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**Regional Inspector General for Audit
Singapore**

**AUDIT OF
USAID/PAKISTAN'S CONTRACT NO. 391-0484-C-00-1802-00
WITH W. WOODWARD PAKISTAN (PVT) LIMITED
PAKISTAN**

**Audit Report No. 5-391-95-007-N
February 10, 1995**



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U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT



U.S. AGENCY FOR
INTERNATIONAL
DEVELOPMENT

February 10, 1995

TO: John Blackton, Mission Director, USAID/Pakistan

FROM: Richard C. Thabet, RIG/A/Singapore *Richard C. Thabet*

SUBJECT: Audit of USAID/Pakistan's Contract No. 391-0484-C-00-1802-00
with W.Woodward Pakistan (Pvt) Limited
Report No. 5-391-95-007-N

Enclosed are five copies of the subject audit report (prepared by the accounting firm, KPMG Taseer Hadi Khalid & Co.) for your action. The audit covered the period from July 1, 1992 to January 31, 1994. During this period, W.Woodward Pakistan (Pvt) Limited (Woodward) reported that it spent \$1,053,408. The background information on the contract and the project is presented on page 1 and 2 of the report.

The audit objectives were to:

- Determine whether Woodward's Fund Accountability Statement presents fairly the income and expenditures incurred under the contract;
- Report on Woodward compliance with applicable laws, regulations, and terms of the contract agreement.
- Calculate the final overhead for the period for the period July 1, 1992 to June 30, 1993 and July 1, 1993 to January 31, 1994.

The audit report concluded that:

- The Fund Accountability Statement presents fairly, in all material respects, the income and expenditures incurred under the contract;
- Woodward's operations complied in all material respects with applicable laws, regulations, and terms of the contract agreement. There was, however, one immaterial instance of non-compliance.

- Woodward did not provide the necessary information to enable the calculation of indirect cost despite numerous attempts at trying to get this information.

This audit report contains one finding and recommendation which identifies \$9,697 in questioned costs. Woodward's management comments which provided further explanations relating to this finding are presented on page 16.

The following recommendation will be included in the Inspector General's recommendation follow-up system:

Recommendation No. 1: We recommend that USAID/Pakistan resolve \$9,697 in questioned costs with W.Woodward Pakistan (Pvt) Limited and recover any amounts determined to be unallowable.

We appreciate the courtesies and cooperation USAID/Pakistan and Woodward extended to the auditors and our staff during the course of this audit.

Please advise me within 30 days of any actions planned or taken to close the above recommendations.

Attachment: a/s

 Taseer Hadi Khalid & Co.

FINANCIAL CLOSE OUT AUDIT OF
W. WOODWARD PAKISTAN (PVT) LIMITED
CONTRACT WITH USAID/PAKISTAN UNDER THE
SOCIAL MARKETING OF CONTRACEPTIVES (SMC)
PROJECT FOR THE PERIOD
FROM 01 JULY 1992 TO 31 JANUARY 1994

**FINANCIAL CLOSE OUT AUDIT OF
W.WOODWARD PAKISTAN (PVT) LIMITED
CONTRACT WITH USAID/PAKISTAN UNDER THE SOCIAL MARKETING OF
CONTRACEPTIVES (SMC) PROJECT FOR THE PERIOD
FROM 01 JULY 1992 TO 31 JANUARY 1994**

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The Regional Inspector General
for Audit, Singapore
United States Agency for International
Development (USAID)
Agency for # 03-1/6 Tang Building
302 Orchard Road
Singapore

21 December 1994
KA-RR-0370

Dear Sir

**FINANCIAL CLOSE OUT AUDIT OF
W. WOODWARD PAKISTAN (PVT) LIMITED
AID DIRECT CONTRACT NO. 391-0484-C-00-1802-00
FOR THE PERIOD FROM 01 JULY 1992 TO 31 JANUARY 1994**

This report presents result of our financial audit of the fund accountability statement of W. Woodward Pakistan (Pvt) Limited under the AID direct contract between USAID Pakistan and W. Woodward, contract No. 391-0484-C-00-1802-00, covering period from 01 July 1992 to 31 January 1994.

