President's Office - Regional Administration and Local Government

JOINT REHABILITATION FUND FOR PRIMARY HEALTH CARE FACILITIES PROCEDURES MANUAL

FINAL

DECEMBER 2004

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Appendices

List of Abbreviations

AG	Accountant General
BFC	Basket Financing Committee
CHB	Council Health Board
CHMT	Council Health Management Team
CCHP	Comprehensive Council Health Plan
CTB	Central Tender Board
DED	District Executive Director
DMO	Council Medical Officer
HFC	Health Facility Committee
HFTB	Health Facility Tender Board
JRF	Joint Rehabilitation Fund
LAAM	Local Authority Accounts Manual
LGA	Local Government Authority
LG CDG	Local Government Capital Development Grants
MoF	Ministry of Finance
MoH	Ministry of Health
MOH	Medical Officer of Health
PO-RALG	President's Office - Regional Administration and Local Government
NAO	National Audit Office
OCAG	Office of the Controller and Auditor General
PFA	Public Finance Act 2001
PPA	Public Procurement Act 2004
RS	Regional Secretariat
RHMT	Regional Health Management Team
RS	Regional Secretariat
Tsh	Tanzanian Shillings
VEO	Village Executive Officer
VG	Village Government
WDC	Ward Development Committee

Section 1 Introduction

1. This manual is issued by the authority of the President's Office - Regional Administration and Local Government (PO-RALG). Sections regarding central disbursement funds are included in a manual issued under the authority of the Accountant General. The manual follows the existing financial procedures for the operation of the accounting and reporting system in the local authorities. It sets out the procedures to be used in the disbursement of donor funds under the Joint Rehabilitation Fund (JRF) arrangements.

2. The contents of this manual comply with the Local Authorities Accounting Manual (LAAM), the Financial Memorandum and Planning Guidelines for Local Authorities, which constitute detailed instructions for the utilisation of the Health Basket Grants Guidelines for use of Joint Rehabilitation funds have also been issued. The manual should also be read in conjunction with the Local Government Financial Memorandum. The Public Finance Act 2001 and Public Procurement Act number 3 2001 are also applicable.

The objective of this manual

3. This procedures manual has been designed to assist the Health Facility Committees, Village councils, councils, the Regional Secretariats, PO-RALG, Ministry of Health (MoH), and the Basket Financing Committee (BFC) in their roles in the successful operation of the JRF

4. The stakeholders in the system are united in their desire that the JRF funds are disbursed and accounted for through normal central and local government systems, and do not set up parallel accounting systems. This manual is therefore not an accounting manual but contains the procedures that are required to be carried out in the villages and councils within the central and local governments normal accounting systems

5. The procedures have also been designed so as to be simple to use but at the same time be able to accommodate further funds which the donors/GoT intend to transfer through local authorities to village Health Facility Committees as it is shown that funds are effectively used and accounted for**.** The procedures will be updated as the Governments fiscal decentralization strategy develops and is realized. Procedures may change with the implementation of the Local Government Capital Development Grants (LGCDG), particularly at the Lower Local Government levels, in which case this manual will be updated accordingly.

Section 2 Overview of the joint rehabilitation fund system

The following paragraphs set out the salient points of the procedures to be followed, which will be detailed in later chapters of this manual.

Central Procedures

1. Development partners will deposit funds into a USD holding account at the Bank of Tanzania and thereafter channel the earmarked and allocated financing for rehabilitation of health facility activities to the exchequer account of the Treasury. Development Partners who are earmarking funds for rehabilitation must clearly state so in their remittance. Development partners who are not members of the Basket Financing Committee and signatories to the Memorandum of Understanding may channel earmarked funds to the JRF. Such partners may be co-opted onto the BFC or its sub-committees. The Accountant General will acknowledge receipt of such funds, in line with the central health basket.

2. Based upon deposits into the account (both earmarked for rehabilitation and non-earmarked and the approved Medium Term Expenditure Framework (MTEF)), the BFC will agree amounts available in each fiscal year for rehabilitation. These amounts will be allocated by PO-RALG to each council and will be notified to councils based on the criteria agreed by the Basket Financing Committee. Funds will be budgeted under vote 56/PO-RALG and channeled to council using the existing Government systems through the consolidated fund.

3. Funds for central supervision and regional supervision will be budgeted under the vote of the PO-RALG and channeled as part of Vote 56.

Council/ Lower Local Government Procedures'

4. The Council Health Management Team (CHMT) and the Council's Engineer will undertake a survey of all health facilities to establish those in greatest need of rehabilitation. A priority list will be drawn up at each qualifying council. If the basic criteria are met the health facility will qualify for funding:

    - Only facilities in need of intervention defined as rehabilitation will receive support.

    - The health facility should have established a Health Facility Committee or a similar body that can oversee the rehabilitation.

    - To qualify for rehabilitation, a dispensary should have at least one trained staff, and a health centre at least two trained staff. The council should produce evidence of commitment to meet minimum staff requirement.

5. The HFC together with the Engineer and Medical Officer will commence drawing up a plan and estimate of works to be done, Bill of Quantities and Budget. This information will then be passed to the Council, via the Village Council (VC) and copied to the Ward Development Committee (WDC). The HFC should also ensure that the plans are presented at the next available meeting of the Village Assembly.

6. The CHMT will review and approve the proposals and include them in the Comprehensive Council Health Plan (CCHP), with funding shown from JRF for planned rehabilitation. In the first year of operation, a supplementary estimate may be required to be approved by Full Council for unplanned and budgeted rehabilitation works.

7. The Council will submit the CCHP in summary following the normal government procedure for submission (adding 1.5%, clearly earmarked for its own supervision costs) to the Regional Secretariat who will check for conformity with national JRF guidelines and therefore eligibility for funding. The plan will include a quarterly cash flow requirement. The RS will forward satisfactory plans to PO-RALG, copied to MoH with recommendations. PO-RALG will ensure that funds voted to the RS are sufficient to enable supervision.

8. PO-RALG will collate the regional JRF summary plans and submit them to the BFC for approval of funding. The MoH and PO-RALG will meet to agree recommendations prior to the BFC meeting, to ensure that recommendations meet both financial and technical performance requirements. BFC will approve the release of funds from the JRF account after scrutinising the summary report.

9. PO-RALG will draw up a plan and budget for the supervision of the JRF at central and regional level. These funds should be budgeted by PO-RALG in the usual manner.

10. PO-RALG will request the Accountant General to release 70% of the requirements of the approved rehabilitation funds from the holding account into the Consolidated Fund. These funds will be released in the form of an Exchequer Issue by the AG into the vote of the PO-RALG, which will then produce a disbursement request and allocation list and submit it to MOF for disbursement of funds directly the appropriate bank account of the council.

11. Councils will transfer 40% of the budgeted amounts received (i.e. the total allocation) to the Health Facility Bank Account as the first tranche of funding, together with a notification to the Secretary of the HFC who is the in-charge of the Health facility. The HFC secretary should post a copy of this notification on a community notice board and notify the HFC members

12. The HFC commences rehabilitation works. Minutes are taken of all meetings. Technical and financial progress reports are made on a monthly basis to VC. Council Engineer inspects on a bi-weekly basis and certifies the works done.

13. After the second tranche of 30% of the total budgeted funds is released and the first tranche successfully reported, a request will be made for further release of funds.

14. After 70% of the disbursed funds have been spent and accounted for by the HFC, a request for further funds will be made to the Council by the HFC. If the Council finds the reports satisfactory, a further disbursement of 30% will be made to the health facility account.

15. Councils will prepare quarterly reports for the activities funded by the JRF funds comparing amounts spent to the budget (CCHP). Councils will code the expenditures as grants to

villages and post the entries in the General Ledger/ Epicor using appropriate Chart of accounts codes.

16. Quarterly reports will be submitted to the RS for review and checking following the procedure of the CCHP. Councils should not extend this deadline for delayed HFC reports.

17. On satisfying themselves that the report is correctly entered and that funds have been appropriately used the RS submit them to PO-RALG (copied to MoH) with their recommendations and comments including a recommendation as to the release of the next tranche of funding. Reports should be transmitted within 10days. Regions should not delay these reports for any Councils who have failed to report.

18. PO-RALG will bring together all the reports received and make recommendations to the BFC the final 30% of the funding.

