

**Executive Summary Report**

B. Baria Sales Center

For the period of 20.10.2019 to 17.10.2020

Audit Team Member : Mr. Mafizur Rahman (03367), Asst. Manager

: Mr. Sajib Sarker (03395), Sr. Executive

Coordinated & Reviewed By : Mr. Abu Sayed Md. Riton Rouf (03361), Deputy Manager

Name of the Depot In-charge : Mr. Shyamal Chandra Das (02588), Asst. Manager

| **Sl.**  **No.** | **Audit Observations** | | | | | | **Comment from Depot. In-Charge** | **Comment of Internal Auditor** |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **1.00** | **Section: Collection and Petty Cash** | | | | | |  |  |
| **A** | **Petty Cash** | | | | | |  |  |
| 1.03 | **Review of Suspense Requisition and Suspense Register** | | | | | |  |  |
| 1. Suspense amount of Tk.3,250.00 gave to Mr. Faruk Ahmed (019K1), driver for repair and maintenance purpose but posted in the name of driver Mr. Babul Hossain (01921). | | | | | | It has been wrongly posted. | **Should be more careful in future.** |
| 1. Suspense amount of Tk.1,100.00 and Tk.7,310.00 gave in the name of Mr. Mahbubur Rahman (02A23), Sr. RSM but money received by Mr. Masudur Rahman Chowdhury (01666), Peon. | | | | | | Receiving signature of RSM has been taken later. | **Should be followed the company’s policy.** |
| 1. Suspense amount in word and actual suspense amount are different such as suspense amount in word was Tk.4,330.00 but actual suspense was Tk.4,430.00. | | | | | | We will be more careful in future about these matters. | **Should be more careful in future.** |
| 1. Suspense requisitions in the suspense file did not maintain as per chronological order of token number. | | | | | |
| 1.04 | **Review of Un-adjusted Suspense Balance (FOUND FURTHER REPEATED PROBLEM)** | | | | | |  |  |
| 1. Total un-adjusted suspense balance as on 15.10.20 was Tk.5,69,770.00 (Five lac sixty nine thousand seven hundred and seventy only) against no. of 43 tokens. Out of these total amount of Tk.62,136.00 (Sixty two thousand one hundrd and thirty six only) against a token has been un-adjusted for more than 30 days (un-adjusted for 44 days against train ticket. | | | | | | Adjusted | **Should be adjusted within 30 days from the date of received.** |
| 1.05 | **Delayed Adjustment of Suspense Balance (FOUND FURTHER REPEATED PROBLEM)** | | | | | |  |  |
| While checking adjusted suspense balance, it came to our notice that, few suspense had been adjusted after long time (maximum 171 days). | | | | | | Adjusted | **Should be adjusted within 30 days from the date of received.** |
|  | **As per executive order by honorable MD Sir, all suspense should be adjusted within 30 days from the date of receiving. But we observed that, gross violation of this order is happened which we have mentioned in 1.04 and 1.05 no. points. VIOLATION CONTINUED.** | | | | | | - | - |
| 1.06 | **Review on Cheque Issue Procedure & Bank Reconciliation Statement**  **(FOUND FURTHER REPEATED PROBLEM)** | | | | | |  |  |
| 1. In course of our audit we have verified month-wise bank reconciliation statement and found up dated. While reviewing bank statement and other related documents, it comes to our notice that, huge idle money has been kept in the bank account after end of almost every month even considering all un-presented cheques (Highest in May’20 Tk. 8,41,717.50, lowest in March Tk. 39,471.50. | | | | | | We will be more careful in future. | **Need improvement in this area.** |
| 1. Total no. of 74 cheques amounting to Tk.6,50,947.00 have been still un-presented into bank. Out of these no. of 05 cheques amounting to Tk.**51,000.00** have already been expired. | | | | | | - | **Need proper follow-up in this area and expired cheques need to be adjusted as soon as possible.** |
| 1. Concerned authority has not been fixed individual cheque withdrawal limit. | | | | | | **Higher officials of distribution division should look into this matter.** |
| 1.07 | **Review of Collection Register and Money Receipts** | | | | | |  |  |
| **3. All most all the cases money receipt has not been found against collection.** | | | | | |  | **Should be followed the company’s policy strictly.** |
| 1.08 | **Verification of Petty Cash Vouchers** | | | | | |  |  |
| **Observations for the month of September’20** | | | | | |  |  |
| 1. **Paid Tk.2,500.00 and Tk.2,500.00 to Zaman Electronic & Refrigerator but both vouchers memo number are same as 963 dated 12.08.20 and 10.08.20.**   **It indicates that one of these bills may be fake.** | | | | | | - | **Every payment should be made in favor of authentic bill and voucher. Should be more careful in future. Hope distribution division will re-check this issue and take proper action that deemed appropriate.** |
| 1. **Memo no. did not match with bill date:** 2. **Paid to Gopal Enterprise Tk.2,640.00 and Tk.1,760.00 against super V mobil via memo no. 2972 dated 19.08.20 and memo no. 2904 dated 03.09.20 respectively.** 3. **Paid to Bhai Bhai Varaitize Store Tk.1,246.00 and Tk.85.00 via memo no. 34 dated 21.09.20 and memo no 36 dated 14.09.20 respectively.**   **These bills seems to be doubtful.** | | | | | |
| 1. **Payment has been made Tk.15,700.00 against gift purchase (Paijama-panjabi, shirt-pant & celling fan) for 06 (Six) doctors but supporting vouchers were in plain papers instead of original pad of the vendor.**   **These bills seems to be doubtful.** | | | | | |
| 1. **Payment have been made Tk.10,000.00 against gift purchase (celling fan purchase & IPS repair) for 03 (three) doctors but supporting vouchers were in plain papers instead of original pad of the vendor.**   **These bills seems to be doubtful.** | | | | | |
| 1. **Payment has been made Tk.1,000.00 against purchase of malta for gift given to a doctor but supporting voucher was in plain paper instead of original pad of the vendor.** | | | | | |
