated that the description N-95 face mask has been used in most contracts only as a benchmark and that for subsequent procurements of N95 masks, the words “or equivalent” will be added.

However, the supply of the KN95 face masks instead of the N95 face masks that were stated in the contract resulted in product substitution.

- **Award of Contract for Supply and Delivery of N-95 Face Masks and 3 Ply Surgical Face Masks - Nsochita General Contractors And Suppliers Limited (Contract No. MOH/SP/COVID-19/002/20)**

On 30th April 2020, the Ministry of Health engaged Nsochita General Contractors and Suppliers Limited to supply and deliver 1,500,000 x 3-ply surgical face masks and 200,000 x N-95 respiratory face masks to support response towards COVID-19 at a contract sum of K34,500,000 VAT exclusive, with a contract period of fourteen (14) days.

Although as at 31st July 2020, the supplier had delivered in full, no payment had been made.

An examination of accounting documents and other records carried out on 31st July 2020 revealed that the supplier had delivered to Medical Stores Limited a total of 1,500,000 x 3-ply surgical face masks and 200,000 x KN95 respiratory face masks.

It was however observed that the supplier was awarded a contract to supply and deliver 200,000 x N95 respiratory face masks at a total cost of K15,000,000 instead supplied 200,000 x KN95 respiratory face masks contrary to the contract agreement.

In response, the Controlling Officer Ministry of Health stated that the description N-95 face mask has been used in most contracts only as a benchmark and that for subsequent procurements of N95 masks, the words “or equivalent” will be added.

However, the contract was specific on the brand to be delivered which was N95 brand.

vi. Procurement of Face Masks to Support Response Towards COVID-19

According to Interim Guidance issued by WHO on 6th April 2020 and 5th June 2020, surgical masks also called medical masks are those that are used by health workers generally while N95 Masks are to be used by health workers attending to COVID-19 patients.

Between 30th April and 29th May 2020, the Ministry of Health entered into thirty-nine (39) contracts with various suppliers for the supply of N95 facemasks and surgical masks at combined contract value of K291,556,022 to be used in the fight against COVID-19. See table 7 below.

Table 7: Procurement of Face Masks

No.	Type	Quantity	Kwacha Value
1	Surgical Masks	11,020,000	106,549,000
2	N95 Masks	2,780,000	185,007,022
	Total	13,800,000	291,556,022

The following were observed:

- **Failure to Undertake a Needs Assessment**

Public Procurement Regulation No. 39(5) states that “Where the procuring entity uses limited bidding, limited selection or direct bidding on grounds of an emergency situation, the procuring entity shall limit the procurement to the quantity needed to deal with the emergency.”

However, in entering contracts for the purchase of the 13,800,000 face masks valued at K291,556,022, there was no evidence that the Ministry carried out a needs assessment to determine the quantities of face masks needed taking into account the quantities of facemasks already in stores and those donated by well-wishers or procured earlier by the Ministry.

As of July 2020, the Ministry had not provided the basis for procuring the face masks.

- **Failure to Procure within Budget Provisions**

Face masks, as part of Personal Protective Equipment (PPE), are budgeted for under Pillars 2 and 3 of the COVID-19 Multi-sectoral Contingency and Response Plan with a combined budgeted amount for the two (2) pillars of K160,728,100. *See table 8.*

Table 8: Analysis of the Budget against the Contract Sums

No.	Pillar	Details	Budgeted Amount K	Contract Value	Over Commitment
1	2	Halt, Treat and Prevent Covid 19	10,728,100		
2	3	Continuity of Provision	150,000,000		
			160,728,100	291,556,022	(130,827,922)

As can be seen in the table 8 above, the total budget provision for Pillars 2 and 3 under which face masks are budgeted was K160,728,100 and yet the total value of contracts entered into for procurement of masks amounted to K291,556,022 resulting in over commitment of K130,827,922. It was further noted that face masks are not the only items budgeted for under the two (2) pillars yet their procurements have exceeded the totals for the two pillars thereby depleting the budget provisions for the other items and activities in the two (2) pillars.

There was no revised budget to cover the over procurements of masks. Further, the Ministry did not provide any explanation on how other items and activities will be carried out when the budget allocations are depleted by procurement of face masks.

