

## **INDEX**

### **Contents**

### **Pg.No.**

1.	Historical background of WKMH	01
2.	Vision , Mission Statement , Corporate Objective	02
3.	Corporate Information	03
4.	The Chairman's letter forwarding Annual Report to the Honorable Minister of Health.	04
5.	Human Resources Development	05~06
6.	The major achievements in the year 2013	07
7.	Analysis of the services delivered by the Hospital.	08~19
8.	Balance Sheet as at 31 <sup>st</sup> December, 2013	20~21
9.	Income and Expenditure Accounts for the year ended 31 <sup>st</sup> December, 2013 and other Statements of Accounts.	22~36
10.	Auditor General's Certificate and Report of the Auditor General in terms of Section 14 (2) of Finance Act No.38 of 1971.	37~45
11.	Explanation and remedial action taken in respect of Auditor General's Report for 2013.	46~55

**Annual Report and the Statement of Accounts of  
Wijaya Kumaratunga Memorial Hospital for the Year 2013  
01<sup>st</sup> January, 2013 to 31<sup>st</sup> December, 2013**

**WIJAYA KUMARATUNGA MEMORIAL HOSPITAL**

**SEEDUWA**

**HISTORICAL BACKGROUND**

The Wijaya Kumaratunga Memorial Hospital was established by an Act of Parliament referred to as “The Wijaya Kumaratunga Memorial Foundation Act No. 31 of 1998” and published in the Gazette of the Democratic Socialist Republic of Sri Lanka on 12<sup>th</sup> November 1999.

The Wijaya Kumaratunga Memorial Hospital was established in memory of late Mr. Wijaya Kumaratunga who was assassinated on 16<sup>th</sup> February 1988. Reverend Fr. Sunanda Wanasinghe, Parish Priest of Seeduwa, suggested to the then President of Sri Lanka Her Excellency Chandrika Bandaranaike Kumaratunga that the best way to perpetuate the memory of the humanist Wijaya Kumaratunga would be to build a hospital to serve the people of the area where Wijaya Kumaratunga was born, bred and lived. The suggestion was accepted.

A hospital consisting of two wards (60 beds) and an OPD was constructed by the Wijaya Kumaratunga Memorial Foundation on a three acre block of land at Seeduwa along the Colombo Negombo Highway within the limits of Katunayake- Seeduwa Urban Council. The hospital was officially opened to the public by Her Excellency, the then President Chandrika Bandaranaike Kumaratunga on the 09<sup>th</sup> of October 1999, the birthday of Wijaya Kumaratunga. Management of the Hospital was to be by a Board of Directors.

While the Board of Directors take policy decisions, the operational and administration of day-to-day management of Wijaya Kumaratunga Memorial Hospital has been vested in the Wijaya Kumaratunga Hospital Board by “Wijaya Kumaratunga Hospital Board Act No. 38 of 1999” and published by a Government Gazette of Democratic Socialist Republic of Sri Lanka.

As part of development, a separate building was constructed consisting of an Eye Ward with 88 beds in the year 2004 bringing the total number of beds to 148. Then with a view to providing a high quality service to the public, the existing standards were enhanced and a fully functional Eye Ward including an Operating Theatre was opened during the year 2007.

During 2011 a separate two story building was constructed for the purpose of General Stores, Medical Record Room, Duty Rooms and a Lecture Hall, etc.

During 2013 construction of a three story building was initiated with area of 4386 sq.ft. to upgrade facilities for Laboratory, Chronic Ulcer Care Unit, Utility rooms, duty rooms, etc, under the consultation by National Engineering Research & Development Centre (NERD). Tender procedure was completed and construction physically initiated in December 2013 for a value of Rs. 12.431 Mn and work is in progress now.

Bed strength at present is 164 in five wards by converting all the unoccupied idle space for the use of patients.

## *VISION*

The Hospital will serve the people of the area efficiently and the Staff will work with dedication. Wijaya Kumaratunga Memorial Hospital will be a model hospital and set an example to the other hospitals in the country.

## *MISSION*

In the short run, to utilize the facilities presently available in the hospital to serve the health needs of the people of the area with efficiency and dedication. In the long run to expand the facilities available in the Hospital to provide state of the art health-care in the area of Ophthalmology.

To deploy to the maximum, facilities presently available to serve the people of the area with efficiency and dedication. In the long run to extend these facilities to provide a state of the art Diabetic Management Center in parallel to the health care in the area of Ophthalmology.

## *CORPORATE OBJECTIVE*

The objective of the Hospital is to provide efficient health care services to the general public who come for treatment irrespective of social differences, whilst providing efficient tertiary, Ophthalmic and Surgical Care of high caliber with a provision of a state of the art Diabetic Management at the Regional Centre.

## **CORPORATE INFORMATION**

**01-01-2013 ~ 31-12-2013**

Name of the Organization	: Wijaya Kumaratunga Memorial Hospital
Address	: Wijaya Kumaratunga Memorial Hospital, Seeduwa
Management	: By the Board of Directors
Legal Form	: Established by an Act of Parliament No.38 of 1999
Auditors	: 1. Auditor General, Auditor General's Department, Battaramulla.  2. Internal Audit Unit, Ministry of Health, 5E , Second Floor , Bristol Building , York Street , Colombo 01 .

### **Board of Directors:**

- Prof. Carlo Fonseka -Chairman
- Dr.Palitha Mahipala, Director General of Health Services ,  
Ministry of Health -Director
- Mr. N.A. Umagiliya, A professional representative -Director
- Dr. (Mrs.) P.S. Jayalath, Representative of hospital -Director
- Dr. Vimukthi Kumaratunga, Member of the WKMH Foundation -Director
- Mrs. Rukmal Abeywickrama, Representative of Treasury. -Director
- Mr. Chandra Wikramasinghe -Director

### **Audit Committee**

- Mrs.Rukmal Abewickrama, Representative of Treasury. -Chairman
- Dr. (Mrs.) P.S. Jayalath, M.O.I.C. , W.K.M.H. -Member
- Mr.M.H.B.Karunarathne , Chief Accountant, Ministry of Health -Observer
- Mrs. B.G.I.Niranja ,Superintendent of Audit ,Dept. of Auditor General -Observer
- Mrs.S.R.B.Fernando, Chief Internal Auditor ,Ministry of Health -Convener
- K.M.Y.K.Karunarathne, Accountant , W.K.M.H. - in Attendance

### **Banker**

Bank of Ceylon , Seeduwa.

Hon .Minister of Health,  
Ministry of Health,  
385, Baddegama Wimalawansa Thero Mw.  
“Suwasiripaya”,  
Colombo 10.

**Annual Report and the Statement of Accounts of**  
**Wijaya Kumaratunga Memorial Hospital Board**  
**for the Year 2013**  
**01<sup>st</sup> January, 2013 to 31<sup>st</sup> December, 2013**

In terms of section 14 (2) of the Financial Act No.38 of 1971, I on behalf of Wijaya Kumaratunga Memorial Hospital Board, submit the relevant Accounts and the Report of Wijaya Kumaratunga Memorial Hospital Board for the year ended 31<sup>st</sup> December, 2013.

Thank you.

Yours faithfully,

Prof.Carlo Fonseka,  
Chairman,  
Wijaya Kumaratunga Memorial Hospital,  
Seeduwa.

Copy : Secretary, Ministry of Health

## Human Resource Development

### A. Staff Strength as at 31<sup>st</sup> December 2013

1. Executive Staff			
a. Medical Officer In-Charge	}	04	
Matron			
b. Accountant			
c. Administrative Officer			
2. Medical Specialists	}	08	
a. Permanent			02
( Eye Surgeon , Physician)			
b. Visiting	06		
3. Medical Officers		16	
4. Dental Surgeon		01	
5. Registered Medical Officers		02	
6. Para Medical staff		12	
7. Nursing Officers		44	
8. Clerical and allied grade		05	
9. Diet Stewardess		01	
10. Medical Record Assistant		01	
11. Electrician		01	
12. Cooks		02	
13. Maintenance Laborer		01	
14. Driver		03	
15. Minor staff		47	
16. Substitute Laborers		<u>15</u>	
<b>Total</b>		<b><u>163</u></b>	

### B. Recruitments done during year 2013

1. Medical Officer	02
2. Accountant	01 ( Replacement )
3. Medical Record Assistant	01
4. Diet Stewardess	01
5. Nursing Officers	01
6. Minor Staff	08

### **Fresh Nursing Appointments**

- ❖ The first batch of Trainee Pupil Nurses ( 3 in number ) has completed their training at Kandana Nurses Training School for three years and are awaiting their first appointments on 1<sup>st</sup> January 2014.

### **Training of Employees**

- ❖ 16 trainee Pupil Nurses who were selected during 2012 commenced their training at the Nurses Training School, Kandana in two batches.

- ❖ Internal Promotion

A minor employee with requisite qualifications was promoted to the Post of Medical Record Assistant.

### **C. Resignations and Retirements during 2013**

#### **Reason**

- |                    |     |                               |
|--------------------|-----|-------------------------------|
| 1. Accountant      | -01 | retirement - age related      |
| 2. Diet Stewardess | -01 | resignation - Personal reason |
| 3. Minor Employee  | -01 | resignation - Personal reason |

### **D. Transfers during 2013**

1. Nursing Officers -03

Three Nursing Officers were released to Ministry of Health after two years of service in Wijaya Kumaratunga Memorial Hospital .

## **The Major Accomplishments in the Year 2013**

**The following purchases were done during the year 2013:**

- Purchase of Medical Equipment: - Rs. 14,505,000.00
  - Fully Automated Bio Chemistry Analyzer- 8,736,000.00
  - Fully Automated Hematology Analyzer - 2,500,000.00
  - Cardiac Monitor - 750,000.00
  - Defibrillator - 570,200.00
  - Pulse Oxymeter - 135,500.00
  - Major spare parts for Laser system -1,098,600.00
  - Vaporizer for Anesthetic Machine - 340,000.00
  - Dental Items - 138,600.00
  - Other medical items - 236,100.00
  - ( BP Apparatus, Forceps , etc. )
  
- Purchase of Furniture and Fittings: - Rs. 363,800.00
  
- Purchase of Machinery, Office and Electrical Equipment: - Rs. 571,200.00
  - Air Condition Units - 225,300.00
  - Computer Unit - 104,300.00
  - Other machinery & electrical equipments - 241,600.00
  - (Fans , water pump units ,water boiler, etc. )
  
- **Received a brand new Ambulance from the Ministry of Health to the value of Rs. 7,180,000.00.**

A separate ward (Ward 5) was established for the patients who up to now sought treatment for chronic wounds at Ward No. 1 and 2 which were shared with other patients. Ward 5 was reconstructed and re-organized in such a way that the toilet area was separated for male and female patients. Cost incurred Rs. 225,000.00.

Construction of new building for upgrading the facilities for Laboratory, Chronic Wound Care Ward, Utility Rooms etc. - Incurred a cost of Rs. 1,120,300.00.

Construction of the garage. The first stage of the vehicle park to accommodate 16 vehicles was initiated and was partly completed to accommodate 8 vehicles.

Earth filling was done on a marshy land with an extent of 6,275 sq. feet at a cost of Rs. 803,00.00.

Color washing of the section of eye clinic was done by utilizing the labor of minor employees of the hospital staff without incurring any labor cost.

## **Analysis of the Services delivered by the Hospital**

### **❖ Summary of Services Provided**

Major services provided by the Hospital are in the disciplines of Out Patients' Department, Emergency Treatment Unit, Clinics, Inward Treatment Facility and Ophthalmic Services , General Surgical Facilities and chronic wound management services .