| 1. **Payment has been made Tk.3,000.00 against purchase of celling fan for gift given to a doctor but supporting voucher was in plain paper instead of original pad of the vendor.**   **These bills seems to be doubtful.** | | | | | |
| 1.08 | 1. **Payment have been made Tk.8,000.00 against gift purpose for 03 (three) pharmacies but supporting vouchers were in plain papers.**   **These bills seems to be doubtful.** | | | | | | - | **Every payment should be made in favor of authentic bill and voucher. Should be more careful in future. Hope distribution division will re-check this issue and take proper action that deemed appropriate.** |
| 1. **Payment have been made Tk.8,000.00 against gift purpose (Panjabi, shirt-pant) for 02 (two) doctors but supporting vouchers were in plain papers.**   **These bills seems to be doubtful.** | | | | | |
| 1. **Payment has been made Tk.3,500.00 against celling fan purchase for a doctor but supporting voucher in plain papers.**   **These bills seems to be doubtful.** | | | | | |
| 1. **Payment have been made Tk.5,419.00 against gift purpose (Medicine purchase of other company & shirt-pant purpose) for 02 (two) doctors but supporting vouchers were in plain papers.**   **These bills seems to be doubtful.** | | | | | |
| 1. **Payment have been made Tk.9,600.00 against gift purpose (for repair of generator, CC camera, freeze, hospital AC) for 05 (five) pharmacies but supporting in plain papers.**   **These bills seems to be doubtful.** | | | | | |
| 1. **Payment have been made Tk.13,519.00 against gift purpose (Chair and medicine purchase) for 03 (three) doctors but supporting in plain papers. Furthermore, medicine has been given as donation to Christian Memorial Hospital by Tk.1,989.00 purchased from The ACME’s depot in the name of Fakra Bangal Pharmacy instead of employee’s ID. As a result, the respective FP’s achievement will be increased and company may be paid incentive for this sales otherwise he may be failed to get incentive and company also may be saved that incentive amount.**   **These bills seems to be doubtful.** | | | | | |
| 1. **Payment have been made Tk.4,940.00 against gift purpose (Charger fan, panjabi and medicine purchase) for 03 (three) doctors but supporting in plain papers.**   **These bills seems to be doubtful.** | | | | | |
| 1. **Payment have been made Tk.15,600.00 against gift purpose (Shirt-pant, BP machine, chamber decoration, table fan, & generator parts purpose) for 05 (five) doctors but supporting vouchers were in plain papers.**   **These bills seems to be doubtful.** | | | | | |
| 1. **Payment have been made Tk.11,700.00 against gift purpose (Chamber decoration, ear machine & panjabi purpose) for 03 (three) doctors but supporting vouchers were in plain papers. Moreover two gifts amount of Tk.6,700.00 have been given to one doctor out of three, Dr. Rasel Ahmed (443561), MBBS (Chamber decoration & ear machine).**   **These bills seems to be doubtful.** | | | | | |
| 1.08 | 1. **Payment have been made Tk.12,192.00.00 against gift purpose (Panjabi, shirt-pant & IPS repair purpose and medicine purchase) for 05 (Five) doctors but supporting vouchers were in plain papers. Furthermore, medicine has been given as donation to Dr. Ruhul Mohsin Sujon (329506) by Tk.4,292.00 purchased from The ACME’s depot in the name of Reza Medical Hall instead of employee’s ID. As a result, the respective FP’s achievement will be increased and company may be paid incentive for this sales otherwise he may be failed to get incentive and company also may be saved that incentive amount.**   **These bills seems to be doubtful.** | | | | | | - | **Every payment should be made in favor of authentic bill and voucher. Should be more careful in future. Hope distribution division will re-check this issue and take proper action that deemed appropriate.** |
| 1. **Payment has been made Tk.4,000.00 against IPS repair for a doctor but supporting voucher was in plain papers.**   **These bills seems to be doubtful.** | | | | | |
| 1. **Payment have been made Tk.8,400.00 against gift purpose (Shirt-pant, BP machine, digital weight machine, chair & panjabi purpose) for 03 (three) doctors and two pharmacies but supporting vouchers were in plain papers.**   **These bills seems to be doubtful.** | | | | | |
| 1. **Payment have been made Tk.3,700.00 against gift purpose (Shirt-pant & sandesh) for 03 (three) doctors but supporting vouchers were in plain paper.**   **These bills seems to be doubtful.** | | | | | |
| 1. **Payment have been made Tk.7,500.00 against gift purpose (Digital weight machine, shirt-pant, celling fan and entertainment for eid) for 03 (three) pharmacies & 01 (one) doctor but supporting in plain papers.**   **These bills seems to be doubtful.** | | | | | |
| 1. **Bill deduction from SPRs bills: Most of the cases amount has been deducted from delivery expenses bill of SPRs without any justification. Kindly note that SPR’s prepared their bill in details and deduction also made from head to head amount. For example-** 2. **Payment made to Mr. Mamun Reza (70855), SPR Tk.5,200.00 which bill was submitted by Tk.8,290.00.(37.27% deduction).** 3. **Payment made to Mr. Raju Ahmed (70182), SPR Tk.3,400.00 which bill was submitted by Tk.5,400.00.( 37.03% deduction).** | | | | | | **We believe all concern should be communicated not to prepare excess bill very strictly and as well as there should be mentioned in written justification for deduction.** |
| **Observations for the month of August’20** | | | | | |  |  |