In response, the Controlling Officer Ministry of Health stated that management’s decision to procure additional facemasks was in response to the increase in the number of reported cases as well as to protect lives of more than 61,000 health workers who continue to participate in the fight against the pandemic. Furthermore, with the increased disease spread, the implementation strategy shifted from targeted testing to cover all suspected

cases that included selected mass testing, placing more demand for personal protective equipment (PPEs). The current projected needs for surgical face masks stand at about 63 million pieces just as an example as detailed in the revised emergency plan.

However, as at 14th August 2020, the approved revised emergency plan had not been availed for audit.

vii. Award of Contract for the Supply and Delivery of 50,000 x N95 Respiratory Face Masks - NEMCHEM International Limited (Contract No. MOH/SP/COVID-19/004/2020)

On 25th March 2020, the Ministry of Health awarded NEMCHEM International Limited a contract for the supply and delivery of 50,000 x N95 respiratory face masks to support preparedness and response towards COVID-19 at a contract sum of K3,750,000 under contract No. MOH/SP/COVID-19/004/2020. The delivery period was Ex-Stock or two (2) weeks.

As at 9th April 2020, the supplier had completed the delivery of the 50,000 face masks and had been paid a total amount of K2,284,500.

According to Clause 16 of the Special Conditions of the Contract, the Ministry was required to pay the Supplier within thirty (30) days of submission of documents specified in the General Conditions of Contract (GCC) Clause 11 (delivery and documents) by cheque or direct bank transfer to the Supplier's nominated bank account upon submission of documents specified in GCC Clause 11.

However, a review of the cash books and delivery documents revealed that although the supplier completed the deliveries and submitted the documents specified in GCC Clause 11 by 9th April 2020, the Supplier had not been paid the balance of K1,465,500 as at 22nd July 2020, resulting in a delay of 104 days after the submission of the delivery documents.

In response, the Controlling Officer indicated that the delay was attributable to inadequate funding releases from Ministry of Finance and that management

continued to proactively engage the Treasury on the release of funds to facilitate the liquidation of the outstanding debt.

viii. Irregular Acceptance of Quotations after Deadlines - Contract for the Supply and Delivery of Essential Medicines and Medical Supplies to support Management of COVID-19 (Contract No. MOH/SP/COVID-19/002/20-11)

On 17th March 2020, the Ministry of Health issued enquiries to sixteen (16) suppliers to urgently submit quotations by 20th March 2020, for supply of commodities for patient management. The commodities included items such as alcohol-based hand rub gel and solution, Amoxillin, and Azithromycin. According to the evaluation report dated 25th March 2020, three (3) suppliers namely Yash Pharmaceuticals, Sterelin Medical and Diagnostics and Kingphar Company Limited responded to the bid and were evaluated accordingly.

After evaluation of the quotations from three (3) suppliers, the Ministry Procurement Committee on 25th March 2020 approved the request to engage:

- Yash Pharmaceutical Ltd at a contract price of US\$398,102 (K7,046,405). The contract was in this regard signed between the Ministry and Yash Pharmaceutical Ltd on 4th May 2020 under contract No. MOH/SP/COVID-19/002/20-11.
- Sterelin Medical and Diagnostics Ltd at a contract price of K247,550. The contract was signed between the Ministry and Sterelin Medical and Diagnostics Ltd on 4th May 2020 under contract No. MOH/SP/COVID-19/002/20-11.

Public Procurement Regulation 109(3) states that, “A request for quotations document shall specify the location, date and time for submission of quotations and a Procurement Unit shall reject any quotation received after the deadline for submission”.

However, a review of quotations and evaluation reports dated 25th March 2020 revealed that the quotations from the three (3) bidders were received after the deadlines contrary to Regulation 109(3). See table 9.

Table 9: Date of Receipt of Quotation

Supplier	Date Quotation Submitted	Deadline for Quotation	Delay
Yash	25.3.2020	20.3.2020	5 days
Sterelin	23.3.2020	20.3.2020	3 days
Kingphar	25.3.2020	20.3.2020	5 days

As can be seen in the table above, all quotations were submitted after the due date resulting in a 3-5 days delay. Further, the actual quotation from Yash was not availed for audit scrutiny.

In response, the Controlling Officer Ministry of Health acknowledged that the initial deadline for submission of quotations as informed by the enquiry which was issued on 17th March 2020 was 20th March 2020 at 10:00hrs. However, because the market was constrained, no supplier submitted a quotation as at 20th March 2020. The situation compelled the Ministry to extend the deadline to 25th March 2020 and the bidders were informed accordingly.

