

The Office of the Auditor General of Belize



SPECIAL AUDIT REPORT KARL HEUSNER MEMORIAL HOSPITAL (APRIL 2010 - DECEMBER 2011)

JUNE 2012

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Why we conducted the audit

- 1) In early 2011 there were constant media reports of allegations of wrongdoings in the procurement process at the Karl Heusner Memorial Hospital (KHHM). The former Stores Clerk at the KHHM alleged that items were ordered from specific foreign suppliers and in some cases such items were not received. The former employee further alleged that payments were nonetheless made to the vendors although the items were outstanding.
- 2) As a result of the allegations in the Belize media, the Office of the Prime Minister Belize, requested that the Office of the Auditor General conduct an Audit of the Karl Heusner Memorial Hospital Authority (KHHM) for the period April 2010 to December 2011 to:
 - a) investigate procedures and processes for the procurement of medical and other supplies and equipment at the KHHM during the period April 2010 to December 2011.
 - b) determine whether proper procedures, practices and applicable rules and regulations were duly observed in the procurement of such supplies and equipment and whether all purchases were made transparently.
 - c) determine whether the procurement practices for goods and services at the hospital were within the ambit of approved or established policy
 - d) determine whether any improprieties, irregularities or wrong doing occurred in the procurement of such supplies and equipment and whether there was any fraud, corruption, mismanagement, waste or abuse in the procurement of such supplies and equipment; and if so, to identify the person or persons responsible, if possible.
 - e) recommend any action that may be taken against any defaulters for wrongdoings, or for commission of any other act of impropriety.
 - f) investigate and determine any other matter relating to the above.
- 3) The audit investigation commenced in January 2012 and was completed on 23rd April 2012.

Summary of important findings

- 4) As a result of the allegations in the Belize media, the Office of the Prime Minister Belize, requested that the Office of the Auditor General conduct an Audit of the Karl Heusner Memorial Hospital Authority (KHHM) for the period April 2010 to December 2011.
- 5) The audit investigation commenced in January 2012 and was completed on 23rd April, 2012. The purpose of the audit was to provide an independent assurance and opinion based on outlined criteria, objectives and observations in accordance with International Standards for Supreme Audit Institutions. The following were examined:

Foreign Purchases by KHHM

- 6) Samples of medical supplies and equipments from foreign suppliers to KHHM were selected to establish whether these transactions were conducted above board and that the items were received and taken on inventory.
- 7) This investigation revealed instances in which some foreign suppliers were overpaid and in some cases such overpayments were covered by a supplier's "letter of credit". In one instance, the items prepaid have not been received to date. A summary of the findings follows:
 - The Hospital overpaid a foreign supplier (Skilled Solution) \$17,098 for medical equipment never delivered
 - Skilled Solutions issued a Letter of credit for \$21,080 to compensate the KHHM for its overpayment of \$17,098
 - KHHM received another "Letter of Credit" from Skilled Solutions seven months after they paid for other items totaling \$10,300.00 that were never received by the institution.
- 8) We were unable to determine whether the letter of credit has been utilized since it could not be established:
 - Why the items were not received,
 - Why was this not detected earlier by the follow-up system in place at the KHHM,
 - Whether these items were sourced from other suppliers and,
 - What was the status of the Letter of Credit
 - KHHM made overpayment of \$1,720.00, to Oxi-Rent, which was later offset by a subsequent Purchase Order to the supplier.
 - The KHHM prepaid Flamingo Export Company (FEC) an amount of \$7,675.00 worth of Medical supplies, which was not received to date.

- American Hospital Supply issued Credit Note to KHHM one year after KHHM was overcharged in respect of items totaling \$2,300.00 US.
 - KHHM was billed an additional \$6,000.00 by American Hospital Supply as a result of KHHM ordering the wrong equipment
- 9) In the case of American Hospital we were provided with evidence to substantiate that a price quotation error occurred. We were however unable to find out:
- Why the Purchasing Department was not aware of the pricing error as it occurred?
 - Why the Foreign Purchases Procedure was not adhered to in this case?
 - Why KHHM did not recover the amount of \$6,000.00 from the person at fault for this loss?
 - Whether other quotations were obtained for this item from other companies?

Contracts

- 10) We also sampled seven works/services contracts, which the KHHM entered into during the period under review. The objective of the audit of contracts was to determine whether the hospital adhered to its established procedures and policies and that it received the services and items paid for in accordance with the contract agreements.
- We found that KHHM adhered to the requirements of Contractor General's Memorandum No-3 of 1999 when they contracted the services of Belize Drywall Company
 - There were apparent project (oversight) management issues with the Medical Ward Renovations.
 - Physical inspection of project one year later revealed construction quality issues.
 - Multi-Lift Company adhered to the requirements of a contract with KHHM to repair the KHHM elevators.
 - The Director of Operations was not satisfied with the repairs done to the elevators.
 - Payments concerning an additional contract issued to Multi-Lift to replace the operators for the elevator door exceeded the contract value by \$1,854.00
 - The KHHM adhered to their internal purchasing policies when they purchased a twelve body morgue at a cost of \$53,000.00 US from the Skilled Solution
 - Only one quotation was seen for servicing a KHHM Equipment
 - The KHHM Management did not adhere to the requirements of the Contractor General's Memorandum No-3 of 1999 when contracting the services of BIC.
 - The Director of Operations cited instances of "lack of timeliness" in response by the contractor to provide services

- KHMH only requested one quotation for Evaporator Coils obtained from Technivel Company.
- KHMH did not provide any reason why the contract sum of \$23,542.00 for repairing a walk-in freezer was increased to \$30,136.00.

Inventory Issues

- Items ordered from FEC were received and recorded in the inventory records but balances were adjusted to zero at end of year with no issues seen.
- KHMH purchased items from OxiRent and reversed the entries previously recorded on the inventory in the Quick Books accounting system.
- KHMH purchased items from Skilled Solutions that we were unable to trace as taken on Inventory.
- KHMH purchased 432 Braun brand Infusomat Pump connections, from Skilled Solutions, which we could not trace as recorded on the Inventory.
- KHMH paid Skilled Solutions for a number of items but not all items were recorded as delivered to the institution
- KHMH sourced identical items from Government Central Stores and Skilled Solutions during the same period.

KHMH CORPORATE CREDIT CARD

11) We examined the records and documentation in regards to KHMH Corporate Credit Card, which had a credit limit of \$20,000.00. The objectives of the audit were to establish whether there was a proper system of control in place and whether the Hospital adhered to those controls. The examination revealed the following:

- KHMH did not present Credit Card records to us on a timely basis
- There was no documented Credit card policy in respect of the KHMH credit card
- The Director of Finance charged per diem expenses for himself to the Credit Card when he traveled outside Belize
- KHMH used the credit card to pay Expedite/Express fees but we were unable to establish what items the fees were paid for.
- KHMH used the credit card to pay for Expedite/Express fees for items, which were not received until 3 months after.

Detailed Audit Findings

Foreign Purchases by the KHHH

12) In meeting our obligation as outlined in the “Terms of Reference” we sampled transactions in respect of foreign purchases KHHH made during the period April 2010 to December 2011. The following vendors were included in our audit sample

- Skilled Solutions Llc.
- Flamingo Export Company
- American Hospital Supply
- Scientific Supplies
- Oxi-Rent
- IBWIS Medical Supplies
- Northwest Industrial Equipment Inc.

Audit Objectives

13) We wanted to determine whether KHHH:

- followed the procedures in place for the preparation of Requisitions and Purchase Orders,
- made correct payments in respect of Purchase Orders issued to the various vendors,
- received the items paid for in full and,
- took all items on inventory charge.

What we examined

14) In order to reach our objectives we examined the following documents/records: Requisition forms, Purchase Orders, Invoices, Receiving forms, Cheque disbursements, Quick Books extracts, Fixed Assets schedules and Inventory adjustments. We also reviewed KHHH Board of Director’s Minutes of Meetings and interviewed the Chief Executive Officer, Directors of Finance/Operations, Accountant, Purchasing Manager and the Supplies Manager of KHHH. We also did on site inspections of relevant projects.

Observations

The Hospital overpaid a foreign supplier (SKILLED SOLUTION) \$17,098 for medical equipment never delivered

15) KHHH’s “*Procedures for the preparation of Purchase Orders*” in respect of foreign purchases dictates that purchase orders should be prepared after approval of both spreadsheet and requisition book by all relevant parties. It says that the original and two copies of the purchase orders along with the relevant requisitions are passed to the Stores Clerk. The Supplies Unit is responsible for receiving the items, matching them, itemizing them and forwarding the documents to accounts for payments.

- 16) KMH's undocumented policy also requires that items ordered and short shipped should be communicated with the purchasing and accounts department for timely follow up and resolution with foreign suppliers.
- 17) During the examination of records, we noted that foreign payments were made to a long-time supplier of KMH operating out of Miami Florida, Skilled Solutions: one on 26 January 2010 and another one on 13 April 2011. We were told that some of the equipment paid for was never received by the Hospital.
- 18) In order to determine whether KMH followed its purchasing procedures in these cases, we attempted to match purchase orders issued by the institution with the relevant checks payments made to "Skilled Solutions".
- 19) We found that two checks of \$17,098.00 were issued to Skilled Solutions for the purchase of medical equipment. The cheques were accompanied with matching purchase orders as illustrated in Table 1.

Table 1

P.O#	DATE	ITEM	Approved by	INVENTORY REFERENCE NUMBER	INVOICE #	DATE	CHQ #	DATE	AMOUNT
9132	14/11/09	NELLCOR SENSOR, NEONATAL N-25 (24/CASE) TYPE 2211-6 LOT#1810611	Shevon Fairweather	57881	1225	03/12/2009	2889	26/01/10	\$17098.00
		NELLCOR SENSOR, ADULT (DISP) D-25L (24/CASE)		57961					
		Bank Charges for the payment of wire T							\$ 685.82
9132	14/11/09	NELLCOR SENSOR, NEONATAL N-25 (24/CASE) TYPE 2211-6 LOT#1810611	Shevon Fairweather	57881	1225	03/12/2009	3332	13/04/10	\$17,098.00
		NELLCOR SENSOR, ADULT (DISP) D-25L (24/CASE)		57961					

See details of the above payments attached at Appendix "A".

- 20) A review of the Quick Books accounting system disclosed that these items were posted twice as received but the latter entries were later reversed Items (57881, 57961) were taken on inventory charge on 03/12/2009 in respect of the first payment (Cheque #2889 dated 26/01/10) and 12/03/2010

in respect of the second payment (Cheque#3332 dated 13/04/10). The latter was later reversed on the same date it was taken on inventory.

21) We also found that the same check requisition documents were used in support of the second payment and that Skilled Solutions billed the Hospital accordingly

- Requisition number 11311 dated 03/11/09, requisitioned by R. Acevedo
- Purchase Order number 9132 dated 14/11/2009
- Skilled Solutions quotations #BZ1067 dated 11/11/09
- Skilled Solutions invoice #1225 dated 03/12/2009

Please see copies attached at my Appendix “A“

22) An interview with KMHM’s Accountant about the second payment to Skilled Solutions, confirmed that the items in respect of the latter payment were never received by the KMHM. The hospital therefore paid the supplier an additional amount of US\$17,098 for medical instruments that it never received.

23) The cheque requisition form dated 13/04/10, and attached at my Appendix “A” disclosed that the following persons processed the second payment (overpayment):

Table 2

Check Number	Date	Prepared By	Approved By	Authorized By	Checked By
3332	13/04/10	Rosney O’Brien	Carlos Perrera	None (?)	Omar Rivera

24) As indicated, we were unable to determine who authorized the payment since a signature was lacking on the check requisition form, under “authorized by” as can be seen at Table 2.

The overpayment was detected, not by the Hospital, but by the supplier

25) The accountant at the KMHM mentioned that the overpayment of \$17,098 to Skilled Solution came to KMHM attention ,when the company, informed the KMHM that it had already receive a previous payment in respect of Purchase Order number 9132.

26) Skilled Solutions further stated that it was prepared to offset the second payment against an outstanding KMHM Purchase Order (Number 9693 dated 22 March 2010 and a corresponding invoice number 1250 sent to KMHM.

27) Following the supplier’s notice that it had been overpaid, the accountant requested copies of the documents referred to by skills Solutions and queried the particulars of Purchase Order #9693 dated 22 March 2010 since it could not be traced to the Quick book accounting system maintained by the KMHM.

28) Upon verification of that Purchase Order (9693) we saw that it had been issued to another supplier (James Brodies and Company) in the KMHM Quick books account and not to Skills Solutions

29) We requested copies of documents but the Accountant only presented to us Purchase Order (#9693), which disclosed the following:

- Items were not valued individually
- Inventory reference number (50376) quoted on the purchase order was not recognized in Quick Books.
- Purchase Order number 9693 was found in QB, however it was issued to James Brodies and company
- Purchase Order appeared to be signed by Manager Purchasing of the KMHM
- Further examination revealed that a KMHM stamp was affixed to the Purchase Order with a signature appearing to be that of the Purchasing Manager.

Photocopy of Purchase Order #9693 can be viewed at Appendix B.

30) We asked the Manager of Purchasing at the KMHM about the signature on the Purchase Order that appeared to be hers. She mentioned that upon returning to work from vacation it was then the existence of the transaction was brought to her knowledge. She further claimed that she was not previously informed of the Purchase Order and did not authorize it. She also mentioned that the signature appearing on the document was not hers.

31) According to the accountant it was later determined that fault could have been attributed to a former employee of KMHM for the creation of the Purchase Order. It was not clear to us as to how the transaction occurred and who actually submitted the Purchase Order to Skilled Solution. The accountant also mentioned that the employee in question was subsequently dismissed.

32) In a discussion with the CEO on 23rd February 2012, we asked whether the information relating to the transaction was reported to the KMHM Board. He responded by saying that the board was most likely informed of the incident. The CEO also mentioned that KMHM suffered no loss as a result of the transactions and therefore the activities of the former employee were not considered as fraudulent.

33) It is our view that a more thorough investigation should have been conducted to determine:

- a) the reason why the overpayment occurred;
- b) whether the employee committed a fraudulent act; and
- c) whether the incident was isolated.

34) The fact that an authorized signature was missing from the "Cheque Requisition Form" we were unable to determine who authorized the payment.

Skilled Solutions issued a Letter of credit for \$21,080 to compensate the KHMH for its overpayment of \$17,098

35) After asking the accountant whether KHMH recovered the overpayment we were presented with an emailed copy of a “Letter of Credit” from Skilled Solutions to the KHMH dated 22/09/10 in the sum of US\$10,540.00 US (BZ\$21,080.00). KHMH therefore received the Letter of Credit some 10 months after the overpayment was made. See specimen copy at my Appendix “C”.

36) We were unable to determine whether the “Letter of Credit” has been utilized to date.

Recommendations:

37) The Karl Heusner Memorial Hospital should:

- a) ensure that a full and proper investigation be carried out to determine the cause of these irregularities.
- b) strengthen controls to ensure that proper reconciliation and matching of official purchase orders and invoices is done prior payments.

KHMH received “Letter of Credit” seven months after they paid for items totaling \$10,300.00 that were never received by the institution.

38) KHMH made a payment totaling BZ\$39,028.56 to Skilled Solutions Inc, by way of an international wire transfer #0000011, dated, 08/08/11 in respect of medical supplies. Included among those medical supplies were 10 cases of Kimberly Clark’s endotracheal inline Suction Catheter valuing \$10,300.00 that the hospital never received at the time. See payment information at Table 3.

Table 3

Invoice # & Date	Item	Item#	Quantity	Value	Paid by Check #/wire transfer	
Invoice # 1 dated 06/11	(1)ENDOTRACHEAL INLINE SUCTION CATHETER 16FR (KIMBERLY-CLARK CODE 227161-5) (20/CASE)	53445	5 case of 20	\$5,150.00	#0000011	
	(2)TRACHEOSTOMY INLINE SUCTION CATHETER 16FR (KIMBERLY-CLARK CODE 2271613-5) (20/CASE)	59949	5 case of 20	\$5,150.00	#0000011	
				\$10,300.00		

See details at Appendix “D”.

39) A check of the Quick Books accounting system disclosed that the items were never recorded as taken on inventory charge. We examined the “Receiving Form” maintained by the KHMH in respect of these items and noted that the number zero (0) was inserted in the relevant column for amounts

received. This finding therefore confirmed that KHHM did not receive the items. Please see specimen copy at my Appendix “E”.

- 40) We asked the Accountant at the KHHM whether the items were received and she confirmed that the Hospital never received the items. . We further queried as to whether Skilled Solutions reimbursed KHHM and were told that a “Letter of Credit” was received from the supplier in respect of the items not received.
- 41) During our Audit we were subsequently shown an emailed copy of a “Letter of Credit”, in the sum of \$10,300.00 USD dated 22nd February 2012, which was seven (07) months after KHHM made the payment to the supplier. See a photocopy of the letter of credit at Appendix “F”.
- 42) Again, we were unable to determine whether the letter of credit has been utilized since.
- 43) We were also unable to find out:
- i) Why were the items not received,
 - ii) Why was this not detected earlier by the follow-up system in place at the KHHM,
 - iii) Whether these items were sourced from other suppliers
 - iv) And what was the status of the Letter of Credit

Recommendations

- 44) The KHHM should:
- i) ensure that the follow-up system in place be monitored to ensure that non-receipt of items be effectively detected.
 - ii) Ensure that compensation is sought from the suppliers for none or late delivery of items. This is very important in cases where full (pre-payments) are/were made to the suppliers.

KHHM made overpayment of \$1,720.00 to Oxi-Rent which was later offset by a subsequent Purchase Order to the supplier.