| 1. **Quotations were same handwriting:** 2. **Same hand writing three quotations had been enclosed with bill for battery purchase for vehicle no. Dhaka Metro-11-5389 from M/S Billal Auto Electric Battery Works and payment has been made Tk.6,696.00.** 3. **Same hand writing three quotations had been enclosed with bill for repair and maintenance of vehicle no. Dhaka Metro-11-2747 from M/S Jewel Automobiles and payment has been made Tk.7,780.00.** 4. **Two (02) Quotations out of three (03) had been collected with same handwriting Shahin Engineering Works and Sadman Motors regarding repairing & maintenance of vehicles no. Dhaka Metro-11-3421 (delivery van).**   **It seemed to us that these were fake quotations.** | | | | | | - | **It is totally unacceptable to collect quotation in same handwriting. Need recheck about justification.** |
| 1.08 | 1. **Payment has been made Tk.1,50,000.00 to Dr. Omor Faruque (U-ID:155975) as donation in cash but doctor’s card are not enclosed with prescribed requisition form.** | | | | | | - | **Company’s policy should be followed properly.** |
| 1. **Working date and name of FP worked with did not mention in the bill of Mr. Delawar Hossain Syed (10183),AM, for one day daily allowance of Tk.600.00.** | | | | | | **It is totally unacceptable to make payment without fulfilment of necessary information in the bill.** |
| **i. Excess payment has been made Tk.51.00 Mr. Abo Hana (27169), MPO as panjabi purchase for eid gift to chemist Akhi Drug House. Paid Tk.2,500,00 but actual panjabi purchase price is Tk.2,449.00.**  **ii. Payment has been made Tk.4,000.00 to Mr. Firoje Miah (02RK6), MPO-1 against transport facility given to doctor Mr. Abdur Razzak but supporting voucher was not enclosed with the bill.** | | | | | | **Should be more careful in future. Furthermore, it is totally unacceptable to make payment without attachment of necessary supporting bill. This is clear violation of Travel policy.** |
| 1. **Value increased in the supporting voucher by overwriting from Tk.2,000.00 to Tk.2,500.00 for digital clock purchase by Mr. Zakir Hossain (02959),SMPO-II for giving to doctor Mr. Faruk Ahmed Dulal as donation.** | | | | | | I**t is totally unacceptable to overwrite the voucher. Furthermore, this is may be a fraud.** |
| 1. **Fuel is loaded into the delivery van without presence of any representative of the checking committee as well as only driver signature is found in the back side of fuel bills amount of Tk.953.00.** | | | | | | **Should be more careful in future.** |
| 1. **As per prescribed form salary of private driver will receive car user only but here driver (Mohammad Anwar Hossain-02BG9) was received his salary violating the policy.** | | | | | | **Clear violation of policy which should not be.** |
| 1. **Supporting of boarding bills did not available:** 2. **Hotel bills did not enclosed with tour bill against broken damage purpose for two night by two persons (Mr. Robin Sardar-1955, driver and Mr. Mamun Shekh-14132,Jr. Helper) amount of Tk.1,900.00.** 3. **Hotel bills did not enclosed with tour bill of Mr. Helal Uddin against broken damage purpose for two night amount of Tk.1,000.00.** 4. **Payment has been made Tk.3,300.00 as donation for AC and CC camera repairing but supporting voucher was not enclosed.** | | | | | | **Clear violation of Company’s travel policy. Should be followed the official rules and regulations for all cases.** |
| 1. **Miscoding:** 2. **Voucher has been posted in wrong code such as payment Tk.10,000.00 has been made against donation (chair, fan, gas stove) but posted to donation in cash instead of donation in kind code.** 3. **Voucher has been posted to wrong code such as payment has been made for eid gift such as rice, sugar, ghee and vim bar but posted to printing materials.** | | | | | | **Should be more careful during posting of vouchers to avoid miscoding.** |
| 1. **Medicine has been given to doctor as donation to Dr. Abu Sayed-424426 but medicine was purchased Tk.1,005.00 from Amor Medical Hall instead of ACME’s sales center as a result excess amount has been paid.** | | | | | | **Should be more careful.** |
| 1. **Print date & time and physical verification time of petty cash did not match in the daily transaction report of 31.08.20 ( Print date & time was on 01.09.20 09:44 PM but verification time was on 31.08.20 10:00 PM.** | | | | | | **Should be more careful.** |
| 1.08 | **Observations for the month of July’20** | | | | | |  |  |
| 1. **Voucher prepared long days later than execution of repair work: Suspense received on 29.06.20 and Work executed on 05.07.20 but voucher prepared on 30.07.20 that is almost 32 days later.** | | | | | | - | **Should be more careful.** |
| 1. **Supporting voucher for payment of MC against Narayangonj Sales Center but payment has been made from B. Baria Sales Center without any approval of higher authority.** | | | | | | **Should be more careful. Need recheck about justification.** |
| 1. **Fuel is loaded into the delivery van without presence of any representative of the checking committee as well as only driver signature is found in the back side of fuel bills.** | | | | | | **Should be more careful in future.** |
| 1. **Suspense adjusted after long days later: Gasket Purchase and installed in the vehicle No. DM-11-2747 on 03.05.20 but work requisition date on 03.06.20 and suspense received on 04.06.20 after 30 days as well as voucher made and suspense adjust on 18.07.20 i.e. after 75 days from work.** | | | | | | **Should be more careful in future.** |
| 1. **Quotations were same handwriting: Same hand writing three quotations on the date of 03.05.20 are enclosed with bill for repair and maintenance purpose.**   **It seemed to us that these were fake quotations.** | | | | | | **It is totally unacceptable to collect quotation in same handwriting. Need recheck about justification.** |
| 1. **Supporting vouchers was not approved by the respective authority.** | | | | | | **Should be more careful in future.** |
| 1. **No supporting voucher: Shirt and pant gift to doctor but no supporting voucher attached with the voucher.** | | | | | | **It is totally unacceptable to make payment without attachment of necessary supporting bill.** |