BACKGROUND

Pakistan's population has increased over six times since 1900 to over 120 million today. If the population continues to grow at the present rates, it will exceed 150 million by the year 2000. The overall population growth rate of at least 3.1% is among the highest in Asia. This rapid growth in population effects Pakistan's ability to sustain high rates of economic growth and meet the social welfare needs of the people.

The objective of the Social Marketing of Contraceptives Project (SMC) is to increase contraceptive use by promoting family planning and extending the availability of contraceptives through the private sector to complement the efforts of the public sector programme. The SMC project is designed to use the considerable marketing strength of the Pakistan private sector to market a

product which can help Government of Pakistan attain its goal of reducing the overall population growth by providing contraceptive products at affordable prices and through as many retail outlets as possible.

Under the SMC project the marketing and distribution of condoms is carried out by W.Woodward Pakistan (Private) Limited, under a contract with USAID. USAID purchases Sathi condoms from a manufacturer in the United States. USAID then ships these condoms to Pakistan where they are cleared through the port by the Population Welfare Division, Government of Pakistan. The condoms are stored in the Government of Pakistan Warehouse in Karachi and handed over to Woodward as needed. Woodward purchases packing materials, including 4-Packs, dispensers, inserts and cartons from local suppliers, then employs packing labour on packing lines to stuff condoms into packs and packs into dispensers, and dispensers into outer cartons and are sold by Woodward in the market through its distribution network comprising wholesalers, distributors and retailers.

The following five entities were involved in the implementation of the SMC project.

- i) the SMC Executive Committee
- ii) the Ministry of Population Welfare, Government of Pakistan.
- iii) W. Woodward Pakistan (Private) Limited.
- iv) USAID/Pakistan.
- v) Population Services International (PSI).

Sale prices of 4's packs and 12's packs of contraceptives under the contract were approved by the SMC Executives Committee. Sale proceeds for the period from 1 July 1992 to 31 August 1993 were deposited with Population Services International (PSI) and with MPW - Government of Pakistan from 1 September 1993 to 31 January 1994.

Expenditure budget and subsequent amendments thereto were approved by the SMC executive committee.

W.Woodward submitted monthly expenditure summary and request for reimbursement of expenses incurred to PSI. PSI after certifying correctness of expenses forwarded the same to USAID/Pakistan for reimbursement of expenses, however, from 01 September 1993, PSI was replaced by USAID/Pakistan.

SCOPE OF WORK AND AUDIT OBJECTIVES

As agreed in the entrance conference held with USAID and Woodward on 12 June 1994, we were required to carry out an audit to examine and express our audit opinion on the Fund Accountability Statement of Woodward relating to the AID-direct contract with USAID/Pakistan under the Social Marketing of Contraceptives Project for the period from 01 July 1992 to 31 January 1994.

Our audit objectives were as follows:

Our scope of audit work included appropriate tests and procedures to provide reasonable assurance of detecting errors, irregularities, illegal acts and any transactions indicative of fraud that could have a material effect on audit results and in specific following :

- To determine whether Woodward's Fund Accountability Statement presents fairly the receipts and expenditure and ending cash balances covering the audit period in accordance with the terms of the contract.
- To identify any expenditure which were not found fully supported by adequate records or were not reasonable and allowable under the terms of the contract.
- To ensure all expenditure charged against this contract were covered under the audit.
- To report on Woodward's compliance with applicable local laws, regulations and contract terms.
- To calculate final overhead rate for the AID Direct contract for the period from 01 July 1992 to 30 June 1993 and for the period from 01 July 1993 to 31 January 1994.

We had to ensure that we carried out our work in accordance with:

- Generally accepted auditing standards set forth by the American Institute of Certified Public Accountants; and
- US Government Auditing Standard as stated in the US General Accounting Office's "Yellow Book" entitled "Government Auditing Standards".

SUMMARY OF THE RESULTS OF AUDIT

Fund Accountability Statement

The fund accountability statement is prepared on the basis of cash receipts and expenditure.

In our opinion, the fund accountability statement presents fairly the income and expenditure of Woodward's contracts under the SMC project for the period from 01 July 1992 to 31 January 1994 as they relate to the AID direct contract No.391-0484-C-00-1802-00. However, we have noted US\$ 9,697 (Pak Rs.265,033) as questioned cost/revenue relating mainly to certain non-compliance issues. The details have been given in Annexure B.