#### **Clinics**

Surgical Clinic, Pediatric Clinic, Diabetic & Hypertension Clinic , Psychiatric Clinic, Well Women and Family Planning Clinic are conducted weekly .Medical Clinics ,Dental Clinics ,Eye Clinics are conducted daily .

Medical Clinics, Surgical Clinic, Pediatric Clinic and Eye Clinics are conducted by Specialists. All other clinics are managed by Senior Medical Officers.

#### **General Admissions**

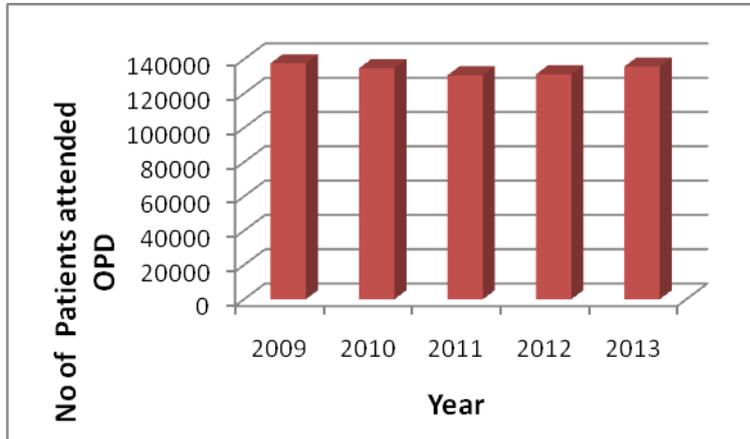
Direct admissions are made from Out Patients' Department, Emergency Treatment Unit or from Clinics. Patients with medical problems, surgical problems, pediatric problems and accident and trauma cases are admitted to general wards where they are investigated and treated. Physician looks after the general medical patients who made investigations which are not available at Wijaya Kumaratunga Memorial Hospital such as MRI , CT scan are referred to NCTH, Ragama .

Patients who need Super-Specialists' care are referred to the respective Specialists of other hospitals if and when necessary and are referred back to WKMH Clinics for follow up. Complicated patients who need intensive care are transferred to near-by hospitals for management by Specialists.

## ❖ Segmental Analysis:-

### Out Patients' Department

- Average 475 Patients per day attend the general OPD for treatment.
- Total Number of patients who attended the Out Patients' Department during 2013 were 135,796

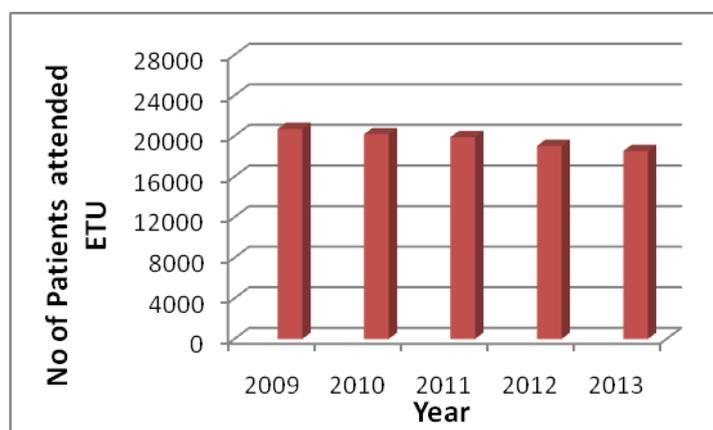


Patients of Seeduwa, Ja-ela, Kandana, Katunayake, Kurana, Ekala and Minuwangoda area and employees of Export Processing Zone Katunayake mainly seek treatment at Wijaya Kumaratunga Memorial Hospital.

- Lack of adequate Medical staff has been identified as a limiting factor this year too.

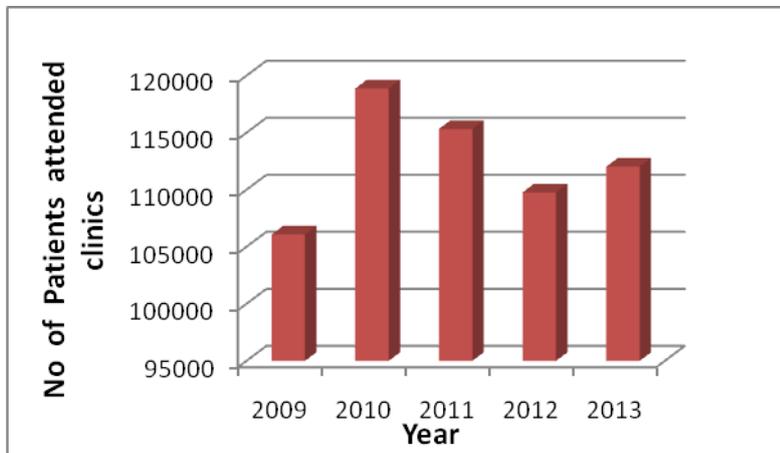
### Emergency Treatment Unit

- A 24-hour service is available. Surgical, medical, pediatric cases including road traffic accidents and industrial accidents and domestic accidents are treated. Acute emergencies are managed and patients who need Specialists' care are referred or transferred to near-by hospitals for specialized management. Since the availability of a Physician, this Unit is used to provide High Dependency Care for the needy patients for a couple of days before managing in the medical wards
- The total number of patients attended the E.T.U during 2013 were 18,518.



## Clinics

- Medical Clinics, Surgical Clinic, Pediatric Clinic, , Diabetic and High Blood Pressure Clinic, Eye Clinic, Psychiatric Clinic, Well Women and Family Planning Clinic and Dental Clinics are held.
- The total number of patients who attended all the clinics during 2013 were 112,028.



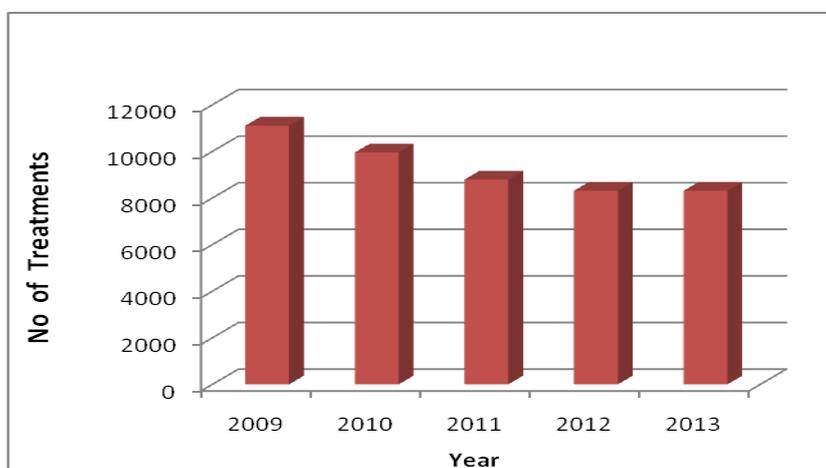
## Dental Unit

- Dental Clinics are held daily on weekdays for ordinary dental problems. School dental clinics are held on every Saturdays .

Dental extractions, Dental fillings, Emergency dental problems such as Trauma, Periodontal treatment, Peadodontics treatment, minor surgical procedures and General consultations are done in the clinics.

The minor oral surgeries done here are removal of mucosa, removal of impacted 3<sup>rd</sup> molars, removal of impacted canines.

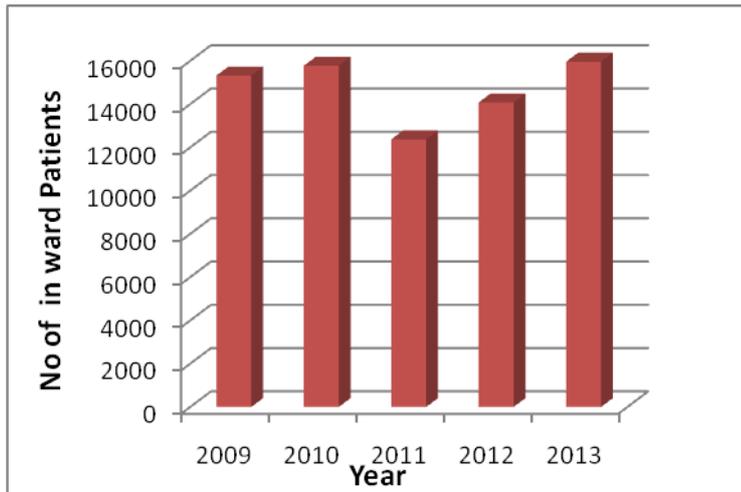
- Total no. of dental extractions - 3,445
  - Total no. of fillings- permanent & temporary fillings - 2,048
  - Other cases - 2,818
- 
- Total no. of patients with dental problems attended at clinic - 8,311
- =====



- Cosmetic dental procedures were also performed in the Clinic. Color restoration procedures, Composite fillings for both anterior teeth and GIC fillings for posterior teeth were done. For anterior teeth, veneering treatments were also done.

### **In-ward Patients**

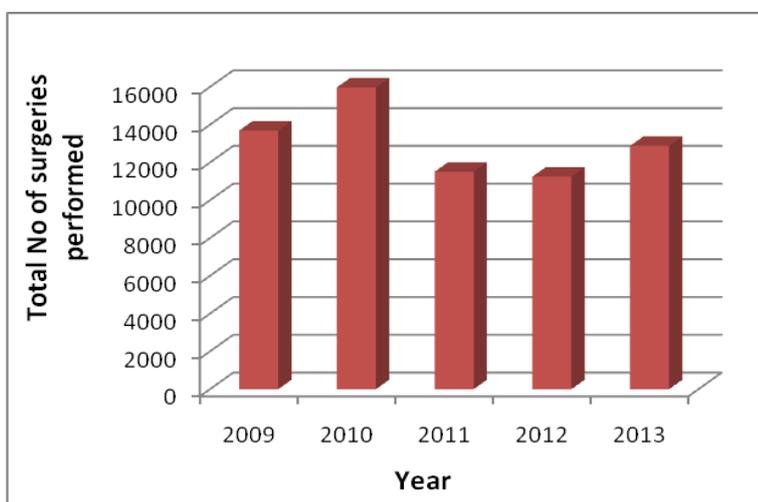
- There are 05 wards, consisting of 164 beds. Meanwhile, 88 beds have been allocated to the Eye Unit.
- The total numbers of 15,963 patients were admitted to the wards during the year 2013.



### **Surgeries Performed**

- The general surgeries (medium and small) were done with the assistance of the medical personnel of Professorial Unit of the Medical Faculty of the University of Kelaniya.
- The total number of surgeries performed ( Ophthalmic and general surgeries ) during the year 2013 were 12,879.
- A nominal hospital charge has been in effect for all types of surgeries.

A facility is available for less privileged patients to waive the hospital charges.



