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ஆண்டறிக்கை
Annual Report

2017

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ஸ்ரீ ஜயவர்தனபுர பொது மருத்துவமனை
Sri Jayewardenepura General Hospital



Annual Report 2017

Sri Jayewardenepura General Hospital

Prepared by:
Planning Unit
Sri Jayewardenepura General Hospital
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Content

1. Corporate Information	
1.1 Historical Facts	4
1.2 Corporate Governance	5
1.3 Vision and Mission	7
1.4 Our Strengths	8
1.5 Our Expectations	9
1.6 Hospital Staff	10
1.7 Medical Specialist Unit	12
1.8 Our Services	13
1.9 Our Website	14
2. Management Team	
2.1 Chairman's Message	16
2.2 Director's Message	17
2.3 Board of Directors	18
2.4 Management Committee	18
2.5 Specialist Staff	19
3. Operational Information	
3.1 Summary of Performance	23
3.2 General Performance	27
3.3 Sector Review	28
3.4 Ten Year Summary	46
4. Financial Reports	
4.1 Statement of Financial Position	49
4.2 Financial Performance Statement	50
4.3 Cash Flow Statement	51
4.4 Statement of changes in equity	52
4.5 Detailed analysis of net assets	53
4.6 Significant Accounting Policies –2017	54
4.7 Notes to the Accounts –2017	58
5. Auditor Reports	
5.1 Auditor General's Report	66
5.2 Action taken to correct weaknesses mentioned in the Audit Quarries	95
6. Vision for the Future	
6.1 Expected Medium Term Activities to Improve the Work Performance of Institute	128

1. Corporate Information



1.1 Historical Facts



Sri Jayewardenepura General Hospital, a gift by the Government of Japan to the citizens of Sri Lanka, on an initiative of His Excellency J. R. Jayewardene, the first executive president of Sri Lanka, was ceremonially opened by Ishimaysu Kitaagawa, the representative of Japan and the President of Sri Lanka on 17th September 1984.

Sri Jayewardenepura General Hospital was established by the Act of Parliament No. 54 of 1983. The primary intention of establishing Sri Jayewardenepura General Hospital was to provide excellent medical and surgical services compared to other government hospitals, at affordable prices to the public.

The first Board of Directors appointed by the then Minister of Teaching Hospitals and Women's Affairs on 23rd February 1985 consisted of Dr. R.B.J. Peiris (Chairman), Dr. D.D. Samarasinghe (Ministry Representative), S.P. Chandradasa (Representative of Ministry of Finance), K.N. Choksy (President's Counsel), M.T. Fernando (Chartered Accountant), Dr. Malinga Fernando (Director General of Health Services) and Dr. S.A. Cabraal (Director - PGIM) and K.D.L. Rathnasena (Secretary). The first Board Meeting was held on 28th February 1985.

First patient was admitted to the hospital on 17th December 1984, under the care of Dr. H. H. R. Samarasinghe (Consultant Physician) and the first surgery in the hospital, a thyroidectomy was performed by Dr. K. Yoheswaran (Consultant Surgeon) with anaesthesia administered by Dr. K. A. Perera (Consultant Anaesthetist) on 17th January 1985. First delivery was on 18th January, 1985 under the care of Prof. Kingsley de Silva (Consultant Obstetrician and Gynaecologist).

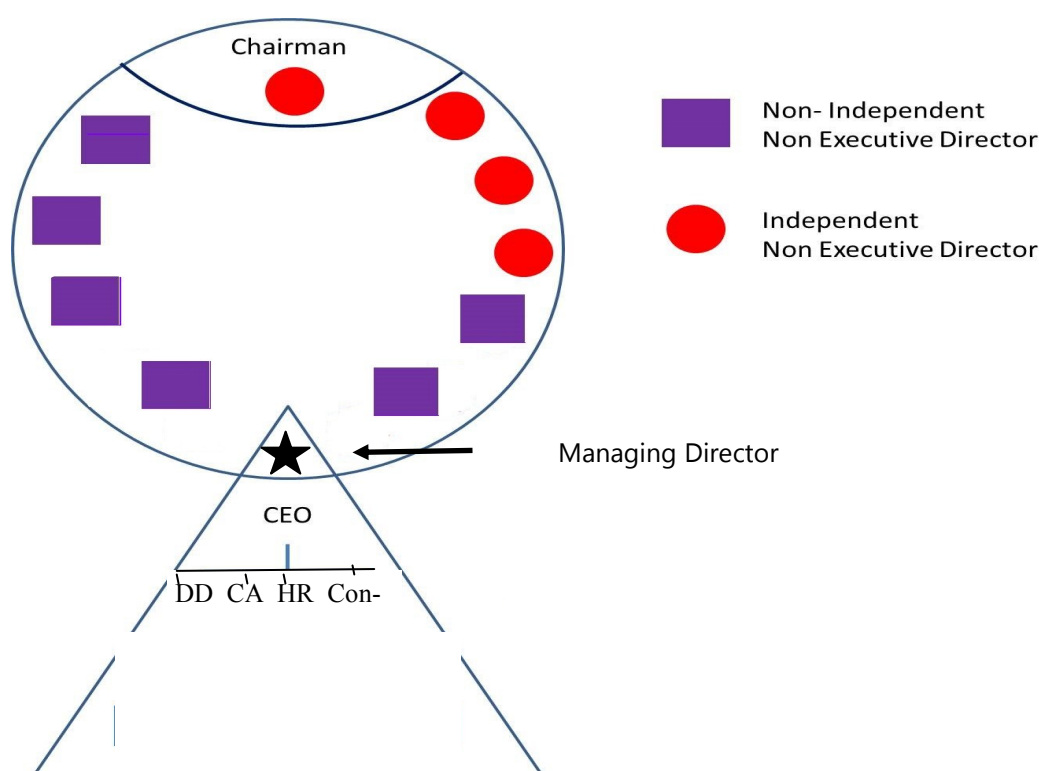
Sri Jayewardenepura General Hospital was setup to supplement the curative health service in Sri Lanka and to assist in the training of medical undergraduates, postgraduates and other health care personnel. While the Board of Directors take policy decisions, operational control is vested on a Committee of Management. Financing of the operations and capital equipment is through a grant from the General Treasury and revenue generated by the hospital.

This modern Hospital has now functioned over thirty **three** years and has maintained the state of excellence expected and has developed continuously by acquiring most of the modern medical facilities.

1.2 Corporate Governance

Sri Jayewardenepura General Hospital Board is guided by the "Code of Best Practice on Corporate Governance for Public Enterprises", a handbook by the Public Enterprises Department of General Treasury. Generally the successive Boards, since the inception of the hospital practiced the principles contained in this document.

The Board and the members



The Board consists of three Independent non executive directors, six non independent non executive directors, Chairman and the Managing Director. The Managing Director of the hospital implements the Board decisions and provides solutions for day to day administrative issues with the Committee of Management. The Hon. Minister of Health has the authority to give special directives under the powers vested by section No.9 of Sri Jayewardenepura General Hospital Board Act.

The Non-executive Board Members, while not involving in the routine administration of the hospital, participate in close review and monitoring the operations. Two of the Board Members function as members of the Procurement Board, and one in the Budgetary Planning and Implementation Committee. The Treasury representative chairs the Audit Committee meetings.

1.2 Corporate Governance-continue

Remuneration of Board Members

The remuneration of the Chairman and The Board Members is on the basis of the Public Enterprises Circular NO.PED 04 of 01.01.2003.

The Committee of Management

The Committee of Management under the chairmanship of the Managing Director consists of the members as per SJGH Act, and administers the day to day affairs of the hospital and carry out an advisory function to the Board.

Audit Committee

The Audit Committee functions under the chairmanship of Treasury representative to the Board and consists of two other Non-executive Board members. The Audit Superintendent from the Auditor General's Department participates on invitation as an observer for Audit Committee meetings. The audit committee supervisors and facilitates the functions of the Internal Auditor and coordinates the functions between the Internal and External Auditors.

Audit committee provides an Audit report to the main board quarterly. The committee is empowered to oversee and exercise due diligence and control over the financial aspects, operational and performances of the hospital.

1.3 Vision and Mission

Vision

To be the best
leading tertiary health care provider
in the South Asia
in year 2030.

Mission

"To maintain
exceptional, safe ,ethical and quality standards,
while offering
cost effective healthcare solutions
with modern technology,
and to deliver undergraduate and postgraduate education
in medical and allied health sciences"

1.4 Our Strengths

- High reputation and long standing impressive image with highly qualified, experienced, competent and dedicated medical, nursing and technical staff.
- Drive power and responsibility from a Parliamentary Act (No. 54 of 1983).
- Well designed building complex with comprehensive facilities with provisions for further expansion.
- Empowered by technical assistance with modern medical and surgical equipment and high standard laboratory facilities to provide patient care, staff training , medical education and research.
- Substantial financial contribution from the general Treasury through the Ministry of Health and autonomy to deal with financial and administrative matters independently.
- Ability to provide patient care in a wide range of medical and surgical subspecialties at very competitive rates compared to



1.5 Our Expectations



- To be a global standard in health care according to a Corporate Plan.
- To be a State of the Art facility.
- To be affordable to the public.
- To Provide Health care of international standards.
- To continue training of Undergraduates & Post Graduates.
- To be Adequately & competently staffed in all areas.
- To generate Revenue while been affordable to the public.
- To honour the rights and benefits of the staff who are employees of the Ministry of Health.

1.6 Hospital Staff

Sri Jayewardenepura General Hospital Consists 2113 staff members. Summary of various staff categories are as follows:

1)Executive staff		20
2)Medical Staff		353
Consultants	46	
Resident specialist	1	
Medical Officers	193	
Post Graduate Medical Officers	60	
Post Intern Medical Officers	26	
Intern Medical Officers	27	
3)Nursing Staff		794
Nursing Sisters	27	
Nurses	622	
Student Nurses	145	
4)PSM (Professions Supplementary to Medicine)		94
MLT	36	
Radiographers	15	
Physiotherapists	09	
Pharmacists	20	
Trainee Radiographer	05	
Trainee Physiotherapist	04	
Trainee Pharmacists	02	
Trainee M.L.T.	03	
5)Paramedical Staff		24
Speech Therapist	01	
E.M.T.	05	
perfusionist	03	
PHI	02	
Cardiographer (E.C.G.Technician)	09	
Audiometrician	01	
Ophthalmic Technologists	02	
Trainee Cardiographer	01	

1.6 Hospital Staff –Continue

6)Other Staff		289
Staff Assistant	02	
Management Assistant(Mn1+MN2)	135	
Trainee Management Assistant	28	
Others	124	539
7) Junior Staff		
Orderly supervisors	06	
Orderly	262	
Saukya Karya Sahayake—Permanent	144	
Casual Labourers	69	
Care givers	50	
Phlebotomist	06	
Trainee Cooks	02	
		2113

1.7 Medical Specialty Units

Sri Jayewardenepura General Hospital provides wide range of medical specialty services. Patients are offered services by a team of eminent and skilled specialists. The Specialty units providing patient care at Sri Jayewardenepura General Hospital are listed below

- | | |
|--|--|
| 1.General Medicine | 2.General Surgery |
| 3.Obstetrics & Gynecology | 4.Pediatrics |
| 5.Anesthesiology | 6.Neonatology |
| 7.Ophthalmology | 8.Otorhinolaryngology |
| 9.Neurology | 10.Dermatology |
| 11.Cardio physiology | 12.Neurosurgery |
| 13.Cardiology | 14.Cardio Thoracic surgery |
| 15.Orthopaedics | 16.Nephrology |
| 17.Genitourinary and Kidney Transplant | 18.Rheumatology & Rehabilitation |
| 19.Endocrinology | 20.Histopathology |
| 21.Microbiology | 22.Haematology |
| 23.Chemical Pathology | 24.Blood bank and Transfusion medicine |
| 25.Radiology | |

1.8 Our Services

Target of Sri Jayewardenepura General Hospital is provide range of services to national and international community under one roof with high quality and reasonable rates.

Patient Care services

1.General Medicine

2.General Surgery

5. ICU (Intensive Care Unit)

- General ICU
- Neurosurgical
- Cardiology
- Cardio thoracic

3. OPD-Out Patient Treatment (8.00am –4.00 pm)

4. Specialized Clinics in all Specialties

6. HDUs' (High Dependency Units)

- Pediatrics
- Neurosurgical
- Cardiology
- Cardio thoracic
- General Medicine
- Gynecology

7. Medical Checkup Unit– Variety of Medical Checkup packages available

8.Laboratory services

- Hematology
- Biochemistry
- Microbiology
- Histopathology
- Chemical Pathology

9. Radiology Services

- Mammography
- X –ray
- Ultra Sound Scan
- Computer Tomography (CT)
- DSA Angiograms
- IVP
- Barium Studies.
- CT Guided Biopsy
- CT Angiograms.
- Doppler Scans.
- HSG.
- Special Examinations
- FNACUS Biopsy

10.Cardiology Investigation

- ECG Tests
- Exercise ECG
- Halter Monitoring
- Angiography and Cardiac Catheterization
- 2 DEcho

11.Neurology Investigation

- EMG Tests
- EEG Tests

12. Endoscopy services (UGIE,LGIE)

13. Urological treatment services

14. ENT related tests

15. Vision and related tests

16. Nutrition advisory services and consultation

18. Psychological Counseling Services

19. Speech Therapy services

20. Supportive services

- Blood Transfusion Services
- Chanel Service
- Health Education
- Immunization
- Infection Control Service
- Birth & Death Registration
- Pharmacy -(24 h service)
- Emergency Ambulance Service

17 Physiotherapy services

Other Services

- Banks (BOC,HNB)
- Automated Teller Machine (BOC, HNB, Peoples ,Commercial)
- Cafeteria
- Post Office
- Vehicle Park
- Grocery Shop
- Paying machines

1.9 Our Website

www.sjghsrilanka.org



"Sri Jayewardenepura General Hospital official Website"

2. Management Team



2.1 Chairman's Message



At the end of yet another successful year, I am pleased to release this message for the Annual Report 2017 of Sri Jayewardenepura General Hospital.