19. The PO-RALG will request the MOF to transfer funds for the JRF from the consolidated fund.

20. Any Council holding more than 30% of the total funding requirement will lead to cessation of future releases.

Facility Procedures

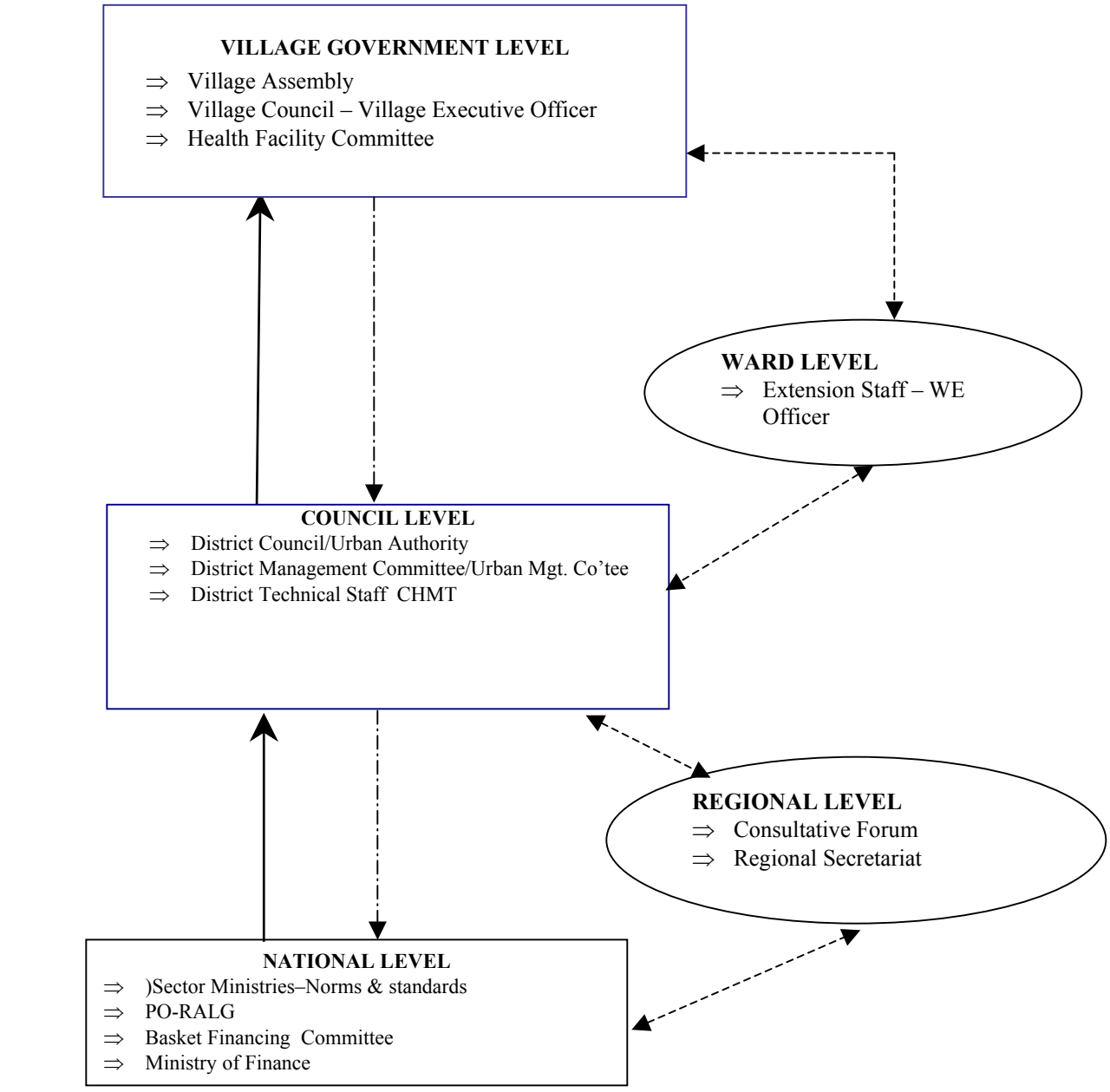
21. The Health Facility Committee will oversee the day to day rehabilitation activities. The HFC Chairperson and the facility in charge will act as bank signatories and signatories to contracts.

22. All receipts of money and progress reports will be reported to the Village Assembly and Village Government. The VG will report to the Council.

23. The HFC will keep records and Bank reconciliation statement which will be subject to usual internal and external audit.

24. An additional technical audit will take place during the implementation and additional reviews may be required in the event of an adverse report.

Overview of the JRF system



Section 3 Responsibilities

1. Responsibilities are outlined in detail in the central PO- RALG Health sector basket funds procedures and accounting manual. The section below indicates responsibilities which are additional to those highlighted in that manual and specific to the Rehabilitation of Health Centres.

The Basket Financing Committee (BFC)

2. The Basket Financing Committee will oversee the operation of the rehabilitation funds and activities, specifically:

    a) Agrees the amount of funds to be earmarked for rehabilitation in each financial year,
    b) Agrees release of funds from the USD holding account into the consolidated fund for rehabilitation activities.
    c) Co-opts other partners who may not be signatories to the Basket Memorandum of Understanding (MoU), but may wish to contribute funds for rehabilitation of Primary Health care facilities.

President's Office - Regional Administration and Local Government (PO-RALG)

3. The PO-RALG is responsible for overall supervision of the councils. This includes:

    a) Preparation of a national consolidated report of councils' Health Plans for the BFC for funding;
    b) Produces the priority list of Councils to receiving JRF funding according to agreed criteria;
    c) Co-ordinating role in ensuring that all councils submit their health reports quarterly;
    d) Co-ordinating the rehabilitation of health facilities with other project interventions which will impact upon health facility rehabilitation such as the Tanzania Energizing Rural Transformation project;
    e) Liaison with MoH on technical matters;
    f) Preparation of requests to the Accountant General for release of the approved amounts from the USD holding account and transfer of approved amounts to individual Councils;
    g) Appoint a technical auditor to audit the rehabilitation works on a sample basis, take action on such reports and amend policy and guidelines in line with the findings of the technical auditor.

Ministry of Health (MoH)

4. MoH is responsible for the technical guidance and evaluation of councils' performance. In relation to rehabilitation, this includes:

a) Development and follow up of national Health Facility guidelines, standards, such as standard lists for medical equipment and furniture and Health Centre specifications, and performance indicators;
b) Advising PO-RALG on council technical performance;
c) Support to Regional Secretariat on technical issues.

Regional Secretariat

5. The role of the Regional Secretariat with regard to the Joint Rehabilitation Funds is to:

a) Assist the councils in the preparation of CCHPs (including the rehabilitation plans) and quarterly reports;
b) Evaluate the quarterly reports as to their compliance with JRF national guidelines and health basket guidelines;
c) Make recommendations to PO-RALG as to whether Health facilities meet the criteria for receipt of funds.

The Council

6. The Council includes the Council Management Team, Council Health Committee, the Council, the technical staff, the DMO and the CHMT and its role in rehabilitation is to:

a) Assist the HFC in assessing the works and goods required for rehabilitation and the development of a plan and budget;
b) Organise sensitization and training of HFC and VG and Facility staff with responsibilities for Stores, Accounting and day to day supervision of contractors;
c) Include the rehabilitation plans in the CCHP and discussion of plans with the Regional Secretariat;
d) Supervise and monitor rehabilitation works primarily through its DMO, Engineer, Planning Officer and internal auditor;
e) Prepare and submit quarterly reports to the Regional Secretariat;
f) Transfer of funds from account number 6 to Health facility committee bank accounts;
g) Post amounts transferred to HFC Bank accounts on notice boards to ensure transparency and accountability;
h) Check reports from facilities to ensure that works comply with the guidelines;
i) Certify works;
j) Assist the HFC in evaluation of Works and Supplies tenders;
k) Assist the HFC by transporting materials from the supplier to the site;
l) Assist the HFC in advertising contracts which cannot be let to a contractor in the local vicinity of the Health Facility;
m) Undertake technical review and inspection of the works during the rehabilitation.

The Ward

7. The Ward includes the Ward Development Committee, Councillors and Extension staff. The Ward is responsible for:

a) reviewing and overseeing the implementation progress of the rehabilitation works to health facilities in its area;
b) Ward Development Committee provides technical support to Village Councils and HFC to facilitate rehabilitation;
c) Coordinating the village activities and reports to the Councils;
d) Mobilizing beneficiaries to effectively participate in the rehabilitation.

The Village Government

8. The Village Government is a lower local government to the Council and the VG referred to is the one in which the facility is located. The Village Government is responsible for:

a) Organizing sensitization seminars facilitated by the Council facilitators during which community members and other stakeholder in the Village will be informed about rehabilitation activities and funds available;
b) Approving plans for rehabilitation;
c) Supervising the election of the HFC and subsequently ensuring ratification by the Village Assembly;
d) Submitting to the Ward and Council the progress report on sub facility rehabilitation;
e) Mobilization of beneficiaries to effectively participate in the rehabilitation;
f) Ensuring security of the resources;
g) Including the rehabilitation activities in the village development plans;
h) Resolving conflicts that may affect smooth implementation of the planned rehabilitation;
i) Liaising with higher Local Government Authorities to ensure appropriate operation and maintenance of the rehabilitated health facilities.

Health Facility Committee

9. The Health Facility Committee also acts as the Health Facility Tender Board and is a committee of the Village Government and the HFC is responsible for:
a) Managing joint rehabilitation funds for the facility;
b) Facilitating the planning and rehabilitation of Health facility;
c) Defining the works in accordance with the PO-RALG definitions;
d) Producing estimates of the works required;
e) Collaborating with the Village Council in mobilizing the 15% community contributions to rehabilitation costs;
f) Preparing and presenting rehabilitation plans to the Village Council and the Village Assembly;
g) Presenting implementation reports to the Village Council and Assembly on a monthly basis during rehabilitation activity;
h) Procurement of goods and services within specified limits;
i) Seeking technical support from Village and Ward Council, Council sector specialists and competent individuals, as necessary and appropriate;
j) Electing designated bank signatories;
k) Assisting the contractor to organize, plan project activities to ensure continued service provision;
l) Supervises local artisans and suppliers
m) Maintain stores;

n) Organise, (after the Council Engineer's certification) approve and make payments to contractors and skilled labour on a weekly basis or agreed scheduled;
o) Assesses with the District Engineer the works required and agrees the Bills of Quantity;
p) Agrees the specifications with assistance from the Council's Engineer or his/her technician
q) Verifies all procurement notices prior to advertisement to ensure they are in agreement with specifications
r) Approves all procurement with at the Facility Level.
s) Awards all contracts for rehabilitation goods or works.

Facility Officer In Charge

10. The Facility Officer in Charge is the Officer nominated by the Council Director. The Officer:

a) Acts as the Secretary to the HFC and Health Facility Tender Board
b) Nominates staff member to receive training and keep financial records
c) Nominates a different staff member to supervise and control stores
d) Keeps minutes of all meetings
e) Supervises keeping of the cashbook , bank reconciliations, stores records and reports
f) Produces reports to the HFC
g) Keeps financial records of payments made and monies received into the Facility Bank Account
h) Supervises the contractors on site on a day to day basis.
i) Posts advertisements on notice boards for tenders and amounts received from Council for rehabilitation
j) Supervises procurement and storage activities at the facility level.
k) Ensures that stock recording is properly undertaken at the facility.
l) Prepares certification documents for signatures.