## Ulcer Treatment Unit

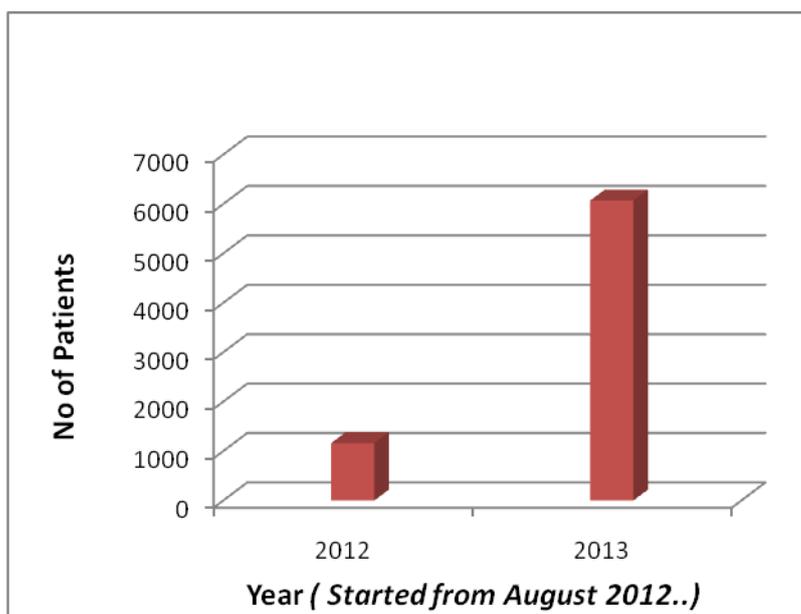
Ulcer clinic is held daily . One ward ( Wd-5 ) with 22 beds has been allocated for patients who need frequent nursing care.

This Unit has shown a remarkable improvement of service during the year. Many patients from far away places have also been referred to this Hospital for treatment.

Statistics of year 2013 is shown below .

1. No of new patients attended	- 376
2. Total No. of patients attended	- 6,069
3. No of Discharges	- 150
4. Diabetic Ulcer	- 25%
5. No. of Arterial wounds treated	- 5%
6. No. of venous wounds treated	- 25%
7. No. of mix pathological wounds treated	- 44%
8. No. of Surgical wounds treated	- 1%

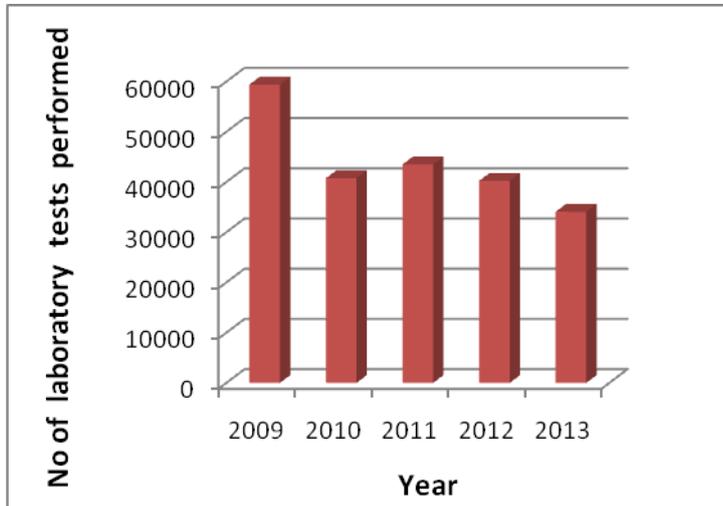
Patients who required surgical intervention and debridement under anesthesia are referred to nearby hospitals such as North Colombo Teaching Hospital or District General Hospital, Negombo for opinion of Consultant Surgeon and expert management and are unusually referred back to us for continuation of management.



## Laboratory Investigations

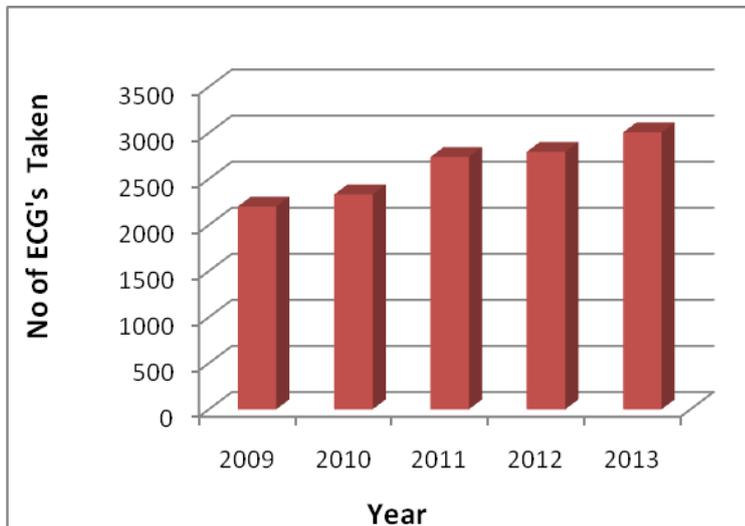
The basic laboratory services are rendered.

- The total number of 34,082 laboratory investigations were done.



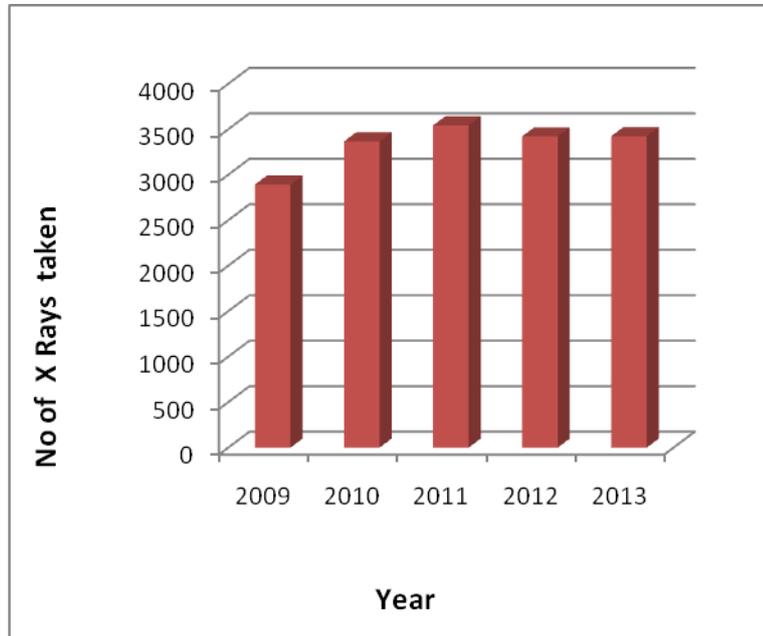
## ECG

- Numbers of E.C.G.'s taken during the year 2013 were 3,005.



## X-rays

- Number of X-rays taken during the year 2013 were 3,424.



## Ophthalmology Unit

The services rendered in the Ophthalmology Unit are:

Daily Clinics, 24 hour casualty management service, Ophthalmological investigations, Ophthalmic surgeries, Laser treatment, Inward patient management and Eye camps.

### Summary of the performance of the Eye Unit

Function	Performance during 2013
No. of admissions	12,830
No. of surgeries	10,247
No. of clinic patients	65,642
No. of laser treatments	2,228
No. of refractions	22,104
No. of Emergencies	2,235
No. of Eye camp patients	3,000

### 1. Clinics

- They functioned every day except Sundays and Public Holidays .
- Prior appointments were not needed and patients can walk in for a check up.
- There was no limitation of patients.
- The following clinics were conducted
  - ✓ General Eye Clinics,
  - ✓ Diabetic Clinic,
  - ✓ Glaucoma Clinic,
  - ✓ Pediatric Clinic
  - ✓ Post Operative Clinic

### 2. Eye Surgeries

The following types of eye surgeries were performed in the unit. These included

- i. Anterior segment surgeries
- ii. Posterior segment surgeries (vitreo-retinal)
- iii. Orbital surgeries
- iv. Glaucoma related surgeries
- v. Cosmetic eye surgeries

Surgical waiting rushes were very short and on needy people surgeries were performed on the same day they attended the clinics. E.g. reversible blindness due to cataract.

### Number of Surgeries done

Type of surgery	Number of patients 2013
Intra ocular lens implantations	9,108
Glaucoma related surgeries	113
Vitroretinal surgeries	297
Other surgeries	729
Minor surgeries done in clinic	263
<b>Total</b>	<b>10,510</b>

### 3. Laser Treatment

Virtually all types of laser treatments were done here. The types of laser done:-

- i. YAG capsulotomy
- ii. YAG PI
- iii. Pan Retinal Laser Photo coagulation (PRP)
- iv. Focal Laser Treatment (FLT)

The laser treatment enables us to manage glaucoma and Diabetic Retinopathy comprehensively.

Most of the laser patients underwent laser treatment on the same day they attended the Clinic.

#### Total number of laser done in year 2013

Type of Laser	Number done
PRP	330
FLT	304
YAG Capsulotomy	1,099
Yag PI	130
Other	365
<b>Total</b>	<b>2228</b>

#### **4. Inward Patient Management**

There are 88 beds in the wards of Eye Unit. Most of the cataract surgeries were done as day surgeries. Therefore the shortage of beds were not felt badly. Number of ward admissions was 12,830.

#### **5. Refractive Services-2013**

Number of patients Refraction performed	22,104
H.V.F. Patients	205
P.M.T. Patients	3,380
Post operative Patients	1,397

#### **6. Eye camps**

From the Eye Camps conducted island wide, patients who needed surgeries were directed to Wijaya Kumaratunga Memorial Hospital for surgeries, laser treatment etc and follow up was done in our clinics (e.g. Glaucoma)

To patients who could not afford Intra Ocular Lenses, free facilities were afforded including Intra Ocular Lenses with the support of Vision 2020 of Ministry of Health.

#### **Eye camps done in year 2013**

<b>Date</b>	<b>Eye camp</b>	<b>Number of patients screened in approximation</b>
06/03/2013	Kelaniya MOH	500
17/06/2013	Sooriyawewa	1000
10/09/2013	Sooriyawewa	1000
06/10/2013	Hunupitiya	500

#### **7. Ophthalmology Investigations**

we have had facilities to do following investigations.

1. Fundus fluorescein angiography
2. Anterior segment photography
3. HVF (Humphrey visual field)
4. A scan / contact biometry
5. B scan
6. OCT (Optical Coherence Tomography)

## ❖ **Research and Publications**

Medical Staff member carry out several research projects some are presented and published at international level.

1. How long will it take to develop diabetic retinopathy for Sri Lankan Diabetics
2. Prevalence of cataract among elderly

➤ **Bed Occupancy ratio during 2013 was - 77.44%**

➤ **Morbidity during the year 2013 is shown below:-**

The commonest conditions patients attended in order of frequency were following:

1. Cataract and other diseases of the eye.
2. Viral Diseases including viral fevers
3. Respiratory Tract Infection
4. Hypertension
5. Diseases of Skin and Sub-cutaneous Tissue
6. Acute Gastroenteritis and Diarrhea
7. Gastritis

➤ **Special Events**

- Annual Blood Donation Campaign was held on 15<sup>th</sup> Feb. 2013.
- Unit Head meetings were held frequently and day-to-day matters were Discussed.
- Staff meetings were held when deemed necessary.

