**BAUCHI STATE PRIMARY HEALTH CAREDEVELOPMENT AGENCY (BSPHCDA)**

**BILL MELINDA GATE FOUNDATION, DANGOTE FOUNDATION, UNICEF, BAUCHI STATE GOVERNMENT IMMUNISATION FUND (BASKET FUND)**

**IMPROVING ROUTINE IMMUNIZATION AND EXPANSION OF FUNDING FOR PRIMARY HEALTH CARE IN BAUCHI STATE.**

***MANAGEMENT REPORT***

 ***FOR THE YEAR ENDED DECEMBER 31, 2018***

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**The Chairman,**

Bauchi State Primary Health Care

Development Agency (BPHCDA)

c/oBauchi State Ministry of Health,

Bauchi, Nigeria.

**STB/OA/2019**

**1st April, 2019**

Dear Sir,

**MANAGEMENT LETTER ON THE AUDIT OF BAUCHI STATE PRIMARY HEALTH CARE DEVELOPMENT AGENCY (BSPHCDA), BILL & MELINDA GATE FOUNDATION, DANGOTE FOUNDATION, UNICEF**

**FOR THE YEAR ENDED DECEMBER 31, 2018.**

We have completed the Audit of the Financial Statement of **Bauchi State Primary Health Care Development Agency on** **Improving Routine Immunization and other Primary Health Care Services in Bauchi State (Basket Fund)** for the year ended 31st December, 2018 and hereby present the results of the audit.

In this letter, we wish to highlight matters concerning the financial statements, internal controls and other matters which came to our notice at the course of our audit. Also included are our suggestions and recommendations on possible ways to improve the system, so as to overcome lapses and ensure reliability of the books and records as a basis for preparation of the financial statements.

It is important to note that the matters dealt with herein arose from the performance of our normal audit procedures, which are primarily designed with a view to expressing our opinion on the financial statements. The letter cannot therefore be seen as including all weaknesses, which may exist in the system of controls or all the possible improvements in the accounting, and internal control systems, which a more extensive investigation might reveal.

As usual, we have discussed the various matters with the officials concerned during the audit exercise; it is possible that some of our recommendations have already been addressed.

We will however, welcome an opportunity to discuss this report further with you should the need arise.

Mean-while we wish to express our appreciation for the co-operation and assistance accorded us by the management and staff of the Agency during the audit.

**1 PRIOR YEAR RECCOMMENDATIONS**

|  |  |  |
| --- | --- | --- |
| **OBSERVATIONS** | **RECOMMENDATIONS** | **LEVEL OF IMPLEMENTATION** |
| BOOKS OF ACCOUNTS1. Entries into cash book were recorded by using pencil in the current year.
2. There were instances where file numbers were not indicated on the payment vouchers particularly in October and November.
3. There were instances where payment vouchers did not give the breakdown of payments according to thematic areas but in lumped payments.

**General Observations on Local Government Areas and Health Facilities Visits*** R I Monthly review meetings tend to record poor attendance as reflected in the attendance sheet.
* They were cases were monthly review meetings minutes and attendance list were not sighted for example in Darazo,Shira, Itas Gadau.
* The monthly RI report form was not signed by the Director PHC, LIO and partners representatives in Dass, Soro, Giade.
* In Dass LGA the records were not properly kept*.*
* They were cases where monthly RI reports were not sighted as required e.g Dass, Giade, Itas Gadau.
* In some cases, monthly review meetings were not supported with supportive documents such as receipts or signatures to show the approval of partner representatives.
* Stationeries such as Monthly RI Report form, Outreach session Reporting & Retirements forms tend to be out of stock e.g Alkaleri, kirfi.
* In Katagum LGA for example Bidir PHC during outreach, there are instances of zero immunized children on two occasions. On enquiry, we were informed that it was due to lack of awareness from town announcers and village head. This was blamed on the incentives withdrawn.
* Bank reconciliations were not carried out at Local Government Areas Level
 | 1. Pen should be used for cashbook entries.
2. File numbers should be indicated for easy referencing.
3. Payment vouchers should reveal the breakdown of payments according to thematic areas for effective monitoring of budgets.
* Management should ensure that monthly review meetings are carried out on timely basis and actions should be taken to deter participants from poor attendance
* Management should ensure that staff adheres to the principle of good record keeping, as good records are directly linked to increase transparency.
* Management should ensure that signatures are duly signed by officers involved to ensure compliance to relevant internal control policies.
* Management should ensure that copies supportive documents are available at LGA Levels.
* Management should put in place mechanism to monitor stock movement in LGA’S to avoid deficits/wastages.
* Management should develop strategies that will create more awareness and encourage more turn out.
* Bank Statement should be collected by various LGA’s to enable them carry out monthly bank reconciliations and to monitor the Agency’s funds effectively by preparing monthly financial reports
* Management should ensure that capacity building for LGA Accountants on keeping basic financial records and reconciliations.
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**2. CURRENT YEAR OBERVATIONS**

**2.1 INCOME AND EXPENDITURE**

Below is the summary of Income and Expenditure for the year ended 31 December, 2018 as compared with 31st December, 2017.