- 45) KHHM made payment to OXI-RENT by RCPT#142 dated 03/02/11 in the sum of BZ\$3,663.10 (\$3,440.00 plus \$223.10 bank charges) in respect of purchase order number 10392 dated, 31/08/10. This resulted in an apparent overpayment of \$1,720.00 as shown below:

- Amount on purchase order and billed by OXI-RENT BZ\$1,720.00
- Amount KHHM paid to OXI_RENT BZ\$3,440.00

Amount overpaid	<u>BZ\$1,720.00</u>
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- 46) Examination of the receiving form dated 22/02/11 confirmed that the hospital received a total of 200 mechanical breeders (item#55605) which were ordered through purchase order number 10392 dated 31.08/10

- 47) We also checked the Quick Books accounting system which disclosed the following:

Table 4

Type	Date	Num	Name	Memo	Qty
Bill	02/17/2011	89657414	OXI-RENT	MECHANICAL BREATHING FILTERS	200.00
Inventory Adjust	03/31/2011	AJ2011/04		55605 Inventory Adjustment	-128.00
Bill	04/08/2011	1503	BELIZE BANK FOR SKILLED SOLUTION LLC	NON CONDUCTIVE RESPIRATORY THERAPY FILTER, BACTERIAL/VIRAL RETENTION AIRLIFE (BREATHING FILTERS)	300.00
Invoice	04/30/2011	71942	RESPIRATORY THERAPY MEDICAL SUPPLIES	NON CONDUCTIVE RESPIRATORY THERAPY FILTER, BACTERIAL/VIRAL RETENTION AIRLIFE (BREATHING FILTERS)	-75.00
Invoice	05/31/2011	72715	INTENSIVE CARE UNIT - MEDICAL SUPPLY	NON CONDUCTIVE RESPIRATORY THERAPY FILTER, BACTERIAL/VIRAL RETENTION AIRLIFE (BREATHING FILTERS)	-16.00
Invoice	06/30/2011	73416	INTENSIVE CARE UNIT - MEDICAL SUPPLY	NON CONDUCTIVE RESPIRATORY THERAPY FILTER, BACTERIAL/VIRAL RETENTION AIRLIFE (BREATHING FILTERS)	-26.00
Invoice	07/31/2011	74239	INTENSIVE CARE UNIT - MEDICAL SUPPLY	NON CONDUCTIVE RESPIRATORY THERAPY FILTER, BACTERIAL/VIRAL RETENTION AIRLIFE (BREATHING FILTERS)	-12.00
Invoice	08/31/2011	74577	INTENSIVE	NON CONDUCTIVE	-14.00

			CARE UNIT - MEDICAL SUPPLY	RESPIRATORY THERAPY FILTER, BACTERIAL/VIRAL RETENTION AIRLIFE (BREATHING FILTERS)	
Invoice	08/31/2011	74578	GENERAL MEDICAL - MED SUPPLIES	NON CONDUCTIVE RESPIRATORY THERAPY FILTER, BACTERIAL/VIRAL RETENTION AIRLIFE (BREATHING FILTERS)	-4.00
Invoice	08/31/2011	74579	GENERAL SURGICAL - MEDICAL SUPPLIES	NON CONDUCTIVE RESPIRATORY THERAPY FILTER, BACTERIAL/VIRAL RETENTION AIRLIFE (BREATHING FILTERS)	-2.00
Invoice	10/24/2011	1354	INTENSIVE CARE UNIT - MEDICAL SUPPLY	NON CONDUCTIVE RESPIRATORY THERAPY FILTER, BACTERIAL/VIRAL RETENTION AIRLIFE (BREATHING FILTERS)	-26.00
Invoice	10/24/2011	1355	ACCIDENT & EMERGENCY - MEDICAL SUPPLIES	NON CONDUCTIVE RESPIRATORY THERAPY FILTER, BACTERIAL/VIRAL RETENTION AIRLIFE (BREATHING FILTERS)	-6.00
Invoice	10/24/2011	1360	GENERAL MEDICAL - MED SUPPLIES	NON CONDUCTIVE RESPIRATORY THERAPY FILTER, BACTERIAL/VIRAL RETENTION AIRLIFE (BREATHING FILTERS)	-2.00
					189.00
					0.00

Purchase Order	08/31/2010	10392	OXI-RENT	MECHANICAL BREATHING FILTERS	0.00
* Purchase Order	09/03/2010	10407	OXI-RENT	MACHANICAL BREATHING FILTERS	0.00
Purchase Order	03/08/2011	11153	SKILLED SOLUTION LLC	NON CONDUCTIVE RESPIRATORY THERAPY FILTER, BACTERIAL/VIRAL RETENTION AIRLIFE (BREATHING FILTERS)	300.00

Please see details at Appendix “G”

48) As can be seen at Table 4 the purchase order was recorded as at 31/08/10 while Bill number 89657414 dated, 17/02/11 was recorded as receipt.

49) A further check in Quick Books disclosed that an additional Purchase Order number 10407 dated, 03/09/10 (see * above) in the sum of \$1,720.00 was created in the name of OXI-RENT for a similar item with the same item number and utilizing also the same requisition number 12768 dated 25/08/10.

50) We noted that this Purchase Order number 10407 was not linked to any payment nor could we confirm receipt of additional breathing filters. Please confirm.

51) When we asked the accountant about the apparent overpayment of \$1,720.00 we were told that this overpayment was offset against an outstanding balance of \$1,600.00 owing to OXI-RENT in respect of a previous Purchase Order number 10312, dated, 11/08/10. That being the case, Purchase Order number 10312 would have been issued 10 days prior to the issuance of Purchase Order number 10407. It would appear to us that the apparent over payment was the result of the lack of due care in converting the equivalent exchange rate from United States currency to that of Belize currency.

52) We were unable to confirm that the overpayment was offset against balances owed to the Supplier Oxi-Rent due to absence of documentation.

The KMHM prepaid Flamingo Export Company (FEC) an amount of \$7,675.00 worth of Medical Supplies, which were not received to date.

53) Through discussions with the Accountant we established that the KMHM has long a standing business relationship with FEC. The Accountant explained that the terms of payment with FEC were that items ordered had to be prepaid in full.

54) We found that the KMHM ordered the following items from FEC for which the full value of both purchase orders was prepaid; however, no evidence was found or provided to substantiate that the hospital received the items shown at Table 5.:

Table 5

Requisition #	Purchase Order #	Date	Item Ordered	Qty.	Unit Price	Total
0009825	9455	February 2nd, 2010	Drop Sensors for Infusomat FM Infusion Pump (B/Braun) – Item Code – 7446	10	\$640.00	\$6,400.00
09911	9863	May 6th, 2010	Shunt CSF Flow Control Kit Ultra Small Low 22011M	3	\$425.00	\$1,275.00
						<u>\$7,675.00</u>

Details of payments are attached at Appendix “H” and “H1”

- 55) We noted that Purchase Order #9455 dated February 2nd 2010 included an order for ten (10) Drop Sensors for Infusomat FM Infusion Pump (B/Braun) at a unit cost of \$640.00, which totaled \$6,400.00. The Physical Plant Manager signed the corresponding requisition number #0009825 dated November 13th, 2009, and the CEO, KMH, approved it. .
- 56) Of note to us was that the requisition and purchase order was based on FEC’s quotation #HMH11162009 dated November 24th 2009. However, the aforementioned Braun set was not included on the FEC’s quotation.
- 57) Three (3) Shunts CSF Flow Control Kits Ultra Small Low 22011M were also ordered, prepaid for, and not received. These were included on Purchase Order #9863 dated May 6th, 2010, which was initiated by requisition #09911, and approved by the CEO, KMH, on the same date. Of note is that the Shunts were also not included on the FEC quotation which was related to this transaction.
- 58) The total value for the items ordered on Purchase Orders #9455 and #9863 was \$29,689.36 bcy. We confirmed that the full value of both purchase orders were prepaid to FEC vide Cheque #003577 dated 26/5/2010. The Finance Director and the Director of Human Resources approved the cheque.
- 59) We referred to the QuickBooks inventory system, which revealed that neither the Drop Sensors nor the Shunts were received. Furthermore, no receiving report for the two orders was appended to the transaction, as is the standard procedure.
- 60) We discussed this matter with the Accountant on April 23rd 2012. She informed that the Drop Sensors were not received from FEC but instead they got the items from Commerce (a local agent for FEC). Follow up review by us revealed that while 10 additional drop sensors were ordered from Commerce Limited, these were paid for separately which meant that the issue of the overpayment to FEC still stands approximately 2 years later.

Commerce Ltd. supplied the 10 Drop Sensors and was also paid.

- 61) The aforementioned requisition number #0-009825 dated November 13th, 2009 was also used as a source document to raise purchase order #9619 dated 9th March 2010 issued to Commerce Limited

for the for ten (10) Drop Sensors for Infusomat FM Infusion Pump (B/Braun). The following notation was observed on the requisition

“PO needs to be made to Commerce who is the agent for Flamingo in Belize. Sensors are being sent from Germany directly to Belize.”

- 62) KHMH received some 10 units of the Drop Sensors for Infusomat FM Infusion Pump vide Commerce Tax Invoice #1824 and Waybill 7/69 at unit price of \$640.00 each which totaled \$6,400.00. The Stores Clerk from the supplies unit signed both the waybill and invoice, which substantiated that the items were received by the hospital on 16/3/10.
- 63) We observed that the KHMH also paid Commerce Belize Limited \$6,400.00 bcy. vide cheque #003700 dated 16/3/10 for these 10 Drop Sensors. This payment therefore caused the KHMH to pay twice for 10 units of Drop Sensors for Infusomat FM Infusion Pumps requested via requisition number #0009825 dated November 13th, 2009, while the supplies unit received only one set.

Recommendations

- 64) The CEO, KHMH should:
- (a) Immediately communicate with FEC to settle this apparent overpayment of \$7,675.00.
 - (b) Develop, document and obtain approval for all purchasing, payables and stores management policies and procedures. It is also important that the employees are trained in this regard ensuring improved awareness of their roles and responsibilities in the KHMH accounting process.

American Hospital Supply issued Credit Note to KHMH one year after KHMH was overcharged in respect of items totaling \$2,300.00 US.

- 65) We noticed that Credit Memos # CREDIT001824 dated the 22.9.2011 for \$2,300.00 US from American Hospital Supply, Inc was issued because of a price error on the quotation for items on Purchase Order 9899 dated 17.5.2010 and corresponding invoice 102003979 dated 14th September 2010 detected by the KHMH. See specimen attached at Appendix” I”.
- 66) We asked the accountant about the credit note and she confirmed that the overpayment resulted from the Company American Hospital Supply error in pricing of the items as illustrated at Table 6.

Table 6

Item	Description	Purchase order From KMH	First Invoice from company	Corrected invoice from company	Credit Due
Nail5001	IM Nail 36x8	4 at 115.00 = 460.00	5 at 230.00 = 1,150.00	5 at 115.00 = 575.00	575.00
Nail5009	IM Nail 40x10	10 at 115.00 = 1,500.00	10 at 230.00 = 2,300.00	10 at 115.00 = 1,500.00	1,150.00
Nail5010	IM Nail 40x 11	5 at 115.00 = 575.00	5 at 230.00 = 1,150.00	5 at 115.00 = 575.00	575.00
	TOTAL	2,535.00	4,600.00	2,650.00	2,300.00

67) We examined the documents in respect of the payment to American Hospital Supply which revealed that the payment was made on wire transfer receipt # 0000002 on the 14.11.2011

68) This indicated that the credit note was received one year after payment was made to the KMH. See Table 8.

Table 8

Date and Number of Purchase Order	Date and Number of invoice	Date and Receipt # of wire transfer	Date and Number of Credit Memos	Time Difference
17.5.2010/ 9899	14.9.2010/ 102003979	14.11.2011/ 0000002	22.9.2011/ CREDIT001824	1year and 7 days

69) A lack of a proper follow up might have contributed to late discovery of this over charge.

70) This credit Memos was eventually used in a payment for items purchase on invoice #I02004941 in November 2011. We confirmed this during the audit examination.

Recommendation

71) In view of the above observations, it is recommended that KMH ensures that a proper follow up system be implemented to avoid future occurrences of this nature.

72) KMH was billed an additional \$6,000.00 by American Hospital Supply as a result of KMH ordering the wrong equipment During the review of payments made to American Hospital Supply we noted that KMH made a payment in respect of Purchase Order number 9899 dated 17/05/10. However upon comparison of items on the Purchase Order to that of the corresponding invoice we noted a significant difference of \$6,000.00 in the value of a Kutchner system (drill). See Table 9.

Table 9

Date	Purchase Order No	Item	Value	Value on Invoice 102003979 dated 14/09/10	Difference
17/05/10	9899	KUNTCHNER SYSTEM OR OTHER (INTRAMEDULLARY NAIL SET)	Bz\$6,000.00	Bz\$12,000.00	Bz\$6,000.00

- 73) We asked the accountant about the price difference and were told that KHMH was double charged because the original drill ordered was of the wrong type and was of a cheaper price. The correct drill was valued 100% more than the one previously ordered.
- 74) On the 20th April 2012, the Accountant presented us with a reconciled document as well as the hard copy of an e-mail sent from Debbie Thomas of American Hospital Supply to Lilia Chun of KHMH. The contents of this email confirmed that a price quotation error occurred. The accountant explained that this item was replaced by an electrical drill because the nails were not suitable for that specific drill.
- 75) In an interview with Ms. Fairweather, Head of Purchasing Unit, on the 19th April 2012, she explained that her department was not aware of the price change. She further explained that whenever price changes or a quotation error occurred, a new purchase order would be prepared. A written explanation, stating why the purchase order was changed, would then be prepared and attached to the other relevant documents.
- 76) The purchasing manager confirmed that an additional purchase order was not created for the same items.
- 77) We were unable to find out:
- (a) Why the Purchasing Unit/ Department was not aware of the pricing error as it occurred
 - (b) Why the Foreign Purchases Procedure was not adhered to in this case
 - (c) Why KHMH did not recover the amount of \$6,000.00 from the person at fault for this loss
 - (d) Whether other quotations were obtained for this item from other companies

Contracts

- 78) As a part of this Audit examination we reviewed the following seven works/services contracts, which the KHMH entered into during the period under review:
- Renovation of the General Medical Ward
 - Multi Lift Services
 - Technicare

- Technivel
- Walk-in Freezer-Peter Hulse
- Biomedical International Corporation
- Luis Balonas

Objectives

79) We wanted to determine whether the KMHM:

- (a) followed the procedures in place for the awarding of services and works contracts,
- (b) made payments in accordance with the contracts and,
- (c) received the services it paid for in accordance with the contract agreements.

What we examined

80) In order to reach our objectives we examined the following documents/records: Requisition Forms, Purchase Orders, Invoices, Receiving Forms, Check Disbursals, Quick Books extracts, Fixed Assets Schedules, Contract Agreements, and Inventory Adjustments. We also reviewed the KMHM Board's Minutes of Meetings and interviewed the Chief Executive Officer, Directors of Finance/Operations, Accountant, Purchasing Manager and the Supplies Manager. We also did on site inspections of relevant projects.

Observations

The KMHM adhered to the requirements of Contractor General's Memorandum No-3 of 1999 when they contracted the services of Belize Drywall Company

81) Section 4(1) and 12(2) (j) of the KMHM Act, Chapter 38 of the revised edition 2000, empowers the KMHM to enter into contracts relating to construction and maintenance of the hospital. Also, the undocumented policy of the KMHM requires that contracts be approved by the CEO and endorsed by the Contractor General consistent to Memorandum No-3 of 1999 which states: -

"In every case where the contract amount is for \$100,000.00 or more the file should be sent to the Contractor General for comments before the contract is approved for execution."

82) The memorandum further elaborates that the submission should include where relevant:-

- (a) Details of invitation to tender,
- (b) Reference to approved "waiver of tender procedure" where relevant,
- (c) Tender committee's recommendation(s),
- (d) A certificate to the effect that all relevant policies and guidelines have been strictly complied with and,
- (e) Any pertinent information regarding timeframe within which the contract should be executed."

83) On 1st July 2010, the CEO of KMHM and the Manager/Owner of Belize Drywall Limited signed a contract to renovate the General Medical Ward (GMW) at the KMHM at a cost of \$185,044.40. The contract included scope of works, which totaled \$203,548.84. This amount included provision for a

10% contingency of \$18,504.44. The total expenditures seen incurred in regards to the project totaled \$204,321.61.

- 84) In addition, a related contract was signed on July 1st, 2010 with Mr. Omar Mitchell to act as Project Manager (P.M.) for this renovation. The KMHM paid Mr. Mitchell some \$16,000.00 for his professional services. On adding the amounts for both contracts, we noted that some \$220,321.61 was spent on the medical ward renovation.
- 85) We found evidence to substantiate that the KMHM fulfilled the applicable requirements of the Contractor General's Memorandum No-3 of 1999 when entering into this contract with Belize Drywall Company.
- 86) We saw proof that the hospital for the first time activated its own internal tender process. KMHM used the following process to select the contractor for the project:
- i) setup of a Tender evaluation committee,
 - ii) issuance of tender notice in the newspapers,
 - iii) official bid opening and,
 - iv) tender committee deliberation and recommendation.
- 87) The KMHM's Tender Selection Committee comprised the following senior management officials of the hospital.
- Dr. Francis Longworth, CEO, KMHM
 - Mr. Omar Mitchell, Project Manager
 - Mr. Carlos Perrera, Director of Finance
 - Mrs. Angela Wade, Director of Operations
- 88) We noted that initially 10 tenders were received as a result of the notice in the newspapers. However, contrary to best practice in tendering we saw documentation where management of the KMHM issued approval for bids to be resubmitted after being officially opened in order that contractors meet the tender requirements of the project.
- 89) Of the initial 10 tender submissions by contractors, 3 were short listed. These were:-
- i) Belize Drywall Construction - $\$185,044.00 + 10\% \text{ Contingency} = \$203,548.84$
 - ii) Kendrick Jones - $\$196,832.35 + 10\% \text{ Contingency} = \$216,515.59$
 - iii) Arkitekton - $\$185,690.30 + 10\% \text{ Contingency} = \$204,259.33$
- 90) On 16th March, 2010 the committee deliberated and 3 out of 4 members recommended that the KMHM accept the bid from the Belize Drywall Construction.
- 91) We noted that the Contractor General subsequently endorsed the award of the contract to Belize Drywall Company reference his letter GEN/5/01/10 (19) Vol. V111 dated 30th June 2010. Based on said endorsement, the contract was awarded to Belize Drywall Company for \$185,044.00 including the 10% Contingency, which brought the total to \$203,548.84.