➤ **Other Relevant Facts of Interest**

- There has not been any major drug or consumer material shortage.
- There has not been any Trade Union action or any strike of any kind.
- Patients have not lodged any kind of major complaints against Hospital or staff

**Services Rendered January to December 2013 Wijaya Kumaratunga Memorial Hospital**

Service Rendered	January	February	March	April	May	June	July	August	September	October	November	December	Total
OPD (No. of Patients)	10,223	11,066	11,179	10,076	12,658	12,844	12,666	10,389	10,075	11,583	11,647	11,390	135,796
ETU (No. of Patients)	1,571	1,484	1,704	1,563	1,683	1,674	1,534	1,423	1,348	1,412	1,443	1,679	18,518
<b>CLINICS</b>													
Eye Clinics I (No. of Patients)	930	1,017	941	1,085	883	1,125	1,125	965	1,098	1,041	926	1,139	12,275
Eye Clinics II (No. of Patients)	3,950	3,542	5,088	3,704	3,953	3,841	4,867	5,488	4,589	4,966	4,641	4,738	53,367
Dental (No. of Treatments)	773	664	729	552	681	701	752	765	787	538	688	681	8,311
Medical (No. of Patients)	1,741	1,685	2,143	1,690	1,978	1,947	1,805	1,996	1,949	1,803	2,288	1,751	22,776
Diabetes/ Hypertension (No. of Patients)	152	106	141	121	136	152	182	141	137	168	159	123	1,718
Surgical (No. of Patients)	124	109	138	68	129	111	91	81	75	92	102	25	1,145
Pediatric (No. of Patients)	184	210	168	177	151	130	184	115	125	198	162	123	1,927
Psychiatric (No. of Patients)	184	112	149	165	133	152	197	150	200	166	202	204	2,014
Family Planning (No. of Patients)	3	10	9	2	13	16	10	18	11	14	17	9	132
Well Women Clinic (No. of Patients)	19	11	23	19	8	11	20	13	33	23	20	8	208
Wound Care Unit (No. of Patients)	394	377	434	484	492	458	528	513	583	617	611	578	6,069
<b>In Patients</b>													
Ward 01 (No. of Admissions)	107	94	99	114	129	135	114	88	90	104	122	124	1,320
Ward 02 (No. of Admissions)	134	107	155	128	160	160	161	128	109	136	118	172	1,668
Ward 03 (No. of Admissions)	367	424	449	307	499	398	560	431	499	429	408	372	5,143
Ward 04 (No. of Admissions)	576	622	696	438	693	645	815	691	693	665	526	627	7,687
Ward 05 (No. of Admissions)	17	10	15	13	18	11	10	11	15	10	9	6	145
<b>Operations</b>													
Eye Surgery (No. of Surgeries)	658	739	918	562	923	865	1,131	895	966	988	787	815	10,247
Minor eye surg (Done in Clinic) (No. of Surgeries)	5	22	24	14	11	26	23	30	26	18	46	18	263
General Surgery (No. of Surgeries)	11	9	15	13	17	11	10	11	15	10	10	9	141
Laser Treatment	40	82	132	106	129	190	313	341	228	230	260	177	2,228
Investigation :- Refraction (No. of Tests)	1,364	1,200	1,348	959	1,355	1,528	1,551	1,662	1,434	1,416	1,420	1,225	16,462
Ophthalmic :- HVF (No. of Tests)	34	17	16	18	4	21	35	10	9	27	33	35	259
LAB (No. of Tests)	2,861	2,603	2,519	2,424	2,446	2,280	2,287	2,890	3,300	4,043	3,472	2,957	34,082
X-Ray (No. of X-Rays)	260	276	287	94	236	291	303	319	327	300	377	354	3,424
E.C.G. (No. of Patients)	258	157	245	183	243	210	218	247	132	254	381	477	3,005

# Wijaya Kumaratunga Memorial Hospital- Seeduwa

## **Statement of Financial Position**

AS AT DECEMBER 31, 2013

		2013	2012
<b><u>ASSETS</u></b>		Rs.	Rs.
<b><u>Current Assets</u></b>			
Cash and Cash Equivalents	1	11,511,170.58	2,969,439.05
Receivables	2	6,050,503.00	4,253,992.00
Inventories	3	8,820,904.50	9,753,250.06
Prepayments	4	598,022.24	277,738.97
		<u>26,980,600.32</u>	<u>17,254,420.08</u>
Capital Working Progress	5	2,241,934.00	
		<u>2,241,934.00</u>	
<b><u>Non- Current Assets</u></b>			
Infrastructure, Plant and Equipment	6	48,191,394.25	40,407,506.74
Land and Building	7	153,579,584.79	155,296,482.60
		<u>201,770,979.04</u>	<u>195,703,989.34</u>
<b>Total Assets</b>		<u>230,993,513.36</u>	<u>212,958,409.42</u>
<b><u>LIABILITIES</u></b>			
<b><u>Current Liabilities</u></b>			
Payables	8	16,034,021.44	12,000,078.98
Creditors	9	20,724,091.46	7,302,547.44
Provision for Gratuity	10	17,616,699.70	13,109,865.91
		<u>54,374,812.60</u>	<u>32,412,492.33</u>
Net Assets		<u>176,618,700.76</u>	<u>180,545,917.09</u>

**NET ASSETS/EQUITY**

Capital	11	75,787,890.44	75,787,890.44
Government Grant- Capital	12	131,531,083.25	114,826,665.05
Donation		461,894.60	218,844.60
Reserves- Capital Gain		2,131,366.30	2,131,366.60
Accumulated Surpluses/ (Deficits)	13	(33,293,533.83)	(12,418,849.30)
<b>Total Net Assets/ Equity</b>		<b>176,618,700.76</b>	<b>180,545,917.09</b>

The Board of Directors are responsible for the preparation and presentation of these Financial Statements. These Financial Statements were approved by the Board of Directors and signed on their behalf.

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**Chairman**

Date :

.....

**Director**

Date :

.....

**Director**

Date :

.....

**Accountant**

Date :

**Wijaya Kumaratunga Memorial Hospital- Seeduwa**  
**Statement of Financial Performance for the Year Ended**  
**December 31, 2013**

		<b>2013</b>	<b>2012</b>
		<b>Rs.</b>	<b>Rs.</b>
<b><u>Revenue</u></b>			
Government Grant (Recurrent)		120,250,000.00	128,070,000.00
Capital Grant Amortization		17,525,581.80	15,817,907.36
Other Revenue	14	16,534,203.60	10,545,200.80
<b>Total Revenue</b>		<b>154,309,785.40</b>	<b>154,433,108.16</b>
<b><u>Expenses</u></b>			
Wages Salaries and Employee Benefits	15	90,863,190.23	80,659,607.32
Supplies and Consumables used	16	37,361,818.72	29,115,286.41
Depreciation	17	17,546,479.30	16,944,082.36
Other Expenses	18	27,481,236.35	24,067,261.61
<b>Total Expenses</b>		<b>173,252,724.60</b>	<b>150,786,237.70</b>
<b>Surplus / (Deficit) for the Period</b>		<b>(18,942,939.20)</b>	<b>3,646,870.46</b>

**Wijaya Kumaratunga Memorial Hospital, Seeduwa**  
**Cash Flow Statement for the Year Ended 31 December 2013**

	<b><u>2013</u></b> <b>Rs.</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Surplus / (Deficit)	(18,942,939.20)
<b>Non - Cash Movements</b>	
Depreciation	17,546,479.30
Amortization of Government Grant	(17,525,581.80)
Increase in Payable	17,455,486.48
Decrease in Inventory	932,345.56
Increase in Provisions relating to Employee Cost	4,906,904.56
Increase in Prepayment	(320,283.27)
Increase in Receivable	(1,796,511.00)
Prior Year Adjustments	(799,980.33)
Retirement Benefit Obligation Paid	(400,070.77)
<b>Net Cash Flows from Operating Activities</b>	<b>1,055,849.53</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchase of Plant and Equipment	(17,422,184.00)
Capital Working Progress	(2,241,934.00)
<b>Net Cash Flows from Investing Activities</b>	<b>(19,664,118.00)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Capital Grant received	27,050,000.00
Donation received by Cash	100,000.00
<b>Net Cash Flows from Financing Activities</b>	<b>27,150,000.00</b>
<b>Net Increase / (Decrease) in cash and cash equivalents</b>	<b>8,541,731.53</b>
<b>Cash and Cash equivalents at Beginning of Period</b>	<b>2,969,439.05</b>
<b>Cash and Cash equivalents at End of Period</b>	<b>11,511,170.58</b>

**Notes to the Cash Flow Statement Cash and Cash Equivalents**

	<b>2013</b>
Cash at Bank	11,485,620.58
Petty Cash	25,000.00
Cash in Hand	550.00
	<hr/>
	<b>11,511,170.58</b>
	<hr/> <hr/>

**Wijaya Kumaratunga Memorial Hospital - Seeduwa**  
**Statement of Changes in Net Assets / Equity**  
**For the Year Ended 31 December 2013**

	Donation from General Treasury  Rs.	Government Grant - Capital  Rs.	Donation from other entity  Rs.	WKMH Foundation  Rs.	Board of Investment  Rs.	UDA  Rs.	Reserves - Capital Gain  Rs.	Net Surplus/ (Deficit)  Rs.	Total  Rs.
Balance as at December 31, 2012	5,600,000	109,226,665	218,845	29,632,139	28,155,751	18,000,000	2,131,366	(12,418,849)	180,545,917
Donation During the Year	7,180,000		243,050						7,423,050
Capital Grant Received During the Year		27,050,000							27,050,000
Capital Grant Amortization		(17,525,582)							(17,525,582)
Net Surplus / (Deficit)for the Period								(18,942,939)	(18,942,939)
Prior Year Adjustments								(1,931,745)	(1,931,745)
Balance as at December 31, 2013	12,780,000	118,751,083	461,895	29,632,139	28,155,751	18,000,000	2,131,366	(33,293,533)	176,618,701

**Wijaya Kumaratunga Memorial Hospital, Seeduwa**  
**Fixed Assets Schedule as at 31<sup>st</sup> December 2013**

Items	Cost				Rate	Depreciation				Written down value as at 31/12/2013
	as at 1/1/2013	Add. During The Year	Disposal during The Year	as at 31/12/2013		as at 1/1/2013	Addition during Year	Disp. During the Year	as at 31/12/2013	
Land	18,627,500.00		-	18,627,500.00		-		-		18,627,500.00
Building & Fittings	156,482,447.74	2,023,277.00	(604,229.50)	157,901,495.24	2%	19,813,465.14	3,158,029.90	22,084.59	22,949,410.45	134,952,084.79
Vehicle	10,778,792.90	7,180,000.00		17,958,792.90	20%	5,618,789.90	3,006,000.00		8,624,789.90	9,334,003.00
Furniture Fi. & Instrument	8,292,967.77	363,579.20		8,656,546.97	10%	6,235,572.22	484,038.70		6,719,610.92	1,936,936.05
Machinery	6,144,323.73	473,472.80		6,617,796.53	15%	4,796,071.14	394,387.20		5,190,458.34	1,427,338.19
Computer	541,145.00	104,250.00		645,395.00	20%	452,938.00	54,900.00		507,838.00	137,557.00
Medical Equipment	104,220,512.64	14,600,655.01	(1,822,731.00)	116,998,436.65	15%	72,466,864.04	10,449,123.50	1,273,110.90	81,642,876.64	35,355,560.01
	305,087,689.78	24,745,234.01	(2,426,960.50)	327,405,963.29		109,383,700.44	17,546,479.30	1,295,195.49	125,634,984.25	201,770,979.04