| 1. **ACME’s medicine donates to the doctor being purchased from outside Chemist shop instead of ACME’s sales center.** | | | | | | **Should be more careful in future.** |
| 1. **All the cases applicable TDS rate @ 6% as per section 52AA of Income Tax Ordinance, 1984 and VDS rate @ 10% as per VAT and SD Act, 2012 were not deducted from servicing, repair & maintenance bill.** | | | | | | **It is required by the Income Tax Ordinance-1984 and VAT and SD Act-2012 to deduct TDS & VDS. So this is clear violation of law of the land.** |
| 1. **Accounts Code Mismatch:** 2. **Accounts code should be Bank charge instead of Entertainment.** 3. **Accounts code should be Donation in Kind instead of Donation in Cash.** | | | | | | **Should be more careful during posting of vouchers to avoid miscoding.** |
| 1. **Bill deduction from SPRs bills: Most of the cases amount has been deducted from delivery expenses bill of SPRs without any justification. Kindly note that SPR’s prepared their bill in details and deduction also made from head to head amount. For example-** 2. **Total bill prepared amounting to Tk.9710.00 by a SPR for the month of June’20 but paid Tk.5800.00; i.e. average 40.26% deducted from the bills of Mr. Md. Razzak Shikh (71085).** | | | | | | **We believe all concern should be communicated not to prepare excess bill very strictly and as well as there should be mentioned in written justification for deduction.** |
| 1.09 | **Analysis of Actual Sales & Expenditure and Budget Variance Report** | | | | | |  |  |
| 1. **In course of our audit we come to know that, a head-wise monthly budget allocation sheet for the year 2020 has been sent to the B. Baria Sales Center from Sales & Distribution Division based on their total divisional budget. But we did not find any signature of concern distribution authority including approval on that particular budget allocation sheet. Kindly note that, monthly budget variance report for the year 2020 was found from corporate cost and budget department in September, 2020. While reviewing budget variance report for the month of September’20, it came to our notice that, a difference amount of Tk.26,500.00 was found between the unapproved budget allocation sheet (provided by distribution department) with the budget variance report (provided by the corporate cost and budget department). Furthermore, Tk.21,69,9781.00 i.e. 9.88% was shown as surplus balance after considering all exceeded budgeted expenses (Supplies, printing and stationery Tk. 13,985.00 i.e. 14.72%).** | | | | | | - | **Hope Higher officials of distribution division will look into this matter.** |
| **We have collected sales and expenditure data for the month of July to September for both the year 2019 & 2020 for this depot from Corporate Financial Accounts Department and compared sales and expenditure amount for the year 2020 based on the year 2019. Our details observation in this regard are as follows:**   1. **Percentage of total expenditure for Human category against net sale of Marketing, Sales & distribution division (Marketing and sales part) increased slightly by 0.37% in the year of 2020 compared to the year of 2019. In 2019, it was 18.73% and in 2020, it was 19.09%. Some examples of increased expenditure are in donation in cash 0.72%, product incentive 0.47%, printing materials 0.32% & officer’s commission 0.13%; which we do believe that, concern personnel can be able to control increased percentage by continuing monitoring procedure closely. (Details are shown in Annexure-01)** 2. **Percentage of total expenditure for Veterinary category against net sale of Marketing, Sales & distribution division (Marketing and sales part) slightly decreased by 0.03% in the year 2020 compared to the year 2019. In 2019, it was 14.90% and in 2020, it was 14.87%. Few cases expediture are increased. Some examples of increased expenditure are in cash incentive 0.69%, officer’s commission 0.41%, manager’s commission 0.16%, conveyance 0.13%, monthly 0.13% & donation in cash 0.12%; which we do believe that, concern personnel can be able to control increased percentage by continuing monitoring procedure closely. (Details are shown in Annexure-02)** 3. **Percentage of total distribution expenditure against net sale of sales & distribution division decreased sharply by 0.79% in the year 2020. In the year 2019, it was 5.46% and in the year 2020 it was 4.67%. Few cases expediture are increased. Example of increased expenditure is in electricity 0.07%; which we do believe that, concern personnel should continuing monitoring procedure closely to remain this decreasing trend. (Details are shown in Annexure-03)** | | | | | | **Sales and marketing expenditure of Human category have been increased. Though in maximum Depots we observed decreasing trend. On the other hand, Sales and marketing expenditure of Veterinary category have been slightly decreased but distribution expenditure have been sharply decreased.** |
| **B** | **Sales & Collection** | | | | | |  |  |
| 1.13 | Review of Implementation Procedure of New Business Policy **(FOUND REPEATED PROBLEM)** | | | | | |  |  |
| 1. **During our audit we have been provided un-approved a new billing system by the depot In-charge received from sales and distribution division of corporate office and observed that previous DCC party more than Tk.5,000.00 treated separately as credit party presently no longer now ; which is amalgamated into COD policy. Besides, COD bills are divided into two categories i.e. COD cash party and COD credit party. Also we observed that, previously there was no restriction in the system for bill preparation but now restriction was imposed in the system for bill preparation based on COD policy i.e. system has automatically provide a security wall for preparation of bill by violating the policy.** | | | | | | We will be careful in future. | **Should be followed COD & Credit related policy as per official rules and regulations in all cases.** |