Council Engineer

11. The principal responsibility of the engineer at facility is to oversee the contract to ensure that the rights and obligations of the parties are maintained. Specific roles include:

a) Assist the HFC in specifying the Works required and drawing up the BOQ;
b) Check that works are in accordance with the contract documents;
c) provide a qualitative opinion of the work;
d) Certification of works completion before payment is made to contractors.

Section 4. Preparation of the Rehabilitation Plan and Budget

1. The Planning and Budgeting for Basket funds is described in the 'Central PO-RALG Health Sector Basket Funds Procedures and Accounting Manual' which is in turn based on the legislation and regulations in force. The planning timetable is that of the CCHP in order to meet the deadlines required for budgetary approval. The focus of this procedures manual is therefore those procedures which are specific to the planning and budgeting for rehabilitation funds.

2. A plan will be required to be produced by each Health Facility committee for the works and equipment required for completion of the rehabilitation. Format for the plan is given in Appendix- JRF02. Government policy indicates that all health sector activities implemented at the Council level are incorporated in a Comprehensive Council Health Plan. As funds are channelled through the Council, all rehabilitation activities must be included in the CCHP. This is designed to ensure that implementation is linked to priority problems within each District and that health interventions are harmonised. The plan should include a simple procurement plan for the rehabilitation. A sample procurement plan is included in the Appendix -JRF01.

3. It should be emphasised that rehabilitation funds are intended to be used by both Government and Faith-based, voluntary agency, NGO and not-for- profit health centres and dispensaries in each district. Private for profit facilities are strictly excluded from the scope of the application of the funds.

National Planning - Priority list of Councils

4. Councils will receive rehabilitation funds on a rolling basis as funds are available. In order to provide a transparent list of priority Councils, PO-RALG has classified each Council according to three criteria:

    a) Councils with a higher Poverty Rate (derived from the Household Budget Survey 2000/01) receive support first.

    b) Councils that have received support (government or donor/NGO) for rehabilitation in the previous five years will receive support after those that have not previously received support (councils which have received support for two facilities or less are treated as if no support has been received).

    c) Councils should have received sensitisation for the establishment of Council Health Boards and the board should be established before transfer of funds is effected.

5. The number of councils that will be included in each round of funding is determined by the amount of funds available. If more funds become available during the year the consecutive councils on the list will be included.

Budgeting for rehabilitation funds at the National level

6. It would be ideal to allocate according to the status of each health facility, but since this has been deemed too time consuming and costly an exercise to be undertaken nationally; a simple calculation mechanism based on existing infrastructure has been developed for planning purposes.

7. A council will receive funds for rehabilitation of 25% of their health facilities and they will receive a flat rate per dispensary (Y) and health centre (X).

   Funds for rehabilitation to council = 0.25 *Number of Health Centres * X + 0.25 * Number of Dispensaries * Y

8. In the previous Health and Nutrition Project funded by the World Bank estimates of the cost of rehabilitation were made, these estimates have been updated and will be used for the purpose of forecasting and budgeting for the JRF.

Health Facility	**Amount per facility**
Dispensary	14,000,000 TSh
Health Centre	52,000,000 TSh

Council level planning for rehabilitation

9. PO RALG will notify those Councils who fulfil the criteria outlined in paragraph 3 above as to the indicative funds available for rehabilitation.

10. The CHMT will identify facilities that fulfill the criteria below, both government and NGO/faith based facilities must be included in this identification exercise. The criteria for facilities are:

    a) Only facilities in need of intervention defined as rehabilitation according to the definition in paragraphs 20-25 below will qualify for funding;

    b) The health facility should have established a Health Facility Committee or a similar body that can oversee the rehabilitation;

    c) To qualify for rehabilitation a dispensary should have at least one trained staff and a health centre at least two trained staff and the council should produce evidence of commitment to meet minimum staff requirement.

11. In order to ensure that the most needy of facilities are rehabilitated, the PO-RALG have provided the following guidelines for the use of the CHMT and the Health facility staff to enable a structured assessment of the facilities within the Council's area.

12. The HFC and the CHMT and the district engineer will make a rank the identified facilities according to the table below. This will ensure that the facilities most in need get highest priority, but all facilities which are to be rehabilitated must fulfill the criteria above.

13. The variables for the ranking of facilities in a council and their relative weight are:

No	Item	Criteria	Weight	Definition
1	State of Facility	Fair	10	No structural failures; small leaks in roofs; small cracks in walls & floors, blocked drains; leaking water taps.
		Bad	30	Some structural elements need partial/full replacement (typically roof/ceilings); cracks in walls & floors; replacement of doors & windows; broken drains; missing water taps.
2	Distance to other facility	Below norm[1]	0	
		Within/beyond norm	40	
3	Services provided	Outpatient/MCH	10	
		Outpatient and MCH	15	
		Out-, inpatient & MCH	20	

14. The health facilities will be ranked according to the weightings above and the facilities with the highest score will be planned for rehabilitation first. The Council Engineer and the Secretary of the Health Facility Committee should undertake the assessment using the form in Appendix JRF01. The assessment should be undertaken for all facilities including Voluntary or faith based, the total scores will then produce a ranked list for approval by the Council Health Committee and inclusion in the Council Health Plan.

15. The council can rehabilitate as many facilities as possible, however, each health facility chosen should undergo complete rehabilitation including buildings, equipment, furniture and infection control. The Council may then move onto the next stage.

Facility level Planning for rehabilitation

16. When the Council has a priority list of health facilities that qualify for and are in need of rehabilitation, it is the role of the Council engineer and the CHMT together with the HFC to make a list of requirements for each facility that need to be procured and can be tendered. Standard lists will be provided by PO-RALG for medical equipment and furniture minimum requirements. The standard form for planning is included as Appendix JRF 02.

17. The community will have to contribute with 15% (in kind or cash) of the estimated cost for a Health Centre (Tsh 52,000,000) or a Dispensary (Tsh 14,000,000). The standard form for calculating and planning for this contribution is included as Appendix – JRF 03. The appropriate amount should be entered in the budget planning form Appendix – JRF 02 in the Community Contribution Column.

18. The total budget for the rehabilitation package for a health facility would then be calculated as follows:

[1] The norm is 5 km, because the policy is that all Tanzanians should be within a radius of five km to a health facility

Item	Activity	Cost	Remarks
1	Rehabilitation works	xxxx	
2	Infection control	xxxx	Water, sanitation, incinerator as per
3	Equipment	xxxx	requirement
4	Furniture	xxxx	Supplementary items as per requirement
5	Sub total	xxxx	Supplementary items as per requirement
6	Less community	(xxxx)	
7	contribution		15 per cent of Building Works cost (1 above)
	Grand Total	XXXX	

19. The Council will start with the highest priority health facility at the top of the list and fully rehabilitate as many facilities as possible with the amount of funds available. The Council will provide a summary budget for its requirements within the ceiling issued based on the calculation given in Paragraph 8 above.

Eligible activities for Rehabilitation finding

20. It is important that JRF funds are only used for activities defined as rehabilitation. This rehabilitation work must not be confused with any maintenance or emergency repair works which may be required.

21. The PO-RALG has adopted an approach based on the cost per m^2 of making the facility good as compared with the cost per m^2 of building a new health facility at the same location. These two costs are expressed as a percentage. It should be noted that the unit cost applied for this classification is for construction works only and excludes costs for other items in the package, such as infection control, medical equipment and furniture.

Definition of Rehabilitation

22. *New Construction* – costs per m^2 will be 100%. Joint Rehabilitation Funds may not be applied for New Construction.

23. *Rehabilitation* – Unit costs would be between 30% and 75% of new construction. Typically, structural elements such as the roof might need full or partial replacement but the building is basically structurally sound with no progressive settlements of the foundation, causing irreparable damage to the floors and walls.

24. *Emergency Repair*- Unit costs would not exceed 30% of the costs of new construction. If the total costs to repair the buildings exceed 30%, then the works would be classified as rehabilitation.

25. Definition of the works in accordance with the above is the responsibility of the HFC with guidance from the Council Engineer.

Categories of Rehabilitation expenditures

26. Expenses for rehabilitation fall into the following categories:

a) *Building Rehabilitation* – rehabilitation works as defined in paragraph 23 of this section.
b) *Infection Control* – e.g. a safe source of water supply, sanitary facilities exclusively for the use of the staff and patients and a safe system for handling and disposal of medical waste as required in facilities where these items are missing.
c) *Supplementary Equipment supply* – to ensure congruence between services provided and equipment available, a standard list will be made available to all health facilities of minimum requirements.
d) *Supplementary furniture supply*- new furniture required to ensure that services may be provided.

27. **Only expenditures falling into the category of rehabilitation will receive funds for Rehabilitation.** Repairs and maintenance and minor works may be financed from other sources, but not JRF funds. Provision is made within the Council Health Basket for minor repairs/maintenance of health facilities (the Health Basket guidelines cite 10-20% allocation range). Councils should ensure that the recurrent maintenance expenses are budgeted for subsequent to the completion of the rehabilitation.