Though owned by the Government, this hospital is different from other Government owned hospitals that provide a free service to the people of Sri Lanka. It caters to those who could afford a fee for the services provided, but at a subsidized rate. The senior Management under the guidance and support of the Board has been able to resolve issues that hindered the progress of the Hospital in the past.

Hon. Minister of Health, Nutrition & indigenous Medicine has provided extra funds this year too to ensure and enable us to improve the infrastructure, introduce new technology and to improve the quality and range of services to a different level in order to meet the growing demands of the people. The feedback on services that we have received from our customers has been encouraging.

This hospital has always served as a bench mark to the private health sector in Sri Lanka. Let me thank the Hospital staff for the dedication shown to make this happen. Let me also thank the Treasury, Ministry of Health, Nutrition & Indigenous Medicine and other relevant agencies for all the support given to develop this hospital.

I take this opportunity to thank the Board members and Senior Management for the Strength and guidance provided to me during the year.

I wish the Management all success in their future endeavours to future to future improve this hospital.

Dr. H. A. P. Kahandaliyanage
MBB; MSc(com.Med); MMHI(Boston); MCMA; FCMA
Chairman
Sri Jayewardenepura General Hospital

2.2 Director's Message



I am extremely honored and privileged to deliver this message to the annual Report 2017 as the Director of this prestigious organization. There are many challenges faced by Sri Jayewardenepura General Hospital as a fee levying general hospital and a medical post graduate training centre. During this year we have been able to do a clear analysis of matters that had been resisting and slowing down the forward journey of this unique facility. We have been able to identify the areas that need to be addressed in our endeavour of bringing this hospital to the standards of the most caring and leading tertiary care centre in the island with cutting edge technology.

As an important and essential part of this effort we have initiated the renovation of this 33 year old facility in a step wise programme. Causing minimum disturbance to the day to day patient care activities of the hospital. Parallel to this foundations have laid to many other activities that have been identified as important. Many programmes have been launched to enhance awareness among employees of Sri Jayewardenepura General Hospital on current policies and developments of the patient care services and also importance of their contribution and active participation in making this effort a success. Sri Jayewardenepura General Hospital moves Forward with a clear vision, empowering the facility to be the leader in providing safe and quality health care, securing and not forgetting the dignity maintained throughout decades since the commissioning of its services to the nation in 1984.

I take this opportunity to thank the Hon. Minister of Health, Nutrition and indigenous Medicine Dr. Rajitha Senarathne the Hon. Deputy Minister Faizal Cassim, Secretary to the Ministry Mr Anura Jayawickrama Director General of Health Services Dr. J.M.W.Jayasundera Bandara, Chairman of Sri Jayewardenepura General Hospital Dr. Athula Kahadaliyanage, Members of the Board of Directors, Members of the Board of Management, Deputy Director Dr. (Mrs) Santhushya Fernando and all the staff of Sri Jayewardenepura General Hospital for all the enthusiasm, professionalism and dedication displayed at all times.

Dr Susitha Senarathne

Director

Sri Jayewardenepura General Hospital

2.3 Board of Directors

Dr. H.A.P. Kahandaliyanage.- Chairman, SJGH

Dr. N.S.A. Senaratne- Managing Director, SJGH

Dr. J.M.W.Jayasundera Bandara- Director General of Health Service

Mr. R.Semasinghe –Treasury Representative

Prof. Janaka de Silva - Director –PGIM

Mr.S.M.Nanda Lalith Senanayake-Appointed by the Minister of Health

Mr. Chamath de Silva– Appointed by the Minister of Health

Dr. Harsha Samaraweera - Appointed by the Minister of Health

Dr. V. K. P. Indraratne - Consultant Representative

Dr. Madhava Karunarathne - Consultant Representative

Dr. P. J. Ambawatta - Consultant Representative

Dr. Anil Jasingha-DGHS-from 21.12.2017

2.4 Management Committee

Dr. Susitha Senaratne- Director -Chairman of the Committee

Dr. (Mrs.) S. Fernando -D/Director (Act.) -Member

Dr. Kaleel Cassim -Cosultant Rheumatologist-Member

Dr. Harsha Gunasekara -Consultant Neurologist-Member

Dr. (Mrs.) S. K. Jayathilake -Consultant Microbiologist-Member

Mr. D. A. Perera-Act. Accountant-Member

Mr.Sarath Robatson-Hospital Secretary-Member

Mrs. A. N. Saputhanthri -Chief Matron-Member

2.5 Specialist Staff

	Name of Consultant	Specialty	Unit
1	Dr. V. K. P. Indraratne <i>MBBS, MD, FFARCSI, FRCA</i>	Anaesthesia	Theater
2	Dr. C. A. Herath <i>MBBS, MD, FRCP</i>	Nephrology	Ward 21
3	Dr. A. B. S. A. Perera <i>MBBS, MS, FRCS, FCSLL</i>	Orthopaedic	Ward10
4	Dr. D. H. H. Wariyapola <i>MBBS, MSOPH, DO(COL), FRCS ,</i>	Ophthalmology	Ward16
5	Dr. (Mrs.) N. L. Amarasena <i>MBBS, MD (Colombo), FRCP (London), FCCP, FRACP (HON)</i>	Cardiology	Ward19
6	Dr. U.W.H.C.H. Perera <i>MBBS, MS (O&G)COL, FRCOG (UK), FSLCOG</i>	Obstetric and Gynaecology	Ward09
7	Dr. (Mrs.) M. Weerasekara <i>MBBS, DCH, MD (Pead.), MRCP (UK)</i>	Neonatology	NICU
8	Dr. C.E.de Silva <i>MBBS, MD, MRCP (UK), FCCP</i>	General Medicine	Ward12
9	Dr. D. L. Piyarisi <i>MBBS, MS, FRCS (Ed.)</i>	Surgery	Ward15
10	Prof. R. L. Satharasinghe <i>MD, FRCP(Lond), FRCP, (ED)FRCP (Glas), FCCP, FRCPI, FRCPI, FACG, MASGE, IMBSG, CCST(uk)</i>	General Medicine	Ward20
11	Dr. A. D. Kapuruge <i>MBBS, MS, FRCS</i>	Cardiothoracic Surgery	Ward20
12	Dr.D.J.Wickramarathna <i>MBBS(Cey), MD</i>	Radiology	X-Ray
13	Dr. K. Cassim <i>MBBS, MD</i>	Rheumatology	Ward 16A
14	Dr. (Mrs.) M.S. Wijerathne <i>MBBS (Hons), Melb, FRCS (Ed.)</i>	Neuro-Surgery	Ward18
15	Dr. H. H. Guneseekara <i>MBBS(Col), MD(Col), MRC(UK), FRCP</i>	Neurology	Ward16A

	Name of Consultant	Specialty	Unit
16	Dr. P. J. Ambawatta <i>MBBS,(Col). Path.(Col), MD Pathology(Col)</i>	Histopathology	Path Lab
17	Dr. R. A. R. D. Aloysius <i>MBBS, DCH, MD, MRCP1</i>	Paediatrics	Ward 01
18	Dr. A.S. Rodrigo <i>MBBS, MD (HistoPathology)</i>	Histopathology	Path lab
19	Dr.D.H. Samarakoon <i>MBBS,MD,FRCA,(UK)</i>	Surgery	-
20	Dr. (Mrs.) J. S. K. Rajasinghe <i>MBBS, MD ,FRCA (UK)</i>	Anaesthesia	Theatre
21	Dr. S.M.G. Karunarathne <i>MBBS, MS(SL), FSLCOG(UK) , FRCOG,</i>	Obstetric and Gy- naecology	Ward 02
22	Dr. J.I. P. Herath <i>MBBS, MD</i>	Cardiology	Ward 19
23	Dr. (Mrs.) D.S. Ariyawansa <i>MBBS, MD (Dermatology)</i>	Dermatology	Ward 07
24	Dr.(Mrs.)N.M.P.K. Arambepola Herath <i>MBBS, MD (Radiology)</i>	Radiology	X-Ray
25	Dr. (Ms.) C.C. Kariyawasam <i>MBBS, Dip. Path., MD (Haematology)</i>	Haematology	Haematology Unit
26	Dr. (Mrs.) S. K. Jayathilake <i>MBBS, Dip. Medical Micro., MD (Medical Microbiology)</i>	Microbiology	Microbiology
27	Dr.(Mrs.) R. P. S. Palihawadana <i>MBBS, MD ,FRCA (UK)</i>	Anaesthesia	Theater
28	Dr.(Mrs.)R.M.S.T.Samaraweera <i>MBBS, MD (Radiology)</i>	Radiology	X-Ray
29	Dr. H. R. Y. de Silva <i>MBBS, MS, MRCS (Eng), FRCS(Cardiothorasic)</i>	Cardiothoracic Sur- gery	Ward 20
30	Dr. (Mrs.) A.M.Abeywardane <i>MBBS, DTM,MD (Transfusion Medicien)</i>	Transfusion Medicine	Blood Bank
31	Dr. S. A. Gunawardana <i>MBBS, MS, MRCS (Eng.)FRCS(Glasy)</i>	Surgery	Ward 08
32	Dr.(Mrs.) S.A.S.P. Subasinghe <i>MBBS(Col)Hons, MD (SL)</i>	General Medicine	Ward 17
33	Dr, L. N. Senavirathna <i>MBBS (Col), MS (SL), MRCS (UK)</i>	Urology and Kidney Transplantation	Ward 14 A

	Name of Consultant	Specialty	Unit
34	Dr. (Mrs.) C.R. Pilimalawwe <i>MBBS, MD (Anaesthesiology)</i>	Anaesthesia	Theater
35	Dr. P.P.C.Prageeth <i>MBBS, MD (Anaesthesia), FRCA (UK)</i>	Anaesthesia	Theater
36	Dr.K.V.C.Janaka <i>MBBS, MD, MSC(Diabetis & Endocrinology)MRCP (Endo)</i>	General Medicine	OPD
37	Dr.K.G.Karunaratne <i>MBBS.MD,MRCS(Engd)</i>	Orthopaedics	Ward 11 A
38	Dr.(Mrs.)F.S.Maleen <i>MBBS India),MD(Obs & Gyn),</i>	Obstetric & Gynaecology	Ward 07 A
39	Dr. N.Vithanage <i>MBBS, Diploma in Pathology, MD (Chemical Pathology)</i>	Chemical Pathology	Path Lab
30	Dr. (Mrs.) R.A.S.T.Rupasingha <i>MBBS(Col), MD ,ORL(Col), DOHNS(Edin)),MRCF(UK)</i>	Otorhinolaryngology	Ward 11
41	Dr. M. C. B. Galahitiyawa <i>MBBS, MD (Col), MRCP (UK)</i>	Nephrology	Ward 21
42	Dr. S.R.P. Kottegoda <i>MBBS, MD</i>	Cardio - Electro Physiology	Ward 19
43	Dr.(Mrs)D.T.Muthukuda <i>MBBS,MD(Col),MRCP(UK)</i>	Endocrinologist	-
44	Dr.(Mrs)D.K.Y.Abeywardana <i>MD(Radiology)MBBS</i>	Radiology	X-ray
45	Dr.(Mrs)S.B.T.M.D.S.Tennakoon <i>MBBS,DFM,MRCP(Eng),MD-ORL,Head&Neck(Colombo)</i>	Otolaryngology	Ward 11
46	Dr.M.S.G.Perera <i>MBBS, MD</i>	Pulmonology	-
47	Dr.B.N.Abeywickrama <i>MD(Radiology)MBBS(COL)</i>	Interventional Radiologist	X-Ray

3. Operational Information



3.1 Summary of the Performance



Sri Jayewardenepura General Hospital is established under the provision of Parliament act number 54 of 1983 and ceremonially opened on 17th of September 1984. Sri Jayewardenepura General Hospital is governed by a board of directors which is appointed by Hon. Minister of Health and act as a training center for medical undergraduate and postgraduate trainees in addition to providing patient care services.

In 2017 Number of staff members was 2113.

Designation	Approved Cadre	Actual Cadre
Executive staff	22	20
Medical Staff	240	353
Nursing Staff	880	794
PSM (Professions Supplementary to Medicine)	95	94
Paramedical Staff	22	24
Other Staff	295	289
Junior Staff	493	539
Total	2047	2113

The table below gives ,a comparative summery of the indicators of in and out patient care services is given by the hospital .

Indicator	2017	2016	Increase/ De-crease(%)
1. Number of Patient Beds	1074	1086	-1.10
2.Total Number of Patient Admissions	71054	59257	19.91
3. Average Length of Stay (Days)	4.5	4.5	0.00
4. Hospital Bed Occupancy (%)	79.65	68.80	15.77
a. Bed Occupancy of General Wards(%)	80.56	70.11	14.91
b. Bed Occupancy of Paying Wards(%)	78.51	70.94	10.67
5. Number of Out Patient Department Visits	24196	21847	10.75
6. Number. of Emergency treatment Unit Visits	41697	40792	2.22
7. Total Number of Patients attended for Clinics	177376	165158	7.40
8. Total Number of Surgeries done	14705	15007	-2.01
9. Number of Cardio Thoracic Surgeries done	432	558	-22.58
10. Number of Kidney Transplants done	31	24	29.17
11. Number of Dialysis done	6562	6296	4.22
12. Number of Echo Cardiograms done	15104	14660	3.03
13.Number of Coronary angiogram Tests	826	966	-14.49
14.Number of Stress Tests	1599	1740	-8.10
15.Number of Deliveries	3727	3592	3.76
16. Number of ECG Tests done	43504	45501	-4.39
17.Number of EMG tests done	1250	1184	5.57
18. Number of X- ray Tests done	77597	85027	-8.74
19.Number of CT studies	12272	12278	-0.05
20.Number of Mammograms done	578	511	13.11
21.Number of Physiotherapy done	19648	18591	5.69
22.Number of Channel patients	10904	9902	10.12
23. Number of Refraction Tests done	3895	3944	-1.24
24.Number of Nutrition Advices given	3217	2987	7.70
25. Number of Speech Therapies done	1423	762	86.75
26. Number of Medical Check-ups	4356	3598	21.07
27. Number of Psychological counseling done	1808	1899	-4.79
28. Number of Pathological tests done	1467273	1098902	33.52
29.Total Number of endoscopy tests done	5248	5147	1.96
30.Total Number of Blood collection	4795	3778	26.92
31.Total Number of deaths	942	805	17.02

Following table shows the unit wise summary of in-patient care provided by Sri Jayewardenepura General Hospital in 2017.