| 1. **Most of the cases credit parties were not approved by higher authority (approved by RSM only).** | | | | | |
| 1. **Few cases credit limit has been revised by verbal approval of RSM when bills are not processed for some of the credit parties.** | | | | | |
| 1. **COD credit party must be collected within the credit period of 30 days, but few cases bill have not been collected within credit period of 30 days.** | | | | | |
| 1.14 | **Review of Outstanding COD Cash Parties Bills (Maximum 47 Days) (FOUND FURTHER REPEATED PROBLEM)** | | | | | |  |  |
| **Human Category:** Total no. of 06 bills have been outstanding for more than 30 days; which represent total amount of Tk.52,466.20 (Highest 47 days). | | | | | | - | **Should be followed COD policy as per official rules and regulations in all cases.** |
| **Veterinary Category:** Total no. of 59 bills have been outstanding for more than 30 days; which represent total amount of Tk.4,39,816.24 (Highest 229 days). | | | | | |
| 1.15 | **Review of Outstanding COD Credit Parties Bills (Maximum 231 Days)**  **(FOUND FURTHER REPEATED PROBLEM)** | | | | | |  |  |
| **Human Category:** Total no. of 20 bills have been outstanding for more than 30 days; which represent total amount of Tk.2,93,874.52 (Highest 231 days). | | | | | | - | **Should be followed COD policy as per official rules and regulations in all cases.** |
| 1.16 | **Review of Outstanding Institution Bills (Maximum 364 Days) (FOUND FURTHER REPEATED PROBLEM)** | | | | | |  |  |
| **Human Category:** Total no. of 48 bills have been outstanding for more than 45 days; which represents total amount of Tk.5,28,081.50 (Highest 277 Days). | | | | | | - | **Should be followed Institutional sales and collection policy as per official rules and regulations in all cases** |
| **Veterinary Category:** **Total no. of 06 bills have been outstanding for more than 45 days; which represents total amount of Tk.3,36,185.00 (Highest 364 Days).** | | | | | |
| 1.17 | **Review of Outstanding RS Bills (Maximum 425 Days) (FOUND FURTHER REPEATED PROBLEM)** | | | | | |  |  |
| **Veterinary Category: Total no. of 312 bills have been outstanding for more than 45 days; which represent total amount of Tk.42,36,274.31 (Highest 425 days).** | | | | | | - | **Should be followed RS policy as per official rules and regulations in all cases.** |
| 1.18 | **Outstanding Showing in the Name of Resigned Field Person** | | | | | |  |  |
| Total amount of Tk.12,98,817.99 has been outstanding against 04 field persons who had already been resigned from ACME since long time. | | | | | | Authorities are preparing the case file. | **Should be increased strict monitoring to collect this outstanding amount.** |
| 1.19 | **Outstanding of Tk.4,696.61 due to Tax Deduction at Source (FOUND FURTHER REPEATED PROBLEM)** | | | | | |  |  |
| Total amount of Tk.4,696.61 against no. of 15 bills have still been outstanding against institutional bills due to tax deduction at source by the party (Highest 633 days). | | | | | | Application has been sent to C/O. | **Should be collected TAX Deposited copy within on time and take necessary steps to send those corporate office which help us to take rebate** |
| 1.20 | **Delayed Collection of Market Outstanding (FOUND FURTHER REPEATED PROBLEM)** | | | | | |  |  |
| **Human Category:**  **COD:** Total no. of 8,941 COD bills had been collected more than after 30 days; which represents totan llected more than on outstanding against institutianal ng our notice that, total 342 nos. of Cal amount of Tk.17,69,89,322.37(Highest 197 days).  **Institution:** Total no. 408 Institutional bills had been collected more than after 45 days; which represents total amount of Tk.81,69,973.07 (Highest 549 days). | | | | | | We have repeatedly told them for collection money as soon as possible. | **Should be followed company’s policy in this regards.** |
| **Veterinary Category:**  **COD:** Total no. of 840 COD bills had been collected more than after 30 days; which represents totan llected more than on outstanding against institutianal ng our notice that, total 342 nos. of Cal amount of Tk.92,95,547.74 (Highest 280 days).  **Institution:** Total no. of 39 Institutional bill had been collected more than after 45 days; which represents totan llected more than on outstanding against institutianal ng our notice that, total 342 nos. of Cal amount of Tk.10,06,859.00 (Highest 276 days).  **RS:** Total no. of 4,769 bills had been collected more than after 45 days; which represents totan llected more than on outstanding against institutianal ng our notice that, total 342 nos. of Cal amount of Tk.5,51,79,269.88 (Highest 359 days) considering our whole Audit period. | | | | | |
| 1.21 | **Collection of Bills by Installment (Maximum 21 Installments) (FOUND FURTHER REPEATED PROBLEM)** | | | | | |  |  |
| In Human category by 21 installments. | | | | | | We communicate with concern person regularly to reduce installment. | **Should be followed installment collection policy (if any) & monitored strictly as per official rules and regulations. We preferred minimum installment because more installment occurs more expenditure.** |
| In Veterinary category by 21 installments. | | | | | |
| 1.22 | **Review of Delayed Receiving of Cheque Against Institutional Bills (FOUND FURTHER REPEATED PROBLEM)** | | | | | |  |  |
| We have reviewed cheque register and observed that few cases cheques received in delayed against institution bills after preparation of cheque (Highest 38 Days). | | | | | | - | **Should be more careful in future. Monitoring should be on regular practice.** |
| 1.23 | **Review of Delayed Encashment of Cheque by Corporate Office Against Institutional Bills** | | | | | |  |  |
