

## Money spent in response to the pandemic in the Czech Republic

Performance audit

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[FULL REPORT \(CS\)](#)



[SUMMARY \(EN\)](#)



### What we assessed and why

We assessed whether the Ministry of Health (MoH) and the Ministry of the Interior (MoI) spent the funds in question in accordance with the legal regulations, in particular for the procurement of personal protective equipment (PPE), other medical devices (MDs) and services in response to the outbreak of COVID-19 in the Czech Republic.

We audited in particular:

- the preparation of the response to crisis situations in the area of health protection against epidemics, i.e. drafting of policy and crisis documents, and implementation of the tasks and measures specified therein;
- the activities of the crisis control body, particularly following the World Health Organisation's declaration of the COVID-19 pandemic and the Czech Government's declaration of the state of emergency in March 2020, including its methodological support, and coordination and management of the procurement of PPE and selected MDs;
- the centralised procurement of PPE and other MDs and their distribution to healthcare providers, and whether the usability of purchased or donated PPE had been assessed.

With regard to the SSHR (State Material Reserves Administration), we mainly assessed the set-up and implementation of its crisis and pandemic plans, and the funding, procurement, replacement, substitution, lending, release, lease, sale, storage and protection of State material reserves based on central administrative bodies' PPE and other MD requirements.

### What we found

At the time of the COVID-19 outbreak, the MoH had not updated the Czech Republic's Pandemic Plan and the SSHR had not renewed its stored emergency reserves of PPE and MDs since 2011. At the end of 2019, the SSHR had 10 000 masks, while teaching hospitals had just under 5 500, which would have equipped just 20 % of professional staff for only a few hours.

The MoH was late in reacting to the shortage of PPE and MDs in healthcare facilities, which had a negative impact on the MoI's management of the crisis. The MoH and MoI were therefore unable to procure enough of these resources under an open procurement procedure when they were still



available on the market, before the state of emergency was declared. Following the declaration on 12 March 2020, a derogation from the Public Procurement Act authorised both ministries to make direct purchases of PPE and MDs. They paid a total of 7.5 billion CZK for PPE and MDs, and almost one billion more for goods transport and associated services.

The unit prices of similar goods varied significantly. We found the most significant price fluctuations for each type of PPE and MD occurred both at the start of the state of emergency, and after several weeks when larger quantities were available. In several cases, the ministries accepted prices in contracts that varied by hundreds of crowns per item, e.g. the price of FFP3 masks ranged from 60 CZK to 424 CZK per item. The price of FFP2 masks repeatedly exceeded the unit price of FFP3 masks. In the MoH's case, the price of an FFP2 mask had been as high as 777 CZK.

The ministries' procurement was affected not only by the urgency and lack of PPE and MDs on the domestic and global market, but also the existence of two independent teams that did not work together. This weakened the State's position in price negotiations and reduced transparency in procurement. We found that the organisation of procurement was chaotic, with numerous shortcomings in the documentation.

We also detected shortcomings in the distribution, recording and release of the goods procured. PPE and MD distribution models for pandemics did not exist at the outset. The audit also showed significant differences between regions in the per capita distribution of PPE and MDs. However, we could not check the distribution to final beneficiaries in regions and municipalities, as this was beyond our statutory remit.

On the European Commission's recommendation, the ministries had the quality of non-EU certified masks tested by a public research institution. In the case of domestic suppliers, the MoI often relied on them to supply PPE with valid certification for the EU market. However, the vast majority of PPE was procured from China, either directly or via Czech intermediaries. As a result, the PPE in most of these orders was not tested for quality at all, nor was it generally accompanied by a certificate.

We checked a number of PPE test reports relating to orders for 28.3 million items, valued at some 1.8 million CZK, and found that 13.3 million mask samples tested had not passed first time. In some cases the goods in individual deliveries had not matched the sample tested, and in others the goods had not been tested at all. There is therefore a risk that healthcare and social service workers received PPE that had not passed quality tests.

## What we concluded

The MoH did not update the Czech Republic's Pandemic Plan for eight years and neglected to ensure that the healthcare system was prepared for an outbreak of a new highly infectious disease. The MoI and MoH also neglected to ensure adequate crisis readiness for this type of threat.

The actual procurement of PPE was chaotic because both ministries had independent procurement teams that did not work together, which resulted in unfavourable contract conditions, significant differences in the prices of comparable PPE, sub-standard quality, and problems with transport from abroad.

Details of the price and quality of PPE and MDs, and of transport, as well as other information, may be found in the [Data Annex](#).