Annual Report 2017

Wijaya Kumaratunga Memorial Hospital

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Vision

To provide excellent healthcare and set an example of a model hospital

Mission

To utilize the facilities and staff presently available to a maximum in order to serve the health needs of the people of the area and the country with dedication and efficiency. In the long term, to expand the facilities available in the Hospital to provide State of the Art Healthcare in the areas of General Surgical ,Ophthalmology, Diabetes and Wound Care.

Corporate Objective

The objective of the Hospital is to provide efficient healthcare service to the general public who come for treatment irrespective of social differences whilst providing efficient treatment on ophthalmic, surgical and diabetic management of high caliber

Annual Report and the Statement of Accounts of Wijaya Kumaratunga Memorial Hospital for the Year 2017
01st January, 2017 to 31st December, 2017

HISTORICAL BACKGROUND

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 12th November 1999.

Wijaya Kumaratunga Memorial Hospital was established in memory of late Mr. Wijaya Kumaratunga who was assassinated on 16th February 1988. Her Excellency Chandrika Bandaranaike Kumaratunga, the then President, initiated the Project to build a hospital to serve the people of Seeduwa, the hometown of Mr. Wijaya Kumaratunga.

This hospital 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 and Katana Electorate in the Gampaha District. At the inception, the Hospital consisted of two wards (60 beds) and an OPD and served as a Primary Healthcare Unit specifically for the people of Seeduwa. The Hospital was officially opened to the public by Her Excellency, the then President Chandrika Bandaranaike Kumaratunga on the 09th of October 1999, the birthday of late Mr. Wijaya Kumaratunga. Management of the Hospital was to be by a Board of Directors and main source of fund was from the Government. At present, the Hospital caters to a large population by providing Primary Care and Tertiary Care in relation to Medicine ,Surgical and Ophthalmology .

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. Wijaya Kumaratunga Memorial Hospital is not profit-oriented as a matter of policy, but has its limited billing system where it charges selected areas such as surgical operations and some investigations. This is just to recover the cost. However, underprivileged people are exempted even from this nominal cost.

As part of development, the construction of a separate building consisting of an Eye Ward with 88 beds was initiated 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 commissioned during the year 2007.

During 2012 the construction of a separate two story building with a floor area of 4,061 sq. ft. was completed for the purpose of General Stores, Medical Record Room, Duty Rooms and a Lecture Hall, etc.

During 2015 construction of a three story Laboratory Building was completed with a floor area of 4386 sq.ft. to upgrade facilities for Laboratory , Chronic Ulcer Care Unit , Utility Rooms , Duty Rooms etc. under the consultation of National Engineering Research & Development Centre (NERD) for the value of Rs. 12.431 Mn. and this building has been in use since 2015.
During 2016 Surgical Unit was established and Surgical Ward opened in Ground floor of the Laboratory Building.

Ward 6 was shifted to Eye Building in July 2017 and OPD Laboratory was shifted to New Laboratory Building in November 2017.
Architectural drawings of proposed Ward Complex Project was analyzed in the later part of 2017.

The hospital has 5 wards and total of 124 beds at present.

Corporate Information

01-01-2017 ~ 31-12-2017

Name of the Organization

Wijaya Kumaratunga Memorial Hospital

Address

Wijaya Kumaratunga Memorial Hospital ,Seeduwa

Management

By the Board of Directors

Legal Form

Establishment by an Act of Parliament No. 38 of 1999

Auditors

- Auditor General , Department of Auditor General, Battaramulla
- Internal Audit Unit ,Ministry of Health Nutrition & Indigenous Medicine ,385,Baddegama Wimalawansa Thero Mw,"Suwasiripaya " , Colombo 10 .

Board of Directors

01-01-2017 ~ 31-12-2017

Chairman

Prof. Carlo Fonseka

Directors

- Former President , Madam Chandrika Bandaranaike Kumaratunga
- Dr.Jayasundara Bandara, Director General of Health Services ,Ministry of Health Nutrition and Indigenous Medicine
- Mr. N.A. Umagiliya, A professional representative
- Mr. W.H.G.GayanKosala, Representative of Treasury
- Mr. Chandra Wickramasinghe

Audit Committee

01-01-2017 ~ 31-12-2017

Chairman

Mr. W.H.G. Kosala, Assistant Director ,Department of Management Services

Observer

Mrs. R.G.D.Priyadarshani, Chief Internal Auditor, Ministry of Health , Nutrition & Indigenous Medicine
Mrs. R.M.K. Kalyani, Superintendent of Audi ,Dept. of Auditor General

Member

Dr. (Mrs.) SRU Wimalarathne, Director. , W.K.M.H.

- In Attendance – Mrs. KMYK Karunarathne, Accountant ,WKMH

- **Bankers –** Bank of Ceylon ,Seeduwa

The Chairman's Letter forwarding Annual Report

Hon .Minister of Health,
Ministry of Health Nutrition and Indigenous Medicine
385, BaddegamaWimalawansaThero Mw.
"Suwasiripaya",
Colombo 10.

Annual Report and the Statement of Accounts of
Wijaya Kumaratunga Memorial Hospital Board
for the Year 2017

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 31st December, 2017.

Thank you.

Yours faithfully,

Prof.CarloFonseka,
Chairman,
Wijaya Kumaratunga Memorial Hospital,
Seeduwa.

Copy : Secretary, Ministry of Health and Indigenous Medicine

Staff Strength as at 31st December 2017

Designation	Approved Cadre	In Position
Director	1	1
Consultant Anesthetist	1	1-on relief duty
Consultant Physician	2	1
Consultant Surgeon	1	1
Consultant Enchrinologist	1	0
Eye surgeon	2	1
Chief Medical Officer	1	1
Medical Officer	26	19
Dental Surgeon	2	1
Internal Auditor	1	0
Accountant	1	1
Registered Medical Officer	2	3
Special Grade Nursing Officer	1	1
Nursing Sister	2	2
Nursing Officer	81	73
Administrative Officer	1	1
Pharmacist	6	5
Radiographer	2	1
Medical Laboratory Technologist	5	3
Ophthalmic Technologist	4	4
Nutritionist	1	0
Forman	1	0
AC Technician	1	0
E.C.G. Recordist	1	1
Management Assistant	7	7
Dispenser	3	3
Store Keeper	1	1
Book Keeper	1	1
Typist(English/Sinhala)	2	0
Diet Stewardess	1	1
House Warden	1	0
Medical Record Room Assistant	1	1
Driver	5	3
Electrician	1	1
Maintenance Labour	3	3
Lab Orderly	2	0
Cook	3	2
Gardener/Receptionist/Telephone Operator	3	0
Saukya Karya Sahayaka (Senior),(Junior)	69	68
Total	250	211

Services Provided by the Hospital

Introduction:

Wijaya Kumaratunge Memorial Hospital provides both outdoor care services and indoor care services. The outdoor patient department (OPD), emergency treatment unit(ETU), endoscopy unit and specialized clinics provide outdoor care services. Indoor services are provided at medical, surgical, eye and wound care wards .Average bed occupancy rate during 2017 was 53.65%.