However, management did not avail documentary evidence relating to the extension of the deadline to 25th March 2020.

ix. Delayed Delivery of COVID-19 PCR Test Kits and Humidifiers - Emerald International Limited (Contract No. MOH/SP/COVID-19/002/20-33)

On 23rd April 2020, the Ministry signed a contract with Emerald International Limited at a contract sum of US\$4,530,000 for the supply and delivery of 150,000 COVID-19 Polymerase Chain Reaction (PCR) test kits and sixty (60) humidifiers to support preparedness towards the COVID-19 with a delivery period of seven (7) to ten (10) days.

It was observed that, as at 22nd July 2020, the supplier had only supplied sixty (60) humidifiers valued at US\$780,000.00 while the 150,000 COVID-19 PCR test kits valued at US\$3,750,000.00 had not been delivered resulting in delayed delivery of ninety (90) days.

In response, the Controlling Officer stated that the Non-delivery of the 150,000 COVID-19 PCR test kits valued at US\$3,750,000.00 was due to failure by the Ministry to make advance payment as well as logistical challenges and that the Supplier had been reminded to adhere to contractual requirements.

x. Award of Contract for the Supply and Delivery of 3 Ply Surgical and N95 Respiratory Face Masks to TECLA Pharmaceuticals Limited (Contract No. MOH/SP/COVID-19/002/20-45)

On 30th April 2020, the Ministry entered into a contract with TECLA Pharmaceuticals Limited on contract No. MoH/SP/COVID-19/002/20-45 for the supply and delivery of 1,500,000 x 3-ply surgical face masks and 200,000 x N95 Respiratory face masks to support response towards COVID-19 at a total contract sum of K33,850,000 with a delivery period of Ex Stock to fourteen (14) days.

However, the following were observed:

- **Delivery of Different Specification – N95 Respiratory Face Masks**

According to the contract specifications, the supplier was required to deliver N95 Respiratory Face Masks. However, the supplier delivered KN-95 Respiratory Face Masks and not the N95 masks.

In response, the Controlling Officer Ministry of Health Stated that the description N-95 face mask has been used in most contracts only as a benchmark and that for subsequent procurements of N95 masks, the words “or equivalent” will be added.

However, the contract award notice from the Ministry of Health specifically required the supplier to provide a sample of the N95 face mask for approval prior to supplying in bulk as per Special Condition of Contract Clause GCC 9.1. It is therefore the N95 face masks that was approved by the Ministry of Health to be supplied in bulk and not the KN95 face masks which the supplier actually supplied resulting into product substitution where the supplier quoted and invoiced the Ministry of Health the price of N95 face masks but actually delivered KN95 face masks whose price could not be established at the time of the audit.

- **Failure to Pay the Supplier**

According to Clause 16 of the Special Conditions of the Contract, the Ministry was required to pay the Supplier within thirty (30) days of submission of documents specified in the General Conditions of Contract (GCC) Clause 11 (delivery and documents) by cheque or direct bank transfer to the Supplier's nominated bank account upon submission of documents specified in GCC Clause 11.

However, a review of the cash books and delivery documents revealed that the supplier completed the deliveries and submitted the documents specified in GCC Clause 11 by 19th June 2020 and as of 20th July 2020 the Supplier had not been paid any amount of the contract price of K33,850,000.

In response, the Controlling Officer Ministry of Health indicated that the failure to pay the supplier was attributable to inadequate funding releases from Ministry of Finance and management continues to proactively engage the Treasury on the release of funds to facilitate the liquidation of the outstanding debt.

- xi. Failure to Pay the Supplier - Award of Contract for the Supply and Delivery of 3 Ply Surgical Face Masks - Torus Limited (Contract No. MOH/SP/COVID-19/002/20-66)**

On 13th May 2020, the Ministry of Health entered into a contract with Torus Limited on contract No. MoH/SP/COVID-19/002/20-66 for the supply and delivery of 1,000,000 x 3-ply surgical face masks to support response towards COVID-19 at a total contract sum of K13,000,000 with a delivery period of Ex Stock to fourteen (14) days.

According to Clause 16 of the Special Conditions of the Contract, the Ministry was required to pay the Supplier within 30 days of submission of documents specified in the General Conditions of Contract (GCC) Clause 11 (delivery and documents) by cheque or direct bank transfer to the Supplier's nominated bank account upon submission of documents specified in GCC Clause 11.