Compliance with terms of contracts, applicable laws and regulations

Our test for compliance with the terms of contracts, applicable laws and regulations by Woodward for the SMC project and selected transactions and records disclosed certain minor instances of non-compliance with those terms, laws and regulations. The summary of these instances have been included as Annexure 'A'. Apart from above minor instances of non-compliance;

- the results of our test indicates that, for the items tested, Woodward complied in all material respects with those provisions of the agreement, applicable laws, regulations and terms of contracts; and
- for items not tested, nothing has come to our attention that caused us to believe that Woodward had not complied, in all material respects, with those provisions.

CALCULATION OF FINAL OVERHEAD RATES

In terms of our scope of work, we were also required to calculate final overhead rate for SMC Project for the periods from 01 July 1992 to 30 June 1993 and from 01 July 1993 to 31 January 1994. However, we were not provided the relevant records and details necessary in our opinion to substantiate the indirect cost and to determine the final rates of overhead. Accordingly, we have been unable to determine the final overhead rate for the periods from 01 July 1992 to 30 June 1993 and from 01 July 1993 to 31 January 1994.

Audit follow up

We have reviewed the status of action taken on findings reported in prior audit for the period from 01 January 1990 to 30 June 1992 conducted by A.F. Ferguson & Co. Chartered Accountants. Summary of actions taken by W.Woodward Pakistan (Private) Limited has been included as Annexure 'C'.

Finally, we would like to express our gratitude for the assistance and co-operation extended to us by RIG/A/Singapore, USAID/Pakistan and Woodward during the course of our audit.

Yours faithfully

Taseer Hadi Khalid & Co.



Taseer Hadi Khalid & Co.

Chartered Accountants

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The Regional Inspector General
For Audit, Singapore
United States Agency for International
Development (USAID)
03-01/04 Tong Building
302 Orchard Road
Singapore

21 December 1994
KA-RR-0371

Dear Sir

**FINANCIAL CLOSE OUT AUDIT OF
W. WOODWARD PAKISTAN (PVT) LIMITED
AID DIRECT CONTRACT NO. 391-0484-C-00-1802-00**

**INDEPENDENT AUDITORS' REPORT
ON THE FUND ACCOUNTABILITY STATEMENT**

We have audited the annexed fund accountability statement and notes thereon of W. Woodward Pakistan (Pvt) Limited under the Aid Direct Contract No. 391-0484-C-00-1802-00 between USAID/Pakistan and W. Woodward Pakistan (Pvt) Limited for the Social Marketing of Contraceptives (SMC) project funded by USAID/Pakistan for the period from 01 July 1992 to 31 January 1994. The fund accountability statement (the statement) is the responsibility of the Management of W. Woodward Pakistan (Pvt) Limited. Our responsibility is to express an opinion on the statement.

As stated in note 2 to the fund accountability statement, the statement presents only those transactions of W. Woodward Pakistan (Pvt) Limited which pertain to the Woodward contracts under the SMC project and is not intended to present fairly the receipts and expenditure of Woodward as a whole.

We conducted our audit in accordance with

- Generally accepted auditing standard set forth by the American Institute of Certified Public Accountants; and
- United States of America (U.S.) Government Auditing Standards as stated in the US General Accounting Office's "Yellow Book" entitled "Government Auditing Standards".

These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the fund accountability statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall fund accountability statements presentation.

As described in note 1.2 to the fund accountability statement, the statement has been prepared on a cash receipts and expenditure basis.

In our opinion, the annexed fund accountability statement presents fairly, in all material respects, income and expenditure incurred and reimbursed for the period from 01 July 1992 to 31 January 1994 in conformity with the basis of accounting as disclosed in note 1.2 to the fund accountability statement.

This report is intended solely for the use of USAID and W. Woodward and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report which upon acceptance by the USAID Regional Inspector General for audit, Singapore, is a matter of public record.

Yours faithfully

Taseer Hadi Khalid & Co.



Taseer Hadi Khalid & Co.