Unit	Patient Admissions		Increase/ Decrease (%)	Bed Occupancy (%)		Increase/ Decrease (%)
	2017	2016		2017	2016	
General Medical Unit	25804	17440	47	169.99	107.75	57.76
General Surgical Unit	8150	7886	3	65.24	63.1	3.39
Gynecology and Obstetrics Unit	8012	7729	3	83.82	76.13	10.10
Paediatric Unit	4700	2984	57	91.07	53.91	68.93
ENT Unit	1405	1150	22	73.88	37.79	95.50
Orthopedic Unit	2785	2526	10	46.80	36.86	26.97
Ophthalmology (Eye) Unit	2103	1640	28	48.26	43.64	10.59
Cardiology Unit	3084	2664	16	86.86	76.79	13.11
Cardio-Thoracic Unit	533	881	39	82.94	77.8	6.61
Neonatal Intensive Care Unit	1099	1038	06	87.13	75.26	15.77
Neurology Unit	659	435	51	52.70	35.58	48.12
Neurosurgery Unit	1175	998	17	51.05	48.52	5.21
Dialysis and Nephrology Unit	6810	6584	3	81.83	79.37	3.10
General ICU	807	744	8	112.60	108.48	3.80
Cardiothoracic ICU	533	611	12	82.94	96.45	-14.01
Paying ward –Class I	1909	1956	2	112.15	110.69	1.32
Paying ward –Class II	5949	5754	3	74.60	63.9	16.74

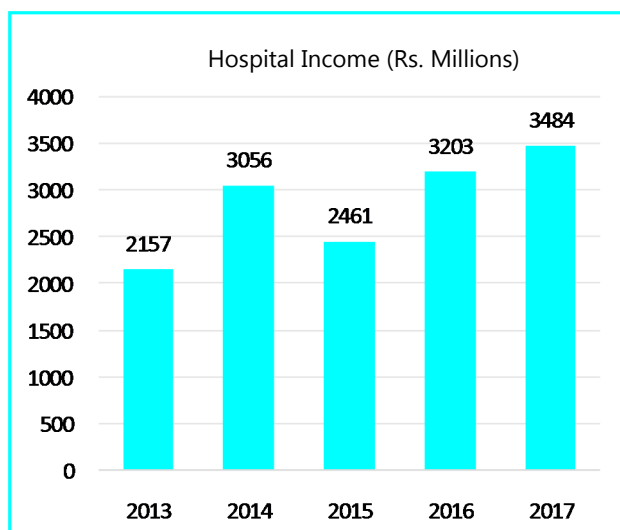
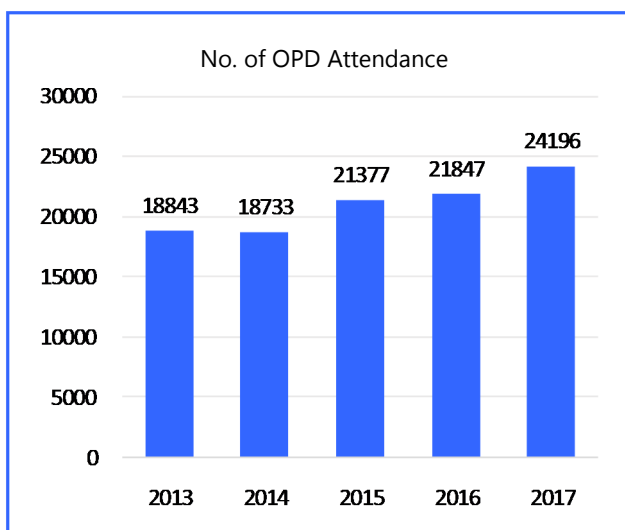
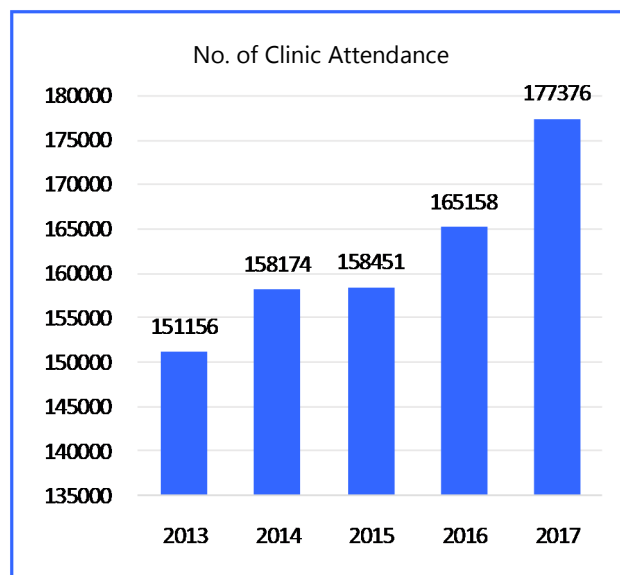
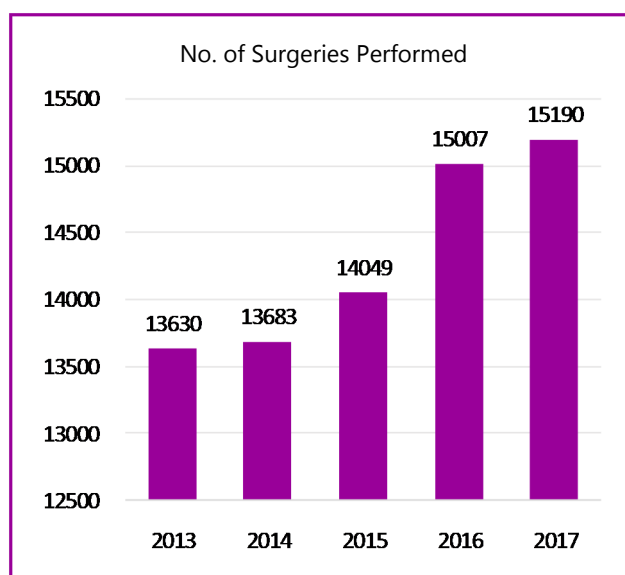
Following is the summary of the financial performance of Sri Jayewardenepura General Hospital in year 2017

Description	(Rs. '000)		Increase / Decrease	
	2016	2017	Value (Rs. '000)	Percent- age (%)
Income generated from operations	1856261	2100845	244584	13.17
Government Grant –Recurrent	1300000	1300000	-	-
Other Income	47157	83869	36712	77.85
Other Operating Income (Interest)	7353	7035	-318	-4.32
Capital Grant Amortization	243786	303734	59948	24.59
Total Income	3454557	3795483	340926	9.86
Materials & Consumables used	1040740	1111194	70454	6.76
Staff cost	1904879	2080835	175956	9.23
Depreciation & amortization	243786	303734	59948	24.5
Other operating expenses	423159	423585	426	0.10
Total expenses	3612564	3919349	306785	8.49
Profit /Loss from operation	(158007)	(123866)	-34141	-21.60
Finance cost	8585	11443	2858	33.29
Other expenses	4874	8824	3950	81
Profit /Loss before Taxation	(171466)	(144133)	-27333	-15.9
Income tax	4353	5486	1133	26.02
Profit /Loss after Taxation	(175819)	(149619)	-26200	-14.9

3.2 General Performance

	2013	2014	2015	2016	2017
No. of beds in Hospital	1078	1079	1076	1086	1092
Total No. of admissions	54283	53424	55143	59257	71054
No. of OPD Attendance	18843	18733	21377	21847	24196
No. of Clinic Attendance	151156	158174	158451	165158	177376
No. of Surgeries Performed	13630	13683	14049	15007	15190
Bed Occupancy Rate (%)	64.07	64.1	63.04	68.80	79.65
No. of Neonatal deaths	21	14	11	9	21
Total No. of deaths	714	689	740	805	942
Hospital Income (Rs. Mions)	2157	3056	2461	3203	3484

Five year summery

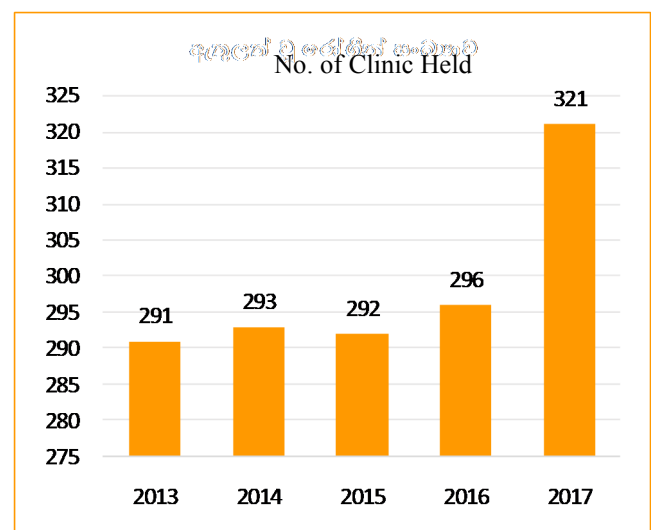
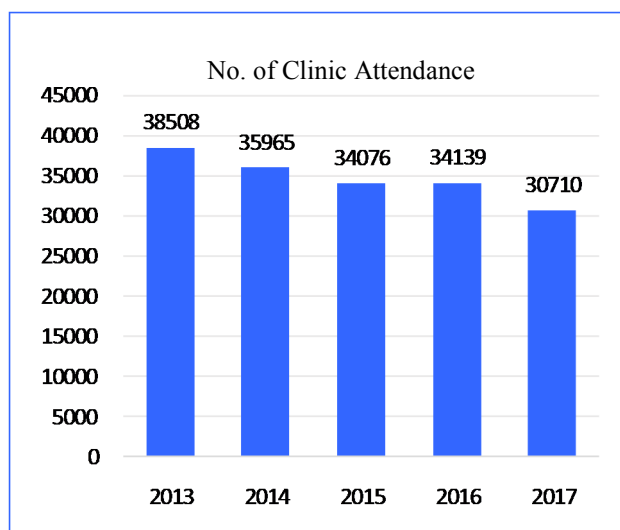
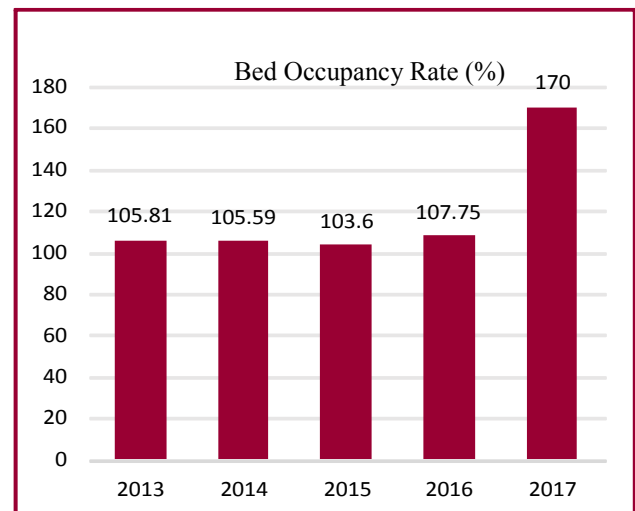
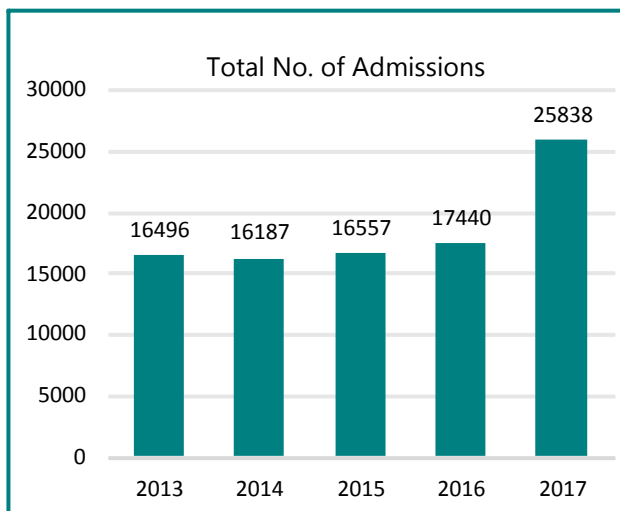


3.3 Sector Review

I. General Medical Unit

	2013	2014	2015	2016	2017
No. of Clinics Held	291	293	292	296	321
No. of Clinic Attendance	38508	35965	34076	34139	30710
Total No. of Admissions	16496	16187	16557	17440	25838
Bed Occupancy Rate (%)	105.81	105.59	103.6	107.75	170