However, a review of the cash books and delivery documents revealed that the supplier completed the deliveries and submitted the documents specified in GCC Clause 11 by 25th June 2020 and as of 20th July 2020 the Supplier had not been paid any amount of the contract price of K13,000,000.

In response, the Controlling Officer Ministry of Health indicated that the failure to pay the supplier was attributable to inadequate funding releases from Ministry of Finance and management continues to proactively engage the Treasury on the release of funds to facilitate the liquidation of the outstanding debt.

xii. Questionable Award of Contracts

Public Procurement Regulation No. 39(4) requires that, “where an emergency situation affects the choice of procurement method, the procuring entity shall not automatically exclude competitive methods of procurement but shall obtain competition to the maximum extent practical in the circumstances”.

It was however observed that on 29th April 2020, the Ministry Procurement Committee during its sitting of 18th Meeting, awarded contracts to thirty (30) suppliers for the supply of 19,755,000 Surgical Masks and 700,000 x N95 face masks with a total value of K383,868,472 without subjecting them to competition to the maximum extent practical in the circumstances.

In response, the Controlling Officer Ministry of Health stated that, the approach applied during an emergency is quite different from how we approach matters in an ideal situation. The COVID-19 emergency has seen all countries of the world across the economic spectrum compete to buy/Secure commodities from the same sources to help them respond. This has seriously constrained the supply market.

Following a surge in reported cases, there was urgent need to source commodities from vendors who had them available ex-stock or with competitive delivery periods for timely delivery. This was necessary in order to safeguard the health of workers within health facilities. In our considered view, Regulation 39 (4) of the Public Procurement Regulations, 2011 supports our procurement approaches thus far.

In light of the COVID -19 crisis, the Ministry of Health in a letter dated 13th March, 2020, applied for a no objection from the Zambia Public Procurement Authority to deviate from using full standard solicitation documents and instead use simplified requests for quotations irrespective of threshold. In the same application the Ministry requested the Authority to issue a circular specific to the COVID -19 pandemic for the purpose of ensuring that Zambia successfully fights.

The Authority on 14th April 2020 granted the Ministry a ‘No Objection’ to deviate from using full standard solicitation documents and instead use simplified requests for quotations irrespective of threshold.

However, the Ministry was granted a ‘No Objection’ to deviate from using a full solicitation documentation, but this did not exclude the need to adhere to other procurement regulation such as the Public Procurement Regulation No. 39 (4) of 2011 which requires the need for the Ministry to apply maximum competition practical under the circumstance.

xiii. Delayed Deliveries on Contracts No. MOH/SP/COVID-19/002/20-12, MOH/SP/COVID-19/002/20-13, MOH/SP/COVID-19/002/20-15 and MOH/SP/COVID-19/002/20-16

A review of the tender records revealed that between 8th March 2020 and 23rd April 2020 the Ministry entered into contracts with three (3) suppliers at a total value of K2,406,300.51 and one (1) supplier at a contract sum of US\$298,165.00 for the supply and delivery of personal protective equipment and essential medicines and medical supplies for use in the fight against the COVID-19 with delivery periods ranging from Ex Stock to five (5) days. See table 10 below.

Table 10: Supplier Details

No.	Date of Signing	Details	Contractor	Contract No.	Contract	
					K	US\$
1	23.04.2020	Supplying and delivery of Essential Medicines and Medical Supplies	V.L HealthNet Services Ltd	MOH/SP?COVID-19/002/20-16	-	298,165
2	22.04.2020	Supplying and delivery of Essential Medicines and Medical Supplies	Augusta Ltd	MOH/SP?COVID-19/002/20-15	696,211	-
3	08.03.2020	Supplying and delivery Personal Protective Equipment	Jasoali General Dealers	MOH/SP?COVID-19/002/20-13	857,250	-
4	08.04.2020	Supplying and delivery of Heavy Duty Aprons and Surgical Scrubs	KomTech Enterprises Ltd	MOH/SP?COVID-19/002/20-12	852,840	-
		Total			2,406,301	298,165

However, it was observed that as of 31st July 2020 the suppliers had not delivered items worth K1,873,221.51 and US\$225.40 resulting in delayed delivery ranging from 89 to 130 days.