Patient care services are supported by dispensary, x-ray unit, medical laboratory and ECG unit of the hospital. Hospital provides non specialized as well as specialized services to the public. Facilities available in the hospital is similar to the facilities available at a type B Base hospital in the Ministry of health.

Patients with medical, surgical and ophthalmic disorders who need indoor management are admitted to the wards from OPD, ETU and specialized clinics. The patients who need special investigations such as MRI, CT scan etc. are referred to National Hospital, North Colombo Teaching Hospital, Ragama.

- **Out Patients' Department (OPD)**

The majority of patients attending the OPD of the hospital are from Kandana, Jaela, and Katunayake areas. Employees from Export Processing Zone of Katunayake are also among them. Apart from that few patients from Minuwangoda and Gampaha area too come to the hospital seeking treatment.

The Total Number of patients attended the OPD during 2017 were 117,080 and the average per day was 324 patients. Lack of adequate number of Medical Officers in the OPD was one of the shortcomings prevailed in the OPD during this year.

Table 1 shows the statistics in OPD during last five years.

- **Emergency Treatment Unit (ETU)**

The ETU which operates round the clock caters for all kinds of emergencies brought to the hospital. Victims of road traffic accidents, industrial accidents and factory emergencies from export processing zone, and domestic accidents are brought to the ETU. Acute emergencies are managed and patients who need specialized care are referred to respective wards. The patients other than who need medical, surgical and ophthalmic care are referred to nearby hospitals for specialized management. Since the availability of a Physician, this Unit has been used to provide High Dependency Care for the needy patients for a couple of days before managing in the medical wards.

For example, patients with heart failure, acute coronary syndrome, and life threatening pneumonia were kept in the E.T.U for observation as no H.D.U was available at the Hospital.

The total number of patients who attended the E.T.U during 2017 were 23,054.Total attendance to ETU during last five years is shown in table 1.

- ## Dental Unit

Dental Unit is open for patients from Monday to Saturday . Priority is given to school children on Saturdays.
General dental consultations ,Dental extractions, Dental fillings, Emergency dental problems such as Trauma, Periodontal treatment, Peadodontic treatment, minor surgical procedures are done in the clinics. In addition composite restorations and anterior tooth veneering also done on the patients. Removal of mucosal cysts, removal of impacted 3rd molars and canines were among the minor surgeries conducted in the Dental Clinic.

In the year 2017, total of 7556 patients attended the dental unit .Total attendance of Dental Unit during last five years is shown in table 1.

- ## Medical Unit

Medical Unit consist of 25 bedded male ward and 30 bedded female ward. Medical unit conducts clinics from Monday to Saturday. Patients with, diabetes, hypertension, asthma are among the patients attending this clinic.
The total number of patients attended the medical clinic in 2017 was 43,180.Table 2 shows the statistics of Medical clinic , Ward 1(Male Ward) and Ward 2 (Female Ward) during last five years.

Visiting Clinics

Specialized Pediatric clinic, Diabetic and High blood pressure clinic were the two visiting clinics conducted by visiting specialists to the hospital on weekly basis. Total of 1145 and 3046 patients attended at Pediatric and Diabetic & High Blood Pressure Clinic respectively in 2017.
Table 3 shows the statistics of visiting clinics during last five years.

Other Clinics

Apart from that Psychiatric clinic, Non communicable disease(NCD) Clinic and well women and family planning clinic were conducted by Grade Medical Officers on weekly basis. Psychiatric and, NCD Clinics were attached 2609 and 566 patients respectively during the year 2017.

Table 4 shows the statistics of other clinics during last five years.

o Surgical Unit

The Surgical Unit of WKMH was newly established in mid 2016 in the beginning . The surgical unit consist of a six beded ward and a surgical clinic with one Consultant Surgeon and one Medical Officer .
A new endoscopy unit with UGIE and LGIE facilities was donated to Surgical Unit in latter part of 2016.
In 2017 Surgical Ward was shifted to a better spacious facility with 24 beds and another medical officer was attached. The annual turn over of surgical clinic for the year 2017 was 3697 (first visits) The surgical unit have performed 889 total surgeries including 573 major surgeries and intermediate surgeries with 316 minor surgeries. The unit has performed 253 duplex scans ,60 breast scans with another 253 sclerotherapy procedures for Varicose Veins. Also the surgical unit has conducted 114 PRP (Platelet Rich Plasma Therapy) injections , 36 MP (Methyl Prednisolon) Injections and 72 FNAC (Fine Needle Aspiration Cytology) procedures. The Endoscopy unit of surgical department has performed 665 total Endoscopy Procedures including 136 UGIE (Upper Gastro Intestinal Endoscopy) procedures, 221 LGIE (lower Gastro Intestinal Endoscopy) procedures 11 colonoscopies , 275 proctoscopy including 97 RBL(Rubber band ligation for hemorrhoids) procedures and 40 sclerotherapy Injections for haemorrhoids .

o Ulcer Treatment Unit

Ulcer treatment Unit of this Hospital has gained island wide recognition and many patients from far away places are referred to this Hospital. Ulcer treatment unit differs from wound care treatment clinic in other hospitals as this unit consists of in-ward section in addition to the clinic..

Patients who require wound debridement were managed at this unit, whilst those who require surgical procedures in operation theatre were referred to nearby hospitals such as Teaching Hospital, Ragama, District General Hospital, Negombo and NHSL Colombo. Usually these patients were sent back to the Wound Care Unit after procedures.
This unit provided training on ulcer management for Medical and Nursing Officers.

The unit worked by prioritizing quality over quantity at their field of work .The Medical Officer of the unit has taken 2 years leave to study for a diploma in Wound Healing & Tissue Repair .
Statistics of the Ulcer Treatement Unit during last five years is shown in table 6.

o Ophthalmology Unit

Ophthalmology Unit consist of Eye Clinic , Two Eye Wards and Eye Operating Theatre Eye Clinics were functioned every day except Sundays and Public Holidays .Prior appointments were not needed and patients could walk in for a check up.

Nearly 40 beds that were kept in underutilized section of Eye Ward were transferred to manage Dengue patients at District General Hospital ,Negombo on the instructions of Director General of Health Services .Patients at the Eye Clinic were limited to 60 new patients 60 old patients per day, however emergencies were not limited.

The Ophthalmology unit conducted General Eye Clinic, , Pediatric eye clinic and Post operative clinic.

In the Ophthalmic unit investigation facilities are available for Fundus Fluorescein Angiography, Anterior Segment Photography, , A scan / contact biometry, B scan, OCT (Optical Coherence Tomography) Disc and Macula, Topography, Fundal Photography

The ophthalmology unit provided 24 hour casualty management services in addition to routine services.

Performance of the Eye Unit during the year 2017 is shown below,

Type of procedure	Number
Admissions to wards	3,129
Attendance to Clinic	49,423
Surgeries performed	1,994
Laser treatment performed	962
Refractions done	7,484
Patients attended at eye camps	0

Total attendance to Eye Clinic , Eye surgeries performed , Laser Treatments and Refractive Services performed during last five years are shown in the table 5.

Supportive Services

Medical Laboratory

Medical laboratory had facilities for basic laboratory investigations. In 2017 laboratory facilities for analysis of serum electrolytes, Troponin I and C. reactive proteins (CRP-quantitative) were provided. Medical Laboratory was staffed with three MLT s.

