

## **Responsive COVID-19 Vaccines for Recovery Project - 2023**

---

The audit of the financial statements of the Responsive COVID-19 Vaccines for Recovery Project for the year ended 31 December 2023, was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka conjunction with provisions in section 4.02 in the Loan Agreement No.4083- SRI and No.4084- SR (SF) dated 09 July 2021 respectively entered into between the Democratic Socialist Republic of Sri Lanka and the Asian Development Bank. My comments and observations which I consider should be reported to Parliament appear in this report

### **1.2 Implementation, Objectives, Funding and Duration of the Project**

According to the Loan Agreement, the Ministry of Health is the Executing Agency and the Implementing Agency of the Project, Ministry of Health in collaboration with the Project Management Unit. The objectives of the project are the safe vaccination of priority populations of the Sri Lanka against COVID-19 without compromising routine vaccine service and other health services. As per Loan Agreements, the total estimated cost of the Project was US\$ .161.85 million equivalent to Rs.32,370 million and out of that US\$ 150 million equivalent to Rs.30 000 million was agreed to be financed by Asian Development Bank. The balance amount Rs.2,370 million is expected to be financed by the Government of Sri Lanka. The Project had commenced its activities on 19 August 2021 and scheduled to be completed by 30 June 2024.

### **1.3 Opinion**

In my opinion, the accompanying financial statements give a true and fair view of the financial position of the Project as at 31 December 2023, the statement of expenditure and its cash flows for the year ended in accordance with Sri Lanka Accounting Standards

### **1.4 Basis for Opinion**

I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibilities, under those standards are further described in the section of Auditor's Responsibilities for the Audit of the Financial Statements appeared in my report. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### **1.5 Responsibilities of management and those charged with governance for the Financial Statements**

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards and for such internal control as management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Those charged with governance are responsible for overseeing the Project's financial reporting process.

## **1.6 Auditor's Responsibilities for the audit of the Financial Statements**

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sri Lanka Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Sri Lanka Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control of the Project.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

## 2. Physical Performance

### 2.1 Unutilized Resources

Audit Issue	Impact	Management Response	Auditor's Recommendations
It was brought to the attention of the project director that 1,781,684 units of Sinopharm vaccines are about to expire. In response, the project director has mentioned that the chief epidemiologist of the epidemiology department has been informed about the stock of expiring vaccines for future work. However the information about the action taken on vaccine stocks till March 2024 has not been submitted to the audit. The value of this stock of vaccines, which were about to expire, was 11 percent of the total value spent on the purchase of vaccines.	It was mentioned an unnecessary loss for the country.	At the time of signing the Loan agreement, it was planned to cover 04Mn of population by having 03 doses of vaccines. (Annexure 01) Although, people tempted to vaccinate in the early of the Covid pandemic situation, when the situation subsided, people did not come forward for vaccination as expected. Therefore, the entire quantity of vaccine could not be utilized and doses 1,781,684 of Sinorpharm vaccine was remained in the Central Vaccine Store as at 14.02.2023. Out of that 35 doses (07 vials) have been sent to the National Hospital, Colombo and Colombo Municipal Council. Also, total of 1,781,649 expired Sinopharm vaccine doses are stored safely in the Central Vaccine Stores. (A copy of the Chief Epidemiologist's letter EPID/400/n-CoV/Vaccine/Vol 06 dated 22.04.2024 is attached herewith)	Vaccines Should have been purchased by a proper plan.