In response, the Controlling Officer, Ministry of Health stated that the delay in delivery mainly arose due to unprecedented challenges in international logistics which negatively impacted the movement and exchange of goods among countries. However, the suppliers have substantially performed even in light of the prevailing circumstances and that the supplier has written to the Ministry of Health indicating failure to deliver nitrile gloves on account of unforeseen sudden increase in the market prices for the commodity affecting the supply chain due to high demand.

However, management had not provided evidence of correspondences from the suppliers indicating the challenges to deliver the items they were contracted to supply as of 31st July 2020.

p. Questionable Payments – Kasama

An examination of payment vouchers revealed that a total amount of K27,267 was paid to two (2) officers who purported that they were requested to travel to Lusaka to collect the COVID-19 items at the Medical Stores Limited.

However, there was no correspondence from Ministry of Health authorising them to travel.

Further, a scrutiny of retirement details revealed that the delivery notes for the items that they purported to have collected indicated that the medical supplies were delivered to Kasama by Medical Stores Limited

In response, the Controlling Officer Ministry of Health stated that management had retrieved the authority, which was granted for the officers to collect COVID-19 items from the Medical Stores Limited and was available for verification.

However, as at 14th August 2020, management had not provided documentary evidence relating to authority from Ministry of Health authorising the officers to travel and collect COVID-19 items.

q. Human Resource Related Matters - Lack of Incentives for Front Line Personnel

His Excellency the President of the Republic of Zambia directed the Ministry of Health to look into the incentives of the front-line personnel. Further, at the press briefing, on 1st April 2020, the Honourable Minister of Health indicated that the Ministry would look into the incentives of all front-line personnel who were involved in the fight against the COVID-19 pandemic.

As at 31st July 2020, the directive had not been implemented.

In response, the Controlling Officer Ministry of Health stated that following this directive by His Excellency, the President of the Republic of Zambia, the Ministry, through a consultative approach with various stakeholders, developed a concept paper on incentives for front – line personnel. As per procedure, the concept paper was submitted to Public Service Management Division through Minute No. MH/53/8/17 dated 21st April 2020 for consideration.

Further, the Controlling Officer stated that the Ministry had been informed that the proposal was with the Secretary to the Cabinet for guidance and feedback was being awaited.

However, as at 14th August 2020, the directive had not been implemented.

r. Disaster Management and Mitigation Unit (DMMU) – Headquarters - Weaknesses in Handling of Aid-In-Kind (Non-Cash items)

During the period from 25th March 2020 to 29th April 2020 the Unit received donations in form of face masks, hand sanitisers, methylated spirit, sprayers, hand wash basins, among others with an estimated value of over K245,760 from twelve (12) companies/donors. However, the following were noted:

i. Lack of Criteria in the Distribution of Donated Items

The Unit had no written down procedures to be used in the distribution of the donated items and as such the modality used in the issuance to various Ministries and other Institutions could not be ascertained as no priority assessment was done to ensure that the items are donated to high risk areas.

In response, the National Coordinator DMMU indicated that the donations were made based on the risk analysis in the COVID-19 Multi-sectoral Contingency and Response Plan.

However, no evidence of the risk analysis reports were availed for audit.

ii. Failure to Obtain Reports on Donations in Provincial and Districts Offices

An examination of records revealed that, as at 31st July 2020, there were pledges and donations in form of cash in amounts totalling K2,860,000, Aid-In-Kind valued at over K2,028,001 and US\$10,000 and other assorted items not valued.

It was observed that, there was no mechanism in place to ensure that donations by various stakeholders made in the Provinces were reported to headquarters for consolidation. As such the completeness of materials donated could not be verified

In response, the National Coordinator DMMU indicated that updates on donations made to Provincial and District offices were available for verification.

However, as at 14th August 2020, no reports on donations from Provincial and District offices were availed for audit and the updated register of donations was not availed.

s. COVID-19 Expenditure on Operations for Quarantined Trucks in Southern Province

Between 30th and 17th April 2020, the Disaster Management and Mitigation Unit (DMMU), transferred funds totalling K431,009 to Zambia Police Headquarters. The funds were to be used for operations against COVID-19. On 20th May 2020, the retirement of the imprest was received by DMMU from the Office of the Inspector General, Zambia Police.

However, the following were observed:

i. Failure to Provide Activity Reports

During the period under review, amounts totalling K282,100 was paid to twenty-three (23) officers to help decongest trucks marooned in Livingstone and Kazungula Boarder posts. However, no activity reports were availed for audit.