The total number of 90,605 laboratory investigations were carried out in year 2017.

ECG

The ECG Unit which was managed by one technician provides service to OPD patients as well as the inward patients. Number of ECG's taken during the year 2017 was 7,344.

X-ray

X Ray Unit was staffed with one Radiographer and had facilities to take all type of body X Rays . Number of X-rays taken during the year 2017 was 2,796.

Statistics of Supportive Services during last five years is shown in the table 7.

Summery of Hospital Services

Table 1

Section/Year	Total No. of Patients Treated				
	2013	2014	2015	2016	2017
OPD	135,796	136,416	138,194	131,953	117,080
ETU	18,518	18,651	21,232	20,901	23,054
Dental	8,311	8,412	8,234	8,057	7,556

Table 2

Medical Unit

Section/Year	Total No. of Patients attended the clinic				
	2013	2014	2015	2016	2017
Medical Clinic	24,862	28,625	34,763	43,282	43,180

Section/Year	Total no . Of patients admitted to the ward				
	2013	2014	2015	2016	2017
WD-1 (Male Ward)	1,320	1,436	1,659	1,541	1,541
WD-2 (Female Ward)	1,668	1,727	2,028	1,973	1,802

Table 3

Visiting Clinics

Section/Year	Total No. of Patients attended the clinic				
	2013	2014	2015	2016	2017
Diabetic &Hypertension Clinic	1,718	2,158	2,689	2,346	3,046
Pediatric Clinic	1,927	1,715	1,355	1,295	1,145
Psychiatric Clinic	2,014	2,037	2,252	2,056	2,609

Table 4

Other Clinics

Section/Year	Total No. of Patients attended the clinic				
	2013	2014	2015	2016	2017
NCD Clinic	-	-	183	49	566

Table 5

Eye Unit

Section/Year	Total No. of Patients				
	2013	2014	2015	2016	2017
Eye Clinic	65,642	63,983	72,579	69,338	49,423
Eye Surgery	10,247	11,514	11,341	10,910	1,994
Laser Treatments	2,228	1,900	1,984	1,943	962
Refractive Investigations	14,462	17,949	17,393	15,193	7,484

Table 6

Surgical Unit

Section/Year	Total No. of Patients				
	2013	2014	2015	2016	2017
Surgical Clinic	1,145	727	747	2,415	3,697
Endoscopy tests	-	-	-	-	657
General Surgeries	141	109	109	477	889
Wound Care Patients	6,069	14,483	23,114	24,221	19,926

Table 7

Supportive Services

Section/Year	Total No. of Patients				
	2013	2014	2015	2016	2017
LAB Tests	34,082	47,157	57,138	59,178	90,605
X RAY Investigations	3,424	4,535	5,505	5,478	2,796
ECG Investigations	3,005	3,408	3,014	4,303	7,344

Leading Cases of Hospitalization
(According to the Records of Statistics Division of Health Ministry)

Disease and ICD	Total Hospitalizations
Cataract and other disorders of lens	1757
Dengue fever	571
Essential hypertension	571
Other viral diseases(includes viral fever)	525
Noninsulin dependent diabetes mellitus	455
Insulin dependent diabetes mellitus	429
Varicose veins of lower extremities	376
Asthma	358
Infections of skin and subcutaneous tissue	354
Diarrhoea and gastroenteritis of presumed infectious origin	286
Gastritis and duodenitis	219
Other diseases of skin and subcutaneous tissue	218
Other ischemic heart disease	189
Other diseases of the urinary system	178
Acute bronchitis	177
Other disorders of musculoskeletal system	168
Persons encountering health services for examination, investigation and for specific procedures of health care	158
Pneumonia	156

Special Events

Annual Blood Donation Campaign was held on 16th Feb. 2017.

The Major Achievements in the year 2017

A) Donations

2 Pulse Oxymetrs - 230,000.00

1) Medical Equipment

Equipment	Quantity	Amount (Rs.)
Diathermy Machine	1	1,575,000.00
Dental Chair	1	1,472,000.00
Infusion Pump	3	196,650.00
ECG Machine	1	62,500.00
Medical Instruments from MSD		3,722,343.05

2) Furniture & Fittings

Total amount spent on furniture was Rs. 404,476/=

3) Machinery & Electrical Equipment

Total amount spent on purchasing of machinery & electrical equipment was Rs. 409,583/=

4) IT Equipment

Total amount spent on purchasing of laptops , desktops was Rs. 896,750/=

Wijaya Kumarathunga Memorial Hospital- Seeduwa

Statement of Financial Position

AS AT DECEMBER 31,2017

	Note	2017	2016
ASSETS			
Current assets			
Cash and cash equivalents	1	30,066,808.38	24,372,078.77
Receivables	2	8,674,230.10	8,564,929.60
Inventories	3	17,441,514.45	18,636,219.19
Prepayments	4	72,000.00	265,685.14
		56,254,552.93	51,838,912.70
Capital Working Progress	5	662,076.27	662,076.27
Non- current assets			
Infrastructure , plant and equipment (WDV)	6	63,034,084.94	69,988,186.59
Land and buildings (WDV)	7	166,798,849.62	170,074,857.03
		229,832,934.56	240,063,043.62
Total assets		286,749,563.76	292,564,032.59
LIABILITIES			
Current liabilities			
Payables	8	7,843,524.58	17,248,517.69
Creditors	9	32,546,421.94	42,331,803.89
Provision For Gratuity	10	26,473,245.50	22,164,890.64
Total liabilities		66,863,192.02	81,745,212.22
Net assets		219,886,371.74	210,818,820.37

NET ASSETS/EQUITY

Capital	11	75,787,890.44	75,787,890.44
Government Grant - Capital	12	166,050,034.26	172,358,655.36
Donation	19	12,635,376.03	12,221,026.03
Reserves - Capital gain		2,131,366.30	2,131,366.30
Accumulated surpluses/(deficits)	13	(36,718,295.29)	(51,680,117.76)
Total net assets/equity		219,886,371.74	210,818,820.37

The Board of Directors is 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.

Chairman Prof.Carlo Fonseka

Date : 15/5/2018

CHAIRMAN
DIRECTOR BOARD
WIJAYA KUMARATUNGA MEMORIAL HOSPITAL
SEEDUWA.