28. HFC should plan for the works and prepare a budget using the Form in the Appendix JRF 02. This is then presented to the Village Government and Assembly. It then is forwarded to the ward Development Committee and to the Council Health Committee. The CHMT should include the rehabilitation works required in the CCHP using the summary form given as Appendices D and E – JRF 04 and JRF 05

Checks by the Regional Secretariat

29. The Rehabilitation Plans will be checked by the RS Office to ensure:

- ✓ That the planned work constitutes rehabilitation as per the definition given in this section of the procedures manual
- ✓ That a HFC is constituted
- ✓ That the appropriate staffing is established

Section 5. Disbursement of Rehabilitation Funds

Review and Approval of Plans and reports

1. The Rehabilitation plans will form part of the CCHP for each Council receiving funds. Councils should therefore abide by the reporting timetables for basket funds and block grants.

Disbursement from Centre to Councils

2. Development partners will deposit funds into a USD holding account at the Bank of Tanzania and thereafter channel the earmarked and allocated financing for rehabilitation of health facility activities to the exchequer account of the GoT. Development Partners who are earmarking funds for rehabilitation must clearly state so in their remittance. Development partners who are not members of the Basket Financing Committee and signatories to the Memorandum of Understanding may channel earmarked funds to the JRF. Such partners may be co-opted onto the BFC or its sub-committees. The Accountant General will acknowledge receipt of such funds, in line with the central health basket.

3. Based upon deposits into the account (both earmarked for rehabilitation and non-earmarked and the approved MTEF), the BFC will agree amounts available in each fiscal year for rehabilitation. These amounts will be allocated by PO-RALG to each eligible council and will be notified to Councils based on the criteria agreed by the Basket Financing Committee. Funds will be channeled using the existing Government systems through the consolidated fund.

4. An additional 1% of amounts transferred will be added to the amounts to contribute towards the Supervision costs of the Council. This must be accounted for using the Health Sector accounting Return.

5. Funds for central supervision and regional supervision will be budgeted under the vote of the PO-RALG and channeled as part of Vote 56.

6. Councils will initially receive 70% of the budgeted amounts. The remaining 30% will be released to each Council on receipt of satisfactory reports for the first quarter or tranche, which ever is the greater.

7. In the event that a council fails to report on behalf of the Heath Facilities, the remaining 30% will not be released.

Disbursement from Councils to Health Facilities

8. Councils will transfer the budgeted funds into the bank accounts of each agreed HFC which has been assessed and agreed in priority need of rehabilitation in three tranches: 40% , 30% and 30%. The second tranche will only be disbursed upon the HFC accounting for at least 70% of the first tranche. Disbursement of the third

tranche is contingent upon the HFC accounting for at least 70% of the second tranche and 100% of the first tranche released.

9. The Council will post amounts transferred on its notice board and a copy should be made available for posting in a prominent place within the recipient community.

10. The second tranche will be released from the Council upon receipt of satisfactory progress reports and completion of an independent technical audit. Should there be adverse comments during the technical audit, the Council Engineer should make recommendations to the HFC and Contractor re: remedying the unsatisfactory elements. The Council will not disburse further funds until there is, in the opinion of the Council Engineer appropriate actions taken to address the shortfalls.

11. In cases where there are problems with the financial reports, identified either by the Council Treasurer, the internal auditor or the regional secretariat, further funds disbursement will be halted. In this event, the HFC, the RS and PO-RALG will be informed by the Council.

12. In the event that the Community contribution is not forthcoming, the CHMT will advise the HFC accordingly.

13. If the Health Facility Committee is holding 30% or more of the funds released, then the Council will not release further funds until the monies are expended.

Section 6 Local Authority Accounting Procedures

1. The local authority will use the normal accounting procedures as laid down in the Local Authorities Accounting Manual, the Financial Memorandum and the Staff Regulations. The following descriptions emphasise those procedures in their application to the Health Account, Basket Funds and rehabilitation funds.

2. The Rehabilitation funds are transferred to Account No. 6 through which all income and expenditure for Health is to be channelled.

Bank Account

3. Transfers of rehabilitation funds will be made to Health Facility bank accounts if the criteria as described in section 4 are met. The signatories to the bank account for Council Health Department are in two groups:

   Category A - the District Medical Officer (DMO)/Medical Officer of Health (MOH) or her/his appointee.

   AND

   Category B - Council Director or her/his appointee.

4. Councils will transfer the budgeted funds into the bank accounts of each agreed HFC which has been assessed and agreed in priority need of rehabilitation in three tranches: 40% , 30% and 30%. The second tranche will only be disbursed upon the HFC accounting for at least 70% of the first tranche. Disbursement of the third tranche is contingent upon the HFC accounting for at least 70% of the second tranche and 100% of the first tranche released.

5. The Treasurer will manage the bank account for Health – number 6 and all accounting through the normal Council procedures.

6. The DMO manages and monitors the financial and operational performance of the health facilities on a day-to-day basis with financial information and support from the Council Treasurer. The health facilities provide regular performance reports to both.

Accounting Entries

7. All income and expenditure on health services will be brought into the accounts of the local authority through its general ledger as a transfer to Village government.

8. When funds are transferred to Councils, the following accounting entries will be made in the books of the Council:

No	Description	Debit	Credit
1	Receipt of funds from MoF JRF	Health bank Account	Income – Govt

		No 6	Grants
2	Disbursement of funds to HF bank Accounts	Grants to Villages	Health Bank Account No 6

9. The Council Treasurer will provide monthly expenditure reports to the DMO, who will compare the balance with his/her vote book These movements are indicated in the Appendix -JRF 04. The accounting codes will reflect these cost centres.

Chart of Accounts

10. The Chart of accounts as used by the Councils will appear as follows:

	Cost centre		**Geographical**		**Project/ performance**				**GFS Accounts**		
Transaction Type	Department	Section	Ward	Village	Source	Project	Activity	Sub-	Sub-chapter	Item	Sub-item
Development revenue and expenditure											

11. The Ward and village code will indicate the health centre or dispensary. The GFS account code will denote the development rehabilitation expenditure. All Councils whether using epicor or not will use this code.

12. The Internal auditor will be required to audit the accounts of the HFC and should visit the Facility a minimum of once during the rehabilitation activities.

13. The Council Engineer, during his supervision will check that the Community Contribution, as stated in Appendix -JRF 03 has been forthcoming.

Section 7. Health Facility Accounting Procedures

1. The Health Facility Committee will be notified in writing of the total amount to be paid to it for rehabilitation activities and when it will be received.

2. The HFC Secretary (in Charge of the Facility) will ensure that this notice is published in a public place where community members can see amounts for rehabilitation.

3. The Council will transfer the agreed amounts of funds to the HFC Bank Account in accordance with the plan as approved, based on the Council summary form submitted and approved.

4. The In Charge of the Health facility will nominate one staff to take responsibility for receipt and issuance of stores items. Another separate staff member will be responsible for maintenance of the financial records. The Officer in charge will oversee these tasks.

5. The Financial Memorandum requires that a cash book is kept for each account at the Village Government level. The Officer in Charge of the Facility will ensure that a simple cashbook is kept and reports are derived from this. This cashbook should capture all payments from the facility account and have the headings: Building Works, Infection control, medical equipment and furniture.

6. Payments will be made to contractors for works on the basis of certification by the District Engineer.

7. Payments will be made from the Health Facility bank account in line with the agreed plan for the rehabilitation The signatories to the bank account for Health facility are in two groups:

   Category A - The Officer in Charge of the Health Facility) or her/his appointee.

   AND,

   Category B - The HFC Chairman or her/his appointee.

   Signatories are approved by the Health Facility Committee and the Council Finance Committee prior to acceptance. Any changes in signatories will be subject to the same approval.

8. All cheques will be presented to the Council Medical Officer, with supporting documentation – (Invoice, Certificate signed by the Engineer or his/her technician) for endorsement before the payment can be made.

9. Bank Reconciliation must be made on a monthly basis upon receipt of the bank statement for the Health Facility bank account. The Bank reconciliation is undertaken to agree and prove the accuracy of the balances shown in the HFC's cashbook and cash held at the bank, differences are identified during the reconciliation and actions taken to rectify them.

10. The Officer responsible will make entries into the cash book for all expenditures and receipts. Expenditures will be classified into 1) Building Works, 2) Infection control, 3) Equipment (medical equipment, instruments, linen) 4) Furniture and 5) Community Contribution.

11. Reports will be made on a monthly basis to the Village Assembly, the Village Council and the Ward. Reporting formats are given in the appendices. Financial reports (JRF 07)must be accompanied by a copy of the bank statement and bank reconciliation statement.

12. The Ward Development Committee will review the reports in the context of progress against the Ward Development Plan and pass the reports to the CHMT.

13. Receipts of non-monetary resources such as sand, bricks and labour supplies will be valued on receipt and included in the HFC accounts as a note. Should the amounts received differ from the initial plan, the HFC Chairman will cause a meeting to establish how any gaps in expectations may be filled.

14. Contractors payments will be staged and based upon the contract, claims must be certified for payment by the Council Engineer who is responsible for ensuring that the quality of works is satisfactory. Certificates should be countersigned by the Facility in-charge and the Chairman of the HFC**.**

15. The Council's Internal Auditor will assess the internal controls and recommend improvements to the systems at the facility level. The internal auditor will report to the Council Director. In the event of serious weaknesses at the facility level, the HFC will be informed and in the event of serious control weaknesses, the Director may suspend any further funds transfers to the Facility bank account until the problem has been resolved.

16. The Funds of the HFC will constitute part of the funds of the Village Government. The Income and expenditure account and balance sheet will include the transactions on the health facility, derived from the cashbook. The HFC secretary should therefore ensure that copies of the cashbook and bank statements are made available to the VG through the VEO on a monthly basis.

17. At the end of each local government financial year, the Council director should ensure that the final financial statements are prepared on a modified accruals basis to include debtors and creditors.

