

Module 6: Using Primary Information to Monitor Budget Implementation

TASK SHEET 6.1: THE PROSLIMY CASE STUDY

As you know, the city of Mortalia suffers from a very high rate of maternal mortality and has received a lot of unfavorable publicity in both the state and national media on this issue. Concerned by the damage to its image, the Sunrise state health ministry initiated a high profile maternal health program in the city of Mortalia, under the banner **Proud Women of Mortalia (PWoM)**. An amount of D1 million is allocated in the state's 2004 budget for this program in the city. Since the state health ministry faces shortages in staff, much of this money was allocated to contractors who were engaged to carry out the program on behalf of the government. The state legislature made an exception to normal government contracting procedures and directly awarded a no-bid contract to PROSLIMY, a large public sector contractor.

PROSLIMY submitted a budget for 312,500 Dinar to the state legislature and was awarded a D250,000 contract (each of the 10 budget categories funded in PROSLIMY's original proposal was reduced by 20 percent – the amount of the reduction in the entire program budget). The entire amount was paid in advance to PROSLIMY, which submitted bills for D250,000 at the end of the year to the state health ministry.

In 2005, a coalition of health activists from all over the country led by HMHC began investigations on the progress achieved by the maternal mortality prevention program in Mortalia. The state health ministry informed them that most of the program is being run by contractors and that very little information on the program is available with the ministry. However, the coalition's persistent demands for information were eventually rewarded when the ministry provided them with a copy of the original D312,500 estimate submitted by PROSLIMY to the state legislature. This information is presented in the table below.

CONTRACT ESTIMATES SUBMITTED BY PROSLIMY

Sr. No.	Particulars	Amount (D)
1.	Transport	12,415
2.	Medical equipment	105,560
3.	Publicity campaign	32,663
4.	Assistance to women	16,948
5.	Teaching and learning material	9,500
6.	Office operating expenses	19,585
7.	Meeting expenses	37,247
8.	Medicines	27,500
9.	Office rent and utilities	42,082
10.	Miscellaneous expenses	9,000
	Total Expenses	312,500

Module 6: Using Primary Information to Monitor Budget Implementation

No other information was provided by the state health department. The department claimed that PROSLIMY had submitted accounts of its expenditures for D250,000, but that this information ran into hundreds of pages and it was not feasible for the government to make it available.

HMHC used the Right to Information Act of 2008 to demand copies of all the accounting records submitted by PROSLIMY. After a protracted struggle in the state high court, HMHC was able to access all the information available within the health ministry. This information is available in the **CONTRACT FILE: PROSLIMY** in the last section of your Polarus Sourcebook.

During subsequent meetings with the health ministry, HMHC members were able to obtain some information about the nature of expenses incurred by PROSLIMY during the execution of the contract. This information includes the following:

- PROSLIMY staff attended two conferences organized by the health ministry and paid for their travel (including air travel) to these meetings from the contract fees.
- PROSLIMY organized several public educational meetings throughout the year at which pregnant women were invited to attend courses on maternal mortality prevention strategies.
- PROSLIMY operated a mobile hospital unit (ambulance), which was equipped with medical equipment. The mobile unit travelled extensively through the region and provided medical services to pregnant women.
- PROSLIMY distributed nutritional food and clothes to pregnant women during medical camps that were organized in different regions throughout the year.
- PROSLIMY undertook a public campaign through newspaper advertisements and radio commercials to heighten public awareness on maternal mortality issues.

STEPS TO COMPLETE

Sift through the financial information obtained for the Sunrise State Department of Health and complete the following tasks:

1. Record 5 to 10 invoices obtained from the Sunrise State Department of Health onto a computer spreadsheet. The remaining 90 to 95 vouchers have already been entered for you in a spreadsheet that will be loaded onto your computers by the facilitators.

Module 6: Using Primary Information to Monitor Budget Implementation

2. Categorize each invoice entered in the spreadsheet under budget categories, using the same 10 budget categories as were utilized by PROSLIMY. Prepare a summary of the actual expenditures under each of these 10 budget categories.

3. Categorize the invoices chronologically into four quarters of the year and note down any spending patterns you become aware of.

Module 6: Using Primary Information to Monitor Budget Implementation

4. Calculate the percentage of each expenditure category against the total expenditure. What does this tell you about PROSLIMY’s spending priorities?

5. Carefully scrutinize all invoices in terms of three important value-for-money factors:

- a. economy (could the expenditure have been undertaken at a lesser expense?)
- b. efficiency (were maximum outputs being achieved from minimum inputs?); and
- c. effectiveness (did the expenditure deliver its intended results?).

Record any anomalies that you notice in a voucher on the spreadsheet that contains the details of each voucher entry.

6. Further, scrutinize all invoices for procedural irregularities. In Polarus, all invoices (whether maintained by the private sector or public sector) are required to be printed at a government printing press. Each invoice is given a unique identification number and is valid for a period of two years from the date of issuance (which is also printed on the invoice). The invoice contains the name of the vendor and the vendor’s address and government identification number (issued for tax identity purposes). The buyer’s name, address, and tax identity number is also printed on the invoice. The invoice should also contain



Module 6: Using Primary Information to Monitor Budget Implementation

details of the sale transaction. Use this and other information to check whether invoices in the PROSLIMY file contain any information that indicates falsification and/or fraud. Record any anomaly that you notice in a voucher on the spreadsheet that contains the details of each voucher entry.

Module 6: Using Primary Information to Monitor Budget Implementation

3. Look back to the budget advocacy objective that you defined in Module 4. List all of the specific findings from the PROSLIMY case that you can use to sharpen/refine your budget advocacy objective and provide evidence on the maternal health crisis in Sunrise State