Director N.A.Umagiliya

Date : 15-5-18

Director Dr.S.R.U Wimalarathne

Date : 15/5/2018

Director
Wijaya Kumaratunga Memorial Hospital
Seeduwa

Accountant K.M.Y.K.Karunarathne

Date : 15/5/2018

Accountant
Wijaya Kumaratunga Memorial Hospital
Seeduwa

Accountant
Wijaya Kumaratunga Memorial Hospital
Seeduwa

Wijaya Kumarathunga Memorial Hospital- Seeduwa

Statement of Financial Performance

For the Year Ended December 31 , 2017

		2017	2016
Revenue			
Government Grant (Recurrent)		293,000,000.00	240,000,000.00
Capital Grant Amortization		24,608,621.10	25,339,772.78
Other revenue	14	11,268,920.21	22,415,006.86
Total Revenue		328,877,541.31	287,754,779.64
Expenses			
Wages Salaries and employee benefits	15	182,502,616.88	150,585,999.43
Supplies and consumables used	16	71,596,141.29	79,055,069.76
Depreciation and amortization expense	17	25,226,085.56	25,339,772.78
Other expenses	18	35,283,539.11	35,865,083.56
Total expenses		314,608,382.84	290,845,925.53
Surplus/(deficit) for the period		14,269,158.47	(3,091,145.89)

Wijaya Kumarathunga Memorial Hospital- Seeduwa
Cash Flow Statement for Year Ended 31 December 2017

CASH FLOWS FROM OPERATING ACTIVITIES	
Surplus/(deficit)	14,269,158.47
Non-cash movements	
Depreciation	25,226,085.56
Amortization of Govrnment Grant	(24,608,621.10)
Decrease in payables	(9,419,993.11)
Increase in Creditors	(9,785,381.95)
Increase in inventory	1,194,704.74
Decrease in provisions relating to employee cost	4,308,354.86
Decrease in prepayment	193,685.14
Decrease in receivables	(109,300.50)
Decrease in Prior Year Adjesments	476,644.40
Retirement Benefit obligation Paid	
Net cash flows from operating activities	1,745,336.51
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of plant and equipment	(14,177,978.50)
Adjustment	(172,628.40)
Capital Grant received	18,300,000.00
Net cash flows from investing activities	3,949,393.10
CASH FLOWS FROM FINANCING ACTIVITIES	
Net cash flows from financing activities	
Net increase/(decrease) in cash and cash equivalents	5,694,729.61
Cash and cash equivalents at beginning of period	24,372,078.77
Cash and cash equivalents at end of period	**30,066,808.38**

Notes to the Cash Flow Statement 1

Cash and Cash Equivalents

	2017
Cash at Bank	29,815,104.38
Cash in Hand	251,704.00
Petty Cash	-
	30,066,808.38

Wijaya Kumarathunga Memorial Hospital - Seeduwa

Statement of Changes in Net Assets /Equity

For the Year Ended December 31, 2017

	Donation from General Treasury	Government Grant - Capital	Donation from other entity	WKMH Foundation	Board Of Investment	U D A	Reserves - Capital Gain	Net Surplus / (Deficit)	Total
Balance at December 31,2016	3,676,000	168,682,655	12,221,026	29,632,139	28,155,751	18,000,000	2,131,366	(51,680,118)	210,818,819
Donation During the year			414,350						414,350
Capital Grant Received During the year		18,300,000							18,300,000
Capital Grant Amortization	(1,436,000)	(23,172,621)							(24,608,621)
Net surplus / (deficit) for the period								14,269,158	14,269,158
Prior Year adjustments								692,664	692,664
Balance at December 31,2017	2,240,000	163,810,034	12,635,376	29,632,139	28,155,751	18,000,000	2,131,366	(36,718,296)	219,886,370

Annex - 01

Fixed Assets Shedule as at 31st December 2017.

(Rs)

Items	Cost				Rate	Depreciation				Written down
	As at 1/1/2016	Add. Dur. The Year	Disposal Dur. The Year	As at 31/12/2017		As at 1.1.2017	Addition dur. year	Dispo. dur. the year	As at 31/12/2017	value as at 31/12/2017
Land	26,962,353.50	197,520.00		27,159,873.50		-			-	27,159,873.50
Buiding & Fittings	176,264,060.70	52,810.00		176,316,870.70	2%	33,151,557.17	3,526,337.41		36,677,894.58	139,638,976.12
Vehicle	17,958,792.90			17,958,792.90	20%	16,522,788.90	1,435,999.00		17,958,787.90	5.00
Funiture Fittings & Instrument	10,404,102.05	404,476.80		10,808,578.85	10%	7,981,152.44	473,554.61		8,454,707.05	2,353,871.80
Machinery	8,821,677.26	889,528.45		9,711,205.71	15%	6,522,105.20	767,362.21		7,289,467.41	2,421,738.30
Computer	1,369,176.40	957,000.00		2,326,176.40	20%	720,405.88	370,277		1,090,683.16	1,235,493.24
Medical Equipment	190,424,179.39	12,466,673.25		202,890,852.64	15%	127,243,288.99	18,647,555.05	22,032.00	145,912,876.04	56,977,976.60
Capacity Building	50,000.00			50,000.00	20%		5,000.00		5,000.00	45,000.00
TOTAL	432,254,342.20	14,968,008.50	0.00	447,222,350.70	1.02	192,141,298.58	25,226,085.56	22,032.00	217,389,416.14	229,832,934.56

229,832,934.56

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 Sri Lanka Public Sector Accounting Standards 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 as 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 deficits during the year.

1.4. **Comparative information.**

The Accounting policies has been consistently applied by the Board are consistent with those of other 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%

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.

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 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 adopt

		2017	2016
Cash & Cash equivalents	01		
Cash at Bank		29,815,104.38	24,223,288.77
Petty Cash		-	9,140.00
Cash in Hand		251,704.00	139,650.00
		30,066,808.38	**24,372,078.77**
Receivables	02		
Deposit Account		300,000.00	300,000.00
Festival Advance		315,000.00	261,250.00
Special Advance		-	-
Advance		-	-
Distress Loan		8,059,230.10	8,003,679.60
		8,674,230.10	**8,564,929.60**
Inventories	03		
Stationary		258,563.01	129,240.22
Drugs		13,933,964.34	16,761,270.48
Lab Chemical		1,802,647.97	519,140.89
Linen Items		223,124.68	207,127.18
General Stores		213,113.08	174,805.44
Repair & Maintenance		167,612.32	202,098.32
X Ray		679,487.43	587,533.54
Dental		163,001.62	55,003.12
		17,441,514.45	**18,636,219.19**
Prepayments	04		
Service Agreement of Digital Copier		-	7,086.88
Service Agreement of with Frigi A/C		-	115,898.26
Service Agreement of Lift		72,000.00	65,000.00
Service Agreement of Visual Fild		-	77,700.00
Rental		-	-
Electricity NO Quartes		-	-
		72,000.00	**265,685.14**
Capital Working Progress	05		
Working Progs - New Building office		662,076.27	662,076.27
		662,076.27 -	**662,076.27**

Infrastructure , Plant and Equipment	06	2017	2016
Machinery		2,421,738.30	2,299,572.06
Ferniture		2,353,871.80	2,422,949.61
Vehicle		5.00	1,436,004.00
Computer		1,235,493.24	648,770.52
Medical Equipment		56,977,976.60	63,180,890.40
Capacity Building		45,000.00	
		63,034,084.94	**69,988,186.59**

Land and Buildings	07		
Land		27,159,873.50	26,962,353.50
Building & Fittings		139,638,976.12	143,112,503.53
		166,798,849.62	**170,074,857.03**