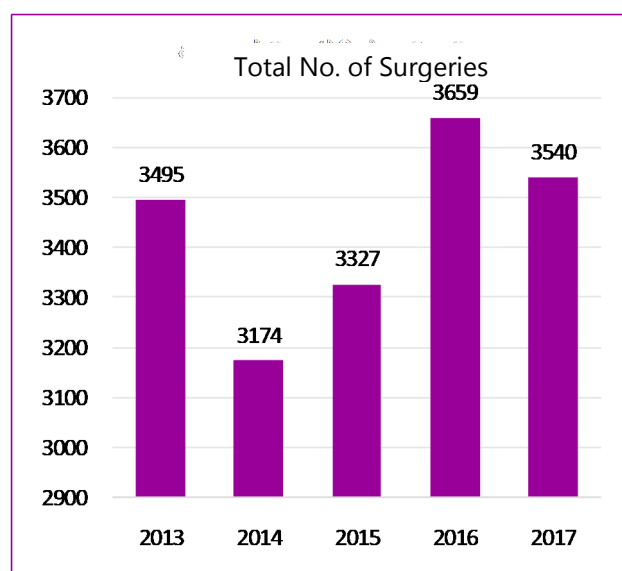
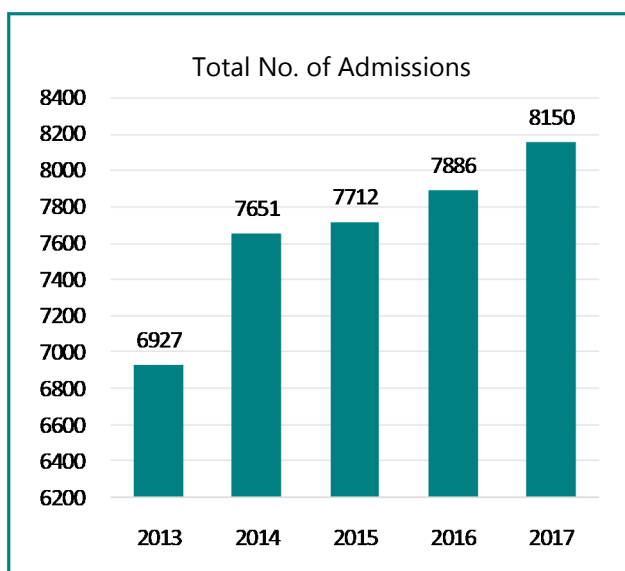
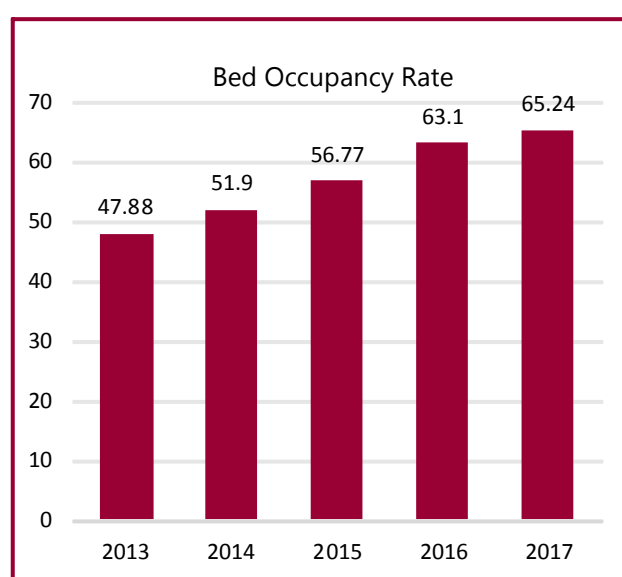
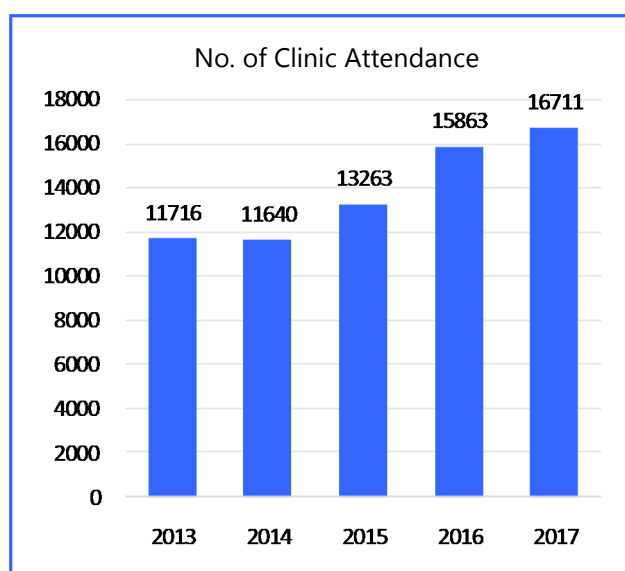
Five year summery



II. General Surgical Unit

	2013	2014	2015	2016	2017
No. of Clinics Held	381	391	392	393	378
No. of Clinic Attendance	11716	11640	13263	15863	16711
Total No. of Admissions	6927	7651	7712	7886	8150
Total no. of Surgeries	3495	3174	3327	3659	3540
Bed Occupancy Rate (%)	47.88	51.9	56.77	63.10	65.24

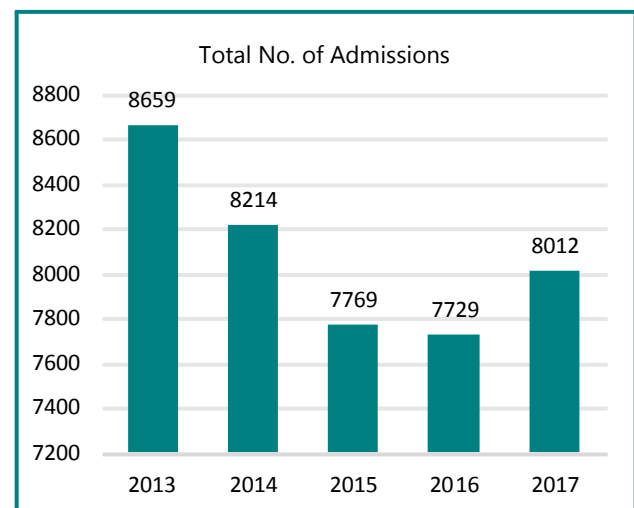
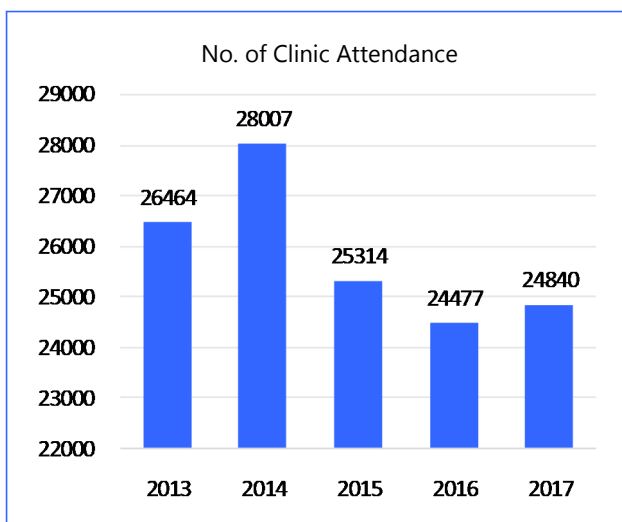
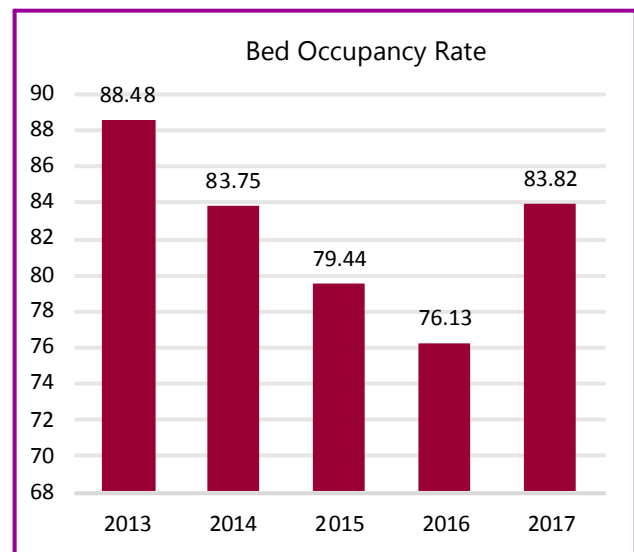
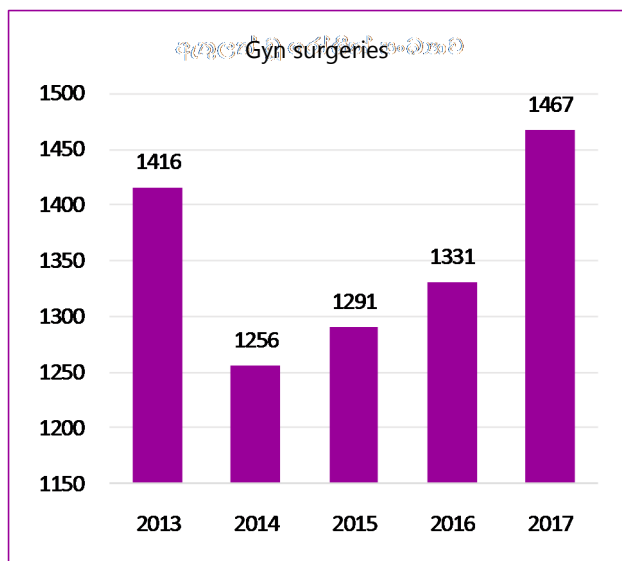
Five year summery



III. Gynaecology and Obstetrics Unit

	2013	2014	2015	2016	2017
No. of Clinics Held	327	296	338	342	408
No. of Clinic Attendance	26464	28007	25314	24477	24840
Total No. of Admissions	8659	8214	7769	7729	8012
Bed Occupancy Rate (%)	88.48	83.75	79.44	76.13	83.82
No. of Deliveries	4016	3937	3602	3592	3727
Gyn surgeries	1416	1256	1291	1331	1467
Obs surgeries	2198	2118	1767	1900	1621
No. of caesarian surgeries	2180	2070	1863	1914	1884

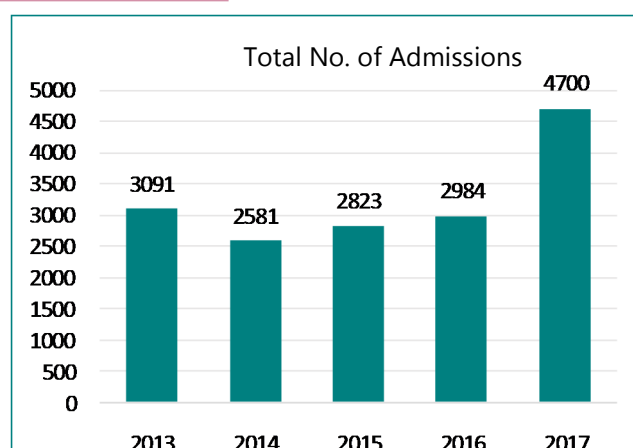
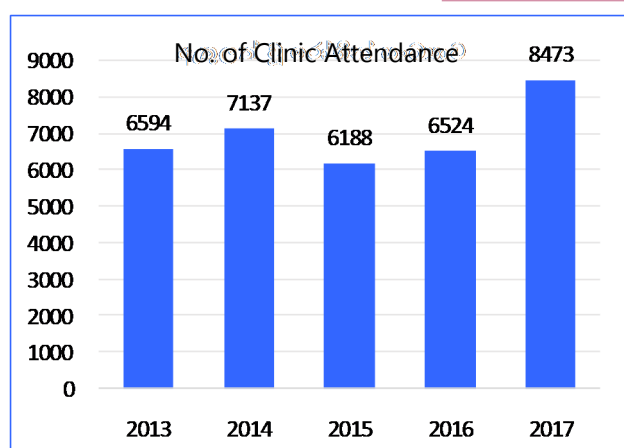
Five year summery



IV. Pediatric Unit

	2013	2014	2015	2016	2017
No. of Clinics Held	332	341	345	337	342
No. of Clinic Attendance	6594	7137	6188	6524	8473
Total No. of Admissions	3091	2581	2823	2984	4700
Bed Occupancy Rate (%)	63.52	56.23	53.66	53.91	91.07

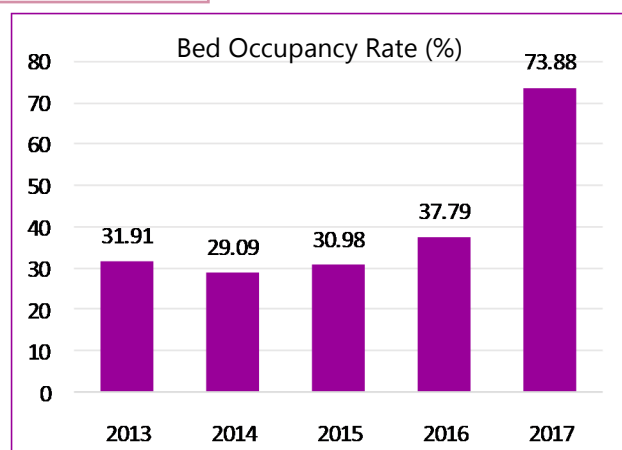
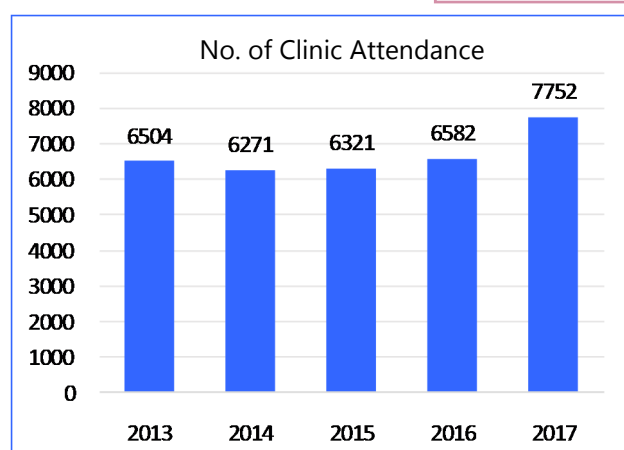
Five year summery



V. ENT Unit

	2013	2014	2015	2016	2017
No. of Clinics Held	101	94	95	98	97
No. of Clinic Attendance	6504	6271	6321	6582	7752
Total No. of Admissions	1331	1201	1316	1150	1405
Bed Occupancy Rate (%)	31.91	29.09	30.98	37.79	73.88
No. of Surgeries done	493	451	483	425	554