 **INCOME**

 **2018 2017**

 **N N**

Bill and Melinda Gates Foundation 38,352,788 43,413,656

 Dangote Foundation -- 38,508,150

 Bauchi State Government 250,000,000 179,704,700

  **288,352,788** **261,626,506**

 Others:- Exchange gain/Loss (493,442) 108,548,006

 **287,859,346**  **370,174,512**

 **LESS: EXPENDITURE**

Property, Plant & Equipment **45,708,000** 193,424,147Governance and Accountability 19,908,938 10,126,000

 Improving Accessibility 30,289,300 1,950,000

 Vaccines Security, Cold Chain 44,788,948 73,395,217

 Monitoring and Evaluation 96,473,116 122,095,704

 Social Mobilization 11,921,100 18,068,700

 Training (Staff) 13,374,000 9,440,500

 Others – Bank Charges 285,990 647,667

 **249,089,398** **428,500,268**

 From the above summary, the Project received N288,352,788 from both Bauchi State Government and Bill & Belinda Gates foundation, however Dangote foundation contribution of 2018 was paid in January, 2019 and so was not captured in the account of the year under review.

 It however had an exchange loss of N493,442 for the year under review.

 The funding from Bauchi State Government is not consistent with the Budgeted amount of ~̴NGN 256.7 million. BMGF is in line except for the exchange rate differences. Dangote Foundation contribution came in January 2019.

 Total expenditure for the year under review was N249,089,398 as compared with N428,500,268 as at 31 December, 2017.

 ***Recommendation***

* Management should continue to persuade the donors to contribute in accordance with the disbursement schedule as well carry out activities in line with the budget.
* Management should ensure it carries out its activities for various thematic areas in line with the amount budgeted.

***Management Comment(s)***

**2.2 BOOKS OF ACCOUNTS**

 **Books and Records of Accounts**

 ***Observation***

1. There was transition of accounting entries from use manual to accounting software. However, there were cases of items captured by the bank statements but not in the ledger.
2. Internal Auditor have should be certifying the bank reconciliation statements

***Possible Consequences***

1. Postings may be correctly stated in ledger.
2. Compliance to policy may not be appropriate without Internal Auditors check of Bank reconciliation statements

 ***Recommendation***

1. They should be call over to ensure items are correctly posted in the ledger using the

 accounting software

1. Internal auditor should be certifying bank reconciliation statements to ensure

 compliance to project policies

***Management Response***

**2.3 CASH AND BANK BALANCES**

Bank balances of the Agency as at 31/12/2018 was N188,756,805

We were provided with reconciliation which we tested and they appeared satisfactory. However, the Internal Auditor did not certify the reconciliations.

***Recommendations***

Management should ensure that internal auditor check and certify Bank reconciliations to further ensure reliability of the figures.

***Management Response***

**2.4 FUNDING**

# ***Observation***

* During the year under review, we noticed that the Agency received N261,626,506 from donors.

The breakdown is as follows:-

 **1st Jan. 2018 1st Jan 2017**

 **to to**

 **31.Dec. 2018 31 Dec. 2017**

 **N N**

 BMGF 38,352,788 43,413,656

 Dangote Foundation -- 38,508,150

 Bauchi State Government 250,000,000 179,704,700

  **288,352,788 261,626,506**

Others:- Exchange gain (493,442) 108,548,006

  **287,859,346**  **370,174,512**

 **$ N**

Bill and Melinda Gates Foundation 120,593.49 43,413,656.40

We observed that the contributions to date are in agreement with disbursement schedule.

**2.5 EXCHANGE GAIN/LOSS**

During the period under review, the exchange loss was N493,442

The basis for the loss is as follows:-

 **Receiving Converted Exchange Exchange**

 **Rate Rate Difference Amount**

 **N N N N**

04/08/2015 Transfer to C/A $ 300,112.34 @ 358.355807 - 360 = 1.64419 493,443.60

**3. VISITATION TO LOCAL GOVERNMENTS AND HEALTH FACILITIES**

During the course of our audit, we visited the following Local Government areas and Health Facilities.