Accrued Expenses	08		
Audit Fees		450,000.00	1,050,000.00
TKS Finance		10,611.00	10,611.00
Electricity		712,103.50	1,599,703.40
Telephone Charges		26,772.70	65,155.12
Fuel		63,175.00	168,150.00
Subsistence		4,431.00	30,499.00
Medical Equipment			6,886,620.00
Rep Vehicle		91,145.00	-
Rep .Medical Eq		149,455.00	383,369.50
Con Medical Eq		95,625.00	555,750.00
Lab Chemical		-	1,023,225.71
Rep .Machinery		-	26,500.00
Advertiesment		155,376.50	126,787.50
Con Medical Genaral Stores		-	-
Water		156,192.75	110,975.62
Stationery		-	11,821.50
Soil		-	1,000,000.00
Allowance For Watcher		-	15,500.00
Damro		20,114.17	-
SLFHSU		370.00	-
SLNSS		300.00	-
Sundry Expenses		2,700.00	-
Rep. Building		107,413.50	-
Rep. Furniture		1,510.00	-

Payables

		2017		2016
Refundable Tender Deposit		378,400.00		300,950.00
Retention Money		918,952.84		926,902.84
Allawance for Visiting Doctors		184,879.19		47,000.00
Allawance for Trainees - Office Staff		1,058,917.05		
- Pupil NO		344,369.53		333,229.54
- Pupil Para		175,546.69		32,891.00
Wages For Sub Labour		416,051.75		409,265.82
Overtime,Extra duty & PH Payment		2,300,045.36		2,127,075.62
Welfare Society		19,067.05		6,534.52
		7,845,541.58	-	**17,250,533.69**

Creditors

	09			
SPC		828,488.00		14,931,735.89
MSD		19,751,839.63		18,881,996.24
Superwillshin ltd		2,530,017.78		4,209,980.48
Frigi Engineering				492,186.68
Erandhi Supplier		742,543.58		1,602,371.44
Nalin Thushara		111,175.00		100,000.00
Weeramunda				240,206.00
STC				70,986.18
Sarath hardwear				173,043.00
Ceylon Fisheries Corpo		107,629.80		254,667.25
LRDC Security service		369,535.10		1,374,630.73
PC Global		1,015,600.00		-
Nova Pvt Ltd		1,472,000.00		-
Delmege		165,000.00		-
Jhone Keels		155,250.00		-
Mediequipment		1,575,000.00		-
Medical Supplies Division		3,722,343.05		-
		32,546,421.94	-	**42,331,803.89**

Reserves

	10		
Provision for Gratuity		26,473,245.50	22,164,890.64
		26,473,245.50	**22,164,890.64**

Capital & Reserves

	11		
Memorial Foundation 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
		75,787,890.44	**75,787,890.44**

Government Grant - Capital **12**

	As at 01/01/2016	Addi. Dur.i the Year	Amortization	as at 31/12/2017
Government Grant - Capital	168,682,655.36	18,300,000.00	23,172,621.10	163,810,034.26
Vehicle - Double Cab WPPC 4087 By the Tresury	2,240,000.00			2,240,000.00
Ambulance - WPLW - 0961By the Ministry of Health	1,436,000.00		1,436,000.00	-
	172,358,655.36	18,300,000.00	24,608,621.10	166,050,034.26

		2017	2016
Accumilated Deficit	**13**		
B/F Balance as at 01.01.2013		(51,680,117.76)	(49,758,280.27)
Surplus for the period		14,269,158.47	(3,091,145.89)
Prior Year Adjesment		692,664.00	1,169,308.40
		(36,718,295.29)	**(51,680,117.76)**

		2017	2016
Other Income	**14**		
Private Medical Certificate Charges		295,600.00	251,150.00
Sundry Income		529,087.00	692,770.00
Tender Deposit - Non Refundable		217,300.00	207,000.00
Interest Of Distress Loan		328,257.17	340,979.06
Eye Operation Charges - major		3,732,000.00	16,106,500.00
Eye Operation Charges -mainor		50,000.00	272,000.00
General Operation - major		1,582,000.00	697,000.00
General Operation - mainor		686,500.00	318,000.00
Interest - Special. Advance		9,916.04	11,987.80
FFA		2,500.00	10,500.00
FLT		22,500.00	117,000.00
Periperal		3,000.00	110,000.00
Abdoman		2,000.00	1,000.00
YAG PI		11,000.00	34,000.00
PRP		23,100.00	151,900.00
HVF		-	59,000.00
YAG CAPSULOMY		691,600.00	776,300.00
OCT		2,102,000.00	2,169,000.00
Grid		500.00	3,500.00
Diet		8,660.00	8,420.00
Endoscopy unit		-	40,000.00
Ultrasound Scan		-	37,000.00
Upper GI		137,000.00	-
Sigmad copy		233,000.00	-
colonoscopy		19,000.00	-
Duplex		539,000.00	-
Breast		33,000.00	-
PRP injection		1,400.00	-
Thyroid		5,500.00	-
ESD		1,000.00	-
Biopcy		2,500.00	-
		11,268,920.21	22,415,006.86

		2017	2016
Expenditure	15		
Wages,Salaries and Employee benefits			
Salary & Allowances			
Salary & Allowances - MO		36,260,788.33	35,474,847.21
Salary & Allowances - Other		7,524,350.94	7,394,989.78
Salary & Allowances - Para		11,276,485.04	9,880,917.49
Salary & Allowances - NO		46,543,911.56	41,541,622.70
Salary & Allowances - Mainor		36,272,048.19	34,951,368.56
E.P.F.12 %		17,670,514.54	9,544,375.08
E.T.F. 3%		2,979,620.01	2,386,095.90
Over Time-Others		766,268.92	660,814.97
Over Time-Para Medical		880,036.00	644,693.76
Over Time-Nurses		7,261,357.50	5,988,117.50
Over Time-Minor Staff		4,470,512.61	4,454,842.25
Extra Duty Payments (M/O)		4,418,846.50	4,616,346.00
Gratuity Expenses		*6,177,876.74*	(6,953,031.77)
		182,502,616.88	**150,585,999.43**

Consumption of Supplies

	Opening Stock as at 01.01.2017	Purchesing on 2017	Closing Stock as at 31.12.2017	Consumption for the Year 2017
Lab Chemicals	519,140.89	4,828,760.02	1,802,647.97	3,545,252.94
X-Ray films & chemicals	587,533.54	509,914.50	679,487.43	417,960.61
Drugs	16,761,270.48	62,239,216.75	13,933,964.34	65,066,522.89
Linen Items	207,127.18	250,764.00	223,124.68	234,766.50
Consu. & General stores	174,805.44	666,242.29	213,113.08	627,934.65
Stationery	129,240.22	615,696.54	258,563.01	486,373.75
Repair & Maintenance (ii)	202,098.32	145,431.00	167,612.32	179,917.00
Dental Consumable	55,003.12	109,404.45	163,001.62	1,405.95
	18,636,219.19	69,365,429.55	17,441,514.45	70,560,134.29

Consumption of Supplies	16		
Lab Chemicals		3,545,252.94	1,763,220.83
X-Ray films & chemicals		417,960.61	1,012,925.10
Drugs		65,066,522.89	69,313,056.03
Linen Items		234,766.50	843,409.89
Consu. & General stores		627,934.65	1,008,946.33
Stationery		486,373.75	598,026.30
Repair & Maintenance (ii)		179,917.00	297,923.45
Dental Consumable		1,405.95	72,076.33
Consu. Medical Equipment		787,300.00	3,862,743.50
Gas		248,707.00	282,742.00
		71,596,141.29	**79,055,069.76**