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The Regional Inspector General
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United States Agency for International
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302 Orchard Road
Singapore

21 December 1994
KA-RR-0372

Dear Sir

**FINANCIAL CLOSE OUT AUDIT OF
W. WOODWARD PAKISTAN (PVT) LIMITED
AID DIRECT CONTRACT NO. 391-0484-C-00-1802-00**

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH APPLICABLE LAWS, REGULATIONS AND
TERMS OF THE CONTRACT**

We have audited the annexed fund accountability statement and notes thereon of W. Woodward Pakistan (Pvt) Limited under the Aid Direct Contract No. 391-0484-C-00-1802-00 between USAID / Pakistan and W. Woodward Pakistan (Pvt) Limited for the social Marketing of Contraceptives project funded by USAID / Pakistan for the period from 01 July 1992 to 31 January 1994.

We conducted our audit in accordance with generally accepted US Government Auditing Standards. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the fund accountability statement is free of material misstatement.

Compliance with laws, regulations, contracts and binding policies and procedures applicable to W. Woodward Pakistan (Pvt) Limited under the Social Marketing of Contraceptives (SMC) project is the responsibility of the management of W. Woodward Pakistan (Pvt) Limited. As part of our audit, we performed tests of W. Woodward Pakistan (Pvt) Limited's compliance with certain provisions of laws, regulations, contracts and binding policies

and procedures. However, it should be noted that we performed those tests of compliance as part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, and our objective was not to provide an overall compliance with such provisions.

Our testing of transactions and records disclosed certain minor instances of non-compliance with those laws, regulations and contracts terms. Instances of non-compliance have been reported in Annexure "A".

The results of our tests indicate that, with respect to the items examined W.Woodward Pakistan (Pvt) Limited has complied, in all material respects with the provisions referred to in the preceding paragraphs of this report. With respect to items not tested, nothing came to our attention that caused us to believe that W.Woodward Pakistan (Pvt) Limited had not complied in all material respects, with those provisions.

This report is intended solely for the use of USAID and W.Woodward and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report which upon acceptance by the USAID Regional Inspector General for Audit, Singapore, is a matter of public record.

Yours faithfully

Taseer Hadi Khalid & Co.

AGREEMENT WITH USAID/PAKISTAN
 UNDER THE SOCIAL MARKETING OF CONTRACEPTIVES (SMC) PROJECT
 FUND ACCOUNTABILITY STATEMENT
 FOR THE PERIOD FROM 01 JULY 1992 TO 31 JANUARY 1994

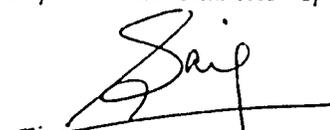
C O N S O L I D A T E D

	NOTE	EARNED (INCURRED)	(DEPOSITED)/ REIMBURSED	BALANCE PAYABLE/ (RECEIVABLE)
			US. DOLLARS	
INCOME				
SALE OF CONTRACEPTIVES	3	655,575	(655,575)	-
EXPENDITURE	4 & 5	(1,053,408)	1,048,969	(4,439)
		-----	-----	-----
		(397,833)	393,394	(4,439)
		=====	=====	=====

Transactions representing for the period from 01 July 1992 to 31 January 1994 were under the USAID direct contract No.391-0484-C-1802-00 between USAID/Pakistan and W.Woodward Pakistan (Private) Limited dated 01 June,1991 and subsequent amendments thereto. Sale proceeds for the period were deposited with Population Services International (PSI) till 31 August, 1993 and with USAID (MPW Government of Pakistan) from 01 September 1993 till 31 January 1994.

The expenses representing for ~~nineteen~~ months ended 31 January 1994 were reimbursed by USAID/Pakistan.


 Managing Director
 W.Woodward Pakistan (Private) Limited
 CONTRACTS WITH USAID/PAKISTAN
 UNDER THE SOCIAL MARKETING OF
 CONTRACEPTIVES (SMC) PROJECT


 Marketing Manager
 W.Woodward Pakistan (Private) Limited
 CONTRACTS WITH USAID/PAKISTAN
 UNDER THE SOCIAL MARKETING OF
 CONTRACEPTIVES (SMC) PROJECT

WOODWARD PAKISTAN (PRIVATE) LIMITED
CONTRACTS WITH USAID/PAKISTAN
UNDER THE SOCIAL MARKETING OF CONTRACEPTIVES
(SMC) PROJECT

NOTES TO FUND ACCOUNTABILITY STATEMENT

FOR THE PERIOD FROM 01 JULY 1992

TO 31 JANUARY 1994

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 Accounting convention

The fund accountability statement comprising receipts and expenditure and ending balances, expressed in Pak Rupees with equivalent US Dollar has been prepared under the "historical cost convention".