In addition, it was observed that the acquittal schedules did not indicate the dates when the activity took place and the position of officers involved in the activity.

Further, it was observed that 102 officers were paid allowances in amounts totalling K20,600 at the rate of K220 and K200 per day without giving details as to what the allowances were for and the basis of the rates used.

In response, the National Coordinator DMMU indicated that he had written to Ministry of Home Affairs, requesting them to provide an activity report for the exercise.

As at 14th August 2020, the activity reports and other supporting documents had not been availed for audit.

ii. Questionable Calculations of Fuel

There were nine (9) officers who were paid fuel imprest in amounts totalling K123,083 to travel to Livingstone. However, it was observed that each officer was paid for four (4) trips without giving proper justification for the trips undertaken.

In response, the National Coordinator DMMU stated that he had written to Ministry of Home Affairs, requesting them to provide justification for the number of trips undertaken during the exercise.

However, as at 14th August 2020, no explanation and documentation had been availed for verification.

t. Irregular Use of COVID-19 Fund to Pay Daily Subsistence Allowance and Fuel to Collect Retirement from the Districts - K29,254 - DMMU – Provincial Administration

DMMU disbursed funds totalling K350,000 to nine (9) Provincial Disaster Management and Mitigation Units under Provincial Administration. Out of these funds, K250,000 was issued to procure operational requisites to facilitate for effective coordination as per authority from DMMU Headquarters and the balance of K100,000 was meant for awareness in the provinces.

During the period under review, it was observed that DMMU - Lusaka Province paid amounts totalling K29,254 as subsistence allowance and fuel to five (5) officers for seven

(7) days to facilitate the collection of returns from districts within the Province, an activity not related to the purpose the funds were disbursed.

Further, there was no evidence to show that the activity took place as no supporting evidence such as returns, log books for the vehicles that were purported to have been used for the trips were availed for audit verification and also, there was no authority from the National Coordinator for the province to use the funds for such activity.

In response, the National Coordinator DMMU stated that he had written to the Permanent Secretary Lusaka Province, requesting for justification and supporting documents for the utilisation of funds.

As at 14th August 2020, the documentation had not been not availed for audit.

u. Lack of Receipt and Disposal Details –Fuel

Contrary to Public Stores Regulation No. 16, fuel costing K100,000 procured for COVID-19 related activities by DMMU on 21st April 2020 had no receipt and disposal details.

As a result, it was not possible to ascertain whether the fuel paid for was received and used for the intended purpose.

In response, the National Coordinator DMMU stated that the fuel procured was meant for coordination activities and receipt and disposal details were available for verification.

However, as at 14th August 2020, the receipts and disposal details were not availed for audit verification.

10. Conclusion

The weaknesses highlighted in the report if not addressed could affect the efforts to fight against the COVID-19.

11. Recommendations

The following are the proposed recommendations to those charged with management of public resources:

- i. The National Disaster Relief Trust Fund must be immediately operationalised to ensure funds are readily available.
- ii. A dedicated Highly Infectious Disease Isolation Hospital should be constructed in each province to handle infectious diseases such as COVID -19 and Ebola,
- iii. The Multi-Sectoral Contingency and Response Plan should be reviewed frequently, and sensitisation conducted among stakeholders,
- iv. Needs such as medical equipment, laboratories and medical personnel should be stated in the Multi-Sectoral Contingency and Response Plan in terms of their requirements, actual numbers available and shortfalls
- v. Proper Coordination should be enhanced among the stakeholders,
- vi. The provisions of the Public Finance Management Act No.1 of 2018, Circulars by Ministry of Finance and Public Procurement Act No. 12 of 2008 should be adhered to,
- vii. Guidelines must be developed and adhered to in the receipt, allocation, and distribution of COVID-19 related donations,
- viii. There should be transparency in the invitation, evaluation, selection and engagement of suppliers.
- ix. The implementers should ensure that the procurements are made within the approved budgets
- x. Appropriate action must be taken against erring officers.

12. Way Forward

The audit will focus on the following:

- i. Contract management which aims at highlighting any irregularities in the award contracts.
- ii. Actual deliveries against the specifications will be checked to ensure that the items ordered have been delivered accordingly.
- iii. Audit of all institutions that have received or are receiving funds relating to COVID-19.

Confirmations with donors on their pledges including the verification of the values attached to the Aid-In-Kind