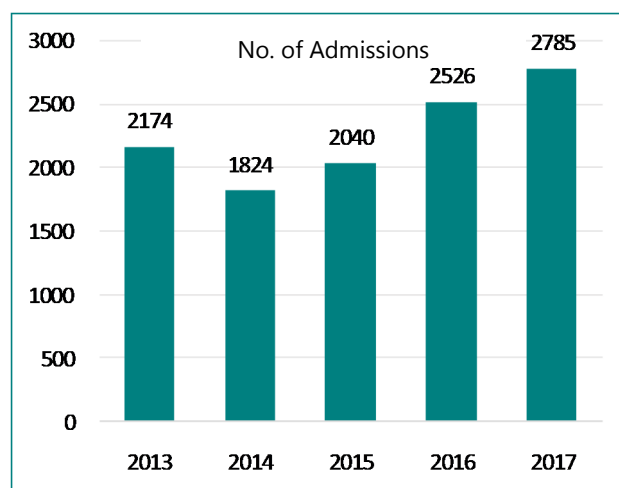
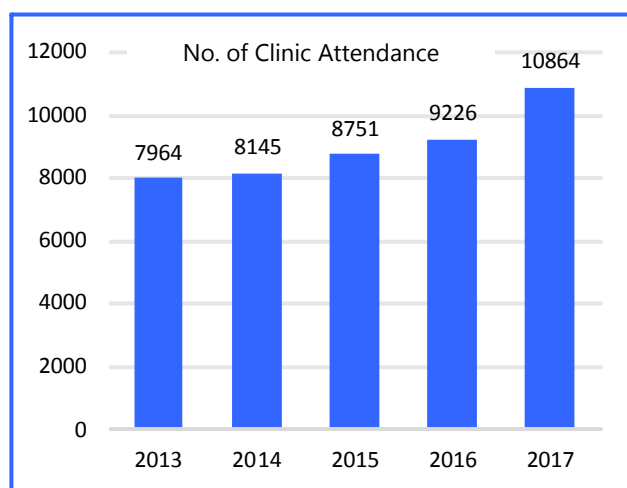
Five year summery



VI. Orthopaedic Unit

	2013	2014	2015	2016	2017
No. of Clinics Held	96	95	99	137	189
No. of Clinic Attendance	7964	8145	8751	9226	10864
Total No. of Admissions	2174	1824	2040	2526	2785
Bed Occupancy Rate (%)	59.7	47.84	48.93	36.86	46.8
No. of Surgeries done	1798	1366	1501	1630	2049

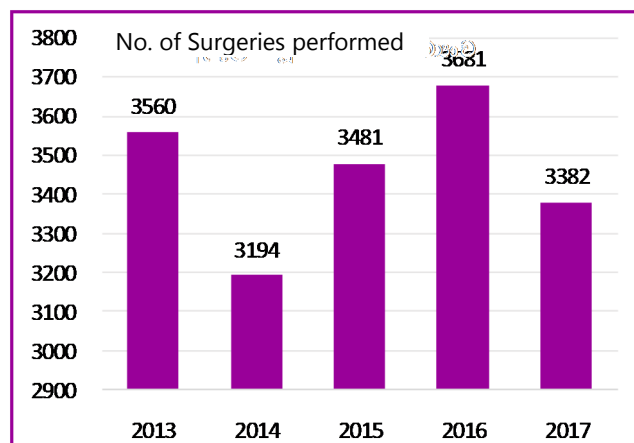
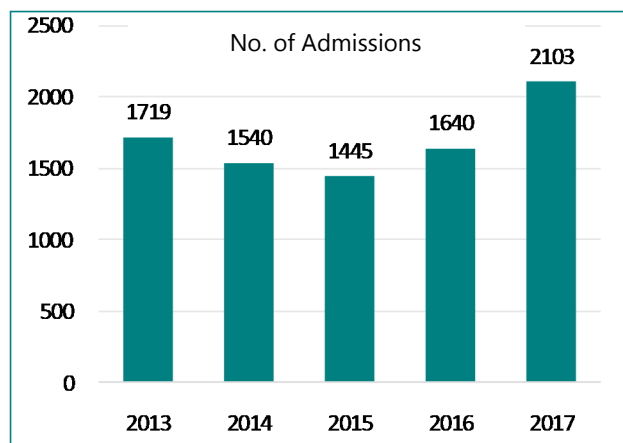
Five year summery



VII. Ophthalmology (Eye) Unit

	2013	2014	2015	2016	2017
No. of Clinics held	262	246	242	242	239
No. of Clinic Attendance	15649	14845	15406	14725	14776
No. of Admissions	1719	1540	1445	1640	2103
Bed Occupation Rate (%)	58.51	41.36	38.55	43.64	48.26
No. of Surgeries performed	3560	3194	3481	3681	3382

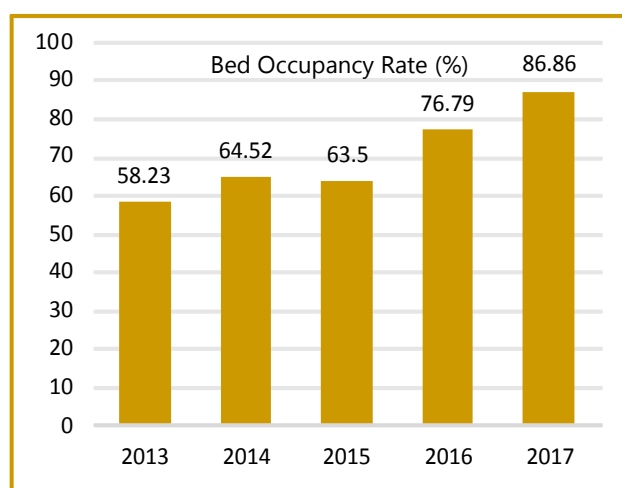
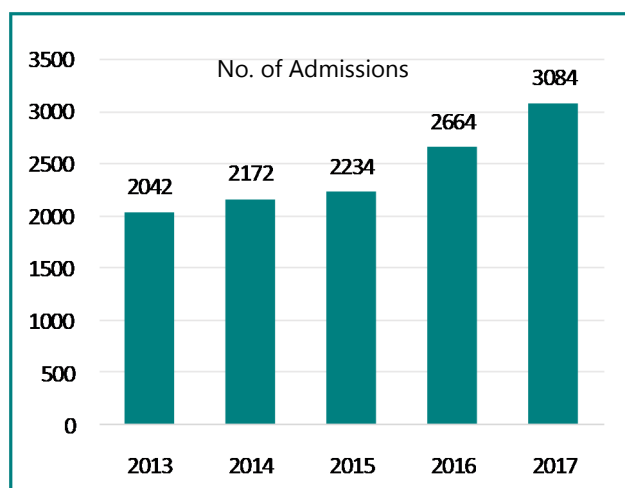
Five year summery



VIII. Cardiology Unit

	2013	2014	2015	2016	2017
No. of Clinics held	95	95	99	96	92
No. of Clinic Attendance	5929	5741	5379	5063	5508
No. of Admissions	2042	2172	2234	2664	3084
Bed Occupancy Rate (%)	58.23	64.52	63.5	76.79	86.86
No. of Coronary Angiograms	560	689	688	966	826

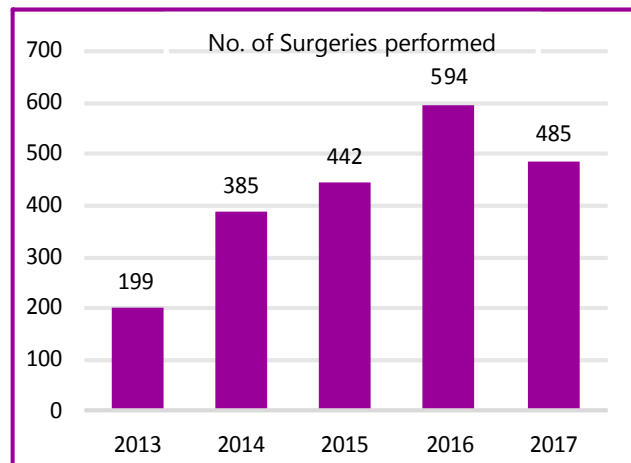
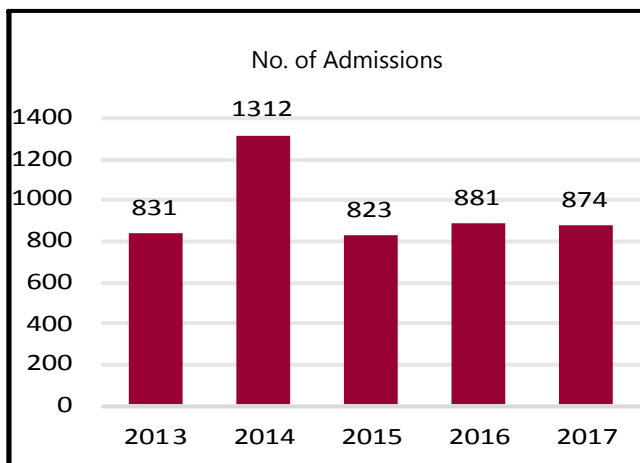
Five year summary



IX. Cardio-Thoracic Unit

	2013	2014	2015	2016	2017
No. of Clinics held	101	95	94	98	97
No. of Clinic Attendance	3536	3733	3709	4308	3922
No. of Admissions	831	1312	823	881	874
Bed Occupancy Rate (%)	47.40	71.03	64.54	77.8	44.4
No. of Surgeries performed	199	385	442	594	485

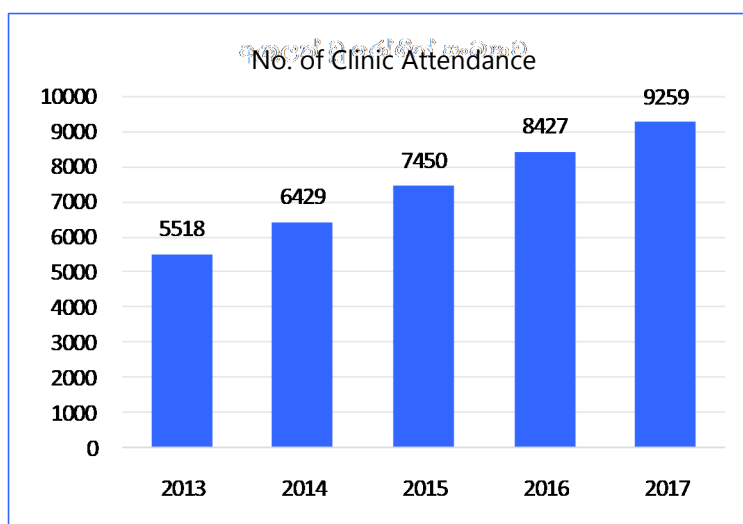
Five year summary



X. Dermatology Unit

	2013	2014	2015	2016	2017
No. of Clinics held	217	207	193	193	193
No. of Clinic Attendance	5518	6429	7450	8427	9259

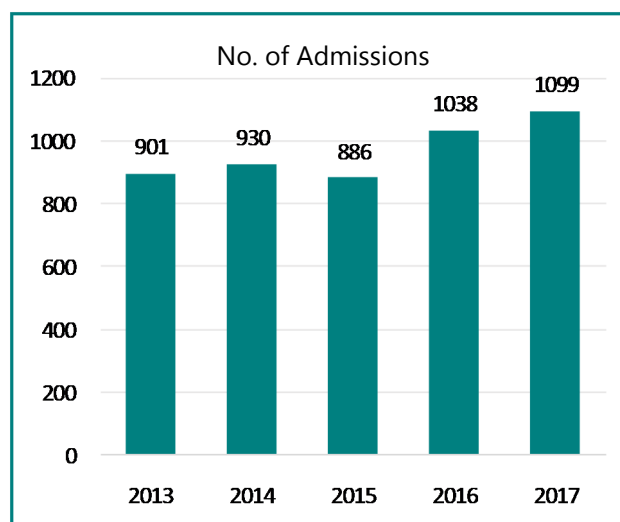
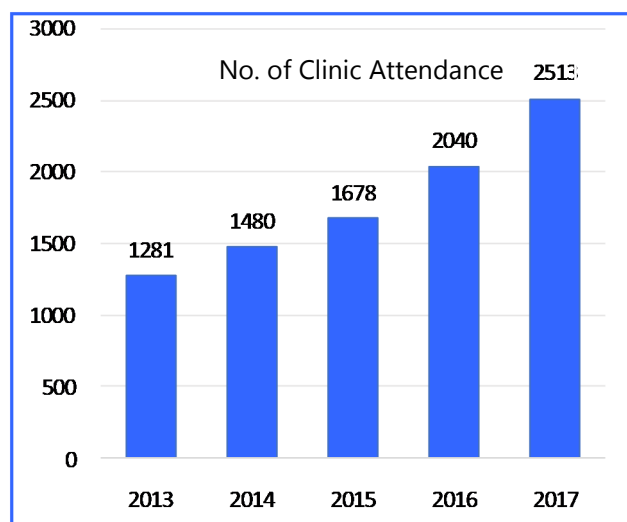
Five year summary



XI. Neonatal Intensive Care Unit (NICU)

	2013	2014	2015	2016	2017
No. of Clinics held	49	49	49	49	50
No. of Clinic Attendance	1281	1480	1678	2040	2513
No. of Admissions	901	930	886	1038	1099
Bed Occupancy Rate (%)	73.51	75.10	61.96	75.26	87.13