1.2 Receipts and expenditure

The fund accountability statement has been prepared under "receipt and expenditure" basis of accounting. Receipts and expenditure represent the amounts received and paid respectively in cash or kind except that the sale invoices raised on despatch of contraceptives have been deemed to be "receipts" for the purpose of this fund accountability statement.

1.3 Foreign currency translation

Pak Rupees has been translated into US Dollar at an average of the nineteen month-end buying rates (US \$ 1 = Pak Rs. 27.3285).

2. COMPONENT UNIT OF WOODWARD

The fund accountability statement presents the transactions of receipts and expenditure pertaining to direct contract No.391-0484-C-00-1802-00 between Woodward and USAID/Pakistan under the Social Marketing of Contraceptives (SMC) Project only and is not intended to present fairly the receipts and expenditure of Woodward as a whole.

3. SALES OF CONTRACEPTIVES

PERIOD	EARNED		(DEPOSITED)		BALANCE PAYABLE	
	Equivalent US\$	Actual Pak Rs.	Equivalent US\$	Actual Pak Rs.	Equivalent US\$	Actual Pak Rs.
01 July 1992 to 31 January 1994	655,575	17,915,891	(655,575)	(17,915,891)		

There is no balance payable to USAID at the end of the contract as on 31 January 1994.

4. EXPENDITURE

The period wise expenses incurred are as follows:

	01 JULY 1992 TO 31 JANUARY 1994	
	EQUIVALENT US\$	ACTUAL PAK RS.
Personnel compensation	75,900	2,074,239
Packing material	249,815	6,827,079
Advertising and promotion	206,502	5,643,378
Vehicle	23,215	634,428
Travelling and per diem	31,887	871,426
Factory labour	111,935	3,059,010
POL & maintenance	4,256	116,310
Factory overheads	144,547	3,950,250
Freight and forwarding	19,524	533,550
Commission	140,466	3,838,712
Others	7,175	196,073
Professional training	1,002	27,382
Demobilization cost	6,615	180,789
Compensation on OCs	3,659	100,000
Mass media	8,044	219,833
Incentives	18,866	515,575
	<u>1,053,408</u>	<u>28,788,034</u>

5. RECEIVABLE FROM USAID/PAKISTAN

The details of outstanding expenses as at 31 January 1994 are as follows:

	01 JULY 1992 TO 31 JANUARY 1994	
	EQUIVALENT US\$	ACTUAL PAK RS.
Others	3,688	100,800
Factory overhead	751	20,513
	-----	-----
	4,439	121,313
	=====	=====

6. STOCKS

The stock of contraceptives and packing material as at 31 January 1994 comprised the following:

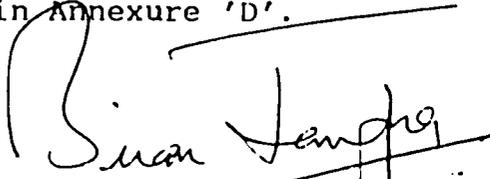
Contraceptives	(in numbers)
- Raw material warehouse	398,217
- Finished goods warehouse	3,490,560
 Packing material	
- Leaflets	124,271
- Dispenser	10,100
- Display cartons	307
- Master Cartons 12's packs	841
 Stickers	 96,808

The items issued for production were not included in the ending inventory reflected in Bin Cards which are as follows:

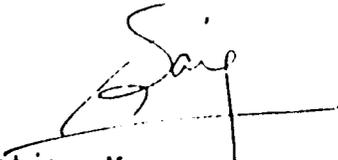
- Finished goods warehouse	192
- Raw material warehouse	4,232,400
- Leaflets	1,065,600
- Inner 4's packs	1,048,772
- Dispensers	88,080
- Display cartons	1,840

The stock of contraceptive of 8,121,177 condoms and packing material valuing US\$ 13,922 (Pak Rs. 380,475) were transferred free of cost to the Ministry of Population Welfare (MPW), Central Warehouse, Karachi in April 1994 subsequent to the completion of AID - direct contract on 31 January 1994.

The detail on movement of inventory of condoms throughout the period of 19 months ended 31 January 1994, are set out in Annexure 'D'.