There were apparent project (oversight) management issues with the Medical Ward Renovations

92) Section (1) of the Project Manager's (P.M.) Contract states that the P.M. was contracted to coordinate and control the project. The CEO also directed (undocumented) that the Internal Operations Director collaborate with the P.M. to oversee and supervise the project

93) We noted from the P.M.'s contract that he was responsible for the following:-

- i) issue instructions requiring variation of title, form, quality or quantity of work,
- ii) determine value of work submitted by contractor in accord with the conditions of contract,
- iii) to ensure that the Project was secured,
- iv) certify cost of completion as per payment certificates,
- v) settle dispute between KMH and Contractor and;
- vi) review payment applications and certify payment documents.

94) From the documents presented it seemed that for the most part the P.M. fulfilled the requirements of his contract. We noted that the P.M. certified project related payments for the various phases of the Medical Ward's renovations, as all disbursements were supported by payment certificates. However, detailed progress reports on the project, including quality of work performed and quantity of work conducted, were not available for our review.

95) The CEO, KMH, Dr. Francis Longworth informed us that the Director of Operations was directed to assist with the monitoring of the execution of the contract. No evidence was provided to show that the Operations Director had indeed monitored the execution of the project from start to completion.

96) We noted that the Director of Operations wrote a report referenced. GEN/49/01/Vol IV/2010(71) dated February 22nd, 2011, which detailed numerous shortcomings of the project. The shortcomings reported by the Director of Operations were based on a walk through conducted on 16/11/10 near the completion of the project. This report included the following unsatisfactory features:

- a) allegations of inferior quality of workmanship and use of unsuitable materials and,
- b) works not completed by the contractor.

97) To the contrary, we noted that the CEO, KMH and the Board of Governors were satisfied with the project as reflected in the CEO's memorandum P/8/2010 (15) dated November 26th, 2010. The memo states:

"...the board members concluded that the appearance of the ward was very good and declared the project to be satisfactorily completed."

98) In the same memorandum, the CEO also conceded that there were works which were not completed as he wrote:

"areas were identified which require correction, but these were considered out of the ordinary for a project of this nature, and the contractor and project engineer have committed to rectifying these within the 2-months retention period."

99) We observed that the retention fee totaling \$16,144.21 was paid to the contractor on January 26th, 2011 based on the P.M.'s certification that:

“the items outlined in the snag list were satisfactorily addressed by the contractor and verified by Mr. Segura of the KMHM.”

100) We believed that the management and oversight of the renovation was not as effective as it was intended by management, and this may have caused the apparent difference of opinions by the Operations Director, the P.M. and the Board concerning the end results of the project. For future projects of this nature improved communication by the key players involved is critical to ensure that the overall project objectives are achieved.

Physical inspection of project one year later revealed construction quality issues.

101) Section 1.7 of the contract between KMHM and Belize Drywall Contract specifies that the works undertaken should be done in accordance with specifications and drawings and satisfaction of the P.M.

102) We found that the renovation of the medical ward was completed in January 2011. This was confirmed by the final payment to Belize Drywall vide Cheque #5304 dated 26th January, 2011. This payment had as its supporting documentation, an unreferenced letter from the CEO, KMHM in which he certified that the restoration works at the Medical Ward were completed in accordance with the contract.

103) The PM also certified all payment certificates and expressed his opinion that the contractor complied with all stipulations of the contract.

104) The Physical Plant Manager, whose office falls under the authority of the Operations Director, wrote an unreferenced report dated January 26th, 2011 on the Medical Ward renovations. The Plant Manager stated

“Overall all the repairs pointed out in the work scope which I have not commented on was executed in an acceptable manner.”

105) He also commented on a few construction deficiencies. One of the most significant to us is:-

“Corridor and room walls were to be tiled from floor level to 5 feet high and supported by a 13mm plycem wall board in all areas. In some areas 10mm plycem wall board was used and the problem it caused is now revealing itself. The wall board is now sagging away from the concrete walls under the weight of the ceramic tiles. Repairs had to be done at four separate locations already.”

106) It was difficult for us to verify the works carried out by the contractor one year later given that there was no detailed project report that would have included specific activities undertaken by the contractor (only payment certificates were available). Also, no evidence such as pictures was available to substantiate project completion in January 2011.

107) On February 23rd 2012, we conducted a physical inspection of the works undertaken at the GMW on to determine whether the contractor provided the works as outlined in the contract agreement and

payments made. We were accompanied by the Director of Operations and two members of her Directorate. Pictures were taken of the sections of the ward that were renovated.

108) We were able to satisfy ourselves that the medical ward renovations were completed; however, we observed that there were some “quality of works” issues in regards to the construction. See pictures at Appendix “J”. The Physical Plant Manager explained to us that these defects could be attributed to the contractor’s use of incorrect adhesive, or the incorrect grade of plycem material.

Recommendations:

109) The CEO, KMHM should ensure that:

- i) All applicable policies and procedures in regards to capital projects are documented and are compliance the Contractor General’s Memorandum No-3 of 1999. This includes documentation of the tender process from inception to contract approval.
- ii) Appropriate systems and practices is put in place to foster effective project oversight and management for contracts of this nature.

Repairs and Servicing to KMHM Elevators – Multi-Lift Services

Multi-Lift Company adhered to the requirements of a contract with KMHM to repair the KMHM Elevators.

110) The Physical Plant Manager reported on 4th February 2008 that one of the elevators was non-functional and had recommended to management to source a new elevator. On 1st September 2008 a contract was issued to Multi-Lift services to repair both elevators at the institution.

111) The contract document contained the following stipulations:

- i) that all of Multi-Lift products are fully guaranteed;
- ii) that they offer a full maintenance contract in order to extend the working life of the equipments;
- iii) that Multi-Lift carries all spare parts in Belize for the equipments and,
- iv) that the total cost to import and install all equipments will be \$71,456.00

Observation:

112) KMHM paid a total of \$69,403.70 to Multi lift for the VVVF Drive. Revision of relevant documentation and payments made to revealed that they complied with the terms of the above contract.

113) During the execution of the contract, the Contractor encountered the issues. These issues outlined below were documented in an undated report which was sent to the management of KMHM. :

114) One of the elevators rear motor bearings had seized on the motor shaft. There were other faults or defects with the motor causing it to be non-operational. As a result the Contractor had to rebuild the entire motor using parts from motors found on KMHM site.

- 115)The other elevator had been installed wrongly (out of alignment) causing the Rotor Eddy Rings to be cracked in three places. Multi-Lift had to repair (brazed together) the rings for them to become operational.
- 116)The Main Lifting Sheaves were so worn that Multi-Lift had to re-groove the sheaves and increase the main rope size from 11mm to 13mm.
- 117)Door shoes were missing from the elevator 'Car doors' and 'landing doors' causing unnecessary wear and tear on the tracks. These needed to be changed since they were mistreated and not aligned.
- 118)'Car landing' push buttons were not fully operational and needed to be changed. The new 'car' and 'landing' buttons is vandal proof.
- 119)Numerous works were done on both lifts and numerous parts were replaced which should increase the overall efficiency and safety of the elevators. This should allow them to run for the next 15 to 20 years.
- 120)Multi-Lift also recommended replacing both door operators. The operators were old and were at the end of their usable life. Multi lift could no longer get spares for the models and although both doors were repaired Multi lift could not guarantee how long they would last.

The Director of Operations was not satisfied with the repairs done to the elevators.

- 121)Prior to the final payment to Multi-Lift, in a memo dated 4th May 2010 ref Gen/49/01/VOLIII/2010(65)., the Director of Operations informed the Chief Executive Officer of KHHM that the elevator No 2, which Multi-Lift repaired some two weeks ago, was not working due to a malfunctioning door lock. She also stated in the memo that she was not comfortable with making the final payment to Multi lift for repairing the elevator and asked the Chief Executive Officer for his approval or disapproval concerning the payment.
- 122)The Chief Executive Officer responded to the Director of Operations through memo dated 4th May 2010 whereby he stated that he was assured by Multi lift that the problem with the elevator should be rectified within the next few days. He reminded the Director of Operations that Multi-Lift had reported the issue with the elevator doors in their report. In that report Multi-Lift disclosed that the door operators were at the end of their usable life and should be replaced with an updated model. The CEO therefore indicated that KHHM should give Multi lift their final payment for the refurbishment work done on the elevator. He continued by mentioning that KHHM will need to replace the door operators at the earliest opportunity.

Payments concerning an additional contract issued to Multi-Lift to replace the operators for the elevator door exceeded the contract value by \$1,854.00

- 123)On June 15,2010 KHHM issued requisition # 13493 to Multi lift Services for two new elevator 'car door operators' and elevator 'car sill' for a total cost \$41,400.00, which included GST. On that same date KHHM issued Purchase Order # 10013 to Multi lift Services for the purchase and installation of two new elevator 'car doors' and 'car sills' for a total cost of \$41,400.00. However, we noted that KHHM paid a total of \$43,254.00 to Multi-Lift. This was \$1,854.00 more than the agreed amount of \$41,400.00.

KHMH made other payments to Multi lift for work done on the elevators

124)KHMH issued a total of \$51,220.90 to Multi-Lift during the period Dec 2008 to Sept 2009 for delivery and installation of parts for the elevators

The Director of Operations believed that it would have been more economical to install a new elevator while the Chief Executive Officer indicated that it was better to repair the elevator.

125)During a discussion on April 23, 2012 the Director of Operations informed us that the cost to replace one of the elevators with a new one would have been a little over One Hundred Thousand Dollars (\$100,000.00). Her suggestion was to replace one of the old elevators with a new one and use the replaced one as parts for the other old one that was operational. She provided no quotation from any company to support her suggested cost of the new elevator.

126)The Chief Executive Officer on the other hand indicated that it was better to just repair the elevators as installing a new one would be more than the amount the Director of Operations stated. This was because there was an additional cost associated with preparing the location to fit the new elevator. He informed that the floor below the present elevator would have been excavated as the new elevator would require much more space.

127)We noted that the elevators had surpassed the 20 years standard life span and as a result parts for these elevators were not readily available. We also gathered evidence, which indicated that KHMH spent some \$163,000.00 to repair the elevators over a period of 36 months a proper assessment should have been done whereby KHMH should have considered the option of replacing the outdated elevators

The KHMH adhered with their internal purchasing policies when they purchased the twelve body morgue at a cost of \$53,000.00 US from the Skilled Solution.

128)The “Procedures for the preparation of Purchase Orders” policy of KHMH stipulates that for foreign purchases purchase orders should be prepared after relevant parties approve both spreadsheet and requisition book. The original and two copies of the purchase orders along with the relevant requisitions are passed to the Stores Clerk. The Supplies Unit is responsible for receiving, matching, and itemizing the items. The relevant documentation is subsequently sent to the Accounts Unit for them to make the payment. The policy also includes a requirement for multiple price quotations to be obtained.

129)We noted that the Plant Manager of KHMH considered four quotations and then recommended that the morgue be purchased from Skilled Solution, as the morgue that company was selling met all the necessary requirements/ physical specifications. The requirements that the new morgue was to have are listed below:

- i) The condenser and evaporator are self-contained and servicing does not require going into the storage area.
- ii) The configuration can be changed to suit the working area.
- iii) It is made of stainless steel
- iv) It also has a 2-year warranty and single phase with 404 A refrigerants.
- v) It has the capacity to store 12 bodies

130)The Purchasing Officer provided us with documents which reflected the different price quotations that the following venders submitted in an effort to win the bid to supply the morgue:

- American Hospital Supply \$53,500.00 US
- Biomedical InternationalCorp \$56,703.99 US
- Belize Formulators \$49,500.00 US
- Skilled Solutions \$53,000.00 US

131)Out of the four suppliers, Skilled Solution was selected to provide the morgue to the KMHM and was paid a total of \$53,000.00 US as was agreed.

Physical Inspection of new Morgue

132)On February 17, 2012 the Accountant of KMHM took us to physically inspect the morgue and we found it to be fully operational.

Only one quotation was seen for servicing KMHM Equipment.

133)A KMHM procurement procedure states that at least three quotations are required for price comparison for the awarding of contracts.

134) Quick Books accounting system reflected that KMHM made payments to Technicare S.A totaling \$9,000.00 for “trouble shooting visit for CT and Logic 5”. When we reviewed the documents presented we noted that Technicare S.A submitted the only quotation. Please see letter referenced 11-0035 dated 01/03/11.

135)According to the Director of Finance, Technicare is/was the only company in Central America who is/was capable of servicing the equipment. He further mentioned that because of a technicality (exclusive clause) of the existing contract no other company is/was authorized to service the equipment.

136)However, during our audit examination, the Director of Operations informed us that the Technicare Company no longer does business with the hospital and that another company (Biomedical) was contracted instead. This was confirmed by the Director of Finance. This matter with the contracting of a new company is dealt with elsewhere in this report.

Biomedical International Corporation Maintenance (BIC) Contract

137)The KMHM has on site radiology and imaging equipments such as the General Electric (GE) CT Dual Slice Computed Tomography and Logic 5 Digital Sonography Systems. The Hospital uses these equipments to conduct radiological services such as ultrasound and x-rays, which are offered to the public.

138)Since GE is the manufacturer for both equipments, the KMHM was obligated to ensure that a GE certified Agent or his representative conduct preventative maintenance services. As a result, the hospital outsourced the maintenance services for these equipments to a GE agent in Guatemala (Technicare) and eventually switched to BIC

139) BIC is also an authorized GE Agent located at 4896 SW 74CT Miami, Florida. The sole Director for BIC is Juan Borges of same address.

140) The services provided by BIC includes replacement parts and labor for the CT and Ultrasound equipment, field support, planned maintenance and guaranteed uptime of 95%.

Observations

The KMH Management did not adhere to the requirements of the Contractor General's Memorandum No-3 of 1999 when contracting the services of BIC.

141) Section 4(1) of the KMH Act empowers the authority to enter into contracts and its undocumented policy requires that such contracts be approved by the Board of Governors and also endorsed by the Contractor General. Contractor General's Memorandum No-3 of 1999 states: -

"In every case where the contract amount is for \$100,000.00 or more the file should be sent to the Contractor General for comments before the contract is approved for execution."

The memorandum further elaborates that the submission should include where relevant:-

- i) details of invitation to tender,
- ii) reference to approved "waiver of tender procedure" where relevant,
- iii) tender committee's recommendation(s),
- iv) a certificate to the effect that all relevant policies and guidelines have been strictly complied with and,
- v) any pertinent information regarding timeframe within which the contract should be executed."

142) We found no evidence that the KMH engaged the waiver of tender procedures, certified that internal policies and procedures were adhered to or submitted same contract to the Contractor General for endorsement.

143) Perusal of the contract agreement signed by the Director of Finance on 8th December 2011 revealed that two price options were quoted:

- i) A one-year contract for a total value of \$100,673.00 bcy (i.e. \$49,900.00 x \$2.0175) per annum for 1 year or,
- ii) A three-year option for \$275,509.80 bcy. (\$45,520.00 USD x \$2.0175 x 3)

144) Given that the contract value for either option exceeded \$100,000.00 bcy, we expected that the requirements of Contractor General's Memorandum No-3 of 1999 would have been adhered to.

145) We learnt that the KMH had difficulties with the previous contractor, Technicare (Guatemalan GE Agent) and that GE had changed to BIC as its agent for this region. Hence, the hospital was obligated to engage the services of BIC to provide the maintenance services for these systems.

146) The Director and CEO explained that this arrangement with BIC has in fact saved the hospital substantial monies as a CT Scanner Tube was removed and replaced three months after signing the contract.

- 147) We believe that while the KHMH may have been obligated to utilize the services of a GE agent, its internal procedures for engaging in such contracts as stipulated in the Contractor General's Memorandum should have been complied with. The Director of Operations cited instances of “lack of timeliness” in response by the contractor to provide services
- 148) The BIC Contract guarantees at 95% uptime based on 8:00am to 5:00pm – 5 days a week. Also, it provides for remote diagnostics.
- 149) During the audit review we were informed that the CT Machine was not functional as of April 19th 2012. The matter was reported to BIC on same date and the technicians were to visit Belize to get the system up and running.
- 150) We were subsequently informed that the BIC technician arrived in country May 2nd to resolve the functionality issues. We would like to know how this factored into the uptime guarantee featured in the contract agreement.
- 151) Also, we found out from the Directors of Finance and Operations and the Physical Plant Manager that quite often the system has programming issues, which could be corrected by BIC remotely given the required broadband connectivity. However, the KHMH system does not have the required upload speed to facilitate such remote access by BIC and for the most part their technicians have to travel to Belize to solve such issues.
- 152) Discussion with the Director of Finance on May 2nd 2012 confirmed that the connectivity issues are being addressed but such is dependent on the Telecommunication provider. Also, there are other factors, which must be considered such as security access risks related to patient information accessible by third parties.
- 153) Given the above deficiencies the guaranteed uptime condition of the agreement may be at risk of not being met. This means that patients requiring the radiological services of the hospital may be unable to access these services) such as was the case during the period April 19th 2012 to May 2nd 2012 when the CT Scan System was not functional.
- 154) The unavailability of the required remote access also precludes GE technicians from accessing the system remotely allowing the contractor to become more efficient in responding to the programming issues, which arise from time to time.
- 155) As a result of this review, we would like to know the following:
- i) Was training/certification of in-house technician included in the contract negotiations?
 - ii) Is it possible for in-house personnel to be a sort of “first call/response” mechanism for the hospital?
- 156) The KHMH selected the one-year contract option costing \$49,900.00 US . At the expiration of this 1 year option, how does the hospital intend to manage possible annual contract price escalation given the hospital’s obligation to use a GE Agent?

