

## **Responsive COVID -19 Vaccines for Recovery Project - 2024**

---

The audit of the Winding up financial statements of the Responsive COVID-19 Vaccines for Recovery Project for the year ended 31 December 2024, 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 read in 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 of the Project, the Ministry of Health is the Executing Agency and the Implementing Agency of the Project is 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 the Loan Agreement, 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. But estimate cost reallocated as US\$ 106.36 million equivalent to Rs.21,272 million. The Project had commenced its activities on 19 August 2021 and scheduled to be completed by 30 June 2024. Though, Project Management Unit was wound up at 31 December 2022.

### **1.3 Opinion**

In my opinion, the accompanying Winding up financial statements give a true and fair view of the financial position of the Project as at 31 December 2024, the statement of financial performance 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 Winding up Financial Statements**

Management is responsible for the preparation of Winding up 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 Winding up 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 Winding up Financial Statements

My objective is to obtain reasonable assurance about whether the Winding up 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 Winding up 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 Winding up 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 Winding up 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 Underutilized Resources

Audit Issue	Management Response	Auditor's Recommendations
The Ministry of Health had purchased 16,859,800 doses of Sinopharm vaccine worth US\$118,018,600 at a cost of US\$7 per dose, and US\$105.00 million of the cost had been reimbursed through the said	The instructions have been given to the Chief Epidemiologist and Chief Accountant (Stock Verification) and they have taken action to dispose remaining vaccines. Report	dispose should be done according to F.R. 104.

project. Of these vaccines, 1,781,649 doses, worth US\$ 12,471,788 had expired in the Central Vaccine Repository, representing about 11 percent of the total vaccines purchased. No action had been taken to dispose of the expired vaccines as at the date of this report.

will be issued after the process is completed. Expired vaccines have been stored in Central Vaccines Repository and action is being taken to dispose.

## 2.2 Matters in Contentious Nature

Audit Issue	Management Response	Auditor's Recommendations
<p>The Government of Sri Lanka had requested the Asian Development Bank on 09 June 2022 to reduce the amount of US\$ 35 million from the provisions of Loan Agreement No. 4084, Due to the cancellation of 53 percent of the loan amount, it was not possible to carry out project objectives such as distributing vaccination information and maintaining operational systems, providing vaccine transportation facilities, and managing vaccine-related clinical waste.</p>	<p>This decision was taken by the Asian Development Bank.</p>	<p>Loan should be used for intended purposes of the project.</p>