| We have reviewed cheque and statement send to corporate office for collection and observed that Highest 156 days were spent for encashment of collected cheque. | | | | | | Due to non-MICR cheque. | **Should be watchful and should have close communication with Finance Department of Corporate Office on regular basis to collect this cheque in time.** |
| 1.24 | **Review of Cheque Sent to H/O** | | | | | |  |  |
| A cheques amount of Tk.5,700.00 has been received against BRAC and also sent to Corporate office for collection but money has still been un-collected against this cheque for 35 days (Cheque receiving date was 12.09.20). | | | | | | Due to non-MICR cheque. | **Should be watchful and should have close communication with Finance Department of Corporate Office on regular basis to collect this cheque in time.** |
| A cheques amount of Tk.7,742.00 has been received against BRAC and also sent to Corporate office for collection but money has still been un-collected against this cheque for 35 days (Cheque receiving date was 12.09.20). | | | | | |
| 1.25 | **Analysis of Bill-Wise Return (FOUND FURTHER REPEATED PROBLEM)** | | | | | |  |  |
| **Human Category:**   1. 100% of a WM bill amount of Tk.6,457.85 has been returned from Rafi Medical Hall after 28 days due to shop closed/owner absent. **We could not understand during this period who kept this goods violating company policy.** | | | | | | - | **Monitoring should be strengthened to avoid these matters. For cost saving we have to decreased return percentage as maximum as possible and this must be in line with return policy.** |
| 1. 100% of a WO bill amount of Tk.1,719.38 has been returned from Model Medicine Shop after 21 days due to false order. **We could not understand during this period who kept this goods violating company policy.** | | | | | |
| 1. 100% of a RC bill amount of Tk.525.48 has been returned from Rahman M Hall after 18 days due to false order. **We could not understand during this period who kept this goods violating company policy.** | | | | | |
| 1. 100% of an IM bill amount of Tk.13,406.40 has been returned from Asa Bangalpara Health Center after 16 days due to false order. **We could not understand during this period who kept this goods violating company policy.** | | | | | |
| **Veterinary Category:**   1. 100% of a WM bill amount of Tk.13,929.10 has been returned from Minhaz Veterinary after 19 days due to false order. **We could not understand during this period who kept this goods violating company policy.** | | | | | |
| 1. 100% of a RS bill amount of Tk.9,494.20 has been returned from Moon Pharmacy after 28 days due to false order. **We could not understand during this period who kept this goods violating company policy.** | | | | | |
| 1.26 | **Review of Institutional Bill** | | | | | |  |  |
| 1. In few cases bill category has been changed such as sometimes same types of bills considered as IM category and sometimes considered as IC category (Party- JIMCH). | | | | | | It was done by mistake. | **Should be followed institutional business policy (if any) & monitored strictly.** |
| 1. Most of the cases orders are placed by using mobile instead of respective party’s order pad. | | | | | | We request them to give order in institution pad in several times. |
| 1. Only 24 bills with signature and institutional seal out of 39 were found in the respective file of Narsingdi City Hospital. | | | | | | We will be more careful in future. |
| 1. Receiving bill status of Seba Diagnistic & Clinic are as follows- 2. 16 bills out of 37 were found in the respective file of Seba Diagnistic & Clinic. But out of these 16 bills, we observed 11 bills with signature & institutional seal and balance 05 bills,signature did not found in the respective file of Seba Diagnistic & Clinic. | | | | | | We will must collect receiving copy from now. |
| 1. Filing system of receiving copy of institutional bill are not systematic compare to other sales centers. | | | | | | We will be more careful in future. |
| 1.27 | **Medicine Return Against Dispatch (Highest 12.03% considering FP) (FOUND FURTHER REPEATED PROBLEM)** | | | | | |  |  |
| In Human category highest return was 12.03% by FP. | | | | | |  | **Should be followed recent return policy strictly.** |
| 1.28 | **Review of Distribution cost adjustment procedure against excess return** | | | | | |  |  |
| We have checked distribution cost adjustment procedure against excess return and observed that, excess distribution expenses did not transfer to SR/SPR, collection In-charge/depot In-charge, FP, AM and RSM’s salary deduction as per circular no 04/19 dated 01.01.19. (POLICY VIOLATION) | | | | | | - | **Should be followed recent return policy strictly.** |
| 1.29 | **Review on Motor-cycle Loan, Purchase and Return Procedure** | | | | | |  |  |
| 2.Six (06) old motor-cycles such as B.Baria HA-11-3000, B.Baria HA-11-3124, Dhaka-HA-41-6566, Dhaka HA-11-3493, Dhaka HA-36-9485 and Dhaka HA-64-6685 are preserved in this sales center and the present status of old motor-cycles are mentioned below-   1. Registration and tax token are not available for two old motorcycles like- Dhaka-HA-41-6566 and Dhaka HA-11-3493 as well as those are not in salable condition and those motorcycles are preserved in this sales center more than four and two years respectively. 2. Another two motorcycles like B.Baria HA-11-3000, B.Baria HA-11-3124 are not in salable condition and documents are available of those motorcycles and also preserved in this sales center more than three and four years respectively. 3. All documents of another two motor-cycles like Dhaka HA-36-9485 and Dhaka HA-64-6685 are available and those are in salable condition. | | | | | |  | **Should be more careful about this matter & In the time of Procurement of new motor cycle, old/those Motor cycle lying in depot at that time should be get preference first.** |