Recommendation

157)The Office of the Auditor General recommends that the CEO KHMH should explore the feasibility of obtaining the required connectivity and upload speed to allow for remote diagnostics by BIC technicians. This may positively impact the contractor's responsiveness to the KHMH's needs and time for the systems.

Technivel

KHMH only requested one quotation for Evaporator Coils obtained from Technivel Company.

158)In order to obtain evaporator coils, the Hospital issued Requisition number 009839 dated 05/05/10 and relevant Purchase Order number 9881 dated 12/05/10 to Technivel Company, which is located in Spain. Technivel was subsequently paid the sum of \$10,967.46 vide Belize Bank wire transfer dated 09/07/10. (Belize bank cheque number 003892 dated 09/07/10 refers). See a breakdown of the total payment at Table 10.

Table 10

Item #	Item	Quantity	Value
9261	EVAPORATOR COIL 625LG AF 24T 8F 1625L THF 5/6 AE	1	\$6,136.85
9262	EVAPORATOR COIL 620LG AF 10T 6F 735L THF 2/3M	1	\$ 1,454.11
9263	EVAPORATOR COIL 625LG AF 20T 6F 1355L THF 4/5 B	1	\$ 3,376.50
Total			\$10,967.46

159)When we asked the Director of Operations why only one quotation existed, she mentioned that Technivel was the only company that was able to provide the evaporator coils. The Director of Finance further mentioned that the company was from Spain and no other quotation was possible since this was the only company that could provide the service

160)We were able to satisfy ourselves that the KHMH followed the required policies and procedures in regards to provision of services.

161)We also noted that on two other occasions KHMH did not adhere to their policy of obtaining more than one quotations prior to engaging in service contracts. These contracts were:

- Herbert Funes - repair to Air Handler Coil, remove, inspection and repairs along with servicing fan switch and installation of new fan
- Luis Bolanos - trouble shooting C. armx-ray machine for memo scope

Walk-in Freezer – Peter Hulse

KHMH did not provide any reason why the contract sum of \$23,542.00 for repairing a walk-in freezer was increased to \$30,136.00.

162) We noted that KMHM obtained the following four quotations during the process of locating a contractor to repair a walk-in freezer.

- | | |
|-------------------------|----------------|
| • Industrial Projects - | \$ 18,200.00 |
| • Scientific Supplies - | \$US 37,339.80 |
| • Marcelino Ancona - | \$ 97,255.00 |
| • Peter Hulse - | \$ 23,542.00 |

163) The contract was awarded to Peter Hulse at a cost of \$23, 542.00. However, we noted that the contract document reflected the value of the contract to be \$30,136.00. KMHM did not give us any reason for the increase in the contract sum from \$23,542.00 to \$30,136.00.

164) From memorandum referenced GEN/49/VOL 111/2011(77), dated 11/3/11, we noted that the freezer broke down (malfunctioned) sometime in March 2011, approximately 1 month after it was repaired. This memorandum also mentioned that the contractor, Mr. Hulse, did not respond to the request for him to repair the freezers until almost one day after he was informed.

165) In view of these findings, we would be grateful to know if KMHM had to pay for repairs to the freezer when it broke down in March 2011. If the hospital had to pay for repairs at that time, why wasn't a service guarantee clause included in the contract?

Inventory Issues

Items ordered from FEC were received, taken on charge but balances adjusted to zero at end of year with no issues seen.

166) KMHM's undocumented policy requires that items ordered and received be brought to account in the QuickBooks Inventory system and all issues to the various units be accounted for.

167) We observed three different items in varying quantities as illustrated at Table 11 that were ordered and received from FEC and taken on charge. However, we observed that the respective balances concerning these items were eventually adjusted to zero at 31.3.2011 and no detailed report produced or found on hand to justify such adjustment.

Table 11

Date	P.O. #	Item Purchased	Qty.	Rate	Amount	Invoice #	Qty. Taken on Charge	Remarks
5/6/10	9863	Shunt CSF Flow Control Kit Contoured Small/Low Valve Pressure 9003A	3	\$420.00	\$1,260.00	HMH1116 2009	3	Taken on charge but adjusted out to "0" at 31/3/11
12/2/09	9197	Xenon Bulbrite Bulbs 50 Watt GY 6.35 Base 24 Volts Part #715350	200	\$24.00	\$4,800.00	1962	200	Taken on charge but adjusted out to "0" at 31/3/11
12/2/09	9197	Halogen Bulb Satco 50 Watts GY 6.35 Base 120 Volts Part #53167	50	\$20.00	\$1,000.00	1962	50	Taken on charge but adjusted out to "0" at 31/3/11

168) There was no evidence in the inventory system to show how these items were distributed. The inventory system was simply adjusted to a zero balance which meant that at the time of the end of year physical inventory count; these items were apparently not on hand.

KHMH purchased items from OxiRent and reversed the entries previously taken on inventory charge in the Quick Books accounting system.

169) The Supplies Unit was responsible for receiving, matching, itemizing items and to take them on inventory charge. If any items did not arrive Procurement was advised.

170) Subsequent to Requisition number 12767 dated 06/07/10, KHMH issued Purchase Order number 10192 dated, 14/07/10 to Oxi-Rent. In addition to other items, the Purchase Order reflected that 200 Disposable Humidification Chambers were ordered for the relevant ventilators at a cost of \$40.00 each totaling \$8,000.00. Oxi-Rent then submitted an invoice with Invoice number 251454780 dated, 14/07/10. KHMH thereafter issued cheque number 004450, dated, 28/09/10 to OxiRent.

171) A check of the Quick Books accounting system disclosed that these items were taken on inventory charge on 02/12/10 and the entry was subsequently reversed on 3/31/11 without any explanation given for the adjustment. See table 12.

Table 12

On Hand	Type	Date	Number	Name	Memo	Qty
5000						
On Hand As Of 03/31/2009						0.00
	Bill	12/02/2010	0269	OXI-RENT	HUMIDIFICATION CHAMBERS FOR VENTILATORS (DISPOSABLE) (FISHER & PAYKEL)	200.00
	Inventory Adjust	03/31/2011	AJ2011/04		58137 Inventory Adjustment	-200.00
Tot On Hand As Of 04/18/2012						0.00
On Purchase Order As Of 03/31/2009						0.00
	Purchase Order	07/14/2010	10192	OXI-RENT	HUMIDIFICATION CHAMBERS FOR VENTILATORS (DISPOSABLE) (FISHER & PAYKEL)	0.00
Tot On Purchase Order As Of 04/18/2012						0.00
Total 5000						0.00

KHMH purchased items from Skilled Solutions that were unable to be traced as taken on Inventory.

172)KHMH purchased 1,250 Braun Horizon Giving Sets totaling \$22,500.00 from Skilled Solutions. Payment was made through Belize Bank cheque number 4211 dated 18/08/2010. We were unable to find any evidence that these giving sets were recorded in KHMH records. See Table 13.

Table 13

Supplier	Purchase Order#	Date	Item	Item#	Quantity	Unit cost	Total	Paid by
Skilled Solutions	10138	06/07/10	Braun Horizon NXT Giving Set V7405 (25/Box)	57831	24	450	10,800.00	Belize Bank cheque number 4211 dated 18/08/2010 (Receipt No. 128)

								dated 18/08/10)
Skilled Solutions	01048	07/07/10	Braun Horizon NXT Giving Set V7405 (25/Box)	57831	1	450.00	450.00	Belize Bank cheque number 4211 dated 18/08/2010 (Receipt No. 128 dated 18/08/10)
Skilled Solutions	10451	15/09/10	Braun Horizon NXT Giving Set V7405 (25/Box)	57831	25	450.00	11,250.00	Belize Bank cheque number 4211 dated 18/08/2010 (Receipt No. 128 dated 18/08/10)
Total					50		22,500.00	

173) We were presented with a Receiving Form dated 1/09/10 that reflected a total of 600 giving sets was ordered through Purchase Order number 10148. When we examined Purchase Order number 10148 we noted that it indicated that only 1 giving set (with 24 in the set) was ordered. Please explain.

174) According to the Quick Books inventory the three purchase orders shown at table 13 appeared as open. The inventory records were subsequently adjusted to reflect the addition of 653 Giving Sets. See Table 14.

Table 14

Type	Date	Num	Name	Memo	Qty
Invoice	03/31/2011	71367	INTENSIVE CARE UNIT - MEDICAL SUPPLY	BRAUN HORIZON NXT GIVING SET V7405	-4.00
Invoice	03/31/2011	71369	INTENSIVE CARE UNIT - MEDICAL SUPPLY	BRAUN HORIZON NXT GIVING SET V7405	-4.00
Inventory Adjust	03/31/2011	AJ2011/04		57831 Inventory Adjustment	653.00
Invoice	07/20/2011	73631	SCBU - MEDICAL SUPPLIES	BRAUN HORIZON NXT GIVING SET V7405	-4.00
Invoice	09/19/2011	437	SCBU - MEDICAL SUPPLIES	BRAUN HORIZON NXT GIVING SET V7405	-12.00
Bill	12/12/2011	1584	BELIZE BANK FOR SKILLED SOLUTION LLC	BRAUN HORIZON NXT GIVING SET V7405 (CASE/24)	360.00
Invoice	12/16/2011	75457	INTENSIVE CARE UNIT - MEDICAL SUPPLY	BRAUN HORIZON NXT GIVING SET V7405	-12.00
Invoice	12/21/2011	75596	LABOUR & DELIVERY - MEDICAL SUPPLIES	BRAUN HORIZON NXT GIVING SET V7405	-6.00

Invoice	12/30/2011	75680	SCBU - MEDICAL SUPPLIES	BRAUN HORIZON NXT GIVING SET V7405	-20.00
Invoice	01/04/2012	75727	SCBU - MEDICAL SUPPLIES	BRAUN HORIZON NXT GIVING SET V7405	-12.00
Invoice	01/06/2012	75802	PRIVATE WARD MEDICAL SUPPLIES	BRAUN HORIZON NXT GIVING SET V7405	-12.00
					927.00
					240.00
Purchase Order	05/28/2009	8483	FLAMINGO EXPORT	HORIZON NXT GIVING SET V7405 (24 PER CASE)	21.00
Purchase Order	09/16/2009	8893	FLAMINGO EXPORT	BRAUN HORIZON NXT GIVING SET V7405 (24 in case)	0.00
Purchase Order	02/03/2010	9462	FLAMINGO EXPORT	BRAUN HORIZON NXT GIVING SET V7405 (24/case)	0.00
Purchase Order	07/06/2010	10138	SKILLED SOLUTION LLC	BRAUN HORIZON NXT GIVING SET V7405 (25/BOX)	24.00
Purchase Order	07/07/2010	10148	SKILLED SOLUTION LLC	BRAUN HORIZON NXT GIVING SET V7405 (24/box)	1.00
Purchase Order	09/15/2010	10451	SKILLED SOLUTION LLC	BRAUN HORIZON NXT GIVING SET V7405 (BOX)	25.00
Purchase Order	10/12/2011	12017	BELIZE BANK FOR SKILLED SOLUTION LLC	BRAUN HORIZON NXT GIVING SET V7405 (CASE/24)	0.00
					311.00

175) No other documentations were presented to support the adjustment. When we asked the accountant whether the items were received and taken on inventory charge, she explained that at times the name of the supplier would not match as a result of inconsistency in the name such as “Skilled Solutions” and “Belize Bank for Skilled Solutions”. The accountant further mentioned that corrections are/were done to rectify the situation. As a result of the lack of supporting documents, we were unable to confirm that the items were actually received and taken on inventory charge.

KMH purchased 432 Braun brand Infusomat Pump connections from Skilled Solutions which we could not trace as taken on Inventory.

176) KMH purchased 432 Infusomat Pump totaling \$17,460.00 from Skilled Solutions. The latter was paid with cheque number 4211 dated 18/08/10. See Table 15.

Table 15

Item	Item#	Quantity	Requisition# and date	Purchase order # and date	Quotation # and date	Unit Price	Total	Paid by cheque number and date
INFUSOMAT PUMP CONNECTION (BRAUN) IV ADMINISTRATION SET 15 DROPS UNIVERSAL SPRITE SLIDE	55450	18	11321 dated 02/08/10	10294 dated 06/08/10	1202 dated 04/08/10	970	\$17,460.00	4211 dated 18/08/10

CLAMP SPIN LOCK 23ML PRIMING VOLUME 120 IN. (24 IN CASE								
------------------------------------------------------------------	--	--	--	--	--	--	--	--

177) While we were reviewing relevant documents it was noted that no Receiving Form was seen in respect of the items purchased. We examined the Quick Books system and noted that purchase order number 10294 used to obtain the items was left in an “open” status. See Table 14.

Table 14

Item#	Type	Date	Num	Name	Memo	Qty
55450						
	Bill	10/20/2010	35/10	CENTRAL STORES	INFUSION PUMP CONNECTION (BRAUN), ADULT	200.00
	Bill	12/15/2010	47/10	CENTRAL STORES	INFUSION PUMP CONNECTION (BRAUN), ADULT	2,000.00
	Item Receipt	12/31/2010		DONATION	INFUSION PUMP CONNECTION (BRAUN), ADULT	135.00
	Bill	02/16/2011	919	CENTRAL STORES	INFUSION PUMP CONNECTION (BRAUN), ADULT	1,000.00
	Inventory Adjust	03/31/2011	AJ2011/04		55450 Inventory Adjustment	195.00
						3,530.00
	Purchase Order	08/06/2010	10294	SKILLED SOLUTION LLC	INFUSOMAT PUMP CONNECTION (BRAUN) IV ADMINISTRATION SET 15 DROPS UNIVERSAL SPRITE SLIDE CLAMP S...	18.00
						18.00

178) We further noted that during the period 20/10/10 to 16/02/11 KMH took on inventory charge a total of 3,530 Infusomat Pumps from other sources as indicated in table 14..

179) Again we were unable to confirm whether the 432 Braun Brand Infusomat pump connections were received and taken on inventory.

KMH paid Skilled Solutions for a number of items but not all items were recorded as delivered to the institution.

180) According to the Quick Books accounting system KMH paid Skilled Solutions a total of \$36,572.84 in respect of various items recorded on Purchase Order number 11500 dated, 09/06/11 on two separate occasions. See table 15.

Table 15

Date	Paid By	Amount	Bank Charges	Total
28/06/11	Belize Bank RCPT#0000027	\$17,739.46	\$546.96	\$18,286.42
06/07/11	Belize bank RCPT#0000020	\$17,739.46	\$546.96	\$18,286.42
Total		\$35,478.92	\$1,039.20	\$36,572.84

181) Included in the above payment were items valuing \$28, 842.24 that KMH purchased but recorded in the Quick Books accounting system as delivered incomplete. See table 16.

Table 16

Supplier	PO #/Date	Item #	Item	Unit Cost	Total	Qty. Paid for	Qty. Recorded in Quick Books	Difference	Total
Skill Solutions	11500 dated 09/06/11	9457	ELECTRICAL CONTACTOR # 42EF35AF	\$930.00	7,440.00	8	4	4	
		9458	SOLENOID VALVE STEAM TO JACKET #JST8222647	368.10	1,472.4	4	2	2	
		9459	SOLENOID VALVE REPAIR KIT #304032	736.50	2,946.00	4	2	2	
		9460	THERMOSTATIC TRAP #N125ST - 3/4	944.98	3,779.92	4	2	2	
		9461	INTERNAL TRAP REPAIR KIT #RK-N-125ST	498.46	1,993.84	4	2	2	
		8666A	IMPACT PRINTER RIBBONS ERC-09B (FOR STERILIZER)	40.62	1,949.76	48	24	24	
		9466	SOLENOID REPAIR KIT #304-669	738.16	3,032.64	4	2	2	
		9468	PRINTER EDAC 345-044-521-802	3,113.84	6,227.68	2	1	1	
TOTAL					28,842.24				14,421.12

182) As noted in table 16, fifty percent of the items paid for were reflected as outstanding in the Quick Book accounting system as at 01/12/11.

183)The hospital should comment on the current status of the outstanding items bearing in mind that the items were paid for in full since 06/07/11.

KMH sourced identical items from Government Central Stores and Skilled Solutions during the same period.

184)It was of interest to note that during the same period Catheters, reported at my paragraph “2” above, were ordered from Skilled Solutions, the KMH also received the same type of catheters from the Government Central Stores as indicated by the Quick Books entries at Table 17.

Table 17

From	Date recorded in QB	Item#	Item	QB Reference	Amount	Total
Central Stores	26/10/11	53232	CLOSED SUCTION CATHETER	444096/1379	100	
Central Stores	25/11/11	53232	CLOSED SUCTION CATHETER	495112/1451	100	
	15/12/11	53232	CLOSED SUCTION CATHETER	495830/1476	250	450
Central Stores	15/12/11	53237	CLOSED SUCTION CATHETER	495830/1476	150	
Central Stores	15/12/11	53237	CLOSED SUCTION CATHETER	495830/1476	200	350
Central Stores	30/09/11	53238	CLOSED SUCTION CATHETER	1327	200	
Central	26/10/11	53238	CLOSED SUCTION CATHETER	444096/1379	26	
Central	15/12/11	53238	CLOSED SUCTION CATHETER	495834/1476	300	526
Total						1,326

185)We are wondering whether the ordering of catheters from Skilled Solution was a matter of priority or if these could have been sourced from the Government Central Stores

KMH Corporate Credit Card

186)We examined the transactions relating to the KMH Corporate Credit Card, which had a credit limit of \$20,000.00.

Objectives

187)The objectives of the audit were to establish:-

- i) the criteria employed for approval and disbursements of funds and to ensure compliance,

- ii) the amount of funds expended from the Credit card and whether such monies were spent for the purposes intended,
- iii) whether records and associated documents were kept in accordance with prevailing policies and financial regulations and,
- iv) Whether the internal controls in place were adequate and suggest meaningful improvement if required.