		2017		2016
Depreciation	17			
Buildings & fittings		3,526,337.41		3,525,281.21
Vehicle		1,435,999.00		1,886,000.00
Furniture , Fitting & Instruments		473,554.61		530,408.96
Machinary		767,362.21		707,553.04
Computer		370,277.28		199,727.28
Medical Equipment		18,647,555.05		18,490,802.29
Capacity Building		5,000.00		
		25,226,085.56	-	25,339,772.78
Travelling	18			
Subsistence Allowance		90,301.00		67,529.50
Travelling		143,855.00		104,560.00
Maintenance				
Electricity		9,195,254.58		9,551,118.02
Water		1,441,085.84		1,575,973.97
Telephone		348,302.35		304,627.77
Postage		31,388.00		22,818.00
Repair & Maintenance				
Repair & Maintenance - Building		656,431.64		294,834.00
Repair & Maintenance - Machinery		1,736,733.74		2,469,568.32
Repair & Maintenance - Vehicle		929,524.53		444,589.11
Repair & Maintenance - Computer		12,345.00		35,679.00
Repair & Maintenance - Medical Equipment		1,592,433.12		2,114,874.79
Repair & Maintenance - Ferniture		104,527.00		56,119.25
Contrctual Service				
Cleaning		5,786,753.63		4,979,554.36
Laundry		666,916.00		853,387.00
Security		4,520,299.99		4,025,011.74
Food Provision		4,742,245.86		5,812,854.41
Others				
Board member fees		54,000.00		132,250.00
Sundry expences		94,432.00		212,265.46
Advertiesment		910,203.84		760,540.65
Other Bank Charges		34,835.00		26,465.00
Audit Fees		200,000.00		250,000.00
Lowyer Fees		-		24,200.00
Rental		373,098.58		327,574.97
Fual For Generator		90,149.00		133,000.00
Feed costs		55,960.00		55,086.00
Payment for Watcher		174,500.00		183,000.00
NAITA Trainees payment		250,250.00		-
Vehicle Expences				
Fuel -		756,510.00		757,568.95
Insurance		262,723.41		269,613.29
Reg. / Licence Fees		28,480.00		20,420.00
		35,283,539.11	-	35,865,083.56
Donation A/C				
Balance B/F	19	12,221,026.03		1,861,114.53
Donation for the period		414,350.00		10,359,911.50
		12,635,376.03	-	12,221,026.03

මගේ අංකය / எனது இல. / My No. HSM/B/WKMH/1/17/13 ඔබේ අංකය / உமது இல. / Your No. දිනය / திகதி / Date 31 July 2018

Chairman

Wijaya Kumaranatunga Memorial Hospital Board

Report of the Auditor General on the Financial Statements of the Wijaya Kumaranatunga Memorial Hospital Board for the year ended 31 December 2017 in terms of Section 14(2) (c) of the Finance Act, No. 38 of 1971.

The audit of Financial Statements of the Wijaya Kumaranatunga Memorial Hospital Board for the year ended 31 December 2017 comprising the statement of financial position as at 31 December 2017 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 Kumaranatunga 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.

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 control 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.

අංක 306/72, පොල්දූව පාර, බත්තරමුල්ල, ශ්‍රී ලංකාව, - இல. 306/72, பொல்துவ வீதி, பத்தரமுல்லை, இலங்கை.- No. 306/72, Polduwa Road, Battaramulla, Sri Lanka

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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 Auditing 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 judgement, 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 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 Kumaranatunga Memorial Hospital Board as at 31 December 2017 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 Sri Lanka Public Sector Accounting Standards

(a) Sri Lanka Public Sector Accounting Standard 2

The following observations are made on the cash flow statement prepared for the year ended 31 December 2017.

(i) Prior year adjustments of Rs.476,644 had been stated as cash inflows in the cash flow statement.

(ii) The decrease of the balance of the account payable as at 31 December 2017 had been overstated by Rs.15,000 in the cash flow statement.

(iii) Cash flow statement had been balanced by including a value of Rs.172,628 as adjustments under the investment activities.

(b) Sri Lanka Public Sector Accounting Standard 7

The following observations are made

(i) As the useful life of non-current assets had not been reviewed annually in accordance with Paragraph 65 of the Standard, assets valued at Rs. 97,838,607 were still in use despite being fully depreciated. As such, action had not been taken to revise the error in the estimate in terms of

Sri Lanka Public Sector Accounting Standard 3. Furthermore, action had not been taken to identify and disclose the fair value of Property, Plant and Equipment that had been temporarily dysfunctional, removed from being used, and waiting to be disposed.

(ii) In terms of Paragraph 69 of the Standard, depreciation of an asset begins when it is available for use. Nevertheless, contrary to that, the policy of depreciation of assets for the entire year of purchase and the policy of not making depreciation for the year of removal had been adopted irrespective of the date of purchase and removal of the asset.

2.2.2 Accounting Deficiencies

The following observations are made.

(a.) Although a motor vehicle valued at Rs.5,600,000 received as a Government grant in the year 2011 had been fully depreciated by the year 2016, as the Government grants had been amortized at a rate less than the annual depreciation rate, a balance of Rs.2,240,000 had been saved in the Government Grants Account in respect of the above motor vehicle even by 31 December 2017.

(b.) Although the annual depreciation of the fixed assets valued at Rs.12,635,376 received as donations from the year 2010 amounted to Rs.2,409,739 and Rs.1,875,023 relating to the preceding year and the year under review respectively, action had not been taken to gradually write off the donation account in a value equivalent thereto.

(c.) Accrued contribution of the Employees Trust Fund, accrued expenditure for the repair of air conditioners and expenditure on trainings totalled Rs.886,467 as at 31 December 2017 had not been brought to account.

(d.) Provision for gratuity of Rs.262,031 had been made as at 31 December 2017 in respect of 06 officers who were reemployed in the hospital service on contract basis after their retirement from the Government Service.

(e.) Depreciations for computers relating to the year under review had been understated by Rs.20,850 in the accounts.

(f.) As the stocks of drugs and surgical material of 04 wards and the theatre amounting to Rs.1,343,084 had not been subjected to physical verification, remaining stock of the drugs and surgical material as at 31 December 2017 had been understated in the account by that amount.

2.2.3 Unexplained Differences

According to the report of the physical stock verification report as at 31 December 2017 the cost of the stock amounted to Rs.16,579,101, whereas the cost of the above stock was Rs.16,331,318 according to the stock ledger. Accordingly, a difference of Rs.247,783 was observed, but the reasons behind that difference had not been explained.

2.3 Non-compliances with Laws, Rules, Regulations, and Management Decisions

The following non-compliances were observed.

	Reference to Laws, Rules, and Regulations etc.	Non-compliances
(a)	Financial Regulations of Democratic Socialist Republic of Sri Lanka	
	Financial Regulations 702 (3)	Copies of the agreements entered into with the relevant contractual institutions in respect of the services such as maintenance and cleaning service, supply of raw food items, security service, washing of dirty cloths and obtaining a house on rent for Nursing hostel, of which the monthly contract value totalled Rs.2, 317,856, had not been furnished to the Auditor General.