| **2.00** | **Section: Store** | | | | | |  |  |
| **A** | **Finished Goods** | | | | | |  |  |
| 2.03 | Review of Issue Vouchers of CSC/Factory and Received Vouchers of Depot | | | | | |  |  |
| 1. **No. of 07 vouchers which GRN were prepared after 03 days or above and highest 13 days. (FOUND FURTHER REPEATED PROBLEM)** | | | | | |  | **Should be followed company’s policy strictly.** |
| 2.04 | **Review of Short Dated Medicine** | | | | | |  |  |
| While conducting our physical inventory, we have found some short dated medicines (Human Inj-sefril 1gm, Veterinary- WSP Vitamix f aqua 1 kg) kept in the store and those items will be expired within next two to three months. | | | | | | - | **Though Depot follow the policy regarding short dated medicine but proper action should be taken for strength Depot’s activity in this regards more.** |
| 2.05 | **Bill Prepared Including Short Product (FOUND FURTHER REPEATED PROBLEM)** | | | | | |  |  |
| As per our existing system bill can be prepared including any short medicine though sufficient total balance may showing in the stock sheet; which actually represents non-confirming product balance. This situation occurred due to existing software system where non-conforming balance is also consider as saleable product while bill preparation. Therefore, bills are being printed out including short product and subsequently been returned. For this reason we lose money continuously due to wastage of paper, computer accessories and man power involvement. | | | | | | - | **Proper initiative should be taken to solve this matter.** |
| 2.06 | **Review of Store Management** | | | | | |  |  |
| 1. **In few cases the depot did not maintain FEFO/FIFO method. Example are as follows-** | | | | | |  |  |
| Products | Batch No. | Receive Date | Receive Qty. | Physical Qty. | Remarks | - | **Should be followed all SOP according to ISO standard very strictly.** |
| Dry Syrup:  Azin 30ml | P0280025 | 05.05.20 | 3600 | 486 | **P0280027 no. batch has been issued instead of P0280025 no. batches.** |
| Liquid: Ketifen  100ml | L0360029 | 07.07.20 | 3600 | 2880 | **L0360030 no. batch has been issued instead of L0360029 no. batches.** |
| 1. **Temperature of free sample store room is very high (Maximum 37 degree was recorded). Besides, we have also physically observed that the room is very hot which is difficult to work.** | | | | | |
| 1. **Maximum cases products are not segregated by separation board.** | | | | | |
| 2.09 | **Review of Broken-damage Medicine and Register** | | | | | |  |  |
| 1. Monthly average broken-damage from 17th April’19 to 19th October’19 was Tk.20,571.97. | | | | | | - | **Should be more careful in future to minimize the broken-damage as much as possible.** |
| 1. **Highest 09.70% of total broken damage medicine represents V-Plex Drop 15ml (820pcs) in Human category and Highest 10.16% of total broken damage medicine represents Broncovet 1 Liter in Veterinary category (36pcs).** | | | | | |
| 2.12 | **Review of Bonus Return Procedure (FOUND FURTHER REPEATED PROBLEM)** | | | | | |  |  |
| As per company’s circular, bonus products will never be treated as returned product. During our audit period from 20.10.19 to 17.10.20 total amount of Tk.4,72,783.27 has been taken as return of bonus product violating the circular. Besides, no approval regarding these returned has been found. | | | | | | - | **Should be followed company’s policy strictly.** |
| 2.14 | **Review of Market Return Invoice (FOUND FURTHER REPEATED PROBLEM)** | | | | | |  |  |
| We have checked the entire market return invoice (total no. of 703 invoices) for the month of September’20 along with cause which was written by SPR/party and observed that about 54.76% cases return was happened due to false order and 5.42% cases return was happened due to broken-damage. | | | | | | - | **In maximum Depot we observed that false order is major problem. We should take care of it. On the other hand Should be more careful about packing and taking return medicine for avoid broken-damage, as well as ensure to write actual cause of return in the invoice.** |
| **B** | **Free Sample and Promotional Materials** | | | | | |  |  |
| 2.17 | **Review of Allocation of 1st and 2nd Fortnight Free Sample (FOUND FURTHER REPEATED PROBLEM)** | | | | | |  |  |
| 1. **Huge quantity of extra papers, manpower, computer accessories are used due to free sample medicines and promotional materials are sent to depot in several times in a month and those materials are being packed for individual FP in several times.** | | | | | | - | **Co-ordination for all the parties and strong policies need to avoid un-necessary paper, manpower and other related expenses and also ensure the smooth operation to the depot.** |
| 2.18 | **Review of free Sample/Promotional Material Receiving File (FOUND FURTHER REPEATED PROBLEM)** | | | | | |  |  |
| 1. In few cases free sample and promotional materials were received by SPR instead of respective F/P. | | | | | | - | **Should be followed companies rules & regulations strictly.** |
| 1. In some cases receiving signature was not available in the bill. | | | | | |
| 2.20 | **Review of RSM Quota Related Documents and Register** | | | | | |  |  |
| 1. RSM quota register was not updated, only excel sheet was maintained. | | | | | |  | **Should be followed companies rules & regulations strictly.** |
| 1. In few cases RSM signature were not found in the requisition | | | | | |
| 1. In few cases quantity were increased by overwriting but we did not find any initial or signature. | | | | | |
| **3.00** | **Section: Packing** | | | | | |  |  |
| 3.02 | **Review of Dispatch Based Approved Schedule** | | | | | |  |  |