What we examined

188) To reach our objectives, we examined hard copies of electronic payments, receipts, statements, and invoices for the period April 2010 - December 2011. We also conducted interviews with the Director of Finance, Accountant and the CEO.

Observations

KHMH did not present Credit Card records to us on a timely basis

189) One of the challenges that we encountered during the audit of KMHM's Corporate Credit Card transactions was the untimely presentation of records. On 13th February 2012, the Accountant presented us with records covering the period April 2010 to March 2011. The records in respect of the period April 2011 to December 2011 was not presented until 11th April 2012. This was some two months after we had initially requested them.

190) The accountant informed us that the reason for the delay was due to the fact that she preferred to reconcile the aforementioned records before furnishing it for auditing. Please note that these records were kept by the administration for a period of nine months without being reconciled. This illustrates a weakness in their internal control system.

191) In addition, the untimely submission of these records hindered us from completing this phase of the audit in a timely manner. It is imperative that KMHM reconcile their Credit Card accounts on a timely basis to prevent/minimize losses from potential irregularities.

There was no documented Credit Card policy in place.

192) We met with the accountant on 15th February 2012 to determine the process and procedures (criteria) in place for the operation of the Corporate Credit Card. The accountant revealed that both the Director of Finance and, CEO are the authorized cardholders. She further stated that there exists only one account from which they make payments when necessary. .

193) The accountant acknowledged that there was no written Policy. She further commented that the Director of Finance would be able to provide further information in respect of the policy for operating the credit card. She also mentioned that the Cardholders should furnish receipts/invoices relating to their expenditure to the Accounts Section whenever charges are made to the Credit Card.

194) Although such was the procedure in place we observed during the examination of payments this was not always the case. For example, no receipts were provided for the entire months of April, May and June 2010. In addition, there were also receipts missing in respect of the year 2011. In the absence of

these receipts, we would like to know how the KHMH accounted for the expenses. Attached at Appendix 'K' is a list of payments for which no receipts/invoices were provided. .

195) On the 16 February 2012 the Director of Finance also confirmed that there exists no documented policy in respect of the Corporate Credit Card. It is imperative to note that policies and procedures are criteria developed in an effort to foster an environment where the transparency and accountability objectives of an entity are met. The absence of such a policy signaled the absence of adequate internal controls.

196) We also asked him about the Board of Governor's documented approval and value for the Credit Card. He informed us that the value of the Corporate Credit Card was for \$20,000.00 BZD and promised to provide documentation pertinent to this query. However to date of this report none was provided.

197) According to the Director of Finance, the credit card was to be utilized for the following purposes:

- i) International Purchases
- ii) Local Purchases
- iii) International and local travel
- iv) Entertainment of Foreigners

198) Although the above purposes were mentioned verbally again, there was no documented evidence to substantiate this.

199) We also noted that the Director of Finance was allowed to make payments using the Credit Card without the CEO's approval. When asked why such action was entertained the Director of Finance stated that he was given that level of responsibility. Again, no documentation was provided to us to support such a claim.

200) On 16 February 2012 the CEO also confirmed that there was no Credit Card Policy. The CEO further mentioned that KHMH allocated to him, through the credit card, a monthly allowance of \$2000.00 to be used as his personal entertainment allowance. He stated that he was always careful not to exceed this monthly limit allowed under his contract. He also stated that he would make numerous small purchases locally and would not make many international payments.

201) In addition to making payments in regards to his allowance, the CEO is also authorized to incur expenses on behalf of KHMH outside of the scope of his entertainment allowance. During our examination of the credit card transactions, we were unable to determine the actual amount the CEO used/ expensed from the Credit Card in respect of his Entertainment Allowance.

202) The CEO also informed us that occasionally the Hospital required items that were considered urgent and to expedite the process, the Credit Card was utilized. Although such was the case we unearthed numerous instances where no documentation was provided. As a result, we were unable to determine:

- i) Whether expenses incurred from the Credit Card was for official purposes.
- ii) Fuel paid from the Credit Card was used for official runs.

iii) Why the items were not purchased through the purchasing and accounts payable process.

iv) Justification for the immediate and urgent purchases from the Credit Card.

Attached at Appendix 'L' is a list of such payments for your perusal.

203) In addition, there were eight other payments that were charged to the Corporate Credit Card for which no source documents were furnished to substantiate the need for the payments. See table 18.

Table 18

Date	Business Firm	Particulars	Posted Amount	Original Amount	Remarks
16/4/11	Mw Tux (Tuxedo)	Men Tux (clothing)	\$713.26	\$706.20 US	DFS Chicago conference
14/4/11	Digital Universe Miami	DFS office equipment Pico Pocket Projector	\$972.63	\$963.00 US	No document to support the immediate purchase
14/4/11	Digital Universe Miami	DFS office equipment Samsung Kit, bytect cell case & charger	\$842.94	\$834.59 US	No document to support the immediate purchase
29/6/11	The Great House	DFS accommodation	\$120.96	\$239.80	Lack of documentation to justify purchase
27/6/11	The Great House	DFS accommodation	\$120.96	\$239.80	Lack of documentation to justify purchase
27/10/11	Best Buy Houston	DFS office Supplies AT&T 2 HS Cordless Blue Tooth	\$87.46	\$86.59	Lack of documentation to justify purchase
28/10/11	Continental Airline	Upgrade Fee	-----	\$239.00 USD	Approval lacking
	Continental Airline	Upgrade Fee	-----	\$99.00 USD	Approval lacking

The Director of Finance charged per diem expenses for himself to the Credit Card when he traveled outside the country of Belize

204) We observed that the Director of Finance charged the per diem expenses included at Table 19 to the KMH's credit card while he traveled outside the country of Belize.

Table 19

Date	Bank	Particulars	Posted Amount in US	Amount in Bcy	Remarks
13/4/11	BBL O/Walk Branch	DFC Travel per diem	\$771.75	\$1500.00 Bz	No documentation to justify why per diem was paid from Credit Card
2/9/11	Belize Bank LTD	DFS travel	\$795.94	\$1,547.00	Cash withdrawn to purchase US dollar (per diem)
7/8/11	BBL airport branch	DFS travel	\$317.83	\$617.75	Cash withdrawn to purchase US dollar (per diem)
28/10/11	Bank of America	DFS travel	\$515.10	\$500.00 US (\$1,000.00 Bz)	Cash withdrawn for per diem

205) We also observed that the Director of Finance was approved a per diem allowance of \$4,400.00 in connection with in- transit and hotel expenses for the period 28/10 to 7/11/11. This allowance was issued to him through KHMH's cheque number 007129 dated 24/10/11. We established that the allowance was given to him as he was to make an official visit to Taiwan. Nevertheless, we were not given an explanation why KHMH gave the Director of Finance the allowance on 24/10/11 and subsequently allowed him to make additional per diem allowance charges to the credit card on the 28/10/11.

206) The QuickBooks system also revealed that KHMH issued a payment of \$650.00 to the Director of Finance for attending a conference in Chicago on 15/4/11. This payment was made through cheque number 5762 dated 11/4/11. We also noted that on the 13/4/2011 the Director of Finance charged a per diem allowance of \$1500.00Bz to himself from the credit card. We were unable to determine whether this was in connection with the same foreign travel to Chicago.

KHMH used the credit card to pay Expedite/Express fees but we were unable to establish what items the fees were paid for.

207) We noted that the payments included at Table 20 were made from the credit card to pay for expedite/express fees for shipping medical supplies from abroad to the hospital. In regards to the payment of \$2,335.00 made to SunTrust Company, we were unable to verify which items were shipped as the relevant purchase order was not indicated on the respective invoice.

KHMH used the credit card to pay Expedite/Express fees for items which were not received until 3 months after.

208) Table 20 also shows the payment of \$2,500.00 made to SunTrust on 8/8/2011. We noted that the receiving reports showed that the items were received on 15/11/11, which was three months after the expedite/express fee was paid.

Table 20

Date	Description	Particulars	Posted Amount	Original Amount	Remarks
19/4/11	Cash SunTrust Bank	Expedite fee D & C Instrument and Urology supplies	\$2,405.52	\$2,335.00	No purchase order seen to verify items
8/8/11	Cash SunTrust Bank	Expedite and express Shipping fee paid to Skill Solution dtd. 25/7/11	\$2,575.50	\$2,500.00	PO 11411 seen. receiving report show items receive 15/11/11 four months after
12/8/11	Cash SunTrust Bank	Expedite and express Shipping fee paid to Skill Solution dtd. 15/7/11	\$865.37	\$840.00	PO 11500

Recommendation:



209)The CEO of the KMHM should:

- i) Prepare a written Corporate Credit Card Policy for subsequent approval by KMHM Board of Governors,
- ii) Ensure that credit card transactions are supported by proper documentation. ,
- iii) Retain source documents (receipts/invoices) in an organized manner for audit purposes,
- iv) Ensure that the credit card account is reconciled on a monthly basis,
- v) Ensure that the Credit Card policies are adhered to,
- vi) Retain relevant internal documentation, where applicable, to support expenses charged to the Credit Card.
- vii)Consider the option of having his entertainment allowance paid from KMHM recurrent votes instead of being charged to the Credit Card.

Mrs. Dorothy Bradley
Auditor General

Appendix "A" - Details of payments made to Skilled Solutions

Reference paragraphs 10, 21, and 23.

KARL HEUSNER MEMORIAL HOSPITAL							
Required for <u>K.H.M.H. Distribution</u>						Requisition of Supplies 11311	
(1) A Quantity Required	(2) B Articles	(3) Name of Supplier	(4) Order #	(5) Quantity Supplied	(6) Ledger Folio	(7) Cost	(8) Remarks
200	Nellcor sensors (paeds)	(24/1052) # 57881				\$468.00 U.S.	Skilled Solutions LLC
200	Nellcor sensors (adult)	# 57961 (24/1052) # 4178 PO# 9132				\$468.00 U.S.	
							
3rd Nov. 2009 (Date)		Received 6/11/09 M. Manabe		 (Signature of Officer Requisitioning)			
Approved		CERTIFICATE OF RECEIPT I acknowledge the receipt of Articles as enumerated in columns B and C above and that the permanent and expendable articles have been taken on stock.					
Chief Executive Officer							



KARL HEUSNER MEMORIAL
HOSPITAL
PRINCESS MARGARET DRIVE
BELIZE,

Purchase Order

Date	P.O. No.
11/14/2009	9132

Vendor
SKILLED SOLUTION LLC

Ship To
KARL HEUSNER MEMORIAL HOSPITAL PRINCESS MARGARET DRIVE BELIZE,

Item	Description	Qty	Rate	Amount
57881	NELLCOR SENSOR, NEONATAL N-25 (24/ case) TYPE 2211-6 LOT#1810611	9	936.00	8,424.00
57961	NELLCOR SENSOR, ADULT (DISP) D-25L (24/case)	9	936.00	8,424.00
4178	FREIGHT TO K.H.M.H BELIZE CITY	1	150.00	150.00
				
				
			Total	\$16,998.00

FOR DISTRIBUTION REQ# 11311

Skilled Solutions LLC

Exporting the world

To:

Virginia Carillo c/o Carlos Pere
Karl Heusner Memorial Hospital
Princess Margaret Drive
Belize City, Belize

Date:

November 11, 2009

Quote #:

BZ1067

Customer ID:

[254]

Expiration Date:

10-Dec-09

Salesperson
Leon Williams

Job
BZ 1067

Payment Terms
Full payment on order

Warranty

N/A

Item	Qty	Description	Unit Price	Line Total
MAX-P	9.00	Nellcor Disposable Pediatric sensors	\$ 468.00	\$ 4,212.00
MAX-A	9.00	Nellcor Disposable Adult sensors	\$ 468.00	\$ 4,212.00
			\$ 125.00	\$ 125.00
	1.00	Inland transportation		



New Products
Delivery Time: 2 weeks from order date
Terms of Payment: Full payment on order
(Miami delivery - date equipment will be ready to ship from Miami)

To accept this quotation, sign here and return:

Subtotal \$ 8,549.00
Sales Tax
Total \$ 8,549.00

Thank you for your business!

[6710 SW 12th Street], [Pembroke Pines, FL 33180] [305 496 8822] [305 682 7944] [skilledsolutions@comcast.net]

CERTIFICATE OF RECEIPT

I acknowledge the receipt of Articles as enumerated in columns B and C above and that

Skilled Solutions LLC
6710 SW 12th Street
Pembroke Pines, FL 33023

Invoice

Date	Invoice #
12/3/2009	1225

Bill To
Karl Heusner Memorial Hospital c/o Carlos Perera, Virginia Carrillo Princess Margaret Drive Belize City Belize C.A.

P.O. No.	Terms	Project
PO 9132 BZ1067	Due on receipt	

Quantity	Description	Rate	Amount
9	Nellcor Disposable Pediatric sensors - MAX - P <input type="checkbox"/>	468.00	4,212.00
9	Nellcor Disposable Adult sensors - MAX - A <input type="checkbox"/>	468.00	4,212.00
1	Inland Transportation	125.00	125.00
Thank you for your business.		Total	\$8,549.00



CERTIFICATE OF RECEIPT

I acknowledge the receipt of Articles as enumerated in columns B and C above and that

Chief Executive Officer

KARL HEUSNER MEMORIAL HOSPITAL
CHEQUE REQUISITION FORM

DATE JANUARY, 26TH 2010

AMOUNT \$17,783.82

PAY TO BELIZE BANK FOR SKILLED SOLUTIONS LLC

THE SUM OF SEVENTEEN THOUSAND SEVEN HUNDRED EIGHTY
THREEDOLLARS AND EIGHTY TWO CENTS

PURCHASE ORDER (S) 9132

INVOICENUMBER(S) 1225

DESCRIPTION PAYMENT FOR 9 NELLCOR DISPOSABLE PEDIATRICS SENSORS - MAX
- P 9 NELLCOR DISPOSABLE ADULT SENSORS - MAX - A AND PAYMENT OF INLAND
TRASPORTATION

DEBIT ACCOUNT FORIEGN PAYMENT

PREPARE CHEQUES 2009

CHEQUE NUMBER 2009

APPROVED BY [Signature]

AUTHORIZED BY [Signature]

CHECK BY [Signature]

Local Equiv:	$\$8,549.00 \times 2.0175 =$	\$17,247.61
Gov't Tax :	$\$8,549.00 \times 2 \times 1.25\% =$	\$213.73
Bank Charge		\$50.00
Service Charge		\$100.00
Commission:	$\$8549.00 \times 2.0175 \times 1\% =$	<u>\$172.48</u>
		\$17,783.82



Chief Executive Officer

CERTIFICATE OF RECEIPT
I acknowledge the receipt of Articles as enumerated in columns B and C above and that the permanent and expendable

002889

BELIZE BANK LTD FOR SKILLED SOLUTION LLC

1/26/2010

PAYMENT FOR 9 NELLCOR DISPOSABLE PEDIAT
BANK CHARGES FOR THE PAYMENT OF WIRE T

17,098.00
685.82

1/27/10

THE BELIZE BANK LTD
BELIZE CITY, BELIZE

MANAGER

17,783.82

Belize Bank 695-1-1-6

Prepared By

Reviewed By

Approved By

Received By

[illegible]

A circular blue ink stamp from the Central Bank of the Republic of Serbia. The text "CENTRAL BANK OF SERBIA" is arranged around the perimeter. In the center, the date "13 APR 2010" is stamped. The stamp is placed over a grid of blue lines.