**201,770,979.04**

		<u>2013</u> Rs.	<u>2012</u> Rs.
<b><u>Cash &amp; Cash Equivalent</u></b>	<b>01</b>		
Cash at Bank		11,485,620.58	2,943,589.05
Petty Cash		25,000.00	25,000.00
Cash in Hand		550.00	850.00
		11,511,170.58	2,969,439.05
		11,511,170.58	2,969,439.05
<b><u>Receivables</u></b>	<b>02</b>		
Deposit Account		50,000.00	50,000.00
Festival Advance		237,500.00	235,000.00
Special Advance		750.00	750.00
Advance			35,000.00
Distress Loan		5,762,253.00	3,933,242.00
		6,050,503.00	4,253,992.00
		6,050,503.00	4,253,992.00
<b><u>Inventories</u></b>	<b>03</b>		
Stationeries		90,561.71	145,338.30
Drugs		7,498,661.48	8,802,211.14
Lab Chemical		598,611.27	201,876.66
Linen Items		269,615.10	261,635.64
General Stores		195,027.96	216,503.34
Repair & Maintenance		94,557.74	125,684.98
X- Ray		73,869.24	
		8,820,904.50	9,753,250.06
		8,820,904.50	9,753,250.06

		<b><u>2013</u></b>	<b><u>2012</u></b>
		<b>Rs.</b>	<b>Rs.</b>
<b><u>Prepayments</u></b>	<b>04</b>		
Insurance Cash & Transit		6,095.30	6,244.55
Insurance Double Cab – GD 2714		3,307.67	3,749.86
Insurance Double Cab – PC 4087		54,434.81	50,630.80
Insurance Double Ambulance HN-6312		38,575.34	
Service Agreement of Digital Copier		8,123.56	7,366.08
License Fees GD 2714		9,808.70	7,842.20
License Fees PC 4087		6,160.62	3,912.00
Service Agreement of with Frigi		111,097.08	76,930.89
Service Agreement of Fax			5,442.46
Service Agreement of Lift		120,419.16	106,953.43
Service Agreement of Computer			8,666.70
Rental		240,000.00	
		598,022.24	277,738.97
		598,022.24	277,738.97
<b><u>Capital Working Progress</u></b>	<b>05</b>		
Working Progress – New Building		1,120,320.00	
Working Progress – Car Park II		318,614.00	
Working Progress – Earth Filling		803,000.00	
		2,241,934.00	
		2,241,934.00	
<b><u>Infrastructure, Plant &amp; Equipment</u></b>	<b>06</b>		
Machinery		1,427,338.19	1,348,252.59
Furniture		1,936,936.05	2,057,395.55
Vehicle		9,334,003.00	5,160,003.00
Computer		137,557.00	88,207.00
Medical Equipment		35,355,560.01	31,753,648.60
		48,191,394.25	40,407,506.74
		48,191,394.25	40,407,506.74

	<b><u>2013</u></b>	<b><u>2012</u></b>
	<b>Rs.</b>	<b>Rs.</b>
<b><u>Land &amp; Building</u></b>	<b>07</b>	
Land	18,627,500.00	18,627,500.00
Building & Fittings	134,952,084.79	136,668,982.60
	153,579,584.79	155,296,482.60
	153,579,584.79	155,296,482.60
<b><u>Accrued Expenses</u></b>	<b>08</b>	
Audit Fees	650,000.00	560,000.00
TEC Member Fees	18,000.00	2,153.00
Electricity	605,465.63	536,414.25
Telephone Charges	52,764.20	38,020.23
Fuel	75,096.00	50,820.00
Repair & Maintenance I & Lab Chemical	959,912.27	
Medical Equipment	11,236,000.00	8,095,000.00
<b><u>Payables</u></b>		
Refundable Tender Deposit	254,000.00	371,000.00
Special Advance		250.00
Retention Money	297,395.00	694,315.50
<b><u>Salary Payables</u></b>		
Salary Control	263,610.00	162,010.00
Salary Control	312,210.00	281,560.00
Salary A/C	614,753.34	14,000.00
Salary A/C		53,603.00
Salary A/C		93,484.00
Overtime – Nursing Staff	258,136.00	245,699.00
Overtime – Paramedical Staff	27,052.00	23,566.00
Overtime – Other Staff	21,843.00	20,099.00
Overtime – Minor Staff	220,526.00	207,106.00
Extra Duty Payments M/O	162,141.00	115,700.00
Welfare Society	5,117.00	12,555.00
Extra Duty Payments M/O		9,660.00
Salary A/C		236,814.00
Prior Year Adjustment		176,250.00
	16,034,021.44	12,000,078.98
	16,034,021.44	12,000,078.98

		<b><u>2013</u></b>	<b><u>2012</u></b>
		<b>Rs.</b>	<b>Rs.</b>
<b><u>Creditors</u></b>	<b>09</b>		
SPC		8,802,442.12	
MSD		6,120,274.70	3,091,135.70
Super Willshine Ltd		1,817,380.21	1,854,238.68
Charming Security		469,700.00	434,560.00
Frigi Engineering		1,686,899.72	664,919.33
Erandhi Supplier		1,707,394.71	1,208,605.73
NalinThushara		120,000.00	49,088.00
		<hr/> 20,724,091.46	<hr/> 7,302,547.44
		<hr/> <hr/>	<hr/> <hr/>

<b><u>Reserves</u></b>	<b>10</b>		
Provision for Gratuity		17,616,699.70	13,109,865.91
		<hr/> 17,616,699.70	<hr/> 13,109,865.91
		<hr/> <hr/>	<hr/> <hr/>

<b><u>Capital &amp; Reserves</u></b>	<b>11</b>		
Wijaya Kumaratunga Memorial Foundation		29,632,139.32	29,632,139.32
Board of Investment		28,155,751.12	28,155,751.12
U.D.A.		18,000,000.00	18,000,000.00
		<hr/> 75,787,890.44	<hr/> 75,787,890.44
		<hr/> <hr/>	<hr/> <hr/>

	<b>12</b>			
	<u>As at 01.01.2013</u>	<u>Addi. Dur. In the Year</u>	<u>Amortization</u>	<u>As at 31.12.2013</u>
	Rs.	Rs.	Rs.	Rs.
Government Grant – Capital	109,226,665.05	27,050,000.00	14,969,581.80	121,307,083.25
Vehicle – Double Cab WPPC				
4087 By the Treasury		5,600,000.00	1,120,000.00	4,480,000.00
Ambulance – WPLW – 0961				
By the Ministry of Health		7,180,000.00	1,436,000.00	5,744,000.00
	<hr/> 109,226,665.05	<hr/> 39,830,000.00	<hr/> 17,525,581.80	<hr/> 131,531,083.25
				<hr/> <hr/>

		<b><u>2013</u></b>	<b><u>2012</u></b>
		<b>Rs.</b>	<b>Rs.</b>
<b><u>Accumulated Deficit</u></b>	<b>13</b>		
B/F Balance as at 01.01.2013		(12,418,849.30)	(13,105,137.55)
Deficit for the Period		(18,942,939.20)	3,646,870.46
Prior Year Adjustment		(1,931,745.33)	(2,960,582.21)
		<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>
		(33,293,533.83)	(12,418,849.30)
		<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>
<b><u>Other Income</u></b>	<b>14</b>		
Private Medical Certificate Charges		199,900.00	210,450.00
Sundry Income		93,320.15	24,300.00
Tender Deposit – Non Refundable		121,500.00	139,000.00
Interest of Distress Loan		158,443.73	149,043.34
Eye Operation Charges		14,727,750.00	9,877,250.00
General Operation		135,000.00	114,000.00
Interest – Special Advance		6,921.72	6,932.46
Audit Query			24,225.00
Rental		16,768.00	
FFA		19,750.00	
FLT		92,250.00	
Peripheral		63,000.00	
LID		11,000.00	
Yag PI		33,000.00	
PRP		125,300.00	
HVF		80,000.00	
Yag Capsulomy		650,300.00	
		<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>
		16,534,203.60	10,545,200.80
		<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>

	<b><u>2013</u></b>	<b><u>2012</u></b>
	<b>Rs.</b>	<b>Rs.</b>
<b><u>Expenditure</u></b>		
	<b>15</b>	
<b>Wages, Salaries &amp; Employee Benefits</b>		
Salary Control A/C	(409.67)	(150.22)
Salary & Allowances	71,297,393.48	64,542,410.98
E.P.F. 12%	4,456,215.01	4,212,512.67
E.T.F. 3%	1,114,053.76	1,053,128.20
Over Time – Others	277,124.50	287,917.52
Over Time – Para Medical	410,347.60	391,376.21
Over Time - Nurses	3,848,670.49	2,519,165.90
Over Time – Minor Staff	2,930,555.50	2,655,412.50
Extra Duty Payments (M/O)	1,622,335.00	1,531,444.30
Gratuity Expenses	4,906,904.56	3,466,389.26
	<hr/>	<hr/>
	90,863,190.23	80,659,607.32
	<hr/>	<hr/>
<b><u>Supplies</u></b>		
	<b>16</b>	
Lab Chemicals	870,933.79	628,060.49
X-Ray Films & Chemicals	193,042.55	172,855.50
Dental Consumable	55,433.18	49,680.88
Consumable & Medical Equipment	2,357,404.39	694,013.98
Uniforms	1,045,859.00	812,510.00
Gas	608,887.00	439,820.00
Drugs	31,282,073.91	25,455,449.20
Linen Items	290,718.04	232,582.34
Consumable & General Stores	657,466.86	630,314.02
	<hr/>	<hr/>
	37,361,818.72	29,115,286.41
	<hr/>	<hr/>
<b><u>Depreciation</u></b>		
	<b>17</b>	
Buildings & Fittings	3,158,029.90	3,129,648.95
Vehicle	3,006,000.00	1,635,756.58
Furniture , Fittings & Instruments	484,038.70	448,135.78
Machinery	394,387.20	386,991.78
Computer	54,900.00	59,287.00
Medical Equipment	10,449,123.50	11,284,262.27
	<hr/>	<hr/>
	17,546,479.30	16,944,082.36
	<hr/>	<hr/>

	<b>2013</b>	<b>2012</b>
	<b>Rs.</b>	<b>Rs.</b>
<b><u>Travelling</u></b>	<b>18</b>	
Travelling & Subsistence Allowance (Other Officers)	21,362.00	21,479.00
<b><u>Maintenance</u></b>		
Stationery	413,665.33	267,666.85
Electricity	7,928,929.51	7,019,295.58
Water	1,203,512.00	913,953.20
Telephone	458,008.89	587,013.14
Postage	13,300.00	8,345.00
<b><u>Repair &amp; Maintenance</u></b>		
Repair & Maintenance – Building	14,000.00	259,566.62
Repair & Maintenance – Machinery	1,340,734.25	169,424.67
Repair & Maintenance – Vehicle	293,082.84	359,365.63
Repair & Maintenance – Computer	58,666.70	62,635.62
Repair & Maintenance – Medical Equipment	489,815.00	388,329.32
Repair & Maintenance (ii)	541,666.89	347,735.15
Repair & Maintenance (i)		
<b><u>Contractual Service</u></b>		
Cleaning	3,489,040.78	3,165,532.18
Laundry	679,193.00	629,057.00
Security	2,809,807.84	2,609,801.60
Food Provision	5,082,015.66	5,016,671.02
<b><u>Others</u></b>		
Administrative Board Member Fees	68,000.00	47,000.00
Sundry Expenses	314,629.00	244,999.00
Advertisement	546,224.00	515,088.00
Insurance Cash & Transits	16,458.99	11,996.11
Other Bank Charges	46,885.37	45,997.00
Audit Fees	350,000.00	300,000.00
<b><u>Vehicle Expenses</u></b>		
Fuel	1,029,544.00	938,988.99
Insurance	255,609.42	122,013.10
Reg. / License Fees	17,084.88	15,307.83
	27,481,236.35	24,067,261.61
	27,481,236.35	24,067,261.61