| We have reviewed approved dispatch schedule of the depot and observed that medicines have been dispatched as per schedule within the stipulated time. It is to be noted that medicine delivered by Security Guard in several times through rented vehicle due to unavailable/busy of SR as per claimed by depot In-charge. But we think this is very risky and clear violation of policy. | | | | | | - | **Should be followed companies rules & regulations strictly.** |
| 3.04 | **Review of Invoice, Pack Summary, Dispatch Register, Gate Pass & Vehicle Movement Register (FOUND FURTHER REPEATED PROBLEM)** | | | | | |  |  |
| 1. In some cases acknowledgement signature of SPR including time of receive the medicine was not available in the dispatch sheet/driver’s log book. | | | | | | We strongly try to recover this matter. | **Should be followed companies rules & regulations strictly.** |
| **4.00** | **Section: Computer** | | | | | |  |  |
| 4.04 | **Review of Security System of Computer Data** | | | | | |  |  |
| 1. From 24.02.20 restriction has imposed on edit, delete and update all invoices, issue vouchers etc. from software data for individual person. | | | | | | - | **Should follow the procedure properly.** |
| 1. Though computer section is a restricted entrance area but we noticed during our audit time that, everybody of the depot can easily entered into the computer room without any restriction. | | | | | | **Should have been imposed a restriction system to enter into the computer room.** |
| 4.05 | **Review of Manual Invoice (FOUND FURTHER REPEATED PROBLEM)** | | | | | |  |  |
| 1. Total no. of 77 bills are prepared from 20 October19 to 17 October’20 manually which represent amounting to Tk.11,20,998.20 | | | | | | - | **Proper initiative should be taken to reduce the manual bill as much as possible.** |
| 1. As per claim by depot, main causes of manual bills were due to special rate, MPO drop out, Market segregation as well as mobile network problem etc. | | | | | |
| **5.00** | **Section: Others** | | | | | |  |  |
| 5.01 | **Physical Verification of Fixed Assets (FOUND FURTHER REPEATED PROBLEM)** | | | | | |  |  |
| 1. Physically fixed assets are found in order but some of those are broken or unusable condition. | | | | | | - | **Should be followed company’s rules & regulations strictly in this regard.** |
| 1. Maximum cases asset identification number was not available. | | | | | |
| 1. Some cases locations indicating in the asset list are not accurate. | | | | | |
| 1. As per depot activities guideline, 2013, the depot In-charge should verify all fixed assets half yearly and verified copy should be sent to corporate office for reconciliation, but such types of activity did not follow. | | | | | |
| 5.03 | **Review on Fuel Consumption for Generator (FOUND REPEATED PROBLEM)** | | | | | |  |  |
| 1. During last 12 months, total 640-liter diesel has been purchased for generators and generator running time is 157.30 hours. We could not calculate consumption rate per hour for each generator due to opening and closing fuel record was not available for each generator. | | | | | |  | **Generator-wise separate record for fuel consumption should be maintained.** |
| 5.04 | **Review of Shutoli & Carton Consumption** | | | | | |  |  |
| 1. Average shutoli consumption against sales was 0.02% and per invoice was Tk.1.62 Moreover, shutoli consumption rate is sharply increased than last audit period. Last audit period the rate was Tk.1.18 per invoice. | | | | | | - | **Should be more careful in future.** |
| 1. Average carton consumption against sales was 0.17% and against per invoice was Tk.12.53 Moreover, carton consumption rate is also increased than previous audit periods like shutoli consumption. Last audit period the rate was Tk.11.62 per invoice.   **It is to be noted that, all cartoons supplied through CSC except abnormal situation. To meet emergency situation sometimes depot purchased cartoon locally.** | | | | | |
| 5.05 | **Review of Staff List with Specimen Signature (FOUND FURTHER REPEATED PROBLEM)** | | | | | |  |  |
| 1. Specimen signatures of Sales related people are found up to date except newly joined sales management personals. | | | | | | We will update the specimen signature. | **Staff List with Specimen Signature should be updated.** |
| 1. There is no staff list with specimen signature of distribution related staff. | | | | | |
| 5.07 | **Review of Vehicle Repair & Maintenance Register, Millage meter & Fuel Consumption Records** | | | | | |  |  |
| We have checked vehicle repair & maintenance record/register, log book, millage meter & fuel consumption report which has been sent to C/O and found in order but we believe physical verification of each and every vehicle including mile meter should be mandatory on quarterly basis by Automobile Engineer as like previous practice. | | | | | | - | **Should be involved automobile Engineer in this regards on regular basis.** |
| 5.12 | **Review of Scrap Sales** | | | | | |  |  |
| We have checked scrap sales procedure, register, related gate pass and observed that average volume of carton scraps per month was nearly 572.75 kg @ Tk.5.00 to Tk.5.25 per kg. Moreover, rate is very low compare to other sales centers and wastage quantity indicates that reuse of carton is not up to the mark.  In addition we observed that Rajshahi sales center do not sale any wastage carton. Actually they use all wastage cartoon for packing medicine. This is an excellent practice. If we can able to implement this all over the Bangladesh then every year we can able to save huge money. | | | | | | We will try to improve this rate, in future. | **-** |
| 5.15 | Review of follow-up audit reply of previous audit report. | | | | | |  |  |
| We have reviewed the follow-up reply of previous audit report and observed that follow up report has not been sent to distribution Department with CAPA and root cause analysis which should have been mandatory. | | | | | | - | **Higher officials of distribution division should look into this matter.** |