18. In accordance with the Public Finance Act 2001, the NAO has the responsibility of all government authorities including the LGA's. The Council will appoint Auditors to audit the village government accounts. The HFC Officer in Charge should ensure that all financial records are maintained and available for inspection by both the Council's internal auditor and the NAO.

Section 8 Procurement

1. This section of the procedures manual will apply to procurement of goods and works for rehabilitation of health facilities. These procedures are in addition to the standard legal and administrative requirements in existence. Government and all public institutions are required to follow the Public Procurement Act No. 3 of 2001. Health centres and dispensaries are also required to abide by this law in addition to Local Government Procurement Regulations (2003) and Procurement Manual Local Government Authority 2003).

Existing procurement system & policies

2. The current procurement systems and policies are based on the Public Procurement Act No. 3 of 2001. PO-RALG has also developed a Procurement Manual For Local Government Authorities (2003) based the Act and regulations. The Act and regulations requires that proceeds of any Public funded procurement be used with due regard to economy and efficiency.

3. The Procurement Act is generally guided by four basic policy considerations:-
    a) The need for economy and efficiency in the provision of works, goods and services.

    b) The Government's interest in giving all eligible contractors and suppliers equal opportunity to compete in the supply of goods and works financed by the government.

    c) The Government's interest in encouraging the development and participation of local contractors and suppliers.

    d) The importance of transparency, integrity, accountability and fairness in the procurement process.

This section of the manual applies these principles.

Procurement levels

4. JRF procurement is in the following three levels:

Level	Entity	Types of expenditures	Approval mechanism
I	Central Government	Procurement of Consultancies – for example technical auditors, centrally planned training and capacity building	Approved by appropriate tender boards/Authority whose limits are laid down in the PPA and its regulations

II	Local Government Authorities	Goods, works, consultancies	The approving tender board / authority of procurement should be the council director/DED (Local Authority Tender Board)(the Finance Committee is no longer the LATB ref to LG Procurment Regulation) as indicated in the Local Authority Financial Memorandum of 1997 and procurement manual for LGA 2003.
III	Health Centres and Dispensaries	Building Works, infection control package, Medical Equipment, Furniture,	HFC should approve procurement at level III.

Contract value thresholds and procurement methods

5. The following table summarises the contract value thresholds and the level of JRF procurement to which each method applies. (No need to mention thresholds under the PPA – only focus on Council/Facility level procurement)

Procurement /Method	**Estimated contract value threshold USD equivalent**			**Applicable Level (see table above)**
	WORKS	**GOODS**	**CONSULTANCY**	
International CB	Above 500,000	Above 200,000	Above 100,000	I
NCB	Less than 500,000	Less than200,000	Less than 100,000	I, II
Limited International bidding (LIB) / Restricted tendering	All Values, prior review Above 500,000	Above 200,000		I
Shopping(National) /Quotations	Less than 50,000	Less than 30,000		II & III
Single Source	All values, prior review	All values. Prior review		I , II & III
Minor Value	Less than 8,000	Less than 2,500		I , II & III
Local Shopping	Less than 8,000	Less than 2,500		III

Community level Procurement

6. The following paragraphs highlight the procedures to be followed at the community level. It is intended that as much procurement as possible is undertaken at community level and from suppliers within the community. However it is also known that whilst capacity is building , considerable support will be required from the Supplies Officers within the District Treasurer's Office. Likely roles for the District Officers in procurement are:

    - Assist the HFC in assessing the works and goods required for rehabilitation and the development of a plan and budget;
    - Organise sensitization and training of HFC and VG and Facility staff with responsibilities for Stores, Accounting and day to day supervision of contractors;
    - Check reports from facilities to ensure that works comply with the guidelines;
    - Certify works;
    - Assist the HFC in evaluation of Works and Supplies tenders;
    - Assist the HFC by transporting materials from the supplier to the site;
    - Assist the HFC in advertising contracts which cannot be let to a contractor in the local vicinity of the Health Facility;
    - Undertake technical review and inspection of the works during the rehabilitation.

Establishment of Health Facility Tender Boards (HFTB)

7. The Health Facility Committee for the respective facility will resume the duties of the tender board at that facility to oversee the procurement of items for the rehabilitation of the facility.

8. The Health Facility Committee Chairperson will be the chairperson, while the officer in charge of the facility should be the secretary of the HFTB, another three members should be nominated from among the members of the HFC.

9. Procurement decisions at the facility will be reviewed by the HFTB in order to ensure conformity with the guidelines, regulations and the instructions or conditions set in the bidding documents & request for quotations as specified in the Act and regulations.

Procurement planning

10. During the Planning Process, the HFC should compile a procurement plan. A sample form for a procurement plan is given in Appendix - Form JRF 01. The purpose of the plan is to act as a control against which procurements may be monitored. It will also assist in the planning of the rehabilitation project, as the procurement process, using the procedures described below can be time consuming and failure to procure in a timely manner may lead to unacceptable delays and unnecessary disruption to services.

Level of procurement Authority at the Facility

11. Based on the Procurement Act and LG Procurement Regulations (2003), the HFTB will select the suppliers/contractors or service providers considering the price offered and the quality of the items or services required
    - The Officer in charge of the facility shall be allowed to handle any procurement whose limit is 100,000/= without competitive quotations.
    - If the value of the goods offered is above 100,000/= but below Tshs 500,000/= it should be ordered from a nearby and reputable source after comparing five available competitive quotations.
    - Single source procurement may also be applied in the event that there is only one supplier in the locality or the item is of low value. HFTB should be responsible for such a purchase.
    - If the value is above Tshs. 500,000/= but below Tshs. 2,500,000/= (Goods) and below 8,000,000/= (Works) competitive quotations from at least three reputable suppliers/ contractors must be obtained. HFTB shall be responsible for such a purchase.

All procurement above 2.5m/= (Goods) and above 8m/= (works) must undergo tendering proceedings as described in the regulations and this manual.

Procurement of Minor Works

12. General Services e.g. small specialist rehabilitation contracts shall be carried out using direct contracting for works. Procurement using this method MUST be approved by the HFTB. This method is appropriate where:

    - The required service is obtainable from one service provider in the area.
    - The contract value is minor.

Procurement of Works

13. The Signatory for the Local Purchase and Works orders will be the officer in charge at the facility. The Council Engineer will prepare a Bill of Quantity; this BOQ will form the basis of the works order. HFC must note that any splitting of this order is prohibited. If there is no supplier/contractor in the vicinity who can fulfil the order, the Council must be approached to assist in sourcing a supplier/contractor.

Procurement of Medical Equipment, Instruments, Linen and Furnishing

14. Procurement of specialist medical goods requires expertise in medical and public health to ensure proper specifications, packaging, storage and quality control. Medical equipment, and instruments, should therefore be procured by the HFC through Medical Stores Department (MSD). If such items are not available from medical stores, they may be purchased using the appropriate procurement method according to the guidelines. Procedure for acquiring medical & other equipment from sources other than medical stores will follow the laid down procedures and guides as set out in the PPA and LG Procurement Manual (2003) and using standard Tender Documents on Procurement of Health Sector Goods.

15. The HFC must get endorsement from CHMT before executing such procurement to ensure that the equipment is in line with national guidelines and standards In practice, the Council's Medical Officer will work with the HFC in drawing up a list of its requirements.

Methods of Procurement

16. Methods of procurement are described in the procurement manual for LG authority (2003) and being detailed in the PPA No 3 of 2001 and regulations. The HFC should use the appropriate method as listed in the table on page 26 (check page ??) however in exceptional circumstances, it may select an appropriate alternative method of procurement in the case where tendering would not be the most economic and efficient method of procurement and the nature and estimated value of the goods or works permit. The reasons for such exceptional circumstances should be clearly documented and notified to the Council Director via the VC and the WDC in writing with copies of the relevant minute giving details of why the decision was made.

Tendering Proceedings.

17. All procurement above 2.5m/= (Goods) and above 8m/= (works) must undergo tendering proceedings as described below.

18. Invitation for tenders at the facility level must be made through the local media, i.e. at schools, clubs, meeting halls, playing grounds, shopping centers, churches, mosques, and markets. A minimum bid period of fourteen (14) days shall be allowed. This period should allow adequate time to all tenders for a fair opportunity of submitting a complete tender.

19. The invitation for Tenders should have the prior approval of the HFTB. Notices inviting tenders must state:
    - name,
    - address of the facility for which application for tender documents must be made,
    - place,
    - time and,
    - closing date for receipt of responses.

20. In the event that there is no satisfactory response to the Invitation to Tender, the HFC should refer the Invitation to the Council for wider advertisement.

Tendering Documents

21. The following documents should be included in tender invitations:
    - Instruction to Tenderer's
    - Technical Specifications
    - Bills of Quantities (where appropriate) and /or schedule of rates.
    - Schedule or additional information.
    - Conditions of Contract
    - Form of Tender
    - Drawings
    - Site information data

The Health Facility Committee may seek advice from the secretary of the Council Tender Board or Council Treasurer, or Council Engineer on compilation these documents.

The Instruction to Tenderers (ITT)

22. Instruction to tenders must be made very clear to enable the would be suppliers/contractors to prepare the bid in accordance with requirements of the HFC. The ITT should be drafted unambiguously so nothing within them could affect the rates inserted by bidders in the tender. The instruction should stress the importance of all entries and signatures and that any necessary alteration must be initialed.