## FINANCIAL PERFORMANCE TREND IN THE PRECEEDING FIVE YEARS

Sr. No	Narration	2009(000)	2010(000)	2011(000)	2012(000)	2013(000)
01	Total Non-current Assets (WDV) as at end of year	167,390	170,387	184,632	195,703	201,770
02	Total Current Assets as at end of year	13,170	23,401	19,729	17,254	26,980
03	Accumulated Fund as at end of year	180,560	193,788	204,361	212,958	230,993
04	Total Non- Current Liabilities as at end of year	-	-	115,044	109,226	120,187
05	Total Current Liabilities as at end of year	6,022	12,300	26,450	32,412	54,374
06	Total Revenue for the year	98,243	114,143	132,355	154,433	152,873
	Government Grant – Recurrent	77,700	91,812	109,933	128,070	120,250
	Capital Donation	3,000	24,000	19,000	10,000	191,200
	Own Revenue	20,543	22,331	22,362	26,363	32,623
07	Surplus/ Defect for the year	(3,546)	(6,510)	(3,944)	3,646	(20,378)
08	Total Capital Expenditure for the year	8,628	14,827	25,921	21,744	24,745
09	Total Cost of Employment for the year	51,812	59,648	68,696	77,193	90,863
10	Total Number of Employees as at end of year	129	144	144	145	163
(A)	<b>RATIONS</b> Own Revenue to Total Revenue	21%	19%	17%	17%	21%
(B)	Total Cost of Employment per Employee	401.00	414.00	477.00	532.00	557.00

### Performance Indicator

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Number of Patients – Services					
Out- doors	264,447	274,848	265,864	259,994	266,342
Indoor	15,774	15,774	12,372	14,079	15,963
Cost of Patient per day	1,505	1,676	2,032	2,133	2,303

## UNIT COST PER PATIENT PER DAY

This has been arrived by divide the total expenditure for the year 2013 by the total number of patients days and the number of out patients visit divided by six.

Total expenditure for the year	=	(Rs.)173,252,724.60
Total Number of patient days	=	30,827
Total Number of Out patients Visit	=	266,342
Six Out patients =One in patient visit	=	<u>266,342</u> / 6
	=	44,390
Total Number of patients days		30,827 + 44,390
	=	75,217
Cost for patient per day		<u>173,252,724.60</u> /75,217
	=	<b>2,303</b>



# Wijaya Kumaratunga Memorial Hospital, Seeduwa

## Significant Accounting Policies

### GENERAL

#### Basic of Preparation

1.1.1. Financial Statements is prepared in accordance, with the format of Sri Lanka Public Sector Accounting Standards

1.1.2. The Financial Statements of the Board are prepared under the historical cost convention.

1.1.3. The Financial Statements of the Board are prepared in Sri Lanka Rupees (Rs.)

#### 1.2. Government Grants

Board receives two type of Government grants namely

Capital Grant  
Recurrent Grant

1.2.1. The Capital grant in accounted as per the SLAS 24.

The method sets up the Capital grant As deferred income which is recognized as income on basically the useful life of the assets (eg. Annually depreciated value of the assets is accounted as income for the years)

1.2.2. Recurrent Grant has been recognized income of the period and credited to the Statement of Income & to the Statement of Income & Expenditure.

#### 1.3. Taxation

No provision for taxation is provided as the Board has made a deficit during the year.

#### 1.4. Comparative information.

The Accounting policies has been consistently applied by the Board are consistent with those of the previous year's figures.

### 2. ASSETS AND BASES OF THEIR VALUATION.

#### 2.1. Property, Plant & Equipment, Depreciation and Re-valuation.

2.1.1. Property, Plant & Equipment are Stated at cost or valuation less accumulated depreciation. The cost of property, plant & Equipment is the cost of purchase of construction together with any incidental expenses incurred in bringing the assets to its working Condition for its intended use.

Expenditure incurred for the purpose of acquiring extending or improving assets of a permanent nature by means of which to carry on the services provided or to increase the capacity of the services provided has been treated as capital expenditure.

2.1.2. Depreciation is provided on the assets other than on freehold land using straight line method at the rates as stated below,

Building & Fittings	2%
Vehicle	20%
Furniture, Fittings & Instruments	10%
Machinery	15%
Medical Equipment	15%
Computer	20%

2.1.3. Depreciation is provided in the year of purchase or acquisition and no depreciation is provided in the year of disposal.

2.1.4. For the purpose of cash flow statement cash and cash equivalents consist of cash in hand and cash at bank.

### 3. LIABILITIES & PROVISIONS

#### 3.1. Capital commitments & Contingencies

All material Capital expenditure commitments and contingents liabilities at the date of Balance sheet have been disclosed in the notes to the accounts. as

#### 3.2. Valuation of Inventories/ Stocks

Inventories have been valued at cost.

### 4. INCOME & EXPENDITURE

#### 4.1. Revenue

4.1.1. The revenue of the Board represents the charges for private medical certificate and Government Recurrent Grant and other Miscellaneous income.

4.1.2. All income has been recognized on an accrual basis.

#### 4.2. Expenditure.

4.2.1. All expenditure incurred in the providing of patient care services, and in maintaining the capital assets in a state of efficiency has been charges to revenue on an accrual basis in arriving at the surplus or deficit for the year.

For the purpose of presentation of the Income & Expenditure Statement, the Directors are of the view the nature of expenses method fairly presents the elements of the Board's performance hence such a presentation method is adopted

My No :- HM/B/WKMH/1/13/09  
Your No :-  
Date :- 30<sup>st</sup> September 2014

## **Report of the Auditor General on the Financial Statements of the Wijaya Kumaratunga Memorial Hospital Board for the year ended 31<sup>st</sup> December 2013 in terms of Section 14(2) (c) of the Finance Act. No. 38 of 1971**

The audit of Financial Statements of the Wijaya Kumaratunga Memorial Hospital Board for the year ended 31 December 2013 comprising the statement of financial position as at 31 December 2013 and the statements of financial performance, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information, was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with Section 13(1) of the Finance Act, No. 38 of 1971 and Section 13(3) of the Wijaya Kumaratunga Memorial Hospital Board Act, No. 38 of 1999. My comments and observations which I consider should be published with the Annual Report of the Board in terms of Section 14(2)(c) of the Finance Act appear in this report. A detailed report in terms of Section 13(7)(a) of the Finance Act was furnished to the Chairman of the Board on 02 May 2014.

### **1:2 Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Public Sector Accounting Standards and for such internal controls as the management determines is necessary to enable the preparation of financial statements that are free from material misstatements whether due to fraud or error.

### **1:3 Auditor's Responsibility**

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Sri Lanka Auditing Standards consistent with International Standards of Supreme Audit Institutions (ISSAI 1000 – 1810). Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Board's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of financial statements. Sub-sections (3 and 4) of section 13 of the Finance Act, No. 38 of 1971 give discretionary powers to the Auditor General to determine the scope and the extent of the audit.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

#### **1:4 Basis for Qualified Opinion**

My opinion is qualified based on the matters described in paragraph 2.2 of this report.

## **2. Financial Statements**

### **2.1 Qualified Opinion**

In my opinion, except for the effects of the matters described in paragraph 2.2 of this report, the financial statements give a true and fair view of the financial position of the Wijaya Kumaratunga Memorial Hospital Board as at 31 December 2013 and its financial performance and cash flows for the year then ended in accordance with Sri Lanka Public Sector Accounting Standards.

### **2.2 Comments on Financial Statements**

#### **2.2.1 Accounting Deficiencies**

Following observation are made

- a) Even though the fully depreciated assets costing Rs. 46,185,718 are being used at present, action had not been taken to revalue and show those in the financial statements.

- b) The Value of stocks of drugs had been overstated by a sum of Rs. 178,837 as the correct cost had not been applied in the valuation of stocks.
- c) According to the financial statements presented, the value of the prior year adjustments amounted to Rs. 1,931,745 while that value had been shown as Rs. 799,980 in the cash flow statement by a sum of Rs. 1,131,765.

## **2.3 Non- compliance with Laws, Rules, Regulations and Management decisions**

Following non- compliances were observed.

<b><u>Reference to Laws, Rules, Regulations etc</u></b>	<b><u>Non- compliance</u></b>
a) Wijaya Kumaratunga Memorial Hospital Board Act, No. 38 of 1999 Section 10.	Even though the Board should appoint a Management Committee for the administration of the day to day activities of the Hospital, that requirement had not been complied with.
<p>b) Drugs Management Handbook issued by the Ministry of Health in the year 2008.</p> <p>I. Chapter 5 Section 2</p> <p>II. Chapter 9 of Section 2</p> <p>III. Chapter 9 Section 8.1</p>	<p>Even though a maximum buffer stock adequate for two months should be maintained in the Drugs Store, a test check of the Main Store and the Dispensaries of the Hospital revealed excess stocks of drugs as well as the existing of stocks seven categories of drugs and surgical materials exceeding the requirements of more than 06 ensuing months.</p> <p>Instances of utilizing places without adequate environmental conditions for storage of drugs as stores were observed.</p> <p>Even though the Board of Management of the Hospital should inspect the Drugs Stores from time to time and ensure that the drugs are stored properly, such inspections had not been carried out.</p>

## **2.4 Transactions not supported by Adequate Authority**

The powers relating to the approval of payments had not been delegated in terms of paragraph 28 of the Circular No. SFA/01/2012 dated 01 January 2013 of the Secretary to the Ministry of Health and the payments exceeding Rs. 5 million which should be approved by an officer in a level similar to a Deputy Director of the Ministry, had been approved by the Administrative Officer of the Hospital.

## **3. Financial Review**

### **3.1 Financial Results**

According to the Financial Statement presented, the operations of Hospital Board for the year under review had resulted in a deficit of Rs. 18,942,939 as against the surplus of Rs. 3,646,870 for the preceding year. As such a deterioration of Rs. 22,589,809 was indicated in the year under review. The decrease of the Government recurrent grant by a sum of Rs. 7,820,000, the increase of the expenditure on medical equipment consumables by a sum of Rs. 1,663,390, the increase of the cost of drugs by a sum of Rs. 5,826,625 and the increase of the machinery service charges by a sum of Rs. 1,171,309 had been the main reasons thereto.

### **3.2 Legal Action against the Institution**

A former Accountant had filed a case against the Hospital for the failure to grant an extension of service.

## 4. Operating Review

### 4.1 Performance

Performance of the year under review as compared with that of the preceding year is given below.

<u>Number of Patients treated</u>	<u>Number</u>			
	2013	2012	Increase/ (Decrease)	
Percentage				
Outdoor Patient Department	135,796	131,206	4,590	3
Emergency Treatment Unit	18,518	19,017	(499)	(3)
Clinics	112,030	109,771	2,259	2
Indoor Patients	<u>15,969</u>	<u>14,079</u>	1,890	13
	<u>282,313</u>	<u>274,073</u>		
<u>Number of Surgical Operations</u>				
Eye	10,247	8,180	2,067	25
Laser	2,462	2,619	(157)	(6)
Minor Eye	263	301	(38)	(13)
General	<u>131</u>	<u>150</u>	(19)	(13)
	<u>13,103</u>	<u>11,250</u>		
<u>Number of Tests</u>				
Laboratory	34,082	40,231	(6,149)	(15)
X Ray	3,424	3,422	2	-
E.C.G.	<u>3,005</u>	<u>2,795</u>	210	8
	<u>40,511</u>	<u>46,448</u>		

## Expenditure

Item	Percentage	2013	2012	Increase/	(Decrease)
		Rs.	Rs.	In Expenditure	
Laboratory Materials		870,934	628,060	242,874	39
Consumables and Medical Equipment		2,357,404	694,014	1,663,390	240
X Ray Materials		193,042	172,855	20,187	12
Drugs		31,282,074	25,455,449	5,826,825	23
Total Expenditure		173,252,725	150,786,238	22,466,487	15
Depreciation and Gratuity		22,453,384	20,410,472	2,042,912	10
Expenditure per Patient Day (Inclusive of Depreciation)		2,310	2,058	252	12
Expenditure per Patient Day (Excluding Depreciation)		2,011	1,780	231	13

### **The following observations are made.**

- Even though Eye Operations had increased by 25 per cent the number of Surgical Operations had decreased by 13 per cent.
- The number of Laser Operations had decreased by 6 per cent while the Normal Operations as well had decreased by 13 per cent.
- Even though the expenditure on Laboratory materials had increased by 39 per cent, the number of Laboratory Tests had decreased by 15 per cent.
- Expenditure on drugs had increased by 23 per cent while the expenditure on consumables and medical equipment as well had increased by 240 per cent.