**Local Government Areas:-**

1. Alkaleri
2. Bauchi
3. Bogoro
4. Dambam
5. Darajo
6. Dass
7. Gamawa
8. Ganjuwa
9. Giade
10. Itas – Gadau
11. Jama’are
12. Katagum
13. Kirfi
14. Misau
15. Ningi
16. Shira
17. TafawaBalewa
18. Toro
19. warji
20. Zaki
* **Alkaleri LGA:**
1. Gar PHC
2. Alkaleri Town Maternity
3. Alkaleri General Hospital

**Health Facilities:-**

* **Bauchi**
1. Specialist Hospital
2. Kofar Ran PHC
3. Bayan Fada PHC
4. Nasarwa Jahun PHC
5. Bayara Hospital
6. Mrs. Army Barracks
* **Bogoro**
1. Boi Primary Health Care
2. COCIN PHC
3. Kuru PHC
4. Angwan Rimi Ward Primary Health Care
5. General Hospital Bogoro
* **Dambam**
1. Dambam Town Maternity
2. Dambam Primary Health Care
* **Darazo** **LGA**:
1. Sade PHC
2. Darazo General Hospital
3. Lanzai Health Care

# **Dass**

1. General Hospital Dass
2. Dass Town Maternity
3. Burgel PHC
4. Dass LGA PHC
* **Gamawa LGA:**
1. GololoPrimary Health Care
2. Gamawa Town Maternity
3. Gamawa Primary Health Care
* **Ganjuwa** **LGA**:
1. Soro Primary Health Care
2. Kubi Dispensary
3. Wailo Primary Health Care
4. Ganjuwa Cold Store Kafin Madaki
* **Giade**
1. Giade General Hospital
2. Fagusi Health Centre Zabi
3. Maternity Primary Health Care
4. Zirami Primary Health Care
5. Yelwa Health Center
* **Itas Gadau**
1. Itas General Hospital
2. Itas Town Maternity
* **Jama’are** **LGA**:
1. Jama’are Town Maternity
2. Mabai Maternity
* **Katagum** **LGA**:
1. Matsango Maternity
2. Azare Town Maternity
3. Bidir Maternity
4. Federal Medical Centre
5. Chinade Maternity
* **Kirfi** **LGA**:
1. Bara Primary Health Care
2. Kirfi Town Maternity
3. Kirfi Geeral Hospital
* **Misau** **LGA**:
1. Jarkasa Ward
2. Kafin Sule PHC
3. Misau General Hospital
4. Misau Town Maternity
* **Ningi**
1. Ningi Town Maternity
2. Tsangaya MPHC
3. Gadan Maiwa Primary Health Care Centre
* **Shira**
	1. Shira Primary Health Care Centre
* **Tafawa Balewa**
1. Gid Gid Hamman Maternal and Child Clinic
2. Gital Maternal & Health Clinic
3. TafawaBalewa General Hospital
* **Toro LGA:**
1. Tilde Fulani PHC
2. General Hospital Toro
3. Tama PHC
4. Tulai PHC
5. Lame PHC
* **Warji**
1. Warji General Hospital
2. ECWA PHC
3. Warji PHC
* **Zaki**
1. Zaki town maternity
2. Zaki General Hospital

# **GENERAL OBSERVATIONS ON LOCAL GOVERNMENT AREAS AND HEALTH FACILITIES**

* There should be consistency in all data reporting tools in some PHC.
* In some PHC and Health facilities report duplicate are not kept but was observed that were at the State Headquarters.
* Bank reconciliations statements were not presented as at the time of our visits in most Local Government Areas Level but they claim they were carried out and are in the State Headquarters, which we confirmed availability at the headquarters.

***Possible Consequences***

* Project activities may not properly monitored if there is disparity records
* Documents should be kept at the LGA and Health Facilities to avoid cases of missing documents.

* Project fund may not be monitored properly at LGA’s level if copies of Bank reconciliations statements are not kept at LGA level.

***Recommendations***

* Records should be reconciled to avoid disparity for effective monitoring.
* Documents and reports should be kept at LGA and Health Facilities levels to avoid missing documents in transit in the Headquarters.
* Bank Statement Reconciliation copies should be kept at Local Government Level for proper monitoring.

**GENERAL RECOMMENDATION**

* With the transition from Routine Immunisation to other Primary Health Care activities, there will be more responsibilities, therefore the need to further enhance the capacity of the finance and other implementing team at both the State and Local Government Levels
* Their capacity on the use of computer software applications for finance and report writing should be enhanced through training at both State and Local Government level.
* Activities should be closely monitored to avoid duplication.

**4. CONCLUSION**

We are grateful for the opportunity the management granted us to serve the Organization and the co-operation we received from staff during the audit. We hope that the management will examine our comments and recommendations and ensure compliance. We will be of assistance if you require us to give further explanations to some of the issues raised.

Yours faithfully,

**Timothy B. Bulus CNA FRC/2014/ANAN/000000009788**

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**Date:-----------------------------**