23. Issues to be included in the ITT includes: Eligibility of tenderers, criteria for evaluation, cost of tendering, terms and conditions of contract, the language in which bids should be prepared, the manner, place, date and time for submission, closing and opening of tenders, procedure during opening and any other requirements established by the HFC in conformity with the PPA and Regulations relating to the preparation and submission of tenders and to other aspects of the procurement proceedings**.**

Treatment of Tenders

24. On receipt of tenders at the facility, these should be opened on the deadline for submission and if not possible the tenders should be:-
    - Held unopened in a locked tender box in a safe place until the formal opening date. After each tender envelope is opened. The chairman of the Tender Opening meeting should announce:
    - Tenderers name
    - Date and time of receipt
    - Tender price
    - Price of alternative tender if appropriate
    - Any discounts
    - Any other available information

25. This information should be recorded by the officer in charge i.e. the Facility Committee Secretary and signed by the chairman and other members as witnesses. A tender delivered after the deadline of the submission time shall not, under any circumstances, be considered.

Language

26. The procurement request and other documents for invitation to tender or quotations and tendering proceedings at the facility level must be written in English and/or Kiswahili as appropriate.

Tender evaluation

27. After the tender opening, tenders have to be evaluated. Evaluation team shall comprise of three (3) members who should recommend to the HFTB the Names of bidders to be awarded the contract. During the evaluation process the Health Facility committee may invite any technical person outside the committee to give expert advice if necessary.

28. Where a tender other than the lowest responsive bid is evaluated as the most suitable one to be accepted in line with the award criteria, the evaluation should be documented and presented to the HFTB for approval.

29. The Council Engineer and Medical Officer should advise the minimum evaluation criteria for consideration for speciality works and Medical equipment/instruments respectively. Such criteria should comprise at least the following information.

- Experience of the tenderer
- Record of the past performance on the execution of the works or goods to be supplied.
- Quality of the goods to be supplied
- Schedule of works completion
- Schedule of delivery of goods

30. Other issues to be verified during evaluation of bids includes:
    - Legal registration of the firm by the Engineers Registration Board (ERB). It is recommended that building contractors class VII be qualified for the works procurement.
    - Registration by Business REgistration and Licensing Authority (BRELA).
    - Provision of Tax Identification Numbers (TIN), VAT certificates

31. Tender evaluation for Works should be undertaken under the supervision of the Council Engineers. Evaluation of Tenders for medical equipment which has not been procured from medical stores must be supervised by the DMO.

32. Evaluation recommendation should be shown clearly and the report shall be prepared and retained for post review, technical and financial audit purposes.

Notification of award

33. The successful bid shall be accepted and notice of acceptance of the tender shall be given to the chosen supplier /contractor after all necessary approvals have been obtained. The bidding documents requires the supplier/contractor whose tender has been accepted to sign a written procurement contract conforming the tender in such cases the Health facility/dispensary and the supplier/contractor shall sign the contract within fourteen (14 calendar days after the notice of acceptance has been dispatched to the supplier/contractor).

Award of Contract

34. Award by the HFTB shall be made to the lowest evaluated bid which conform to all terms, conditions and specification in the Tender Documents. The tender that has been ascertained to be successful shall be accepted and the notice of acceptance of the tender shall be given promptly to the supplier or contractor submitting the tender after all necessary approvals required have been obtained.

35. The invitation to tender requires that the supplier or contractor whose tender has been accepted signs a written procurement contract conforming to the tender. In such cases, the Chairperson and the Secretary of the HFC, and the supplier or contractor shall sign the procurement contract within 14 calendar days after the notice of acceptance has been dispatched to the supplier or contractor.

36. The procurement contract enters into force when the agreement is signed by the supplier or contractor and by the Chairperson and Secretary of the HFC and countersigned by another witness who is a member of the Health Facility Committee.

37. No verbal confirmation, letter of intent, letter of regret , or official order may be issued prior to approval having been obtained from HFTB. Letters of regret should be issued within seven (7) days by the Officer in Charge of the Facility after award to all successful tenderers.

Progress report

38. Health Facilities shall prepare monthly progress report and cause minutes of the proceedings of every meeting to be kept and such minutes shall be transmitted to the council via the village council and ward as soon as practicable after the meeting at which they were confirmed. This report should reflect financial and technical performance and is outlined in Appendices F (JRF 06) and G (JRF 07).

Confidentiality

39. Information relating to the examination, clarification, evaluation of bids and recommendations for award of contract shall not be disclosed to bidders/suppliers or to other persons not officially concerned with the process, until the award of contract is notified to the successful bidder /firm . Any effort by a bidder to influence the HFC with a view to influencing the bid or award decisions will result in the rejection of his/ her bid.

40. In case a bidder wishes to bring additional information to the notice of HFC, HFTB or both, shall do so in writing.

Fraudulent & Corrupt practice

40. The HFC, as well as bidders, suppliers and contractors must observe the highest standards of ethics i.e. proceed in a transparent and accountable manner during the procurement process and execution of any contracts. All Reports and documentation must be retained by the Officer in Charge of the Health Facility for examination by internal and external auditors or any other Government inspector.

Sample Forms

41. It is expected that Health Facility Committees will carry out procurement for the planned rehabilitations independently. However, in order to build up capacity to carry out such procurements, they will be assisted by district / Municipal /city council authorities. This assistance will take the form of: training; advice and guidance with regard to the procedures and compliance with the laws and associated regulations and guidelines.

42. The following sample forms have been included at JRF 08 G to assist HFC's in carrying out procurement.

- Sample Local Purchase Order (JRF 08a)
- Sample request for quotations (JRF08b)
- Sample letter of invitation to bid for supply of goods (JRF 08c)
- Evaluation of quotations (JRF 08d)

Sample order and contract for supply of goods (JRF 08e)

Section 9 Reporting

1. Reports provide the stakeholders with information which will enable:

    - Accountability within the community for funds disbursed
    - Development of policies and procedures
    - Effective decision making regarding the future allocation of resources
    - Performance monitoring

2. The HFC will prepare quarterly physical and financial reports and submit to the Village Council. The reports will be discussed at the Village assembly which is convened quarterly by the Village council.

3. In cases where an application for a subsequent tranche is to be made before Village quarterly meetings, the Village council will convene a special village assembly, to discuss the reports which will be sent to the LGA and copied to the Ward Office. The Council will consolidate reports from the Villages and send to RS for scrutiny who will forward them to PO – RALG both quarterly and annually.

4. PO-RALG in collaboration with MOH will prepare national reports quarterly and annually which will be submitted to BFC.

Reporting at Facility level

5. The Facility in Charge will prepare a financial and physical report of expenditures as shown in the Appendix JRF 05 and JRF 06 on a monthly basis. The data from this report will be drawn directly from the cash book. A copy of the bank reconciliation statement will be included.

6. On a quarterly basis, a quarterly summary report (given in the Appendix as form JRF 05 and 06 will be made by the HFC to the Village Assembly, Village Council and will be sent accompanied by a copy of the bank reconciliation statement to the Ward Office and the Council.

Reporting at Council level

7. The Council Treasurer will check reports received from HFC in the format given in Appendix JRF 06 for the following:

    - Arithmetical accuracy
    - Opening balances agreeing to the previous quarter return
    - The closing balance stated in the report agrees with the balance on the bank reconciliation
    - Differences remaining on the bank statements have been cleared since the last quarter report.

- That the budget figures are the same as those approved by the BFC. Where they differ, documentary evidence should be obtained (e.g. HFC and Village Council Minute) to support the revised budget or supplementary budget
- Variances from budget and explanations in the overview report for variances.

8. The Council will summarise the activities (Appendix JRF 04 gives the format) and forward the report via the RAS to the PO-RALG copied to the MoH.

9. All Councils receiving rehabilitation funds from the JRF will be required to complete an amended Health Sector Accounting Return to account for all receipts and payments into account number 6. This amendment includes receipts from JRF and payments to Health Facility Accounts. The amended return which includes JRF activities for those Councils receiving JRF funds is given in form JRF 07.

10. A copy of all reports will be kept in the Council Offices for examination by the External Auditors as required.

Reporting at Regional level

11. The Regional Secretariat will check the reports for accuracy and conformity with national guidelines as highlighted in section 4 of this manual. If satisfactory, the RS will forward to the PO-RALG and copy to MOH. In the case of an unsatisfactory report, the RS will discuss with the Council Director in order to remedy the matter. Should there be no satisfactory remedy; the Council may recommend to PO-RALG not to disburse further funds until the situation is rectified.

Reporting at National level

12. PO-RALG in collaboration with MOH will assess the quality of the reports and recommend to BFC for further finding.

Preparation for annual audit

13. The financial records of the Health Facility account will be made available to the staff of the Office of the Controller and Auditor General. At the village level this includes the bank statement, cashbook and bank reconciliation statements.

14. Councils are required by law to maintain books of accounts as provided in the Local Government Finance Act no 9 of 1982. These accounts should be closed at the end of the financial year and final financial statement prepared and submitted for audit as stipulated by the Act. The Basket Financing Committee may recommend a special audit of any council for the JRF to be conducted by NAO appointed auditors.

15. The Council Treasurer must send a proposed timetable for audit to the office of the External Auditors appointed by the NAO which should include the following:-
    a) date when a draft set of annual accounts will be available; and

b) date when the audited annual accounts have to be submitted to the PO-RALG.

16. The accounting return for the year will constitute the financial statement and will be subject to audit. The audit reports will be presented to the BFC.

Section 10 Technical Auditing

Introduction

1. Each Health Facility Committee will be procuring supplies and entering into contracts for construction, using local suppliers as far as possible. The Council Engineer will act as the 'site supervisor' from the technical perspective, having input at the planning and specification stages to ensure that needs are identified accurately and appropriate standards are specified in the tender documents.

2. The rehabilitation has a requirement for a 15% community contribution. This may add to the risk that the quality of construction will vary. In order to ensure durable rehabilitation and value for the JR funds it is necessary that a technical audit take place. PO-RALG will therefore appoint an independent technical auditor to audit the rehabilitation works in a large sample of sites. The Audit should take place in the early stage, after mobilisation and before the second tranche of funds is released, ie after commencement of building works. The second 30% tranche will not be released until the technical auditor has reported at the mobilization stage.

