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STATE AUDIT OFFICE

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- Press release -

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## Institutional weaknesses in the management of non-financial assistance during the pandemic

Weaknesses and ambiguities in definition of competencies of institutions involved in the process, omission of epidemics in the Law on Protection and Rescue, undefined strategic goals, insufficient human resources and lack of accounting records on received donations, as well as necessary protocols and controls for receipt, distribution and use of non-financial assistance related to prevention and protection against pandemic and possible future health crises

The State Audit Office conducted compliance audit on the topic "**Non-financial assistance, distribution and use by public sector institutions for prevention and protection against Covid 19 pandemic**" for the period 01 March 2020 – 30 November 2020, and some issues and events covered subsequently until the date of reporting on the audit.

The coronavirus pandemic increased the need the need of medical protective supplies and equipment in the healthcare system increased and thus large number of citizens, legal entities and foreign donors made donations in the form of non-financial assistance.

Based on received donations in the period 01 March – 30 November 2020, the Ministry of Health (MoH) signed **75 donation agreements amounting to 83.4 million denars and 137.000 euros**. For these donations, MoH has made an overview of received and issued supplies and protective materials, as well as donated and distributed vehicles, but there are no accounting records due to incomplete documentation.

In addition to stockpiling personal protective equipment, in the period before the start of the pandemic the healthcare system was equipped with 120 respirators for the whole country that were used for treatment of Covid-19 patients. Among the assistance received for dealing with Covid 19 consequences were 294 respirators received from foreign and domestic donors.

The authorized state auditor found that the Protection and Rescue Directorate (PRD) has not adopted new National Strategy for Protection and Rescue with an action plan aimed at prevention, mitigation and preparedness of the system for the period after 2018, which implies presence of risks in the protection and rescue system. In 2017, PRD adopted Plan for preparedness and response of the healthcare system in dealing with emergencies, crises and disasters, but after the adoption of the Plan until the occurrence of the pandemic, no reports were presented for implementation of planned activities.

Based on a Government Decision from 23 March 2020, PRD activated the EU Civil Protection Mechanism, and the country was connected to the European Disaster Management Network, which provides access to resources for dealing with various natural or disasters caused by human factor.

Through this international mechanism, PRD received foreign donations amounting to **65.5 million denars**. For the received donations in **medical protective supplies and equipment**, there are no accounting records.



In addition to the assistance received from domestic legal entities and individuals, the country has also obtained donations from several foreign international donors. According to data from the Secretariat for European Affairs (SEA), the non-financial assistance from **foreign international donors** amounts to **125.7 million denars**.

The authorized state auditor concluded that there is no mechanism at national level for continuous forwarding of information by budget recipients of donations to SEA on the amount of donations received, despite the legal obligation thereof. The absence of a single central system for receiving, monitoring and distributing all donations from foreign donors creates a risk of incomplete data and information on donations received at national level, which may affect the real needs and the creation of policies for handling donations.

In the audit report, the authorized state auditor pointed to the insufficient human resources in the competent institutions for providing and coordinating international and domestic assistance, and organizing reception, distribution and recording of non-financial donations.

In order to confirm the status of received donations intended for the healthcare system for dealing with Covid-19 pandemic, the authorized state auditor submitted questionnaire to **23 Public Healthcare Institutions (PHIs)** to determine the manner of use and handling, recording and control of donations by PHIs.

To obtain complete and transparent data on the situation of medical equipment available to PHIs, the Ministry of Health established integrated healthcare IT system. However, some PHIs do not enter complete data on equipment received as donation despite the legal obligation to update records. The responsible persons in the Ministry of Health have not prepared analysis on the dynamics of updating data in the system as a basis for assessing the real needs for donations to PHIs.

PHIs do not have written procedures, guidelines, protocols or instructions to regulate the manner of receiving and handling received donations of equipment and protective medical equipment for dealing with Covid-19, as well as competencies of the responsible persons involved in the activities. This creates an opportunity for evasion of control activities for complete managing of donations.

The Republic of North Macedonia has received donation of protective medical equipment from international donors for dealing with the consequences of Covid-19, and it was ascertained that part of the donated equipment is missing. Absence of clearly defined responsibilities of the institutions involved in the process of receipt, management (storage, safekeeping) and control of foreign donations provides for the possibility of improper handling and misuse.

The authorized state auditor ascertained that the information on received donations related to Coronavirus is partially transparent and available to the public. Data on received non-financial donations were published on the Government website (<https://finansiskatransparentnost.koronavirus.gov.mk>) only for the period 16 March – 28 May 2020.

Due to all of the above, the stakeholders and the citizens do not have full insight into complete data (donor, donation, financial value and purpose of donation) on received non-financial donations in the country intended for dealing with Covid-19 pandemic.

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