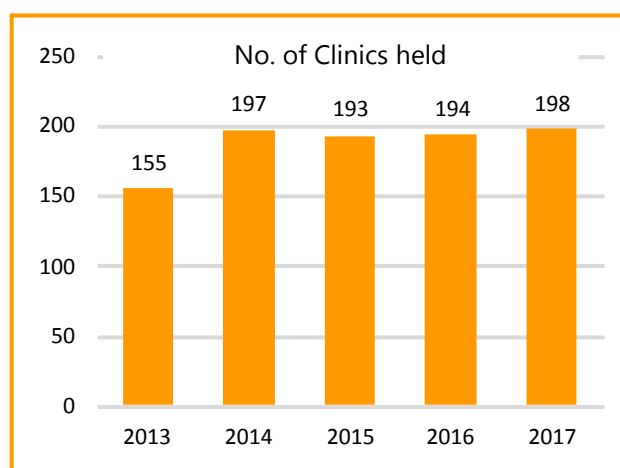
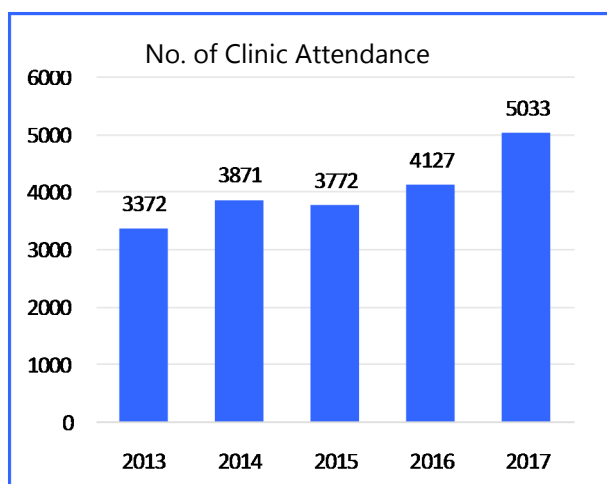
Five year summary



XII. Rheumatology and Rehabilitation Unit

	2013	2014	2015	2016	2017
No. of Clinics held	155	197	193	194	198
No. of Clinic Attendance	3372	3871	3772	4127	5033

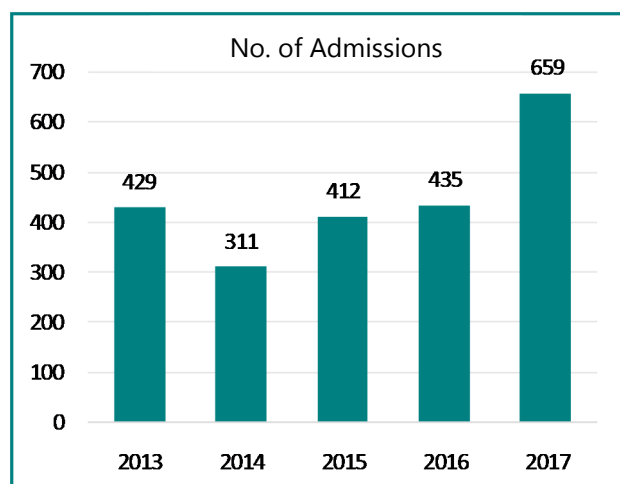
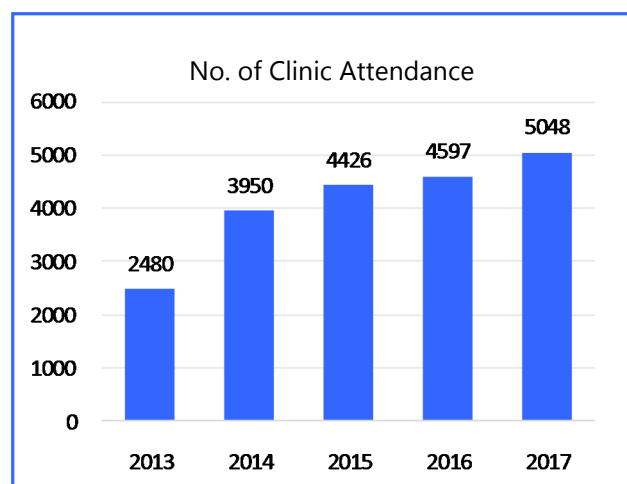
Five year summary



XIII. Neurology Unit

	2013	2014	2015	2016	2017
No. of Clinics held	96	100	98	98	92
No. of Clinic Attendance	2480	3950	4426	4597	5048
No. of Admissions	429	311	412	435	659
Bed Occupancy Rate (%)	67.05	30.52	34.86	35.58	52.70
No. of EEG performed	683	642	680	619	654
No. of EMG performed	1235	1312	1363	1184	1250

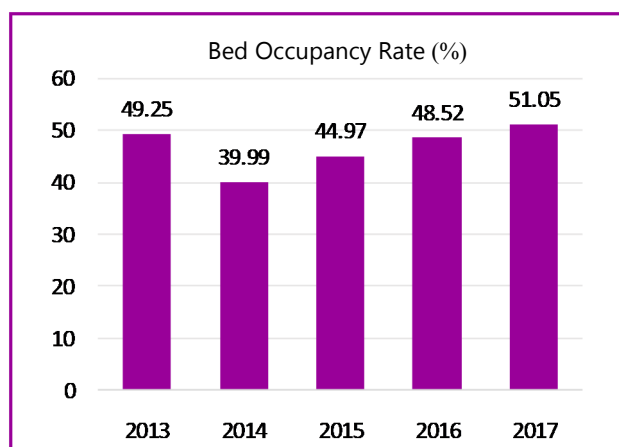
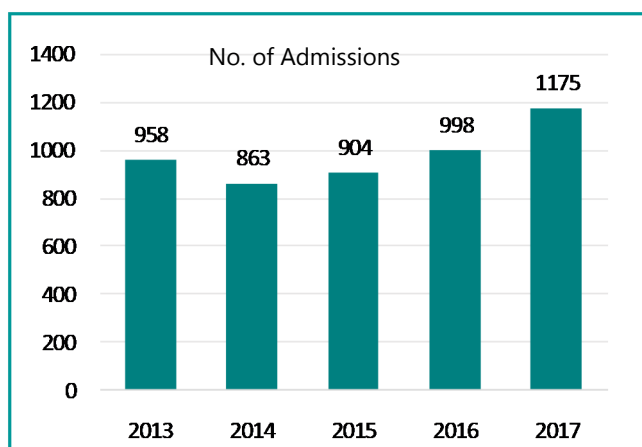
Five year summary



XIV. Neurosurgery Unit

	2013	2014	2015	2016	2017
No. of Clinics held	101	95	98	96	94
No. of Clinic Attendance	1465	848	754	981	972
No. of Admissions	958	863	904	998	1175
Bed Occupancy Rate (%)	49.25	39.99	44.97	48.52	51.05
No. of surgeries performed	176	153	154	186	141

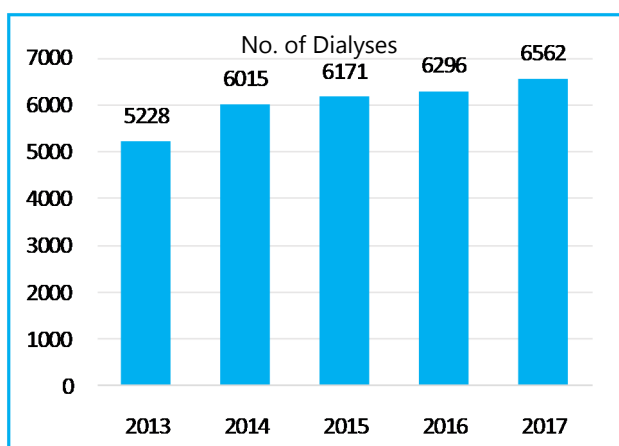
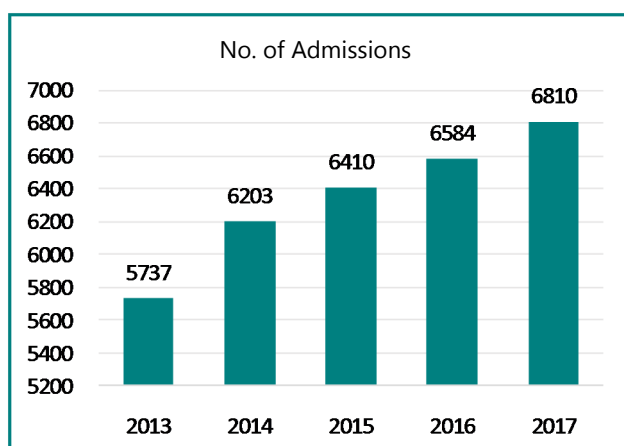
Five year summery



XV. Nephrology Unit

	2013	2014	2015	2016	2017
No. of Clinics held	147	134	242	242	241
No. of Clinic Attendance	11034	12395	12817	13414	14687
No. of Admissions	5737	6203	6410	6584	6810
Bed Occupancy Rate (%)	66.98	71.54	74.81	79.37	81.83
No. of Kidney transplantations	16	22	23	24	31
No. of Dialyses	5228	6015	6171	6296	6562

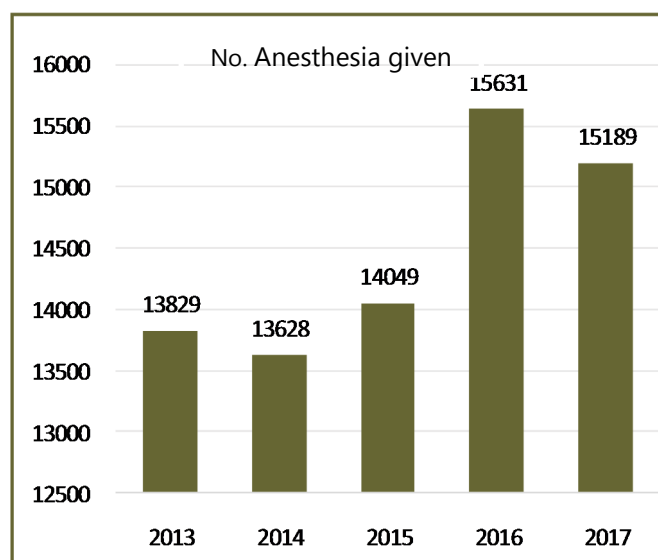
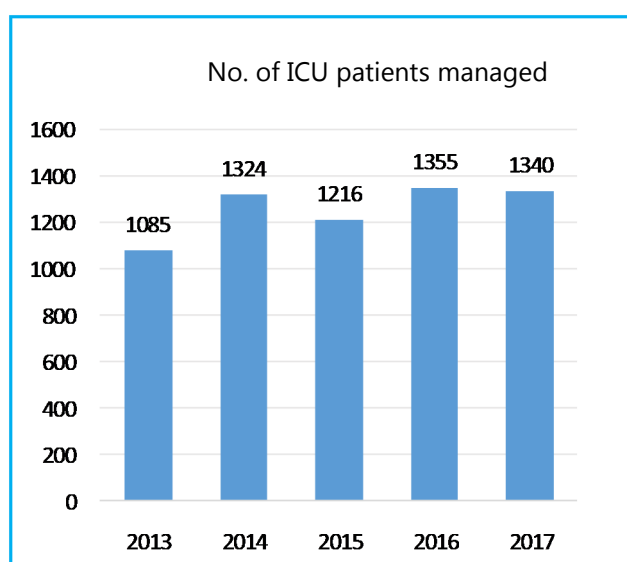
Five year summery



XVI. Anaesthesiology Unit

	2013	2014	2015	2016	2017
No. Anesthesia given	13829	13628	14049	15631	15189
No. of ICU patients managed	1085	1324	1216	1355	1340

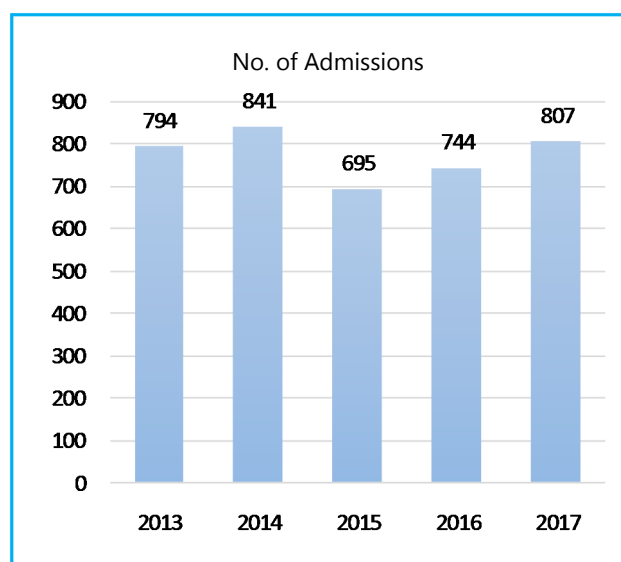
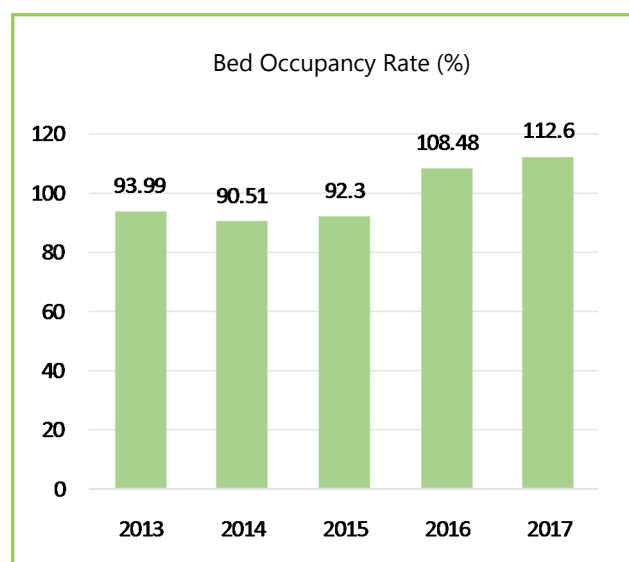
Five year summery



XVII. Intensive Care Unit (ICU)

	2013	2014	2015	2016	2017
No. of Admissions	794	841	695	744	807
Bed occupancy rate (%)	93.99	90.51	92.3	108.48	112.6