## 4.2 Management Ineffective

The following observations are made.

- (a) The Fully Automated Hematology Analyzer, approved for purchase for Rs. 2,500,000 under urgent requirements by calling for limited quotations as approved by the Secretary to the Ministry, had been ordered in December 2012 received on 23 July 2013. Nevertheless, the Reagents requirements for operating the Analyzer ordered in August 2013 had been supplied only in December 2013.

Even though Analyzer had the capacity for carrying out 60 Full Blood Count with D Count per hour, the average number of such tests carried out in the May 2014 had been only 255. As such a high capacity machine had been purchased.

- (b) A Fully Automated Biochemistry Analyzer which could carry out 22 different categories or tests with the minimum capacity of 300 tests per hour costing Rs. 8,736,000 had been supplied to the Hospital on 13 June 2013. It was observed that 477 instances of 6 categories of tests only had been done during the first 6 months of the year 2014. Even though the laboratory work of the Hospital had expanded, the trained staff had not been recruited for the laboratory. The Chairman informed the audit that despite calling for applications through publication of newspaper advertisements, suitable candidates were not available, that two Trainee Laboratory Technicians had been recruited and attached for training.
- (c) In terms of paragraph 4(1) of the Circular No. 02/19/2009 dated 27 March 2009 of the Ministry of Health, additional service allowance should be paid to the Nursing Officers who serve for more than 36 hour per week. According to a test check it was observed that a sum of Rs. 43,422 for 626 hours exceeding the number of overtime hours payable to 28 Nursing Officers had been paid in January 2013.

## 4.3 Idle and Underutilized Assets

The following observations are made.

- (a) The Surgeon who performed eye operations in the Hospital had suspended the performance of eye operations since the year 2009 and as such the Operating Microscope purchased for Rs. 765,000 in the year 2000 had been idling over a period of 04 years.

- (b) Even though the Vitreous Scissors Vertical valued at Rs. 258,635 and the Vitreous Scissors – Horizontal valued at Rs. 273,700 purchased in the year 2007 had been not in working order from the year 2008, no action whatsoever had been taken in that connection. The Chairman informed the audit that action will be taken in the year 2014 for the disposal of the equipment.

#### **4.4 Deficiencies in Contract Administration**

The bid of the lowest bidder for the construction of the car park had been rejected without adducing acceptable reasons and fresh bids had been invited without a total cost estimate and the second lower bidder had been selected and without entering into a formal agreement and without obtaining an advance guarantee bond in terms of Section 8.9.1 of the Procurement Guidelines a sum of Rs. 1,763,235 had been paid without certifying the final bill.

#### **4.5 Staff Administration**

The approval staff of the Hospital as at 31 December 2013 had been 211 and the actual staff had been 157, thus resulting 54 vacancies. Those vacancies comprised the post of the Hospital Director, 13 in the Medical Staff, 16 in the Nursing Staff, 8 in the Other Hospital Support Staff, 6 Office Staff and 10 of the Labor Grades.

### **5. Accountability and Good Governance**

#### **5.1 Corporate Plan**

According to the Corporate Plan for the years 2013 to 2017 plans had been made for the establishment of the Microbiology Laboratory in the year 2013. Nevertheless, only the award of the contract for the construction of that building had been done on 17 December of the year under review.

Even though plans had been for the purchase of the non – contact Biometry System, Occulocoberent Tomography and Other Ophthalmic Micro Instruments in the year 2013 for carrying out improvement to the Ophthalmology Unit, that activity had not even been commenced.

## 5.2 Internal Audit

The Hospital did not have its own Internal Audit Unit and the internal audit is done by the Internal Audit Unit of the Ministry of Health. But the Internal Audit Unit of the Ministry had not carried out the internal audit work during the year under review.

## 5.3 Audit Committee

According to the Public Enterprises Circular No. 55 of 14 December 2010, the Audit Committee should meet at least once in 03 months. But only one meeting had been held for the year under review.

## 5.4 Budgetary Control

Variances ranging from 29 per cent to 96 per cent in 6 items of expenditure were observed between the budget and the actual expenditure. As such it was observed that the budget had not been made use of as an effective instrument of management control.

## 6. Systems and Controls

Deficiencies in systems and controls observed during the course of audit were brought to the notice of the Chairman of the Hospital Board from time to time. Special attention of the management is needed in respect of the following areas control.

- (a) Drug Stores Control
- (b) Ordering for Diets

H.A.S. Samaraweera  
Auditor General

Your No : HM/B/WKMH/FA/2013  
My No : WKMH/AC/2013  
Date : 2014.06.25

**Auditor General's Report in Terms of Section 14(2)(c) of Financial Act No 38 of 1971 in relation to Financial Report for the year ended in 31<sup>st</sup> December 2013 of the Board of Wijaya Kumaratunga Memorial Hospital**

**2.2 Comments on Financial Statements**

**2.2.1 Accounting Deficiencies**

- (a) I respectfully inform that measures have been taken to publish the assts in future
- (b) Steps will be taken to make corrections in the Financial Statement of 2014
- (c) It is respectfully stated that entries in correct accounts will be rectified by posting all internal expenditures under the respective classification.
- (d) Measures will be taken to show orderliness separately in the Financial Statement of 2014
- (e) Measures will be taken for the correctness in the Financial Statement of 2014
- (f) Expenditures on accounts of surgeries done free of charge will be correctly reported in the Financial Statements of 2014
- (g) Steps will be taken for the correctness in the Financial Statements of 2014

**2.2.2 Illegible Alterations**

- (i) Frigi Enterprises has forwarded an amended statement in regarding to their amounts due. The deference between the balance due in this statement and the financial statements in Rs. 670,832.64. This amount represents the value of bills for which payments withheld by the Presidential Audit Unit inquiry in to the inaction of air conditioning system. Relevant letters are attached.

- (ii) An amount of Rs. 2,442,629.64 paid to the Negombo branch of State Pharmaceuticals Corporation on 31/12/2012 being not shown as an amount due for payment on 31/12/2012 has resulted in the Reconciliation Statement.

### **2.2.3 Non - Compliance with Laws, Rules & Regulations**

- (a) Necessary steps will be taken to attend to the affairs of the hospital in a regularized basis in future by appointing a Management Committee in terms of section 10 of Wijaya Kumaratunga Memorial Hospital Board act no 38 of 1999.

- (b) Medical Memel issued by the Ministry of Health in the year 2008.

(i) In relation to the Cotton Wool Roll indicated in section 2 of paragraph 5 of the Audit Query there was a shortage in the latter part of the year in the institute of the medical suppliers and State Pharmaceuticals Corporation. Out of the estimate of the whole year 2013 by the medical supplier's institute 150 out of 650 only was provided. The requirements of Cotton Wool Rolls highly increased not only by the rapid development of the unit to handle casualties, but also by consolidating the requirements of the other units there was a high requirement for the Cotton Wool Rolls. Due to these 1000 units were purchased for cash from the State Pharmaceuticals Corporation when there was stock available. I forward herewith the number of patients visited the casualties unit only. However I respectfully inform that instructions have been given to observe possible and to maintain a stock for two months only as noted in the audit queries.

(ii) As per section 2 of paragraph 5, 2 the officer who works as the chief pharmacist of this hospital prepare estimates, makes orders, effect purchases and maintains stocks of drugs under the full supervision of the chief medical officer. He handles the records of all these functions alone, and also distribute the required drugs among the different units alone. This makes him difficult to allocate time to check the stocks of the drugs available in wards and dispensaries and to report the same to the Head of the Organization. Though he had provided special information about the stock of drugs in the hospital to the Head of the Organization. However I bring to the notice that this requirement of reporting to the Head of the Organization the stock of drugs to be discussed with the management in relation to its legal requirement.

(iii) In terms of section 2 of paragraph 9, the health services are provided with a limited space available and the services so provided are increasing rapidly. The main medical stores functions within the maximum space that can be provided at present. A part in the new building that is being built is reserved for the medical stores. I bring to the notice that drugs are stored with the possible, suitable environment drugs are being stored until then.

- (iv) The chief medical officer has brought to the notice in regard of storage of drugs as per section 8.1 of paragraph 9. However records has not been maintained for same. In future records will be maintained for inspections and recording of drugs stored.

I inform that in future in regard of the stores of the drugs inspections will be done and records will be maintained.

#### **2.2.4 Translations not Confirmed by Required Authority**

I under take to obtain permission of the board of directors and execute financial functions as per section 28 of the circular no SFA/01/2012 dated 01/10/2013 issued by the Secretary to the Ministry of Health in regard to delegations of powers on account of the fund control in future.

#### **3.3 Legal Action Instituted against the Institute**

At present this case has been settled and the relevant payments and recoveries are done with.

#### **4.2 Management Inefficiency**

- (a) i. Quotations for the Year 2012 under the allocations for 2012 were called within a limited period. This is due to the following reasons :

The inability to obtain the assistance of an Eye Surgeon for the purchase of equipment for Eye Surgery during the operational period of 2012 and the uncertainty to obtain his services led to this. However the purchase of the equipment necessary for the Eye Surgery Unit of the hospital was decided to be stopped, Instead it was decided to recruit an eye surgeon from the National Eye Hospital and to purchase certain instruments only, It was also decided to purchase the balance equipments in the year 2013,

By this the latter half of the year is reached and an amount of Rupees 13 million balances was available out of the allocation for the year 2012. In order to stem this amount going waste, it was decided to purchase a fully automated Hematology Analyzer which was with the intention of further development of the hospital. As there was a limited time available for this the advice of the Ministry of Health was obtained to execute same quickly and a limited number of quotations were called for.

- ii The purchase was made from the second lowest Tender offer in terms of the decisions taken by the Technical Committee and the Tender Board.

Delay in supplies - Bio Medica Pvt Ltd

As per the purchase order with Bio Medica they forwarded a performance guarantee for Rs.250, 000 /= since there was a delay in supplying the above instruments the hospital has forwarded a letter inquiring the delay on 10/3/2013. Their reply in regard to this delay was referred to the Tender Board and the reasons given were accepted by the Board. The equipment has been supplied after 4months from the due date.

- iii The date of purchase order for the Anti Biotic has been inadvertently stated as 10.8.2013 where as it should read 05/10/2013.

Since this purchase is made for the first time a sample to be obtained and tests, controls etc. to be made. Further the reports so obtained to be cross checked with the results obtained through equipment.

On this cross check being successful the correct reagent amount to be purchased. This process involves about tw0 months.