(b) Drug's Management Handbook

(i)	Paragraph 1 and 2 of Chapter 4	The annual requirement of drugs, surgical materials, laboratory materials and radioactive matters had not been estimated.
(ii)	Paragraph 2 of Chapter 5	The lead time of the drugs supply process had not been determined and minimum stock level, maximum stock , re-order levels and buffer stocks level had not been maintained .
(iii)	Paragraph 3 and 4 of Chapter 5	Quarterly reports on the drugs returned to the Medical Supply Division due to expiry or the drugs being substandard in quality had not been prepared.
(iv)	Paragraph 13 of Chapter 10	(i) As the verification of stores had not been properly carried out, excesses and shortages of stocks, slow moving items , non-moving items , items imminent to expiry and the expired items had not been identified. Nevertheless, according to the stock registers, there were slow moving drugs and 374,473 units belonged to 37 categories of surgical materials costing Rs.1,011,606 and non-moving drugs and 7,773 units belonged to 18 categories of surgical materials costing Rs.528,047. (ii) According to the stock registers, drugs and surgical materials stocks costing Rs.1,343,004 existed in 04 wards and the theatre as at 31 December 2017 had not been subject to physical verification.

(iii) Reports of the stores verification had not been signed by all the members of the Board of Survey and those had not been certified by including name of the officer in charge of the division that carried out the stores verification, the date and the signature of the officer.

2.4 Transactions not supported by an adequate authority

The chief pharmacist had issued drugs and 10 categories of surgical materials totalling Rs.283,310 to 03 other Government hospitals without the approval of the Director of the Hospital.

3. Financial Review

3.1 Financial Results

According to the financial statements presented, the financial result of the Hospital Board for the year under review had been a surplus of Rs. 14,269,158 as against the deficit of Rs.3,091,146 for the preceding year, thus observing an improvement of Rs. 17,360,304 in the financial result of the year under review as compared with the preceding year. Even though the operating expenditure had been increased by a sum of Rs. 23,762,457 in the year under review, increase in government grants by Rs. 53,000,000 had mainly attributed to the above improvement.

In analyzing the financial results of the year under review and 04 preceding years, a deficit of Rs.20,378,939 and a surplus of Rs.3,558,018 could be observed in the year 2013 and 2014 respectively and it had become a deficit of Rs. 20,023,884 and Rs.3,091,146 during the year 2015 and 2016 respectively and a surplus of Rs.14,269,158 in the year 2017. However, when readjusting employee remuneration and the depreciation on non-current assets to the financial results, the contribution of the Board amounting to Rs. 68,464,933 in the year 2013 had continuously improved up to Rs. 177,372,828 by the year 2017.

4. Operating Review

4.1 Performance

4.1.1 Planning

The following observations are made

(a) In terms of Section 5.1.2 of Chapter 5 of the Public Finance Circular No.PED/12 dated 02 June 2003, organization structure of the Hospital Board, SWOT Analyses of the Hospital Board, targets anticipated to be achieved to suit to the objectives within the relevant period and the strategies implemented for that purpose had not been included in the Corporate Plan prepared for the period from the year 2016 to 2020.

(b) Although an Action Plan had been prepared for the year under review, activities relating to the achievement of the objectives of the Hospital Board had not been included therein.

(c) Out of 851,287 units of 158 categories of drugs, surgical materials, laboratory materials and radioactive matters planned to be purchased from the Medical Supply Division by spending Rs.13,147,004 during the year under review, at least one unit had not been purchased and a sum of Rs.32,084,042 had been spent for the purchase of unestimated 461,792 units of 125 categories of materials. Therefore, it was observed that the relevant estimate had been prepared without being realized the necessity or carried out a study thereon. As such, the estimated expenditure amounting to Rs.39,699,740 had exceeded by 58 per cent and actual expenditure had been Rs.62,654,007.

4.1.2 Functions and Review

The following observations are made.

(a.) The total number of patients who received treatments from the Outpatients Department , attended the clinics and the number of inpatients had decreased by 11 per cent 14 per cent and 48 per cent respectively during the year under review as compared with the preceding year and in comparison to the preceding year, the eye surgeries and the minor eye surgeries performed during the year under review had decreased by 81.72 per cent and 33.46 per cent respectively. Further, the number of Laser tests, X-ray tests and Refraction Services carried out in the year under review had dropped by 50 per cent, 49 per cent and 41 per cent respectively as compared with the preceding year. Although the physician and the ophthalmologist had left out of the service action had not been taken to fill those vacancies and it had been the main reason behind the above situation.

(b.) Even though it had been planned to increase the space facilities for the medical clinic, dental clinic and Outpatient Laboratory and make available facilities with sufficient ventilation to the patients of the Outpatient Department by the project for the improvement of facilities of the office building, the total cost estimation of which was Rs.35 million, as action had not been taken according to a proper plan, project activities had been discontinued by 31 May 2018 for the want of estimated funds.

(c) According to the Corporate Plan prepared for the year under review, although it had been planned to purchase 04 medical equipment valued at Rs.24,700,000 during the year under review, relevant procurement activities had not been commenced even by 31 December 2017. Further, plans had been drawn to repair the theatre building by spending Rs.4,000,000 in terms of the Action Plan, whereas preparation of BOQs and estimates only had been done even by 31 December 2017.

4.2 Management Activities

The below mentioned machines had remained underutilized as those had been purchased without recognizing the requirement of the Hospital Board. The following observations are made thereon.

(a) Even though a Fully Automated Hematology Analyzer with the high capacity of minimum of 60 test units per hour had been purchased at a cost of Rs.2,500,000 in the year 2013, only 17 test units, 9 test units and 20 test units per hour had been done from the year 2015 up to the year under review respectively.

(b) Even though a Fully Automated Biochemistry Analyzer with the capacity of carrying out 21 types of tests and the capacity of carrying out at least 300 test units per hour had been purchased by spending Rs.8,736,000 in the year 2013, only 12 types of tests and 25 test units and 34 test units per our had been done in the preceding year and the year under review respectively.

(c) Since contributions of the Employees' Provident Fund and the Employees' Trust Fund payable in respect of 55 employees recruited on contract basis during the period from the year 2005 to 2016 had not been remitted during the prescribed period, the Hospital Board had to pay sums totalling Rs.3,737,945 comprising Rs.1,533,879 as contributions and Rs. 2,204,066 as surcharges to those Funds.

(d) As X-Ray Films had been purchased without being correctly recognized the existing stock and the quantity of usage, 5,006 X-Ray Films valued at Rs.330,426 had expired by 01 March 2018.

4.3 Operating Activities

The following observations are made

(a) In terms of Paragraph 13 of the contract agreement relating to obtaining maintenance and cleaning services for the year 2017, a certificate should be obtained from the officer in charge of each ward to the effect that service had been rendered in higher standard. Nevertheless, without obtaining such certificate, a sum of Rs.2,812,680 had been paid for the cleaning service relating to the year under review.

(b) Action in terms of the General Circular No.01-21/2015 dated 28 May 2015 of the Ministry of Health, Nutrition and Indigenous Medicine had not been taken in respect of supplying raw foods to the Hospital and providing foods for the patients. The following observations are made thereon.