Signature: _____

Date Received:

Date Prepared:

17th March 2010

17th March 2010

**HEUSNER MEMORIAL HOSPITAL
CHEQUE REQUISITION FORM**

DATE APRIL TH 2010

AMOUNT \$44,832.33

PAY TO BELIZE BANK FOR SKILLED SOLUTION

THE SUM OF FORTY FOUR THOUSAND EIGHT HUNDRED THIRTY TWO DOLLARS
AND THIRTY THREE CENTS

PURCHASE ORDER (S) 9132.9575.9576

INVOICE NUMBER(S) 1225, QUOTE BZ1026, QUOTE ENT

DESCRIPTION PAYMENT TO THE ABOVENAMED FOR ENT INSTRUMENTS, NELLCOR
DISPOSABLE SENSORS (PAEDS & ADULT) AND BRAUN VISTA BASIC UNIVERSAL IV
ADMIN. SET

DEBIT ACCOUNT MEDICAL SUPPLIES

PREPARED BY *[Signature]*

CHEQUE NUMBER 003332

APPROVED BY *[Signature]*

AUTHORIZED BY *[Signature]*

CHECK BY 1314110

LOCAL EQUIV:	$\$21,817.50 \times 2.0175 =$	\$44,016.81
GOV'T TAX	$\$21,817.50 \times 2 \times 1.25 =$	\$ -545.44
BANK CHARGE:		\$ -50.00
SERVICE CHARGE:		\$ 220.08
		<u>\$44,832.33</u>

7030.50

*41200.83
40155.00
1105.83*

*1225 8,548 - 9132
BZ1026 10,900 - 9575
BZ1026 10,884.50 (1/2) 9576
21,817.50*

003332

BELIZE BANK LTD FOR SKILLED SOLUTION LLC

Date	Type	Reference	Original Amt.	Balance Due	4/13/2010 Discount	Payment
3/5/2009	Bill	QUOTE BZ 1026	5,800.00	5,800.00		5,800.00
12/3/2009	Bill	1225	17,098.00	17,098.00		17,098.00
12/3/2009	Bill	1225	1,197.33	1,197.33		1,197.33
3/5/2010	Bill	QUOTE ENT	20,737.00	20,737.00		20,737.00
				Check Amount		44,832.33

Belize Bank 695-1-1-6

44,832.33

003332

BELIZE BANK LTD FOR SKILLED SOLUTION LLC

Date	Type	Reference	Original Amt.	Balance Due	4/13/2010 Discount	Payment
3/5/2009	Bill	QUOTE BZ 1026	5,800.00	5,800.00		5,800.00
12/3/2009	Bill	1225	17,098.00	17,098.00		17,098.00
12/3/2009	Bill	1225	1,197.33	1,197.33		1,197.33
3/5/2010	Bill	QUOTE ENT	20,737.00	20,737.00		20,737.00
				Check Amount		44,832.33

41,260.83

3571.50

w 20,000.50

Belize Bank 695-1-1-6

Prepared By

Reviewed By

Approved By

Received By

44,832.33

THE BELIZE BANK LTD,
BELIZE CITY, BELIZE

MANAGER

Appendix "B" Photocopy of irregular purchase order number 9693

Reference paragraph 29

KARL HEUSNER MEMORIAL
HOSPITAL
PRINCESS MARGARET DRIVE
BELIZE,

Purchase Order

Date	P.O. No.
3/22/2010	9693

Vendor
SKILLED SOLUTION LLC

Ship To
KARL HEUSNER MEMORIAL HOSPITAL PRINCESS MARGARET DRIVE BELIZE,

Delivery Time

Item	Description	Qty	Rate	Amount
59376	MEDICAL SUPPLIES - TEKNO MEDICAL GERMAN STAINLESS STEEL SURGICAL SET: STANDARD SCISSORS STRAIGHT SH/BL 15.5 CM MAYO OPERATING SCISSORS STRAIGHT 14.5 CM MAYO OPERATING SCISSORS STRAIGHT 17 CM MAYO OPERATING SCISSORS CURVED 14.5 CM MAYO OPERATING SCISSORS CURVED 17 CM SCHMIEDEN DURA SCISSORS 17 CM STRULLY DURA SCISSORS BLUNT 22 CM UNIVERSAL WIRE SCISSORS SAW EDGE 12 CM CRILE HAEMOSTATIC FORCEPS CURVED 12.5 CM HALSTED-MOSQUITO HAEMOSTATIC FORCEPS CURVED 12.5 CM ADSON HAEMOSTATIC FORCEPS CURVED 1X2 TEETH 18.5 CM ADSON HAEMOSTATIC FORCEPS 1X2 TEETH BACKHAUS TOWEL FORCEPS 11 CM SERRATED 25 CM FOERSTER SPONGE HOLDING FORCEPS STRAIGHT ADSON DRESSING FORCEPS 12 CM YASARGIL TUMOR GRASP FCPS D.3MM SPOONFO STANDARD DRESSING FORCEPS 18 CM ADSON TISSUE FORCEPS 12 CM 1X2 TEETH CUSHING TISSUE FORCEPS 17CM 1X2 TEETH	1	21,080.00	21,080.00
			Total	

FOR DISTRIBUTION
REQ# 1136
PLEASE NOTE THAT THE PRICE IN U.S DOLLARS IS \$ 10,540.00

KARL HEUSNER MEMORIAL
HOSPITAL

PRINCESS MARGARET DRIVE
BELIZE,

Purchase Order

Date	P.O. No.
3/22/2010	9693

Vendor
SKILLED SOLUTION LLC

Ship To
KARL HEUSNER MEMORIAL HOSPITAL PRINCESS MARGARET DRIVE BELIZE,

Delivery Time				
Item	Description	Qty	Rate	Amount
	TWIST DRILL 1.0MM MCKENZIE CLIP APPLYING FORCEPS 19 CM SILVER BRAIN CLIPS IN PLASTIC VIAL 100 PC MCKENZIE BRAIN CLIP CARRIE WITH 2 CLIP HOLDING RACKS HORSLEY DURA DISSECTOR 20 CM ADSON DURA HOOK SHARP 20 CM ADSON DURA HOOK BLUNT 20 CM FRAZIER DURA HOOK BLUNT 13 CM FRAZIER SUCTION CANNULA 6 CHAR. 17 CM FRAZIER SUCTION CANNULA 8 CHAR. 17 CM ADSON SUCTION CANNULA 12 CHAR. 21 CM LOVE-GRUENWALD LAMINECTOMY RONGEUR STR. 3X10MM 18 CM SPURLING LAMINECTOMY RONGEUR UPWARDS 4X10MM 13 CM ALLIS INTESTINAL GRASPING FORCEPS 19 CM 5X6 TEETH FINOCCHIETTO-BURFORD RIB SPREADER STAINLESS STEEL 250MM SCALPEL HANDLE FIG. 4			
Total				\$21,080.00

FOR DISTRIBUTION REQ# 1136 PLEASE NOTE THAT THE PRICE IN U.S DOLLARS IS \$ 10,540.00

[Handwritten Signature]

Appendix "C" – Emailed copy of "Letter of Credit" received by KMH 10 months after items paid for by the institution were never received.

Reference paragraph 35.



6710 SW 12th Street
Pembroke Pines, FL 33023
T – 305 496 8822
F – 305 682 7944
skilledsolutions@comcast.net

Letter of Credit

Date 9/22/10

Issuer: Skilled Solutions Inc

6710 SW 12th Street

Pembroke Pines, FL 33023

Beneficiary: Karl Heusner Memorial Hospital

Princess Margaret Drive

Belize City, Belize C.A.

Ref: PO 9693 / Invoice 1250

To Whom it May Concern,

This irrevocable letter of credit is being issued on the above mentioned date to the above mentioned beneficiary for the sum amount of \$10,540 for goods paid for and shipped to destination Belize, but were never received. The details of this shipment is still under investigation, however, to allow uninterrupted service on future orders, this letter of credit has been agreed upon. This credit can only be applied to the re-order of the same items listed on PO 9693 / Invoice 1250. The conditions of this letter of credit cannot be negotiated or altered for any reason.

Account Head

Jakki Friedeberg

Operations Manager

Leon Williams

Appendix "D" - Payment in respect of items not received

Reference paragraph 38.

KARL HEUSNER MEMORIAL HOSPITAL

Requisition for Supplies

Required for Respiratory Therapy **12777**

(1) Quantity Required	(2) Articles	(3) Quantity On hand	(4) Quantity Supplied	(5) Cost	(6) Remarks
53444	100 Endotracheal Inline Suction Catheter 14 FR CODE 227-5	20	@ BZ \$1030. ⁰⁰ per line 20 x 5 = BZ \$5160. ⁰⁰ US \$516. ⁰⁰ per line 20 x 5 = US \$2580. ⁰⁰		Skilled Solutions LLC
445 53555	100 Endotracheal Inline Suction Catheter 16 FR CODE 227161-5	@	BZ \$1030. ⁰⁰ per line 20 x 5 = BZ \$5150. ⁰⁰ US \$530. ⁰⁰ per line 20 x 5 = US \$2650. ⁰⁰		
#5121	100 Tracheostomy Inline Suction Catheter 14 FR code 22703-5	0	@ BZ \$1022. ⁰⁰ per line 20 x 5 = BZ \$5110. ⁰⁰ US \$511. ⁰⁰ per line 20 x 5 = US \$2555. ⁰⁰		
#59949	100 Tracheostomy Inline Suction Catheter 16 FR CODE 227163-5	0	@ BZ \$1030. ⁰⁰ per line 20 x 5 = BZ \$5150. ⁰⁰ US \$515. ⁰⁰ per line 20 x 5 = US \$2575. ⁰⁰		
#59895	50 Hudson RCI Adult Tracheostomy Mask Ref. 1075	25	BZ \$340 per case of 50 US \$170 per case of 50		
#54950	50 Medline Specimen Trap 40 cc Ref. D4ND44140	35	BZ \$340 per case of 50 US \$170 per case of 50		
#58123	100 Dukal Corporation Sterile Tracheostomy Care Kit	0	BZ \$118. ⁰⁰ per case of 20 x 5 = BZ \$590. ⁰⁰ US \$59. ⁰⁰ per case of 20 x 5 = US \$295. ⁰⁰		
Add Freight	BZ \$470. ⁰⁰ US \$235. ⁰⁰				
Total	BZ \$22,310. ⁰⁰ US \$11,155. ⁰⁰				P.O. Behre Bank for Skilled Solutions LLC P.O.# 11592 6/16/2011

24th June 2011
(Date)

Betha Gonzalez
Signature of Officer requisitioning

CERTIFICATE OF RECEIPT

I acknowledge the receipt of Articles as enumerated in columns 2 and 4 above and that the permanent and that expendable articles have been taken or stock.

APPROVED

Francis J. [Signature]
Chief Executive Officer

KARL HEUSNER MEMORIAL
HOSPITAL
PRINCESS MARGARET DRIVE
BELIZE,

Purchase Order

Date	P.O. No.
27/06/2011	11592

Vendor
BELIZE BANK LTD FOR SKILLED SOLUTION LLC

Ship To
KARL HEUSNER MEMORIAL HOSPITAL PRINCESS MARGARET DRIVE BELIZE,

Item	Description	Qty	Rate	Amount
53444	ENDOTRACHAEL INLINE SUCTION CATHETER 14FR (KIMBERLY-CLARK CODE 227-5) (20/CASE)	5	1,032.00	5,160.00
53445	ENDOTRACHAEL INLINE SUCTION CATHETER 16FR (KIMBERLY-CLARK CODE 227161-5) (20/CASE)	5	1,030.00	5,150.00
59921	TRACHEOSTOMY INLINE SUCTION CATHETER 14FR (KIMBERLY-CLARK CODE 22703-5) (20/CASE)	5	1,022.00	5,110.00
59949	TRACHEOSTOMY INLINE SUCTION CATHETER 16FR (KIMBERLY-CLARK CODE 2271613-5) (20/CASE)	5	1,030.00	5,150.00
59895	TRACHEOSTOMY MASK, ADULT (50/CASE)	1	340.00	340.00
59950	SPECIMEN TRAP 40 CC (50/CASE)	1	340.00	340.00
58123	STERILE TRACHEOSTOMY CARE KIT (20/CASE)	5	118.00	590.00
4178	INLAND FREIGHT	1	470.00	470.00
AS PER ESTIMATE # 1280				
PLEASE NOTE PRICES ARE IN BELIZE DOLLARS AT A CONVERSION RATE OF BZ\$2.00 EQUIVALENT TO US\$1.00				
			Total	BZ\$22,310.00

FOR RESPIRATORY THERAPY
REQ # 12777



Skilled Solutions LLC
6710 SW 12th Street
Pembroke Pines, FL 33023

Invoice

Date	Invoice #
6/27/2011	1551

Bill To
Karl Heusner Memorial Hospital c/o Jorge Gentle Princess Margaret Drive Belize City Belize C.A.

P.O. No.	Terms	Project
PO 11592 BZ1280	Due on receipt	

Item	Description	Est Amt	Prior Amt	Prior %	Qty	Rate	Curr %	Total %	Amount
Medical ...	Kimberly Clark closed suction system (227 - 14FR, 20 units per case)	2,580.00			5	516.00	100.00%	100.00%	2,580.00
Medical ...	Kimberly Clark closed suction system (22703 - 14 FR, 20 units per case)	2,555.00			5	511.00	100.00%	100.00%	2,555.00
Medical ...	Kimberly Clark closed suction system (227161 - 16 FR, 20 units per case)	2,575.00			5	515.00	100.00%	100.00%	2,575.00
Medical ...	Kimberly Clark closed suction system (2271613 16 FR, 20 units per case)	2,575.00			5	515.00	100.00%	100.00%	2,575.00
Medical ...	Tracheotomy Adult mask BAX001225 (case of 50 units)	170.00			1	170.00	100.00%	100.00%	170.00
Medical ...	Mucus Specimen Trap 40cc MDL-DYND44140 (case of 50 units)	170.00			1	170.00	100.00%	100.00%	170.00
Medical ...	Sterile Tracheotomy care kit DUK15200 (case of 20 units)	295.00			5	59.00	100.00%	100.00%	295.00
Inland S...	Inland Transportation	235.00			1	235.00	100.00%	100.00%	235.00



Thank you for your business.

Total \$11,155.00

Payments/Credits \$0.00

Balance Due \$11,155.00

**KARL HEUSNER MEMORIAL HOSPITAL
CHEQUE REQUISITION FORM**

DATE AUGUST 4, 2011

AMOUNT \$39,028.56

PAY TO BELIZE BANK FOR SKILLED SOLUTIONS

THE SUM OF THIRTY NINE THOUSAND TWENTY EIGHT DOLLARS
AND FIFTY SIX CENTS

PURCHASE ORDER (S) 11604/11592

INVOICE NUMBER(S) 1554/1151

DESCRIPTION: **PREPAYMENT FOR THE NONIN PADIATRIC SENSORS, ADULT, AN
MEDICAL SUPPLIES FOR RESPIRATORY THERAPY**

DEBIT ACCOUNT PREPAYMENT

PREPARED BY [Signature]

CHEQUE NUMBER Rept # 0000011

APPROVED BY [Signature]

AUTHORIZED BY [Signature]

CHECK BY [Signature]



Skilled

Local Equivalent	19,025.00	2.0175	38,382.94
Gov't Tx	19,025.00	2.00	0.0125 475.63
Bank Charge			70.00
Service Charge			100.00
			<u>39,028.56</u>

BELIZE BANK LIMITED

Branch: 695

PAYMENT RECEIPT INTERNATIONAL WIRE TRANSFER

Date: 09-08-2011

Internal reference Number: 08-08-2011 - 0000011

Swift Reference Number: BZB1108080000111

Ordering Customer

Customer Account:

Customer Name:

Customer Address:

69500100001062184 BZD

KARL HEUSNER MEMORIAL HOSPITAL

PRINCESS MARGARET DRIVE

Belize City

Payment Information

Payment Amount:

19.025,00 USD

Equivalent Amount:

38.382,94 BZD

Debit Amount:

38.382,94 BZD

CORRESPONDENT FEE

70,00 BZD

GVT

475,62 BZD

TRANSFER FEE

100,00 BZD

Total Fees:

645,62 BZD

Total debit from account:

39.028,56 BZD

Remittance Information:

PAYMENT FOR NONIN PADIATRIC SENSORS
ADULT , AND MEDICAL SUPPLIES FOR
RESPIRATORY THERAPY

Beneficiary Customer

Beneficiary Account No.:

/0000148347549

Beneficiary Name:

SKILLED SOLUTIONS LLC

Beneficiary Address:

1576 NE 163RD STREET

NORTH MIAMI BEACH FL 33162

USA

Beneficiary Bank

Bank Code:

BRBTUS33

Bank Name:

BRANCH BANKING AND TRUST COMPANY

Bank Adres:

GREENSBORO

UNITED STATES

Intermediary Information

Intermediary Bank Code:

Intermediary Bank Name:

Intermediary Bank Address:

Please note successful processing of payment is subject to compliance
and overdraft verification.

OFFICER SIGNATURE

Reference paragraph 39.

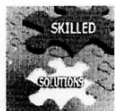
[illegible]

284.

9/6/2011 9am

Appendix F – Letter of Credit received seven months after payments were made to Skills Solution in respect of items not received.

Reference paragraph 41.



6710 SW 12th Street
Pembroke Pines, FL 33023
T – 305 496 8822
F – 305 682 7944
skilledsolutions@comcast.net

Letter of Credit

Date 2/22/12

Issuer: Skilled Solutions Inc

6710 SW 12th Street

Pembroke Pines, FL 33023

Beneficiary: Karl Heusner Memorial Hospital

Princess Margaret Drive

Belize City, Belize C.A.

Ref: PO 11592 / Invoice 1551

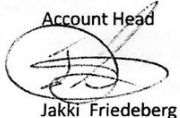
To Whom it May Concern,

This irrevocable letter of credit is being issued on the above mentioned date to the above mentioned beneficiary for the sum amount of \$5150.00 USD for goods paid for but never received. The particular items, quantity and cost are listed below. This credit may be applied to a future order as payment in full or partial payment on total order. The conditions of this letter of credit cannot be negotiated or altered for any reason.

Kimberly Clark Closed Suction System 16 Fr, 20 units p/case (227161)- 5 cases @ \$515 per case = \$2575

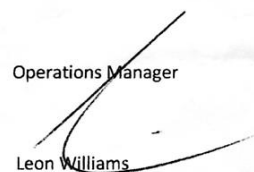
Kimberly Clark Closed Suction System 16 Fr, 20 units p/case (2271613)-5 cases @ \$515 per case = \$2575

Account Head



Jakki Friedeberg

Operations Manager



Leon Williams

Appendix “G” – Details of overpayment to Oxi Rent - BZ\$1,720.00

Reference paragraph 47.



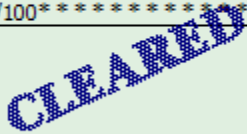
KARL HEUSNER MEMORIAL
HOSPITAL
PRINCESS MARGARET DRIVE
BELIZE,

Purchase Order

Date	P.O. No.
08/31/2010	10392

Vendor	Ship To
OXI-RENT	KARL HEUSNER MEMORIAL HOSPITAL PRINCESS MARGARET DRIVE BELIZE,

Item	Description	Qty	Rate	Amount
55605	MECHANICAL BREATHING FILTERS	200	8.60	1,720.00
			Total	\$1,720.00
FOR RESPIRATORY THERAPY REQ# 12768 PLEASE NOTE PRICE IN U.S. DOLLARS IS \$ 860.00				

No. RCPT#142	
Date 02/03/2011 	
Pay to the Order of BELIZE BANK FOR OXI RENT S.A. 	\$ 3,663.10
Three thousand six hundred sixty-three and 10/100*****Dollars	
Address	<div>BELIZE BANK FOR OXI RENT S.A.</div> 
Memo	PREPAYMENT TO THE ABOVENAMED FOR MECHANICAL BRAETHING FILTERS(purchase ...

Reference paragraph 54.

DOORSE HERE

DO NOT WRITE, STAMP OR SIGN BELOW THIS LINE
RESERVED FOR FINANCIAL INSTITUTION USE

THE BELIZE BANK LTD.
Belize City, Belize

MAY 26 2010

PROOF
BELIZE CITY, BELIZE

*Safety Secure

003577

INTERNATIONAL WIRE TRANSFER

Release Date: 26-May-2010
Value Date: 26-May-2010Currency: USD **belizebank** FORM 2511WTF
United States DollarPlease transfer at my risk by wire via: Bank Of America New York

We acknowledge receipt of a request for money transfer as per the instructions detailed below.