Reporting

3. The technical auditor should be a qualified civil engineer. The technical auditor must be an independent evaluator of the technical progress of the rehabilitation Works.

4. The auditor will report to the Council , PO-RALG and the MOH. Reports will be copied to the MOF – Technical Auditing Unit and CTB.

Risks In the rehabilitation process

5. Listed below are common risks identified during the technical audit:

   - Works and Goods ordered are not required by the facility
   - Works and Goods ordered do not comply with national norms and standards.
   - Works and Goods ordered do not provide value for money.
   - Works and Goods are not received by the Facility.
   - Specifications are inappropriate
   - Works in progress do not meet the specifications in the tender documents
   - Standards of workmanship are inadequate.
   - That works which are not classifiable as rehabilitation are being undertaken using the rehabilitation funds, ie new build, upgrading or maintenance.

6. The technical audit should assess the extent to which these risks have been minimized and managed. The report should ensure that each area is comprehensively covered.

Documents to be made available to the technical auditor

7. The HFC and the Council Engineer should make at least the following documents available to the technical auditor:

   - Designs and technical drawings
   - Instructions to tenderer's
   - Technical specifications
   - Bills of Quantities
   - Conditions of Contract
   - Certifications
   - Details of payments made to contractors
   - Details of contributions made in kind and their specifications.

8. The Auditor must undertake a physical inspection of the works in progress at the site to evaluate the risks outlined above. The Technical auditor will not be auditing the process of procurement, rather the content of the documents. The financial auditor will audit the process of procurement.

Liaison with the financial auditor

9. The financial auditor will audit the financial aspects of the procurement and compliance with the PPA. The technical auditor is interested in the technical content of the procurement documents and whether they meet the needs of the rehabilitation. All technical audit reports should be copied to the NAO to assist in his requirement to conduct Value for Money audit. Findings of the final audit will feed into this assessment in the final audit report.

Audit Follow up

10. A further audit may be required if an adverse report is lodged, that is that if in the opinion the works do not constitute a rehabilitation or do not meet industry norms. In such a case, the Council Director as Accounting Officer will cease any further disbursement to the Health facility Bank Account. The additional audit will be commissioned by the PO-RALG. The Council Engineer will assist the HFC in seeking a remedy to the situation in order that works may completed. An alternative contractor may need to be selected.

11. On project Completion a final technical audit will be undertaken together with a technical medical officer to ensure that building, equipment and furniture are fit for the intended purpose, of appropriate quality and meet the national standards.

APPENDICES

Appendix	Reference and Description
	JRF 01 - Assessment and Ranking of the Condition of Health Facilities
	JRF 02 – Standard form for rehabilitation planning
	JRF 03 – Estimate of Community Contribution
	JRF 04 – Council Summary - quarterly
	JRF 05– Facility Technical Report
	JRF 06 – Facility Financial Report
	JRF 07 - Health Sector Accounting Return
	JRF 08 – Sample Forms - Procurement

Name of Facility……..
Council…….

No	Item	Criteria	Weight	Definition	Ranking	Comments by Council Engineer/ Chairman HFC
1	State of Facility	Good Condition	0	No major works required, building has been recently maintained, minor painting required		
		Fair condition	10	No structural failures; small leaks in roofs; small cracks in walls & floors, blocked drains; leaking water taps		
		Bad Condition	30	Some structural elements need partial/full replacement (typically roof/ceilings); Cracks in walls & floors; Replacement of doors & windows; Broken drains; Missing water taps.		
2	Distance to the nearest facility	Below norm10km	40	The nearest dispensary/Health Centre or Hospital is over 10km		
		Within/beyond norm	0	The nearest dispensary/Health Centre or Hospital is within 10km		
3	Services provided	Outpatient or MCH	10	The Facility has either Mother and Child Health or Outpatients services but not both		
		Outpatient and MCH	15	The Facility has both Mother and Child Health and Outpatients services		
		Out-patient, inpatient and MCH	20	The Facility has both Mother and Child Health, Outpatients and Inpatients services		
4	TOTAL RANK					

1) Signed…….Council Engineer 2) …….Chair HFC
Date…… Date……

	Activity (list estimated contract values/ items required)	**Estimated Cost**	**Estimating timing of payments**				**Comments**
			Quarter 1- July - Sept	Quarter 2 – Oct- Dec	Quarter 3 - Jan - Mar	Quarter 4 Apr - June	
1	Rehabilitation Works						
2	Infection control						
3	Equipment						*Standard lists will apply*
4	Furniture						*Standard lists will apply*
5	**Sub total**						
6	Less community contribution 15 per cent of BW unit cost						*(See attached form – Estimated community Contribution)*
7	**Grand Total**						

SAMPLE OF PROJECT PROCUREMENT PLAN

1. SUMMARY

ITEM / CATEGORY			**AMOUNT (Tshs)**
Goods and General Services	-	TOTAL 1	----------
Consultancy Services	-	TOTAL 2	----------
Incremental Operating Costs	-	TOTAL 3	----------
Price and Physical Contingencies	-	TOTAL 4	----------
Refund of PPF	-	TOTAL 5	----------
Unallocated	-	TOTAL 6	----------
GRAND TOTAL			**----------**

2. GOODS AND GENERAL SERVICES

Package 1 (a)	----------
Package 1 (b)	----------
----------	----------
----------	----------
TOTAL 1	**----------**

3. CONSULTANCY SERVICES

Package 2 (a)	----------
Package 2 (b)	----------
----------	----------
----------	----------
TOTAL 2	**----------**

4. INCREMENTAL OPERATING COSTS

Item 3 (a)	----------
Item 3 (b)	----------
----------	----------
----------	----------
TOTAL 3	**----------**

5. Price and Physical Contingencies

TOTAL 4	**----------**

6. Refund of PPF

TOTAL 5	**----------**

7. Unallocated

TOTAL 6	**----------**

Health facility……
Council……..

Item	Units measured	Price per Unit Tshs	Units provided by the community	Total value of the contribution
Cement	Tonnes			
Sand 1.	Tonnes			
Hardwood 2.	M			
Softwood	M			
Roofing sheets	M^2			
Labour : Skilled	Hours			
Labour: Unskilled	Hours			
Other: *(name items)*				
Transport	Km			
Cash to be contributed	Tshs	-	-	
TOTAL				

1. Estimate of the building works (JRF 02)……

2. Required Community Contribution - 15% of 1 above……

Certified by:……Council Engineer

Certified by …… HFC Chairman

Noted by……Village Council Chairman

	Health Centre/ Dispensary (Name) A	**Budget per HFC & Council Engineer**					**Total Rehabilitation Budget requirement (B+C+D+E)**
		Rehabilitation Works B	**Infection Control C**	**Equipment D**	**Furniture E**	**Community Contribution F**	
1	Health Centre 1						
2	Dispensary 1						
3	Dispensary 2						
4	Dispensary 3						
5	Dispensary 4						
6	Dispensary 5						
7	Dispensary 6						
8	Sub Total						
8	Supervision costs 1%						
9	**Grand Total**						

	Health Facility	**Estimated Cost**	**Estimating timing of payments**				**Comments**
			Quarter 1- July - Sept	Quarter 2 – Oct- Dec	Quarter 3 - Jan - Mar	Quarter 4 Apr - June	
1	Health centre 1						
2	Dispensary 1						
3	Dispensary 2						
4	Dispensary 3						
5	Dispensary 4						
6	Dispensary 5						
7	Dispensary 6						
8	Dispensary 7						
9	**Sub total**						
10	Less community contribution 15 per cent of BW unit cost						
11	**Grand Total**						

To be included as part of the Comprehensive Council Health Plan

Monthly Technical Progress Report

Council ……_ Facility …… Quarter Ended ……

Planned Activities (per JRF 02)	Status of Implementation	Achievement in %	Comments
1	2	3	4

Prepared by (Name)		Technician	Sign……
Checked by (Name)		HFC Chairman	Sign……
Checked by (Name)		VG Chairman	Sign……
Certified by (Name)		DE	Sign……

Notes

Column 1: Fill in the activity as they appear in the rehabilitation contract.
Column 2: State the status of implementation for each activity;
Column 3: Estimate the percentage to which the activity has been implemented; i.e. mobilize materials 60%
Column 4: Fill in any particular observations or comments.