(i) Activities such as obtaining assistance of the Management Committee for the preparation of weekly food programme by the Head of the Department, distribution of the prepared weekly food programme to the relevant Divisions and preparation of a monthly vegetable supply programme as required by the Paragraphs 5.1.3 and 5.1.4 of the above circular had not been carried out.

(ii) In terms of Paragraphs 7.5 and 7.7 of the above circular, every medical officer who visits the ward in the morning should draw a diet chart suitable for each patient and mark it on the bed head ticket and draw a such chart on the additional foods according to the requirement and mark the it on the bed head ticket and certify the same personally. Nevertheless, action had not been taken accordingly.

(iii) Action had not been taken to prepare separate diet chart for the ward according to the Health Format 31 in respect of inpatients on the first day of each month, check the bed head tickets by the officers concerned and mark the prescribed meal on the diet chart, compute the required amount of meal per day by summarizing the diet chart of each patient and compare it with the available number of patients, as required by the Paragraphs 8.1.1, 8.1.3 and 8.1.4 of the above circular.

(iv) Action had not been taken to look into wasting of cooked meals and thereby place orders by reducing a certain percentage of raw foods, place orders for food items within the maximum monthly limit approved by the Procurement Committee and maintain a proper control thereon, as required by Paragraphs 10.5, 10.10 and 11.7 of the above circular.

(v) According to the Paragraphs 14.1, 15.1 and 15.3 of the above circular, action had not been taken to show samples before serving the meals, check whether the employees obtain meals according to the meals card and ensure that only the prescribed amount of foods are provided to the employees.

(vi) In terms of 17 Schedule of the above circular, a food management committee had not been appointed to manage the placing orders for raw food items , obtaining, cooking and distributing them so as to incur a minimum cost by the Government.

4.4 Underutilization of Funds

Even though a sum of Rs.18,300,000 had been received as the Government Grants for the capital expenditure such as purchase of medical equipment and renovation of the theatre during the year under review, action had not been taken to carry out those activities and as such more than a sum of Rs.15,000,000 of that amount had been saved and according to the cash book relating to the capital expenditure as at 31 December 2017, the total balance of the Government Grant had been Rs.28,361,382.

4.5 Personnel Administration

The approved cadre and the actual cadre of the Hospital as at 31 December of the year under review had been 250 and 210 respectively. The following observations are made in this respect.

(a.) Schemes of recruitment and promotion in terms of Public Enterprises Circular No.PED/12 dated 02 June 2003 had not been prepared in respect of any post approved for the Hospital Board.

(b.) Even though the approved number of posts of registered medical officers was 02 and the actual number was 03, action had not been taken to obtain approval for the post that remained in excess.

(c.) Although the staff required for 07 key posts of the hospital had been approved by the Department of Management Services on 14 March 2016, action had not been taken to fill 21 vacancies of the above posts even by the end of the year under review.

5. Sustainable Development

5.1 Achievement of the Sustainable Development Goals

Since the Hospital Board was unaware of the Circular No.NP/SP/SDG/17 dated 14 August 2017 of the Secretary to the Ministry of National Policies and Economic Affairs and United Nations Sustainable Development "2030 Agenda" , action had not been taken to identify the sustainable development goals coming under the purview of the Hospital Board, targets to be achieved and the indicators to evaluate the progress of reaching those targets.

6. Accountability and Good Governance

6.1 Audit Committees

According to the provisions of 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.

6.2 Procurement and Contract Process

6.2.1 Procurements

The following observations are made.

(a) Services at the total contract value of Rs.27,952,476 relating to the maintenance and cleaning service, supply of raw foods, security service, washing of dirty cloths and obtaining a house on rent for the nursing hostel had been obtained during the year under review and in the procurement activities relating to obtaining those service, respectively in terms of the Guideline 2.3.2 (b) and (c), Guideline 2.11.3, Guideline 2.12 (a), Guideline 3.12.2 (i), (ii) and (iii), Guideline 5.3.1 (a) to (c), Guideline 5.3.2 and Guideline 6.3.6 of the Government Procurement Guidelines;

(i) Submission of the pre-qualifications of the bidders to the Technical Evaluation Committee for their examination, review and approval as well as preparation of draft bidding documents including the specifications and submission of the same to the Technical Evaluation Committee for the approval had not been carried out.

(ii) Minutes of the Procurement Committee and the Technical Evaluation Committee had not been recorded in the prescribed format.

(iii) Members of the Procurement Committee and the Technical Evaluation Committee had not signed a declaration of confidentiality and impartiality.

(iv) Adequate information for specific identification of criteria of the examination of pre-qualifications and determination of capability of the bidders to successfully perform the contract had not been included in the bid invitation.

(v) The Hospital Board had not used an appropriate specimen of standard bidding document and the appropriateness of the bidding documents used in lieu of the standard bidding documents had not been vetted and approved by the Technical Evaluation Committee and the Procurement Committee.

(vi) The bid invitation had not been prepared including main eligibility criteria and qualification requirements of the successful bidder.

(vii) The proceeding of the bid opening had not been recorded in the prescribed format.

(b) Although the contract value of the supply of raw food items of the hospital for the year under review amounted to Rs.15,553,860 exclusive of Value Added Tax, actual annual expenditure amounted to Rs.3,848,913. The following observations are made in this connection.

(i) As bids had been called for by overestimating the monthly raw foods requirement, it had given rise to missing the opportunity of receiving bids from more bidders and the contract had been awarded at a value exceeding 75 per cent of the actual annual requirement of the hospital.

(ii) In the evaluation of bids, although evaluation had been done based on the standard price according to the market price index, prices of the bidder selected for certain essential food items had exceeded the standard prices. Nevertheless, attention of the Technical Evaluation Committee had not been focused thereon. In the sample test of 10 dry food items, the exceeding of their prices had ranged from 14 per cent to 53 per cent.

6.2.2 Deficiencies in the Contract Administration

Although the contract period of the contact valued at Rs.12,431,157 for the construction of Laboratory Building of the hospital was 300 days including the formal extension of period, 412 days had been taken thereon. Accordingly, penalty for delay amounting to Rs.672,000 at Rs.6,000 per day should have been recovered in respect of 112 delayed days in terms of the conditions of the agreement. Nevertheless, without being recovered penalty for delays, total amount had been paid other than the 10 per cent retention for the bills of the contractor.

6.3 Budgetary Control

Variances ranging from 51 per cent to 141 per cent were observed between the budgeted and the actual expenditure relating to 15 items and a sum of Rs. 609,325 had been spent for 4 items without allocating provisions during the year under review. As such, it was observed that the budget had not been made use of as an effective instrument of management control.

7. 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 is needed in respect of the following areas of control

Areas of Systems and Controls	Observations
(a) Procurement and Contract Administration	Failure to supervise the construction contracts properly and failure to take action to achieve an optimum performance and failure to comply with the Procurement Guidelines in terms of the conditions of the agreements.

(b) Control of Drugs Stores	Failure to take action to maintain proper internal control system for the process from the identification of stock requirements up to receiving, issuing, documenting and accounting the stocks and failure to carry out physical verification of stores properly in an updated manner.
(c) Accounting	Failure to maintain drugs stock control accounts and making adjustments without using journal entries.

W.P.C.Wickamaratne

Acting Auditor General.