Amount: 14,440.00
Foreign Bank Charge: 25.00
Total: 14,465.00

Ordering Customer - Name and Address

KARL HEUSNER MEMORIAL HOSPITAL, A/C695-1-1-62184
PRINCESS MARGARET DRIVE, P.O. BOX 1872Intermediate Bank
FW Fedwire Routing Number

Beneficiary's Bank

FW Fedwire Routing Number 063000021
FIRST UNION NATIONAL BANK
13700 NORTH KENDALL DRIVE, MIAMI FLORIDA 33186Sending Branch: Belize City

Beneficiary (include Name, Address)

FLAMINGO EXPORT COMPANY
16055 SW 109TH STREET MIAMI FL 33196Beneficiary Account Number 2090000266755Reason for Payment - Invoice nos., etc.
PO 9863THE BELIZE BANK LTD.
BELIZE CITY, BELIZESignature of Bank Employee MANAGER

Belize Bank 695-1-1-6

Prepared By

Reviewed By

Approved By

Received By

29,689.36

KARL HEUSNER MEMORIAL HOSPITAL
CHEQUE REQUISITION FORM

DATE: 25 May 2010

AMOUNT 29689.36
~~\$29643.70~~ or.

PAY TO BELIZE BANK FOR FLAMINGO

THE SUM OF Twenty nine thousand six hundred forty three
thirty six Eighty nine
DOLLARS AND SEVENTY CENTS or.

PURCHASE ORDER (S) 9455, 9863

INVOICENUMBER(S): HMH11162009

DESCRIPTION: PAYMENT FOR ATRIA CABLES CLEAR CHOISE LEAD ADAPTERS
10/BOX AND PARTS FOR THE OPERATING THEATRE

DEBIT ACCOUNT MEDICAL EQUIPMENT

PREPARE CHEQUES [Signature]

CHEQUE NUMBER ~~3577~~ 3577

APPROVED BY [Signature]

AUTHORIZED BY DTS [Signature] DMS

CHECK BY [Signature]

Local equiv: \$14,440.00 X 2.0175 = \$29,132.70
Gov't Tax: \$14,440.00 x 2 x 1.25% = \$361.00
Bank Charge \$50.00
Service Charge ~~\$100.00~~ 14566 or 24910
29689.36
\$29,643.70

THE BELIZE BANK LTD.
BELIZE CITY, BELIZE

MAY 26 2010

MANAGER



Approved

I acknowledge the receipt of Articles as enu-

KARL HEUSNER MEMORIAL
PRINCESS MARGARET DRIVE
BELIZE,

Email Sent
7/6/10 2:05pm

Purchase Order

Date	P.O. No.
5/6/2010	9863

Vendor
FLAMINGO EXPORT Eugene KUYLEN 16055 SW 109th St. Miami Florida 33196

Ship To
KARL HEUSNER MEMORIAL HOSPITAL PRINCESS MARGARET DRIVE BELIZE,

Item	Description	Qty	Rate	Amount
59932	SHUNT CSF FLOW CONTROL KIT CONTOURED SMALL/LOW VALVE PRESSURE 9003A	3	420.00	1,260.00
59933	SHUNT CSF FLOW CONTROL SHUNT KIT CONTOURED SMALL/MEDIUM VALVE PRESSURE 9003B	3	420.00	1,260.00
59934	SHUNT CSF FLOW CONTROL KIT CONTOURED SMALL/HIGH VALVE PRESSURE 9003C	2	420.00	840.00
59935	SHUNT CSF FLOW CONTROL KIT CONTOURED SIZE REGULAR HIGH 9003F PRESSURE VALVE	1	420.00	420.00
59936	SHUNT CSF CONTROL SHUNT KIT ULTRA SMALL SIZE LOW- LOW #2011 LL	3	425.00	1,275.00
59937	SHUNT CSF FLOW CONTROL KIT ULTRA SMALL LOW 22011L	3	425.00	1,275.00
59938	SHUNT CSF FLOW CONTROL KIT ULTRA SMALL MEDIUM SIZE LOW 22011M	3	425.00	1,275.00
59939	SHUNT PS MEDICAL DELTA KIT VALVE SIZE SMALL PERFORMANCE LEVEL 1 25131-1	2	425.00	850.00

Total

FOR O.T.
REQ# 09910 AND 09911



Page 1

Chief Executive Officer

I acknowledge the receipt of Articles as enumerated in columns B and C above and that the permanent and expendable articles have been taken on stock.

KARL HEUSNER MEMORIAL
HOSPITAL
PRINCESS MARGARET DRIVE
BELIZE,

Purchase Order

Date	P.O. No.
5/6/2010	9863

Vendor
FLAMINGO EXPORT Eugene KUYLEN 16055 SW 109th St. Miami Florida 33196

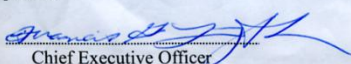
Ship To
KARL HEUSNER MEMORIAL HOSPITAL PRINCESS MARGARET DRIVE BELIZE,

Item	Description	Qty	Rate	Amount
59940	SHUNT PS MEDICAL DELTA KIT VALVE SIZE SMALL PERFORMANCE LEVEL 1.5 25131-5	2	712.50	1,425.00
59941	SHUNT PS MEDICAL DELTA KIT VALVE SIZE SMALL PERFORMANCE LEVEL 2 251312	2	712.50	1,425.00
			Total	\$11,880.00

FOR O.T.
REQ# 09910 AND 09911

Page 2

Approved


Chief Executive Officer

I acknowledge the receipt of Articles as enumerated in columns B and C above and that the permanent and expendable articles have been taken on stock.

EUSNER MEMORIAL HOSPITAL

Requisition of Supplies

Required for Emergency Hospital

Flamingo Export 09910

(1) A Quantity Required	(2) B Articles	(3) Name of Supplier	(4) Order #	(5) Quantity Supplied	(6) Ledger Folio	(7) Cost	(8) Remarks
3	CST Flow Control Shunt Kit Control Small / Low - Value pressure 9001A			3 @ \$210.00 U.S.		\$630.00 U.S.	
				#59932			
3	CST Flow Control Shunt Kit Control Small / medium Value pressure 9003B			3 @ \$210.00 U.S.		\$630.00 U.S.	
				#59933			
2	CST Flow Control Shunt Kit Control Small / High Value pressure 9003C			2 @ \$210.00 U.S.		\$420.00 U.S.	
				#59934			
1	CST Flow Control Shunt Kit Control size regular High 9003F pressure Value			1 @ \$210.00 U.S.		\$210.00 U.S.	
				#59935			
3	CST Flow Control Shunt Kit Ultra Small size Low Low # 22011KL			3 @ \$212.50 each		\$637.50 U.S.	
				#59936			



25/3/10
(Date)

PO# 9863
Rec 2014/2016

Blue Boyez
(Signature of Officer Requisitioning)

Approved
[Signature]
Chief Executive Officer

CERTIFICATE OF RECEIPT

I acknowledge the receipt of Articles as enumerated in columns B and C above and that the permanent and expendable articles have been taken on stock.

Required for

OT

PO# 9863

09911

6/5/2010

(1) A Quantity Required	(2) B Articles	(3) Name of Supplier	(4) Order #	(5) Quantity Supplied	(6) Ledger Folio	(7) Cost	(8) Remarks
3	CSF flow control Shunt Kit Ultra Small size low # 22011L			3 @ \$ 212.50 U.S. = \$ 637.50 U.S. #59937			
3	CSF flow control Shunt Kit Ultra Small - size low ref # 22011M			3 @ \$ 212.50 U.S. = \$ 637.50 U.S. #59938			
2	PS Medical Delta Shunt Kit Valve Small - performance level - 1 ref # 25131-1			2 @ \$ 356.25 U.S. = \$ 712.25 U.S. #59939			
2	PS Medical Delta Shunt Kit Valve Small - performance level 1.5 ref # 25131-5			2 @ \$ 356.25 U.S. = \$ 712.25 U.S. #59940			
2	PS Medical Delta Shunt Kit ref # # 25131-2 Valve size Small Performance level 2			2 @ \$ 356.25 U.S. = \$ 712.25 U.S. #59941			



7/3/10
(Date)

[Signature]
(Signature of Officer Requisitioning)

Approved

[Signature]
Chief Executive Officer

CERTIFICATE OF RECEIPT

I acknowledge the receipt of Articles as enumerated in columns B and C above and that the permanent and expendable articles have been taken on stock.

KARL HEUSNER MEMORIAL
HOSPITAL
PRINCESS MARGARET DRIVE
BELIZE,

Purchase Order

*Emailed 2/2/2010
3:39 pm*

Date	P.O. No.
2/2/2010	9455

Vendor
FLAMINGO EXPORT Eugene KUYLEN 16055 SW 109th St. Miami Florida 33196

Ship To
KARL HEUSNER MEMORIAL HOSPITAL PRINCESS MARGARET DRIVE BELIZE,

Item	Description	Qty	Rate	Amount
7444	ECG PATIENT CABLE 10LD AHA ATRIA P/N 012-0844-00 REV B	5	400.00	2,000.00
7445	CLEAR CHOICE LEAD ADAPTORS PART NO. 704-0102-00 (SET)	10	860.00	8,600.00
7446	DROP SENSORS FOR INFUSOMAT FM INFUSION PUMP (B/BRAUN)	10	640.00	6,400.00
			Total	\$17,000.00



FOR MAINTENANCE
REQ# 009825

[Signature]
Chief Executive Officer

merated in columns B and C above and that
the permanent and expendable articles have
been taken on stock.

Required for Biomedical Equipments

PO# 9401

(1) A Quantity Required	(2) B Articles	(3) Name of Supplier	(4) Order #	(5) Quantity Supplied	(6) Ledger Folio	(7) Cost	(8) Remarks
5	ECG Patient Cable, 10LB, AHA Atria P/N: 012-0844-00 Rev. B				# 7444		Flamingo Export US\$ 189.50 = US\$ 945.00 5 @ \$200.00 U.S. = \$1,000 U.S.
	sets Clear Choice Lead Adaptors Part No 704-0102-00				# 7444		US\$ 398.00 = US\$ 398.00 10 box @ \$430.00 U.S. Total = \$4,300 U.S.
10	Drop Sensors for Infomat fm Infusion pump (B/Braun)				# 7444		Commerce 10 @ \$320.00 U.S. Total = \$3,200.00
5	Space Labs Monitor Main board				# 57920		Revised PO# 9455 Monitor Model 91369 Total = \$18,225.00 U.S.
2	Space Labs Monitor Ultraview SL (91369) Module # [model No 91496] options - 1A FRU				# 7447		2 @ \$400.00 U.S. Total = \$800
2	Space Labs Monitor Ultraview SL (91369) Touch Screen, 5-wire Resistive 10.4 inch P/N 010-1445-00				# 7448		2 @ \$200.00 U.S. = \$400.00 U.S.
200	6.35 50 watt GY 6.35 Base 24Volt - Xenon Bellbright 715350						
50	8.45 50 watt GY 6.35 Base 120Volt - Halogen Sako 33167						

13/11/09

(Date)

Approved

Chief Executive Officer

(Signature of Officer Requisitioning)

CERTIFICATE OF RECEIPT

I acknowledge the receipt of Articles as enumerated in columns B and C above and that the permanent and expendable articles have been taken on stock.

Appendix "H1" – Photocopy of payment to Commerce Ltd. for supplying the 10 Drop Sensors initially ordered from Flamingo Export Company.

Reference paragraph 54.

**KARL HEUSNER MEMORIAL HOSPITAL
CHEQUE REQUISITION FORM**

DATE June ~~APRIL~~ TH 2010 AMOUNT \$6,400.00

PAY TO COMMERCE LIMITED

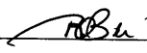
THE SUM OF SIX THOUSAND FOUR HUNDRED DOLLARS
AND XXXXXX CENTS

 PURCHASE ORDER (S) 9619

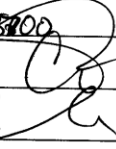
INVOICE NUMBER(S) 1824



**DESCRIPTION PAYMENT DUE TO THE ABOVENAMED FOR DROP SENSORS FOR
INFUSOMAT INFUSION PUMP**

DEBIT ACCOUNT MTCE OF EQUIP.

PREPARED BY 

CHEQUE NUMBER 003700

APPROVED BY 

 AUTHORIZED BY 

CHECK BY 

Invoice No.: 1824
Waybill No.: 7/69

Phone: 501-224-4562
Fax: 501-223-4098
Cell: 501-610-2363
Email: bax@btl.net
TIN: 123897

From: Commerce Limited ✓
Address: 60 Cleghorn Street
Belize City, Belize C.A.

Date: 16th March, 2010.

TIN: N/A

To: Karl Kuenner Memorial Hospital
Address: Princess Margaret Drive, Belize City, Belize

[illegible]

Do not freeze	All cool items must be store in a refrigerator, not to exceed 30° C (86° F)
	All the above items were received in good condition and quantity.


Received by: A. Vamb. Date: 16/3/10

Print Name: K. J. J. J. J.

No. 7/69

SHIPPED FROM Commerce Limited
 on board the C-7119 the following articles in good order
 and condition; marked as per margin and consigned to, and for account and
 risk of Karl Heusner Memorial Hospital to be delivered in the same good order
 and condition at KHMH Compound Freight N/A

Marks and Numbers	No. of Pkgs.	ARTICLES	Weight Lbs.
<u>10 c.c.</u>	<u>10</u>	<u>Drop Sensors for Infusomat</u> <u>FM Infusion Pump (B/BRAUN)</u> <u>P.O. No. 9619 Dated 3/9/2010</u> <u>ART. #3450578A</u>	



Belize, C.A.
Print Name
K. Acevedo

Date
16/3/10

11:30am Signature
[Signature]

Received
[Signature]

Total

FOR MAINTENANCE
 REQ# 009825

KARL HEUSNER MEMORIAL
PRINCESS MARGARET DRIVE
BELIZE,

Purchase Order

Date	P.O. No.
3/9/2010	9619

Vendor
COMMERCE BELIZE LTD. 60 CLEGHORN STREET BELIZE CITY, BELIZE CENTRAL AMERICA

Ship To
KARL HEUSNER MEMORIAL HOSPITAL PRINCESS MARGARET DRIVE BELIZE.

Item	Description	Qty	Rate	Amount
7446	DROP SENSORS FOR INFUSOMAT FM INFUSION PUMP (B/BRAUN)	10	640.00	6,400.00
			Total	\$6,400.00



FOR MAINTENANCE REQ# 009825

URGENT

KARL HEUSNER MEMORIAL HOSPITAL

Requisition of Supply

Required for Biomedical Equipments

PO# 9401

(1) A Quantity Required	(2) B Articles	(3) Name of Supplier	(4) Order #	(5) Quantity Supplied	(6) Ledger Folio	(7) Cost	(8) Remarks
5	ECG Patient Cable, 10LD, AHA Atria P/N: 012-0844-00 Rev: B				# 1444		Flamingo Export US\$ 189.00 = US\$ 945 5 @ \$ 300.00 U.S. = \$ 1,500 U.S.
10	sets Clear Choice Lead Adaptors Part No 704-0102-00				# 1444		US\$ 398.00 = US\$ 3,980.00 10 box @ \$ 400.00 U.S. Total = \$ 4,300 U.S.
10	Drop Sensors for Infusomat fm Infusion pump Compuject - PO# 9619 (B/Braun) Drop Sensors for Infusomat fm Infusion pump Compuject - PO# 9619 (B/Braun) Drop Sensors for Infusomat fm Infusion pump Compuject - PO# 9619 (B/Braun)				# 9455		10 @ \$ 320.00 U.S. Total = \$ 3,200.00
	Space Labs Monitor Main board P/N 338-0972-04 Extra status - 4				ULtra View SL (91369) \$ 57920 670-1275-05		91369 Total = \$ 13,225.00
2	Space Labs Monitor Module # [model No 91496] options - 1A FRU				ULtra View SL (91369) \$ 91369		91369 Total = \$ 8,800.00
2	Space Labs Monitor Touch Screen, 5-Wire Resistive 10.4 inch P/N 010-1445-00 010-1445-00				ULtra View SL (91369) \$ 91369		91369 Total = \$ 8,800.00
200	Bkts 50 each Q4675 Base 120 Volt-Helogen Sako						715350
250	Bkts 50 each Q4675 Base 120 Volt-Helogen Sako						715350

**Karl Heusner Memorial Hospital
Supplies & Purchasing
Receiving Form**

[illegible]

Appendix "I" - Photocopy of Credit Memos # CREDIT001824 and Purchase Order 9899 for \$2,300.00.

Reference paragraph 65.