NB

All reports are cumulative and as such, the second monthly report should contain information on the previous plus the current month

	Activity (list contract payments/ items purchased in each category)	**Budgeted amount per Plan**	**Expenditure In the Month/ Quarter Tshs**	**Amount remaining to be spent**
	Opening bank account balance			
1	Rehabilitation Works			
2	Infection control			
3	Equipment			
4	Furniture			
5	**Total Expenditure**			
6	Closing Bank Account Balance			

Prepared by (Name) __Technician Sign……
Checked by (Name) __HFC Chairman Sign……
Checked by (Name) __VG Chairman Sign……
Certified by (Name) __DE Sign……

HEALTH SECTOR ACCOUNTING RETURN **JRF 07**

Council: _____ ---------Quarter Ending: / /

		A Current Quarter TSH	B Year to Date TSH	C Budget YTD TSH
B1	**Cash Book Bal. at Start of Period**			
	Amounts Received			
R1	Block Grant			
R2	Basket Funding			
R3	Council Funding			
R4	Other Funding			
R5	Receipts in Kind			
R6	Cost Sharing			
R7	Rehabilitation Funds			
R7	**Total Received**			
	Payments			
S1	Council Health Department			
S2	Council/CDH Hospital Costs			
S3	Urban Health Centre Costs			
S4	Rural Health Centre Costs			
S5	Dispensary Costs			
S6	Community Initiatives			
S7	Transfers Health Facility Committees - Rehabilitation			
S8	**Total Payments for Period**			
B2	**Cash Book Bal. at the End of the Period**			

Approved by: _____ Date _____
Treasurer

Approved by: _____
Council Medical Officer

Approved by: _____ Date _____
Council Director/Town Director

Checked By _____ Date _____
Regional Secretariat

HEALTH SECTOR RECURRENT ACCOUNTING RETURN **Schedule B1 of 2**

Council: Quarter:

		A **Current Quarter TZS**	B **Year to Date TZS**	C **Budget YTD TZS**
	Council Health Department			
P1	Salaries and Wages			
P2	Other Payroll Costs			
P3	Allowances			
P4	Vehicle Running Costs			
P5	Office Running Costs			
P6	Others: (Specify)			
P7				
P8	**Total DMO**			
	Council/CDH Hospital costs			
P9	Salaries and Wages			
P10	Other Payroll Costs			
P11	Allowances			
P12	Hospital Running Costs			
P13	Medical Supplies			
P14	In-Patient Costs			
P15	Food costs			
P16	Repairs and Maintenance			
P17	Others: Specify			
P18	**Total Council Hospital Costs**			
	Urban Health Centre Costs			
P19	Salaries and Wages			
P20	Other Payroll Costs			
P21	Allowances			
P22	Health Centre Running Costs			
P23	Medical Supplies			
P24	In Patient Costs			
P25	Repairs and Maintenance			
P26	Others: Specify			
P27	**Total Urban Health Centre Costs**			

Schedule B2 of 2

HEALTH SECTOR ACCOUNTING RETURN

Council: Quarter:

Ref		Current Quarter TZS	Year to Date TZS	Budget YTD TZS
	Rural Health Centre Costs			
P28	Salaries and Wages			
P29	Other Payroll Costs			
P30	Allowances			
P31	Health Centre Running Costs			
P32	Medical Supplies			
P33	In Patient Costs			
P34	Food Costs			
P35	Repairs and maintenance			
P36	Others: Specify			
P37	**Total Rural Health Centre Costs**			
	Dispensary Costs			
P38	Salaries and Wages			
P39	Other Payroll Costs			
P40	Allowances			
P41	Hospital Running Costs			
P42	Medical Supplies			
P43	In Patient Costs			
P44	Food Costs			
P45	Repairs and maintenance			
P46	Others: Specify			
P47	**Total Dispensary Costs**			
	Community initiatives			
P48	Salaries and Wages			
P49	Other Payroll Costs			
P50	Allowances			
P51	Vehicle running costs			
P52	Others : Specify			
P53	**Total Community initiatives**			

	Transfer to Health Facility Committees (specify Health Facility)			
T1				
T2				
T3				
T3				
T4				
T5				
T6				
T7				
	Total transfers to Health Facilities			

JRF 08 (a) - SAMPLE FORM LOCAL PURCHASE ORDER

No. ……..…

Date :

TO M/S

DISTRICT :

HEALTH CENTRE /DISPENSARY ……

SUPPLIERS NAME AND ADDRESS

:……..….

……..

Description of goods	Unit of purchase	Quantity Required	Unit Price (Tshs)	Total Amount (Tshs)

Terms and Conditions

i. Delivery ……..
ii. Payment……
iii. Packing ……
iv. Others

Officer In-charge of Facility……Chairman …….

Date …… Date ……..

JRF 08 (b) - SAMPLE REQUEST FOR QUOTATION

To: Supplier

Supplier's Name and Address

From:-

Health Facility In Charge
and Facility Address

Quotation No: ----------

Date: ----------

You are invited for submit quotation on material listed below:-

Notes:-

(a) THIS IS NOT AN ORDER. Read the conditions and instructions before quoting.

(b) This quotation should be submitted in a plain wax sealed envelope marked "Quotation No. ---------- for supply of ----------" and be addressed to reach the purchaser or be placed in the Quotation/Tender box not later than ----- on----------

(c) Your quotation should indicate final unit price which includes all costs for delivery, discount, duty and sales tax.

(d) Return the original copy and retain the duplicate for your record.

S/ NO	ITEM DESCRIPTION	UNIT	QTY REQUIRED	UNIT PRICE	DAYS TO DELIVERY	BRAND	COUNTRY OF ORIGIN	REMARKS

Supplier's signature ----------

Date----------

FOR OFFICIAL USE ONLY

Opened by:

(1) ---------- Designation---------- Signature----------
(2) ---------- Designation---------- Signature----------
(3) ---------- Designation---------- Signature----------

Date---------- Time----------

JRF 08 (c) - SAMPLE LETTER OF INVITATION TO BID OF GOODS

1. Government of the United Republic of Tanzania has allocated funds and those of development partners (for implementing the rehabilitation of ---------- (name of the dispensary/ Health Centre and name of the community). It is intended that these funds will be applied to eligible payments under contracts to be given out by the Health Facility Committee.

2. We hereby invite you/your firm to make a firm sealed offer for the following:-

   supply of ----------

3. The details and specifications of the goods needed are attached to this invitation to bid.

4. You/your firm need to meet the following requirements to be eligible to bid:

   - provide proof that the firm has the required goods in stock or will be able get them on a short notice; in the case of mechanical equipment such as vehicles, computers, etc provide evidence that the firm has the required services within the region.

5. You/your firm may obtain further information from the Chairman or Secretary of the ---------- (name of the Health Facility Committe) at the following address: ---------- (address and telephone number, if any).

7. The bids, with all the information requested shall be delivered to the Chairman or Secretary of the ---------- (name of the Health Facility Committee) before ---------- (date and time). Late entries cannot be considered.

   Date:

   Signatures: (by signatories of the community)

   Attachments:

   1. Details and Specifications for the Goods
   2. Draft Contract.

NAME OF FACILITY ----------

NAME OF VILLAGE----------

DISTRICT ----------

JRF 08 (d) - SAMPLE FORM - EVALUATION OF QUOTATIONS.

1. Evaluations of Quotations No. ---------- for the supply of ----------

2. Quotations issued on. ----------

3. Deadline for submission of quotations. ----------

4. Quotations opened on .----------

5. Summary Table.

S/N	Supplier	Total Price Quoted	Corrections	Corrected Total Price	Conditions Given	Remarks
(1)	(2)	(3)	(4)	(5)		

6. Comments: ----------

7. Recommendations:----------

8. Evaluation Committee Members:-

Name	Designation	Signature
1. ----------	----------	----------
2. ----------	----------	----------
3. ----------	----------	----------

Date:----------

JRF 08 (e) - SAMPLE ORDER AND CONTRACT FOR SUPPLY OF GOODS

----------(Name of facility)

----------(Address)

To: ----------(Name of the Director and firm which has won the supply contract)

Address: ----------(Address of the firm)

Subject: Supply and/or Installation of ---------- (equipment, material, etc)

Mr. Manager/Director,

The ---------- (Name of Facility) would like to place an order for the supply and installation of ---------- in conformity with your proforma invoice No. ---------- of----------attached, specifying the prices of the goods for whose procurement you successfully competed.

1. SUBSTANCE OF GOODS

---------- (List of goods requested, with quantities)

2. AMOUNT OF THE CONTRACT

The amount of the order is fixed at Tanzania Shillings ---------- and is not subject to revision.

3. TIME LIMIT AND PLACE OF DELIVERY

The time limit for the delivery of goods is set for ---------- (days, weeks or months) from the date of the approval of this contract. This approval should take place in the maximum time limit of ----------(number of days, for instance 15) days from the date of the signing of this contract by the representatives of the ---------- (name of community). The goods will be delivered at ---------- (destination).

4. INTERIM CERTIFICATE

An interim receipt will be issued upon delivery of all the goods. Or: if installation of the goods is required, the interim receipt will only be issued after installation of the equipment are completed (delete one). The receipt will be acknowledged as the interim receipt report.

5. TIME LIMIT FOR THE WARRANTY AND AFTER-SALES SERVICE.

The deadline for the warranty period is set for ---------- (X) months from the date for the interim receipt. During the warranty period, excluding the current maintenance, all the repairs resulting from faulty equipment will be at the supplier's expenses, including the supply of replacement parts and the overhead costs.

The supplier is to guarantee an after-sales service to ensure the maintenance service as well as the fast and regular supply of spare parts.

6. FINAL RECEIPT

The final receipt will be issued at the end of the warranty period, and will be acknowledged as the final receipt report.

7. RETENTION

The retention amount, to be reimbursed when the final receipt has been issued, is set up at 10 percent of the total amount of this order/contract.

8. LIQUIDATED DAMAGES.

In case of delay within the period specified in the contract, the supplier is subject to a penalty of 1/1000 of the price of the goods ordered per calendar day of delay. However, the ceiling of these penalties is 10 percent of the total amount of the order.

In case the 10 percent ceiling is exceeded, the administration reserves the right to terminate this order/contract.

9. SCHEDULE OF PAYMENT

The amounts which are due will be paid in the following manner:

-------- % at the countersigning of this letter of order, for advance payment (if the supplier has to order the goods). (The amount of this advance should in no circumstances exceed 30% of the total amount).

------- % of the amount of the invoice upon issuance of the interim receipt

10% of the amount of the invoice upon issuance of final receipt

_____

Total: (Total should always be 100% of the amount of the contract)

10. FORM OF PAYMENT

The payment will be made in cash by the signatories of the ---------- (name of community) or by check of the…….. (name of bank) at ……. (place).

11. APPROVAL OF THE ORDER/CONTRACT

This contract will be effective only after it has been signed by both parties.

Place and date:_____

Signed:----------(signatories of HFC)

For the Supplier:

Place and date:----------

Signature(s):---------- (Representing the supplier)

Printed name(s)_____