Managing Director
W. Woodward Pakistan (Private) Limited
CONTRACTS WITH USAID/PAKISTAN
UNDER THE SOCIAL MARKETING OF
CONTRACEPTIVES (SMC) PROJECT



Marketing Manager
W. Woodward Pakistan (Private) Limited
CONTRACTS WITH USAID/PAKISTAN
UNDER THE SOCIAL MARKETING OF
CONTRACEPTIVES (SMC) PROJECT

**AUDIT FINDINGS, RECOMMENDATIONS
AND MANAGEMENT COMMENTS**

FINDINGS

CONDITION

Clause 9 and 10 of Section 'C' of modification No. 06 of the Aid direct contract between W. Woodward and USAID requires prior written approval of USAID's SMC project officer for all SMC related travel carried out by all senior executives and managers and for obtain goods and services such as printing material and advertising from firms in Pakistan.

However, we noted that the following costs have not been supported by prior written approval of USAID SMC project officer.

Nature of Cost	Period	US \$	Equivalent to Pak. Rs.
Executive Travel and per diem			
(a) Regional Sales Manager (North and South)	01 July 1992 to 31 Jan. 1994	6,278	171,578
(b) Mr. Nadym Chandna (Product Manager)	August 1992	151	4,135
		6,429	175,713
Packing Material			
(c) Purchase 61,600 dispensers		3,268	89,320
		9,697	265,033
		9,697	265,033

CRITERIA

The travelling expenses and purchase of dispensers should have been supported with prior written approval of USAID SMC project officer.

CAUSE

We were informed by W. Woodward's management that under the organisational set up of Woodward regional sales managers are not covered under the definition of Managers and Senior Executive as stated in clause 9. Therefore, prior written approval of USAID SMC project officer was not required. However, in case of Mr. Nadym Chandna the written approval was obtained, but it has been misplaced.

Further, for the purchase of 61,600 dispensers, we were told that every approved agreement with sub-contractors contain a clause covering $\pm 5\%$ variation in the quantity ordered. Therefore, this excess quantity of dispensers was covered under variation clause.

EFFECT

These are violations of clause 9 & 10 of Section 'C' of modification No. 6 of the AID direct contract. Therefore, to the extent of US \$ 9,697 (Pak Rupees 265,033), the travelling cost and cost of packing material, the fund accountability statement was not supported by prior written approval of USAID SMC project officer.

RECOMMENDATION

We suggest that the approval of USAID SMC project officer for above travelling and packing material cost should be obtained.

MANAGEMENT COMMENTS TO FINDINGS

- (a) As explained earlier, Clause 9 of Section C of modification # 6 did not cover Field Management Staff i.e. Regional Sales Managers & Sales Officers. Prior approval for travel was only required for Commercial Office Staff and for any other person such as Factory Manager, Finance Manager etc. travelling specifically for SMC project.
- (b) Prior approval was required for travel of Mr. Nadym Chandna, and bills were processed only when accompanied with written approval. Unfortunately this particular approval copy (original was attached with the bill) was misplaced. However, we verify that Mr. Chandna travelled in August 1992 to Islamabad to attend Quarterly Sales Meeting and meet Regional Sales Manager (North) to discuss and get feed back on SMC project.

- (c) As required in Clause 10 of Section C of modification # 6, Woodward always obtained prior approval for services such as printing of packaging material by preparing draft contracts between Woodward & the printer and sending to USAID.

These contracts contain a Clause covering $\pm 5\%$ variation in the printed quantity. 61,600 dispensers mentioned in the above finding is covered by 5% variation and thus approved by USAID.

FINANCIAL CLOSE OUT AUDIT OF
 W. WOODWARD PAKISTAN (PVT) LIMITED
 CONTRACT WITH USAID/PAKISTAN
 UNDER THE SOCIAL MARKETING OF
 CONTRACEPTIVES (SMC) PROJECT
 FOR THE PERIOD FROM 01 JULY 1992
 TO 31 JANUARY 1994