KARL HEUSNER MEMORIAL HOSPITAL
PRINCESS MARGARET DRIVE

Purchase Order


Date	P.O. No.
5/17/2010	9899

Vendor


AMERICAN HOSPITAL SUPPLY
1000 MAITLAND CENTER COMMONS
SUITE 149
MAITLAND, FL 32751

Ship To

KARL HEUSNER MEMORIAL HOSPITAL
PRINCESS MARGARET DRIVE
BELIZE,

Item	Description	Qty	Rate	Amount
DRIL5002	HALL PNEUMATIC DRILL 3/8 CHUCK AND KEY	1	80.00	80.00
SAW5001	HALL PNEUMATIC OSCILLATING SAW ADJUSTED BLADES	1	100.00	100.00
DRIL5003	ORTHOPEDIC HAND DRILL 3/8 CHUCK	1	40.00	40.00
SCRE5002	AO SCREW DRIVER SMALL FRAGMENT	2	72.00	144.00
KUNT5001	KUNTCHNER SYSTEM OR OTHER (INTRAMEDULLARY NAIL SET)	1	6,000.00	6,000.00
NAIL5001	IM NAIL 36 X 8	4	230.00	920.00
NAIL5002	IM NAIL 36 X 9	4	230.00	920.00
NAIL5009	INTNAIL 40 X 10	10	230.00	2,300.00
NAIL5010	IM NAIL 40 X 11	5	230.00	1,150.00
				
			Total	\$11,654.00

FOR ORTHOPEDIC DEPARTMENT
REQ# 4582.4583.4584
PLEASE NOTE PRICE IN U.S. DOLLARS IS \$ 5827.00



Medical Supply, Inc.
 100 CENTER COMMONS

FL 32751

14.9.2010

Invoice	102003979
Date	9/14/2010
Page	1

Bill To:

KARL HEUSNER MEMORIAL HOSPITAL
 PRINCESS MARGARET DRIVE
 BELIZE CITY

Ship To:

KARL HEUSNER MEMORIAL HOSPITAL
 PRINCESS MARGARET DRIVE
 BELIZE CITY

Purchase Order No.	Customer ID	Salesperson ID	Shipping Method	Payment Terms	Req Ship Date	Master No.	
9899	KHM001	MISC.	AIR PPD/ADD	PREPAY	6/1/2010	11,11	
Ordered	Shipped	B/O	Item Number	Description	Discount	Unit Price	Ext. Price
5	5	0	XLF09-36U	UNIVERSAL NAIL 36X8	\$0.000	\$230.000	\$1,150.00
10	10	0	XLF10-40U	UNIVERSAL NAIL 40X10	\$0.000	\$230.000	\$2,300.00
5	5	0	XLF11-40U	UNIVERSAL NAIL 40X11	\$0.000	\$230.000	\$1,150.00
1	1	0	AS031	INSTRUMENT SET FOR UNIVERSAL NAIL	\$0.000	\$6,000.000	\$6,000.00
1	1	0	HANDLING FEE	SHPPNG/ HANDLING CHARGES	\$0.00	\$350.00	\$350.00

10,950.00
(5,827.00)
5,123.00

Prepaid
Cal. #

ENTERED NOV 23 2011

BANK OF BELIZE
11 NOV 2011

Prepaid
 Bal. A

ENTERED NOV 23 2011
 GA



GOODS TO BE DROP SHIPPED
 DIRECTLY FROM MANUFACTURER
 VIA PREPAID/ADD TO INVOICE
 PO31764

Medical Supplies

Subtotal	\$10,950.00
Misc	\$0.00
Tax	\$0.00
Freight	\$0.00
Trade Discount	\$0.00
Total	\$10,950.00

FL 32751

Customer:

KARL HEUSNER MEMORIAL HOSPITAL
PRINCESS MARGARET DRIVE
BELIZE CITY

[illegible]

Appendix “J” shows “quality issues” which surfaced “one year plus” after completion of the KHHH Medical Ward Renovation.

Reference paragraph 108.



Example of Damaged tiles – #229



Separating Tiles and Plycem - #225



Separating Tiles and Plycem - #222



Separating Wall Tiles - #221



Corrective Works Undertaken After Project Completed – #223



Deteriorating Window and Wall Works – #208

Appendix 'K' - Credit Card Purchases for which no receipts were seen.

Reference paragraph 194.

Date	Description	Remarks	Posted Amount	Original Amount	Remarks
25/3/10	Esso Rd Runner O/ Walk	DFS fuel	\$48.40	\$95.00	No receipt
26/3/10	Oasis restaurant Bmp	DFS meeting Bmp	\$24.97	\$49.00	No receipt
2/4/10	Esso Rd Runner O/ Walk	DFS fuel	\$39.33	\$77.20	No receipt
12/4/10	Esso Rd Runner O/ Walk	DFS fuel	\$66.23	\$130.00	No receipt
13/4/10	Esso Ramon's Service Sta. Freetown	DFS fuel	\$66.23	\$130.00	No receipt
14/4/10	Riverside Tavern Bz	DFS miscellaneous	\$42.49	\$83.41	No receipt
15/4/10	Duke Engineering main office	CEO miscellaneous	\$31.52	\$61.88	No receipt
16/4/10	Highway man gas station Freetown	DFS fuel	\$51.96	\$102.00	No receipt
19/4/10	Esso Rd Runner O/Walk	DFS Fuel	\$62.16	\$122.00	No receipt
17/4/10	Hofius LTD Bz	CEO repair and maintenance	\$25.45	\$49.95	No receipt
2/4/10	Cucumber beach Marina	CEO fuel	\$302.31	\$593.40	No receipt
22/7/10	Chon Saan Palace Belize	DFS meeting MOH IT	\$38.59	\$76.50	No receipt
23/07/10	Esso Ramon's Service Sta. Freetown	CEO fuel	\$56.04	\$110.00	No receipt
23/7/10	Caribbean Tire Wholesale Belize	CEO Vehicle repair	\$298.04	585.01	No receipt
24/7/10	Cucumber Beach Marina Lt Freetown	CEO meeting and food	\$143.06	\$280.80	No receipt
27/7/10	Shell Ldyv SRVC Sta.Freetown	DFS BZ Fuel	\$59.61	\$117.00	No receipt
27/7/10	Courts Bz. Ltd Albert St.	CEO office supplies	\$203.27	399.00	No receipt
23/8/10	Esso Rd Runner O/Walk	DFS Fuel meeting bmp	\$55.53	\$109.00	No receipt
22/08/10	James Brodies Cashier Albert St	CEO Misc	\$42.97	\$84.33	No receipt
21/8/10	Shell Ldyv SRVC Sta.Freetown	Travel Bz DFS	\$53.49	\$105.00	No receipt
24/9/10	Shell Ldyv SRVC Sta.Freetown	DFS fuel S/I	\$70.31	\$138.00	No receipt
24/9/10	Nahil Mayab Orange Walk	DFS food meeting	\$22.93	\$45.00	No receipts
24/9/10	Bird's Isle Restaurant 2 Freetown	DFS food meeting	\$29.04	\$57.00	No receipt

27/9/10	Esso Ramon's Service Sta. Freetown	DFS fuel Belmopan	\$48.40	\$95.00	No receipt
29/9/10	Shell Ldyv SRVC Sta.Freetown	DFS fuel Bz. City	\$71.33	\$140.00	No receipt
22/10/10	Manatee lookout Freetown	CEO miscellaneous	\$27.76	\$54.50	No receipt
22/10/10	Esso Road Runner O/walk	DFS fuel	\$68.78	\$135.00	No receipt
23/10/10	Bird's Isle Restaurant 2 Freetown	CEO meeting	\$13.24	\$26.00	No receipt
20/11/10	Hofius	CEO miscellaneous	\$22.88	\$44.90	No receipt
20/11/10	Esso Road Runner O/walk	DFS fuel	\$58.74	\$115.30	No receipt
24/11/10	Stationary House Bz.	CEO office supplies	\$16.62	\$32.63	No receipt
24/11/10	James Brodies	CEO miscellaneous	\$52.92	\$103.89	No receipts
26/11/10	Travelers' Liquor ltd Bz	CEO miscellaneous	\$22.57	\$44.31	No receipts
29/11/10	Everyday Gourmet Restaurant. Freetown	CEO miscellaneous	\$14.26	\$28.00	No receipt
3/12/10	Sam' Bahia Chetumal Othon P bla	CEO miscellaneous	\$41.23	\$500.15	No receipt
3/12/10	Coppel pza las America	CEO miscellaneous	\$59.22	\$715.00	No receipt
4/12/10	Sahara Grill Freetown	CEO miscellaneous	\$26.49	\$52.00	No receipt
4/12/10	Mirab & Company Bz.	CEO miscellaneous	\$35.31	\$70.00	No receipt
28/12/10	Public's Northern hwy Freetown	CEO miscellaneous	\$48.29	\$94.79	No receipt
29/12/10	Save U supermarket	CEO miscellaneous	\$26.41	\$51.85	No receipt
31/12/10	Jian He Chen bmp	DFS meeting	\$71.63	\$142.00	No receipt
1/1/11	Esso Freetown Rd Svc ctr Bz	DFS fuel	\$101.89	\$200.00	No receipt
3/1/11	The Stationary House Bz	CEO office Supplies	\$108.64	\$213.24	No receipt
4/1/11	Public Northern Cash	CEO Miscellaneous	\$27.04	\$53.07	No receipt
8/1/11	The Mall Grocery S/ Ignacio	DFS meeting	\$28.20	\$55.35	No receipt
9/1/11	Esso Road Runner service Bz	DFS fuel	\$76.42	\$150.00	No receipt
14/1/11	La Hacienda Steak house O/walk	DFS meeting	\$18.34	\$36.00	No receipt
14/1/11	Riverside Tavern Bz	CEO meeting	\$13.18	\$25.88	No receipt
18/1/11	Esso Ramon's Service Sta. Freetown	DFS fuel	\$82.41	\$161.75	No receipt
20/1/11	Esso Ramon's Service Sta. Freetown	DFS fuel	\$89.13	\$174.95	No receipt

22/2/11	Angelus Press ltd Bz	CEO office supplies	\$26.90	\$52.79	No receipt
22/2/11	Riverside Tavern BZ	CEO miscellaneous	\$13.06	\$25.63	No receipt
23/2/11	Becky's Belize	CEO miscellaneous	\$130.93	\$257.00	No receipt
25/2/11	Chateau Caribbean Hotel Belize	CEO meeting	\$32.79	\$65.00	No receipt
26/2/11	Manatee Look out Freetown	CEO miscellaneous	\$23.43	\$46.00	No receipt
19/3/11	Sahara Grill Freetown	DFS meeting	\$19.36	\$38.00	No receipts
21/3/11	Bz Med.(phy) assoc.Freetown	Medical Supplies	\$91.25	\$179.12	No receipts
21/3/11	Bz Medical Ass. Bz.	Medical Supplies	\$383.35	\$760.00	No receipt
22/3/11	Riverside Tavern Bz	DFS meeting	\$15.02	\$29.47	No receipt
10/9/11	Caribbean Sunrise ltd Freetown	CEO miscellaneous	\$157.42	\$309.00	No receipt
5/9/11	Best Buy Gurnee	DFS air	\$626.44	\$620.24	No receipt
25/10/11	Continent	DHR travel	\$891.12	\$882.30	No receipt
2/8/11	Travel & tour Belize San Pedro	DFS Travel	\$1,336.06	\$2,648.73	No receipt
20/11/11	Cucumber Beach Marina	CEO Miscellaneous	\$171.94	\$337.50BZ	No receipt
19/11/11	American AI Houston	DFS travel	\$968.2	\$958.70	No receipt
11/11/11	Biltmore Plaza	Service-engineer	\$137.07	\$269.04	No receipt
10/11/11	Celebrity Restaurant	Meeting with ambassador	\$239.22	\$474.25	No receipt
4/11/11	Modern Time Jewelers Houston	DFS – air	\$901.99	\$893.06	No receipt
25/10/11	American AI	DFS Travel	\$855.68	\$855.68	No receipt
16/12/11	Belize Bank ltd	No comment seen	\$257.25	\$500.01	No receipt
7/12/11	La Hacienda steak house	No comments seen	\$203.79	\$400.00	No receipt
25/11/11	Shell service stat. Freetown	No comment seen	\$108.51	\$213.00	No receipt
5/12/11	Biltmore plaza	No comment	\$263.66	\$517.54	No receipt
15/12/11	Esso Rd Runner service O/Walk	No comments	\$101.89	\$200.00	No receipt
7/7/11	American AI	Travel admin CEO	\$735.17	\$735.17	No receipt
7/7/11	American AI	Travel Admin CEO	\$915.10	\$915.17	No receipt
11/7/11	Bio Medicals Internationals	Accs Payable	\$5,050.	\$5,000.00	No receipt

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26/06/11	Toucan gift shop san Pedro	CEO misc	\$159.90	\$317.00	No receipt
25/6/11	Esso rd runner o/walk	DFS – fuel	\$100.89	\$200.00	No receipt
25/6/11	Cucumber Beach Marina	CEO - MISC	\$171.94	\$337.50	No receipt
21/5/11	Caribbean Sunrise Ltd Freetown	CEO – misc	\$250.44	\$491.59	No receipt
18/5/11	Esso Ramon's Service Sta Freetown	CEO - fuel	\$106.47	\$209.00	No receipt
21/4/11	Hugh Parkey's Belize Div	CEO –misc	\$389.11	\$763.78	No receipt
20/4/11	Caribbean Sunrise Ltd	CEO – misc	\$183.66	\$360.50	No receipt
25/3/11	Travel and tour Belize San Pedro	Moh – travel	\$1,264.18	\$2,506.24	No receipt
6/4/11	Travel and tour Belize San Pedro	Moh – travel	\$1,215.58	\$2,409.89	No receipt
19/9/11	Buy Belize auto rental	Travel local	\$353.09	\$700.00	No receipt
13/12/11	Stanford Dosimetry	No comments	\$1,123.12	\$1,112.00	No receipt
10/11/11	Travel and tour Belize San Pedro	DFS travel	\$1,033.90	\$2,049.70	No receipt
26/10/11	Continent bz	Accts travel	1151.02	1139.62	No receipt

Appendix 'L' - Examples of expense with insufficient documentation.

Reference paragraph 202.

Date	Description	Particulars	Posted Amount	Original Amount	Remarks
9/4/10	Esso Ramon's Service Sta. Freetown	DFS fuel	\$73.97	\$145.20	No documentation
27/9/10	Esso Ramon's Service Sta. Freetown	DFS fuel Belmopan	\$48.40	\$95.00	No documentation
24/3/11	Bull Frog Inn	DFS meeting MOH	\$60.03	\$119.00	Receipt show \$109.00 No documentation
19/3/11	Sahara Grill Freetown	DFS meeting	\$19.36	\$38.00	No documentation
22/3/11	Riverside Tavern Bz	DFS meeting	\$15.02	\$29.47	No documentation
26/3/11	Esso rd runner o/walk	Dfs fuel	\$101.89	\$200.00	No documentation
12/4/11	Shell Ladyville serv	DFS fuel	\$101.89	\$200.00	No documentation
16/4/11	Ihop	Dfs travel	\$80.61	\$79.81	No documentation
7/4/11	Shell Ladyville service	CEO fuel	\$102.40	\$201.00	No documentation
26/10/11	Chon Sana Palace			\$114.45	No documentation
24/10/11	Shell Ladyville			\$173.50	No documentation
26/10/11	Esso RD Runner			\$120.04	No documentation
9/11/11	Esso Rd Runner			\$210.00	No documentation
7/7/11	Esso Rd Runner	DFS fuel	\$86.61	\$170.00	No documentation
25/6/11	Esso Rd Runner	DFS fuel	\$101.89	\$200.00	No documentation
30/6/11	Shell Ladyville service Station	DFS fuel	\$104.43	\$205.00	No documentation
27/6/11	Esso Ramon Service Station	DFS fuel	\$101.89	\$200.00	No documentation
29/6/11	Chon Saan Palace	DFS fuel	\$16.05	\$31.50	No documentation
11/7/11	Esso Ramon Service Station	DFS fuel	\$61.14	\$120.00	No documentation
18/7/11	Esso Rd Runner	DFS fuel	\$104.18	\$204.50	No documentation
18/6/11	Esso Rd Runner	DFS fuel	\$101.89	\$200.00	No documentation
19/6/11	Shell Ladyville service Station	DFS fuel	\$99.36	\$195.03	No documentation
11/7/11	Riverside Tavern	DFS food	\$14.18	\$27.84	No documentation
21/3/11	Bz Med.(phy) assoc.Freetown	Medical Supplies	\$91.25	\$179.12	No documentation
21/3/11	Bz Medical Ass. Bz.	Medical Supplies	\$383.35	\$760.00	No documentation
19/4/10	Angelus Press O/Walk	DFS Stationery	\$38.31	\$75.95	No documentation
22/12/10	Angelus Press O/Walk	DFS Stationery	\$248.48	\$287.74	No documentation
15/9/11	Fultec Systems Belize	DFS office supplies	\$52.47	\$102.99	Justify the urgency of expense from Credit card
23/5/11	Northern Medical Spect.P O/ Walk	Medical supplies	\$185.12	\$367.00 BZ	No document to verify the immediate

					purchase
23/7/10	Caribbean Tire Wholesale Belize	CEO Vehicle repair	\$298.04	\$585.01	No documentation
27/7/10	Courts Bz. Ltd Albert St.	CEO office supplies	\$203.27	\$399.00	No documentation
3/4/10	Amazon.com AMZN.COM/BI	Books & periodicals DMS	\$139.80	\$138.42	No documentation
3/4/10	Amazon.com AMZN.COM/BI	Books & periodicals DMS	\$317.80	\$314.65	No documentation
3/4/10	Amazon.com AMZN.COM/BI	Books & periodicals DMS	\$46.60	\$46.14	No documentation
2/4/10	AMZON M KTPLACE PMTS AMZN.COM/BI	Books & periodicals DMS	\$545.00	\$539.60	No documentation
3/4/10	Amazon.com AMZN.COM/BI	Books & periodicals DMS	\$46.60	\$46.14	No documentation
21/3/11	Bz Med.(phy) assoc.Freetown	Medical Supplies	\$91.25	\$179.12	No documentation
21/3/11	Bz Medical Ass. Bz.	Medical Supplies	\$383.35	\$760.00	No documentation
19/4/10	Angelus Press O/Walk	DFS Stationery	\$38.31	\$75.95	No documentation
1/4/10	Oxford University Pres	Books and Periodicals	\$519.14	\$514.00	No documentation
30/11/10	Fultec System Bz	CEO office supplies	\$34.39	\$67.50	No documentation
24/11/10	Stationery house bz	Ceo office supplies	\$16.62	\$32.63	No documentation
22/12/10	Angelus Press O/Walk	DFS Stationery	\$248.48	\$287.74	No documentation
3/1/11	Stationery house bz	Ceo office supplies	\$108.64	\$213.24	No documentation
22/2/11	Angelus press ltd	Ceo office supplies	\$26.90	\$52.79	No documentation