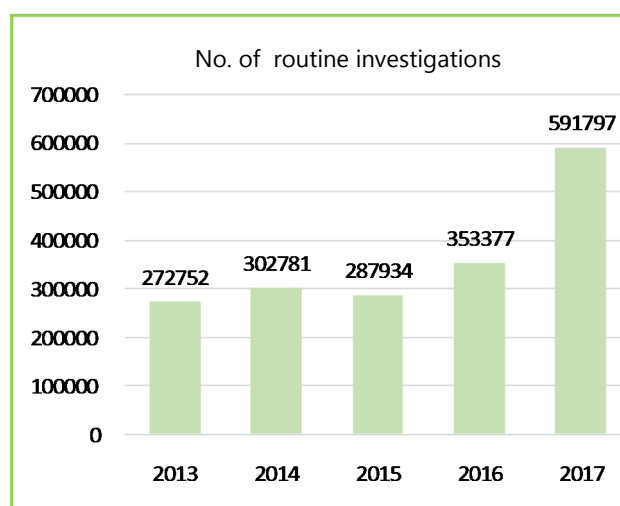
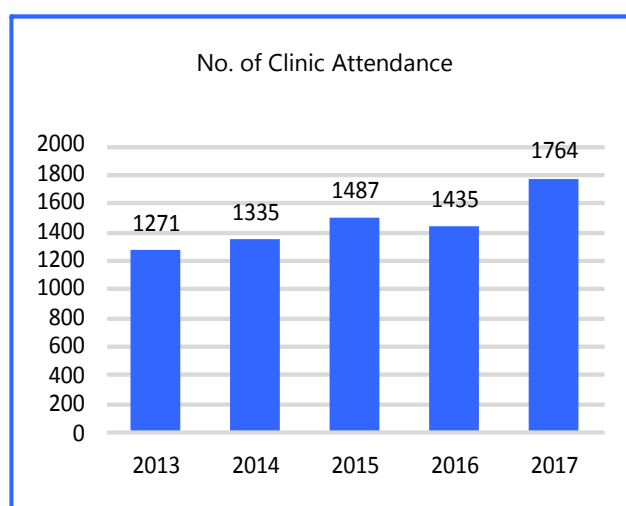
Five year summery



XVIII. Haematology Unit

	2013	2014	2015	2016	2017
No. of Clinics Held	49	49	49	48	50
No. of Clinic Attendance	1271	1335	1487	1435	1764
No. of routine investigations	272752	302781	287934	353377	591797
No. of special investigations	37210	44900	54487	31552	26011

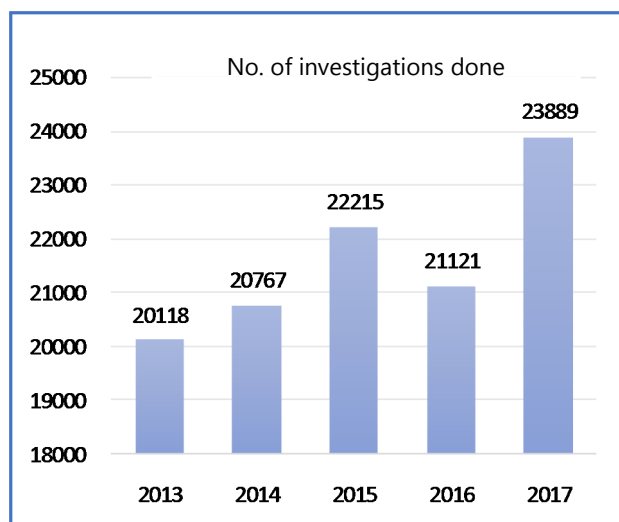
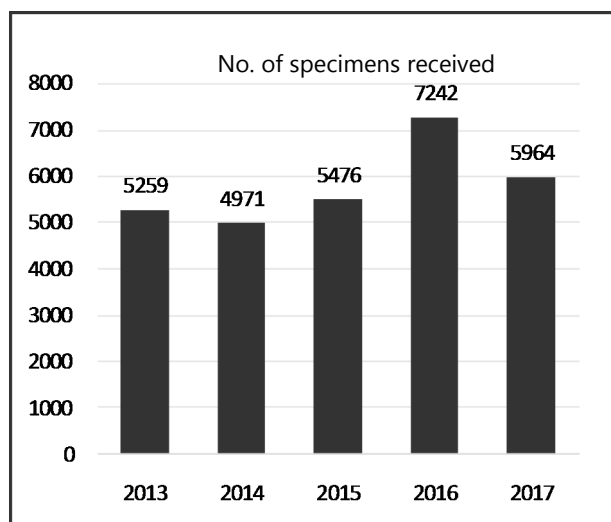
Five year summery



XIX. Histopathology Unit

	2013	2014	2015	2016	2017
No. of specimens received	5259	4971	5476	7242	5964
No. of investigations done	20118	20767	22215	21121	23889

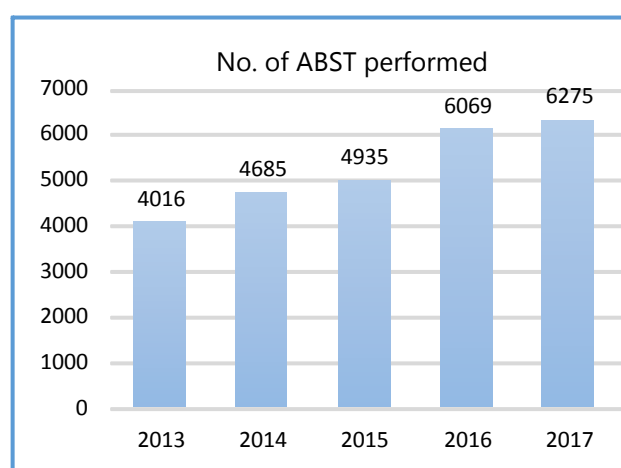
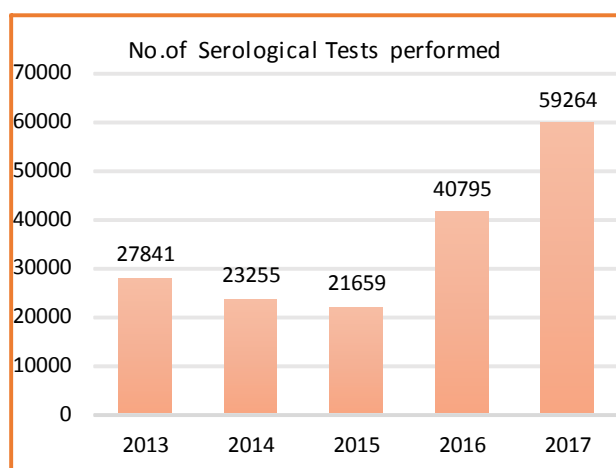
Five year summery



XX. Microbiology Unit

	2013	2014	2015	2016	2017
No. of Cultures performed	30507	20537	26028	31612	31486
No. of ABST performed	4016	4685	4935	6069	6275
No. of Serological Tests performed	27841	23255	21659	40795	59264
No. of AFB Tests performed	1537	1189	2553	3312	1944

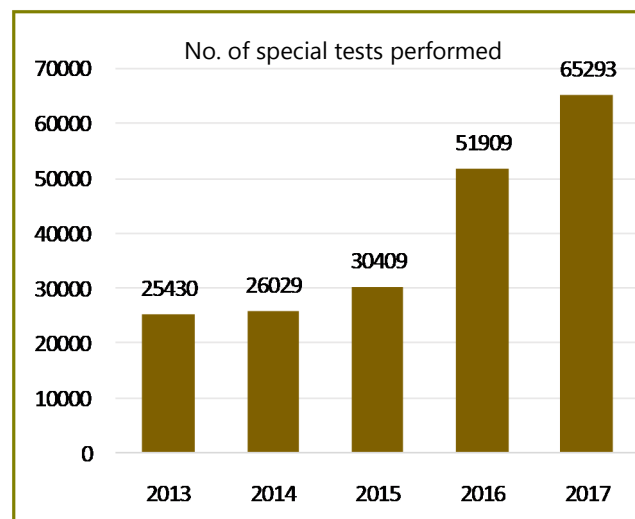
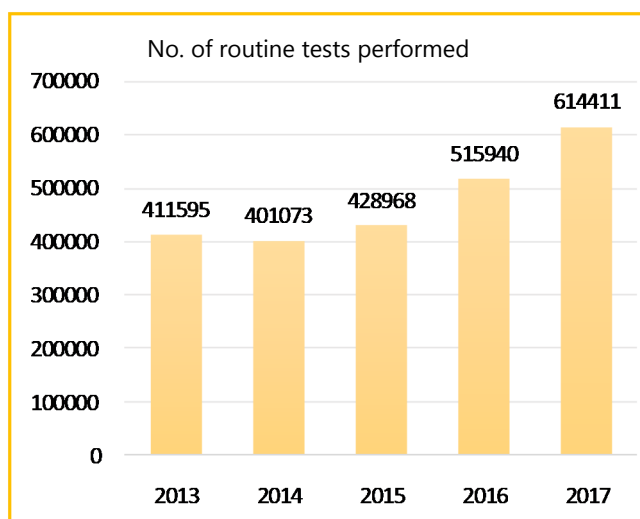
Five year summery



XXI. Biochemistry Unit

	2013	2014	2015	2016	2017
No. of routine tests performed	411595	401073	428968	515940	614411
No. of special tests performed	25430	26029	30409	51909	65293

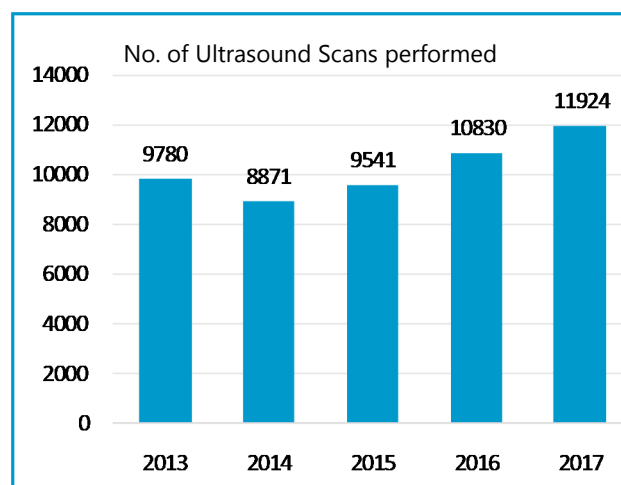
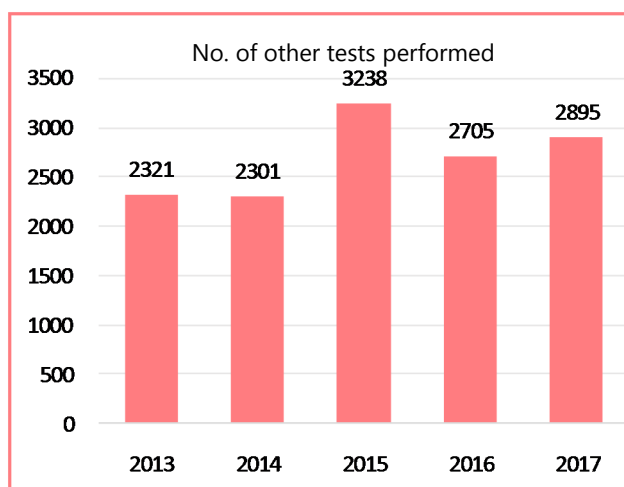
Five year summery



XXII. Radiology & Imaging Unit

	2013	2014	2015	2016	2017
No. of X-rays performed	43284	44607	47051	59214	50506
No. of Ultrasound Scans performed	9780	8871	9541	10830	11924
No. of CT Scans performed	7649	6721	6116	12278	12272
No. of other tests performed	2321	2301	3238	2705	2895

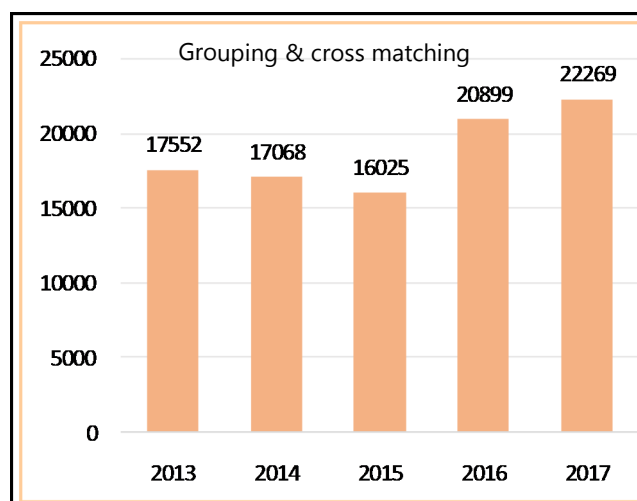
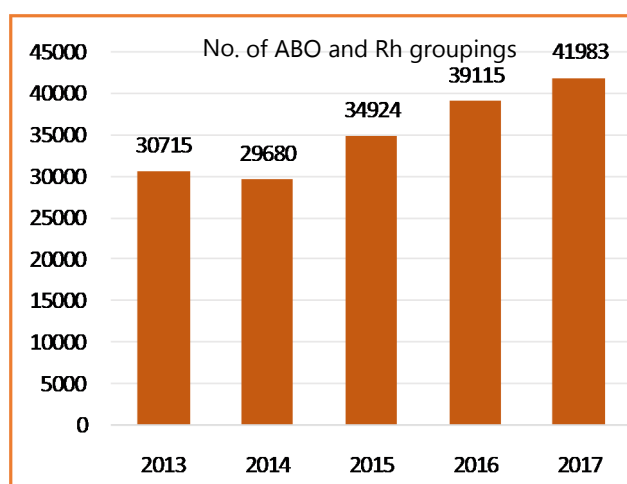
Five year summery