SUMMARY OF QUESTIONED COST

Nature of Cost	Reason for Questioned	Amount		Unallowable		Unsupported	
		Equivalent US.\$	Actual Pak.Rs	Equivalent US.\$	Actual Pak.Rs	Equivalent Pak.Rs	Actual Pak.Rs
Executive Travel and per diem	Written approval of USAID SMC Project officer not available.	6,278	171,578	-	-	6,278	171,578
Executive Travel and per diem	Written approval of USAID SMC Project officer not available	151	4,135	-	-	151	4,135
Packing Material	61,600 dispensers were purchased without obtaining prior approval of contracting officer	3,268	89,320	3,268	89,320	-	-
		<u>9,697</u>	<u>265,033</u>	<u>3,268</u>	<u>89,320</u>	<u>6,429</u>	<u>175,713</u>

**FINANCIAL CLOSE OUT AUDIT OF
W. WOODWARD PAKISTAN (PVT) LIMITED
CONTRACT WITH USAID/PAKISTAN
UNDER THE SOCIAL MARKETING OF
CONTRACEPTIVE (SMC) PROJECT
FOR THE PERIOD FROM
01 JULY 1992 TO 31 JANUARY 1994**

COMPLIANCE OF PRIOR PERIOD'S AUDIT FINDINGS

FINDING NO.	A. F. FERGUSON'S RECOMMENDATION	STATUS
1.	Sale proceeds of 62,208 contraceptives should be recorded in MIS and deposited in GOP account.	Sale proceeds of Rs. 2,112 being sale proceeds of 62,208 contraceptive has been deposited with GOP in July 1993 after deducting commission of Rs. 3,110. However, the reporting of these transactions into MIS report could not be found.
2.	The excess charge of Rs. 82,885 on account of average monthly salary should be returned to USAID / Pakistan	Complied
3.	Bank charges amounting to Rs. 6,318 should be submitted by Woodward to Ministry of Population Welfare - GOP for certifying the correctness.	Woodward submitted relevant bank advices to Ministry of Population Welfare-GOP for its verification through letter dated 03 July 1993 but reply from Ministry of Population Welfare - GOP is still awaited pending the action in abeyance.
4.	Separate line items for the miscellaneous expenses should be included in the budget.	Complied

5. Following expenses should be recorded in fund accountability statement subsequent to 30 June 1992.

	Receivable from		
	USAID	MPW	
Advertising	80,000	10,000	Complied
Executive Travel	321,990	-	Complied
Mass Media	-	227,753	Received Rs. 219,833 and recorded the same in fund accountability statement for the period from 01 July 1992 to 31 January 1994.
Incentive	-	520,575	Received Rs. 515,575 and recorded the same in fund accountability statement for the period from 01 July 1992 to 31 January 1994.
Mark-up	773,465	-	Still outstanding therefore this amount has not yet been recorded in fund accountability statement for the period from 01 July 1992 to 31 January 1994.

6. Staff training of Rs.20,000 should be recorded in MIS and in future it should be recorded according to level of efforts. Reporting of Rs. 20,000 in MIS could not be found. However, subsequent to 30 June 1992 the training expenses have been allocated in accordance with the agreed level of efforts.

7. Error in recording 135,936 should be rectified and excess deposit of Rs. 17,066 should be returned by USAID to W.Woodward. Complied

**FINANCIAL CLOSE OUT AUDIT OF
W. WOODWARD PAKISTAN (PVT) LIMITED
CONTRACT WITH USAID/PAKISTAN
UNDER THE SOCIAL MARKETING OF
CONTRACEPTIVES (SMC) PROJECT
FOR THE PERIOD FROM 01 JULY 1992
TO 31 JANUARY 1994**

MOVEMENT OF CONTRACEPTIVES

	(In numbers)
Opening Balance as on 01 July 1992	9,288,172
Received from population Welfare Division (PWD)	71,466,000
Return from suppliers	31,872
	80,786,044
Less:	
Sold and proceed deposited with respective agencies	72,587,284
Samples	4,608
	72,591,892
Balance as on 31 January 1994	8,194,152
Less:	
Delivered to USAID on 12 April 1994	8,121,177
Balance with Woodward on 12 April 1994	192
	8,121,369
Excess	72,783

Notes :

- The movement of contraceptives for the period from 01 July 1992 to 12 April 1994 was considered and adjusted accordingly to arrive at the stocks on 12 April 1994

- Stock handed over to USAID based on get pass through which delivery was made.
- Net shortfall of 72,783 condoms is representing 0.09% of total quantity available for distribution.
- * This includes balance at main store and packing department.