- iv In order r to stem the waste and make use of the allocations for the year 2012 steps were taken to emergency purchases .

#### **Delay in making use of the equipments**

- a. The equipment for which purchase order was placed in the year 2012 was received by the hospital in June 2013.
- b. Problems were encounter with the supply of electricity on commissioning the equipments. As the electricity supply to the laboratory was insufficient; a new supply line was to be laid from the main supply point. It took some time for this.
- c. A large number of tests could be made by this equipment with its new technology. All these tests are to be checked one by one with equipment and this takes considerable time.

- v High usage

Practically 60units of work cannot be done by this equipment.

Though a limited number of tests are being done at present with the services of a physician being available, it is expected that the number of tests can be increased to about four times. The hospital at present has a thirteen year old Semi Automated hematology Analyzer which is of 3 parts. Each year at least a part of the Kumaratunga memorial hospital needs upgrading. Recruitment of a physician and a surgeon and to make the hospital a Regional Diabetic Centre is decided in terms of the master plan of the hospital. With this aim the present f unction's of the hospital being carried on.

The affairs of the hospital for the present are planned considering the future in terms of government policies. It is found that to have tests done in accordance to the above the equipment with the required high technology is the Fully Automated Hematology Analyzer – 5 Part is suitable. There is no equipment with capacity in between Semi Automated Hematology Analyzer-3 part and Fully Automated Hematology Analyzer. It is therefore acceptable the hospital purchasing the Fully Automated Hematology Analyzer -5 part equipment.

Further in terms of efficiency this equipment does more tests with less manual input. By this the present Medical Technologists will be able to do more number of tests.

(b) i I though arrangements were made for this equipment is to be commissioned in June 2013, several steps to be observed prior to starting operations

- Calibration and control has to be done
- The laboratory Technologists of the hospital has to be duly trained
- Tests done by this equipment have to be one by one checked with the results obtained from equipment.
- Tests are to be repeated until satisfaction.
- With these above the only laboratory Technologists has to attend to his daily duties too.

Due to the above reasons the equipment was in test mode for about a period of 6 months. As such it was unable to make use of the equipment for the hospital purposes fully.

ii Though 22 types of tests can be done by this equipment only one type of a test can be done at a time.

All tests are to be done one by one results checked and referred to the hospital. Action will be taken to have all type of tests by this equipment in future.

iii Tests numbering 300 cannot be done through this instrument for an hour. It takes about 2 minutes for each test. Though the daily requirement of this hospital is low with the assignment of a physician and due to the increasing number of patients in the surgical unit the requirement of the hospital is on the increase.

Every year some part of the Wijaya Kumaratunga Memorial Hospital requires repairs and development. It is envisaged to implement the master plan. Recruitment of a Physician and a surgeon and the establishment of a Regional Diabetic Centre is mentioned in the master plan. The present function of the hospital is carried on with this aim. We work at present with the future in mind in accordance with the Government policies. Accordingly this instrument is a requirement for the expansion of the laboratory.

- iv Appeals have been made several times to the Ministry of health in regard to his. News paper advertisements too were published. Since there are no suitable person available, two trainee laboratory Technicians were recruited and assigned for training.
- (c) i As per the audit report on inquiry from the special nursing officer in regard to the preparation of the service roster of nursing officers, she informed that the preparation of the service roster of the nursing officers is relevant to their duty and has given this in writing to me.
- ii As mentioned in the audit report on inquiries made from the Colombo North Teaching Hospital Negombo Base Hospital they informed that they too follow the same procedures in regard to payment of overtime for special grade nursing officers and informed that it is something they won by trade union action. As such we bring to your kind notice any future changes will be made on inquiries made in regard to the procedures followed by them.

#### **4.3 Operational Inefficiency**

- (a) One of the reason for the change in the order of eggs highlighted in the audit report that the particulars of purchase of eggs on account of diabetic patients and patients who receive high nutritious food patients, was not presented for audit inadvertently. The Officer in charge checked the purchase orders from 22.03.2013 to 8.09.2013 and it was found in the computer programme which on entering the daily number of patients and the employees gives the amount of food to be ordered on Fridays 3 eggs have been added and the amounts to be purchased have been produced. These results in the difference indicated. In addition on certain days we were unable to find a valued reason for the increase on certain days. The particulars of the differences on these days are attached.

Apart from our inability to present to the Audit the particulars of eggs purchased for diabetic patients and high nutritious food patients the difference of the number of eggs purchased is certainly 122. This lapse has been corrected since 08.09.2013 and we undertake that this type of lapses will not be there in future.

- (b) The drug Amoxicillin should incorrectly read as Co-Amoxyclave . While making estimate for the year 2013 the drug Co-Amoxyclave has been made up of 5000 tablets of milligram 625 and 2000 tablets milligram 375 making a total of 7000. However this has been recorded in the main stores as a single category. On considering these as two categories it shows the estimate has not been exceeded.

In July 2013, under the supervision of Chief Medical Officer, 4800 units of this drug which were close to the expiry date obtained from the Negombo hospital and was issued to the patients as early as possible in order to help the Negombo Hospital to minimize the loss. Obtaining Co-Amoxyclave without payment and using in this hospital has facilitated the saving of the same drug with us which has no risk of expiry. This in turn has resulted in the savings in purchasing Co-Amoxyclave again.

#### **4.4 Unused and damaged instruments**

- (a) At present the Eye Surgeon of this hospital handles surgery including Cataract surgery and as such he uses only one instrument, The instrument through which cataract surgery only can be done (Operating microscope), though not used daily it can be used in the absence of electricity too. During times of power failure or during unavoidable problems it can be of use. On a new eye surgeon being available arrangements will be made to make use of this instrument fully.
- (b) The light in the Operating Theatre is being used now.
- (c) Actions are taken to make use of the instruments vitreous Scissors – vertical and vitreous scissors –Horizontal in the year 2013.

#### **4.5 Short comings in administration of contracts**

- i Though the Advisor has not estimated the actual cost, the total cost has been estimated as Rs.1,782,000/- with the cost per square feet being estimated as Rs. 1,100/- and the tender process has been made. However action will be taken to repair actual cost estimate in future contracts.
- ii As the Chairman of the Technical Evaluation Committee the Administrative Officer discussed with St. Anthony's Welding Works and has reduced the price. The initial quotation price and the amended price have been presented to the Technical Evaluation Committee. This is recorded in the Technical Evaluation Report.

There are two reasons for rejecting the lowest tendered during Technical Evaluation.

1. The second lowest tendered has long trustworthy relationship and has successfully completed earlier assignments and there is no report of them being negligent in their work. These qualities are required for successful completion of work.
2. The difference between the lowest and the second lowest tender is Rs.130, 395/= and in comparison to the above reason is being negligent.

After the audit highlighted this incident we have reviewed this. We found that the difference between the amended price quoted by the second lowest tenderer and the cost estimated is a small amount of Rs.8, 435/= and is not a great loss to the hospital in selecting the second lowest tenderer.

- iii Conditions relevant to the agreement were prepared and the letter offering the contract was forwarded to the contractor He has completed the work as per those conditions. It has been noted to prepare a separate regular agreement for future contracts.
- iv It has been noted to obtain an Advanced Bond for future contracts
- v It was decided that the contract should be completed by 02.03,2013. By 21.01.2013 75% of the contract has been completed and the contractor requested about 50% of the payment on the second stage. This amounts to Rs.700, 000/= and the hospital has no funds to make this payment. It has been able to make this payment of Rs.700,000/= by 20.02.2013 and there was a delay for this payment by about four weeks and this resulted in the delay for completion of work by 4 weeks. Since the delay in completion of the work is due to the delay in payment by the hospital a charge for delay for completion of work cannot be made.
- vi The Medical Officers of the hospital requested to change the distance between the pillars during the course of the building being done. Since this is a practical requirement the hospital decided to make the change. The Advisor did not agree to same. As the building work cannot be stopped in between and because it is a requirement of the hospital the building work continued. As this change has been made the Advisor refused to certify the final payment. Due to these problems the hospital has decided not to make the balance payment to the Advisor.

#### **4.6 Administration of Staff - 2013**

- (a) While the activities of the hospital being extended required personnel were recruited to relevant grades in order not to incur unnecessary cost.

#### **4.7 Creation of a fund for allocation for Employees Trust Fund**

This hospital is not an income earning Organization and is being maintained by the funds allocated by the General Treasury in accordance to the recurring and investment budget estimate approved by the Ministry of Health. The funds approved by the Ministry of Health every year for the activities of the hospital is not being received in cash. In the circumstance allocation of Rs.17.6 million at once is practically impossible and so actions will be taken to discuss with the management to arrive at a suitable decision for implementing the above.

## 5 Accounting and good Administration

### 5.1 Consolidated plan

Though the Technical Evaluation Committee has been appointed to start construction of the new laboratory building in early 2013 in view of the shortage of staff and the heavy work load of the NERD Institute which provides advisory services, they were unable to provide the initiative. In view of this the start of the preliminary work took to September 2013. Due to this the avoiding of the contract took place in December 2013.

Fewer funds were provided by the Treasury for investment purposes for the year 2012 and thereby the practical plan of year 2012 prolonged to the year 2013. Due to this the priority indicated in the audit for medical instruments was provided for Occulcoherant Tomography instrument and all preliminary work has been completed and this instrument has been provided to the hospital by January 2014. The Non-Contact Biometry System and other visual instruments were included in the operational plan of 2014.

### 5.2 Internal Audit

In completion of the complete replies to the queries made by the Internal Audit, an Internal Audit will be carried on by the Audit officers of the Ministry.

### 5.3 Audit Committee

The Internal Auditor has informed us that steps will be taken in the year 2013 to have at least two internal committee meeting as per regulations and as for requirements.

### 5.4 Purchase Plan

Payments were made out of the funds of the year 2013 for the instruments purchased by purchase orders issued in completion of activities as per purchase plans of the year 2012 and the instruments being brought to the hospital.

<b>Instrument</b>	<b>Value</b>	<b>Date recd at hospital</b>	<b>Date of payment</b>
Funds Camera	Rs.4, 995,000	2012.09	2013.04
Digital Slit Lamp	<u>Rs, 3,100,000</u>	2012.09	2013.04
	<u><u>Rs.8, 095,000</u></u>		

Since the purchasing of some visual equipment was not purchased as per plan of 2012 it was decided to take steps to purchase two equipments in the next development activity.

Fully Automated Hematology Analyzer Rs.2, 500,000

Fully Automated Bio Chemistry Analyzer Rs.8, 700,000

The purchase plan of 2013 was amended by including the value of these instruments. The amended purchase plan and the physical updating report is attached herewith

### **5.5 Control of budget plan**

Travelling expenses (local) – based on high amounts estimated for travel expenses in the past years the estimate for year 2013 was made as Rs.300,000/= . It has been noted not to have similar short comings.

Stationery – Since the requirement for stationery in the year 2013 and the cost of the stationery being increased the expenditure exceeded by 29.27%.

Vehicle, Machinery and building - Since the vehicles, machinery and the buildings are in use for the past13 years and it was expected large sums may be required for repairs. So large amounts were estimated for this purpose. Since no repairs were carried on there was a balance in the estimate.

Post and communication- As it is estimated for post and communication without evaluating the yearly expenditure a large sum has been estimated. Steps will be taken to utilize the budget for fruitful management by eradicating similar errors.

### **6. System and control**

Steps will be taken to correct the lapses noted under the above.

Medical Officer in Charge  
Wijaya Kumaratunga Memorial Hospital  
Seeduwa