XXIII. Blood Bank

	2013	2014	2015	2016	2017
Total No. of Blood Samples Collected	4504	4414	4877	3778	5193
No. of Red Cell Units Issued	5070	5274	4441	5077	5373
No. of ABO and Rh groupings	30715	29680	34924	39115	41983
Grouping & cross matching	17552	17068	16025	20899	22269

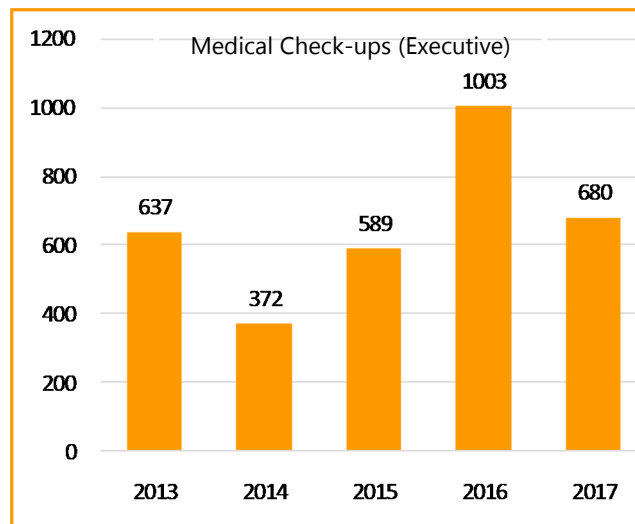
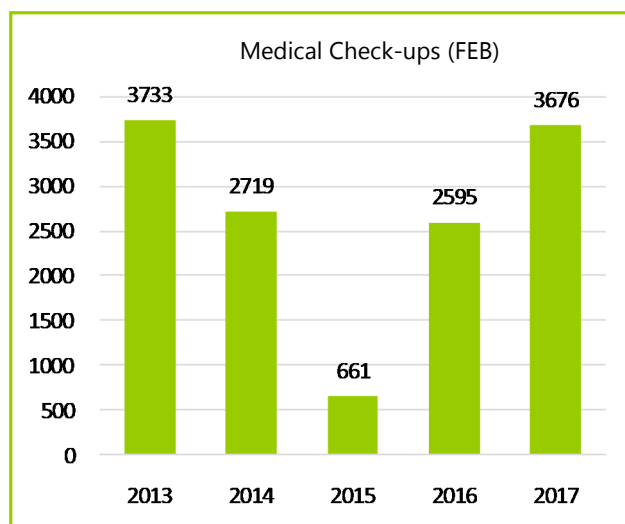
Five year summery



XXIV. Medical Check-up unit

	2013	2014	2015	2016	2017
Medical Check-ups (FEB)	3733	2719	661	2595	3676
Medical Check-ups (Executive)	637	372	589	1003	680

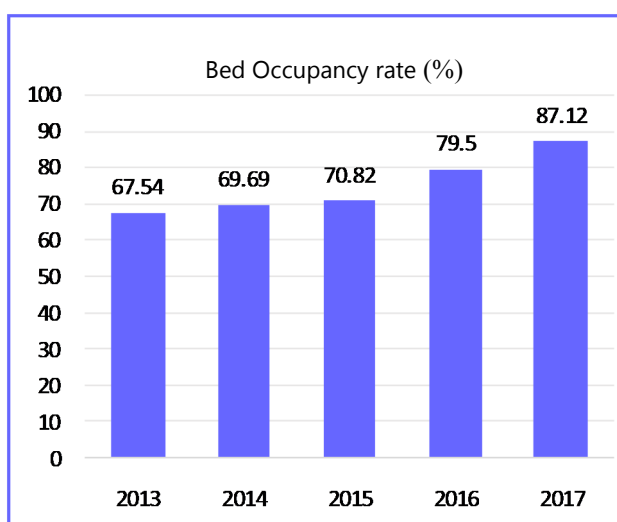
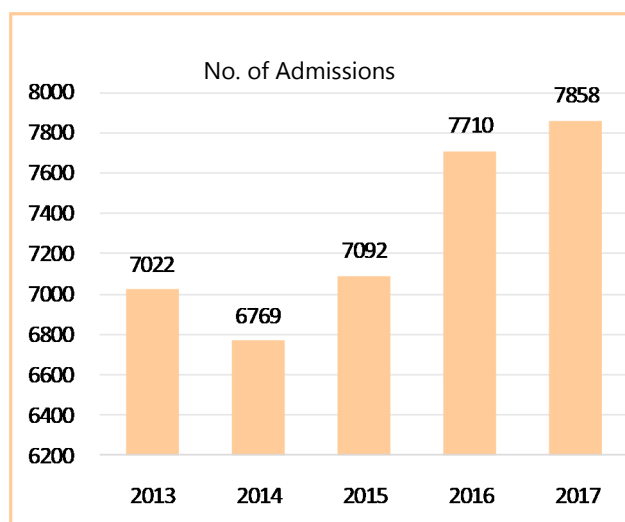
Five year summery



XXV. Paying Wards

	2013	2014	2015	2016	2017
No. of Admissions	7022	6769	7092	7710	7858
Bed Occupancy rate (%)	67.54	69.69	70.82	79.5	87.12

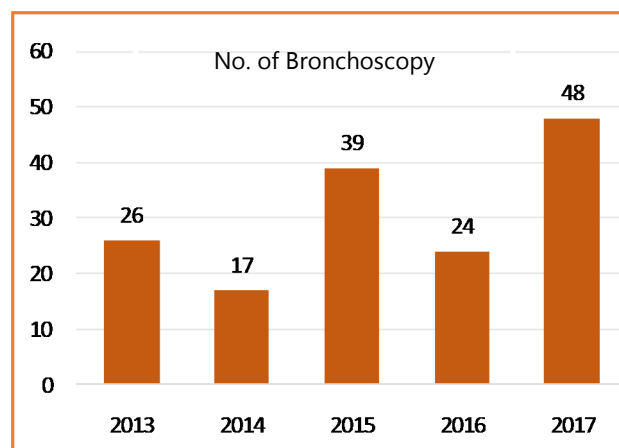
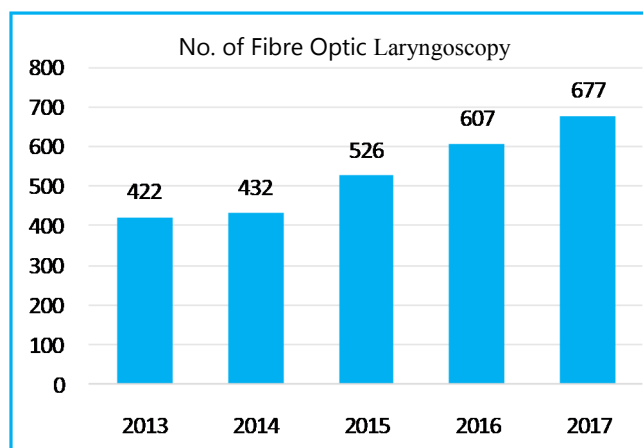
Five year summery



XXVI. Endoscopy Unit

	2013	2014	2015	2016	2017
No. of Bronchoscopy	26	17	39	24	48
No. of Upper GI Endoscopy	1931	2191	1837	2172	1920
No. of Colonoscopy	649	495	693	853	727
No. of Fibre Optic Laryngoscopy	422	432	526	607	677
No. of Oesophageal Variceal Banding	253	322	313	337	253
No. of ERCPs	8	4	21	16	6
Total	3289	3461	3429	4009	3631

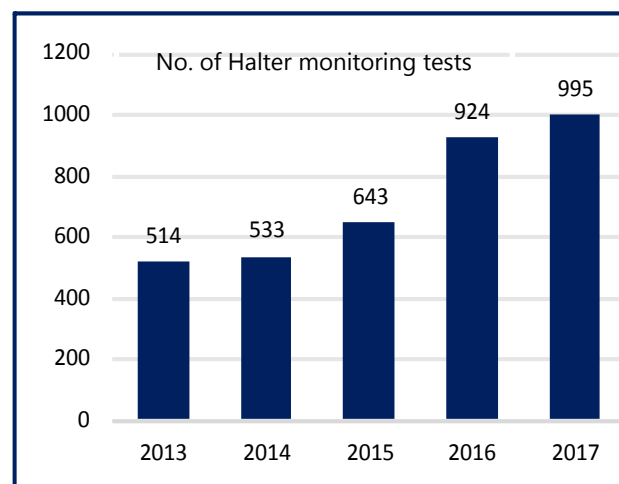
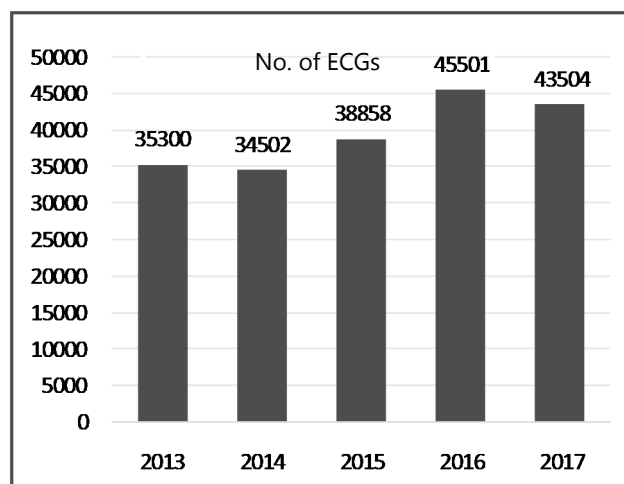
Five year summary



XXVII. ECG unit

	2013	2014	2015	2016	2017
No. of ECGs	35300	34502	38858	45501	43504
No. of Exercise ECGs	1707	1538	1723	1740	1599
No. of Halter monitoring tests	514	533	643	924	995

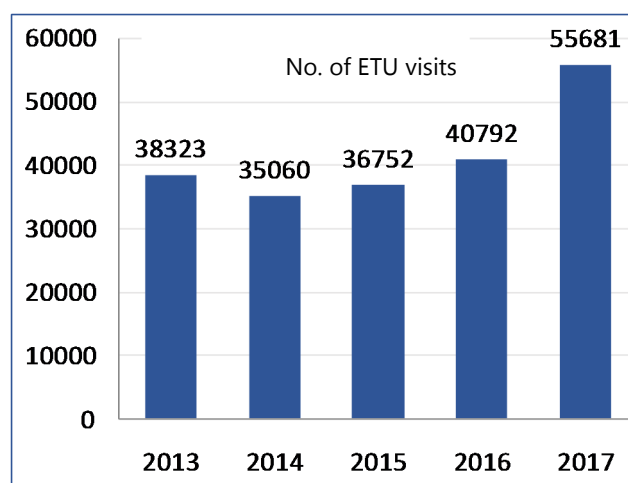
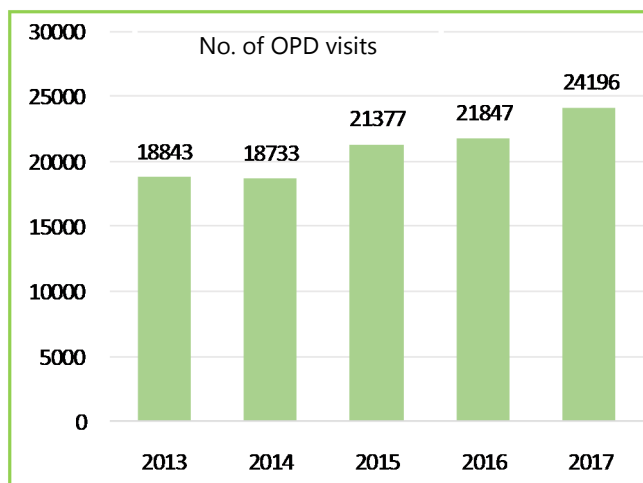
Five year summary



XXVIII. Out Patient Department (OPD) and Emergency Treatment Unit (ETU)

	2013	2014	2015	2016	2017
No. of OPD visits	18843	18733	21377	21847	24196
No. of ETU visits	38323	35060	36752	40792	55681

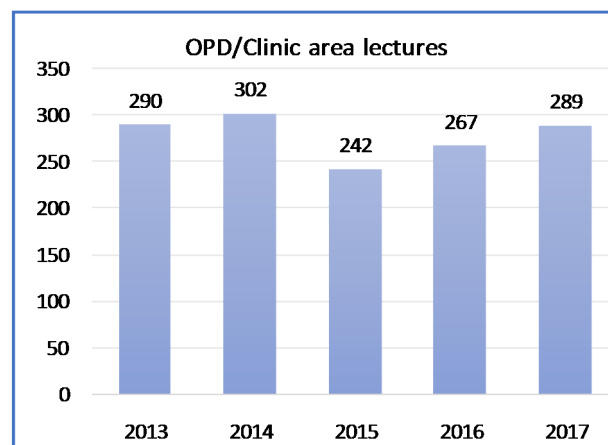
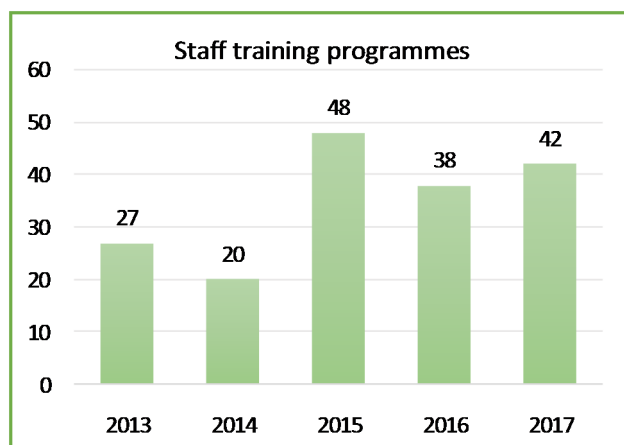
Five year summery



XXIX. Health Education and Infection Control

	2013	2014	2015	2016	2017
Staff training programmes	27	20	48	38	42
OPD/Clinic area Lectures	290	302	242	267	289
Hospital acquired Infection rate	0.42	0.62	0.56	0.9	0.53

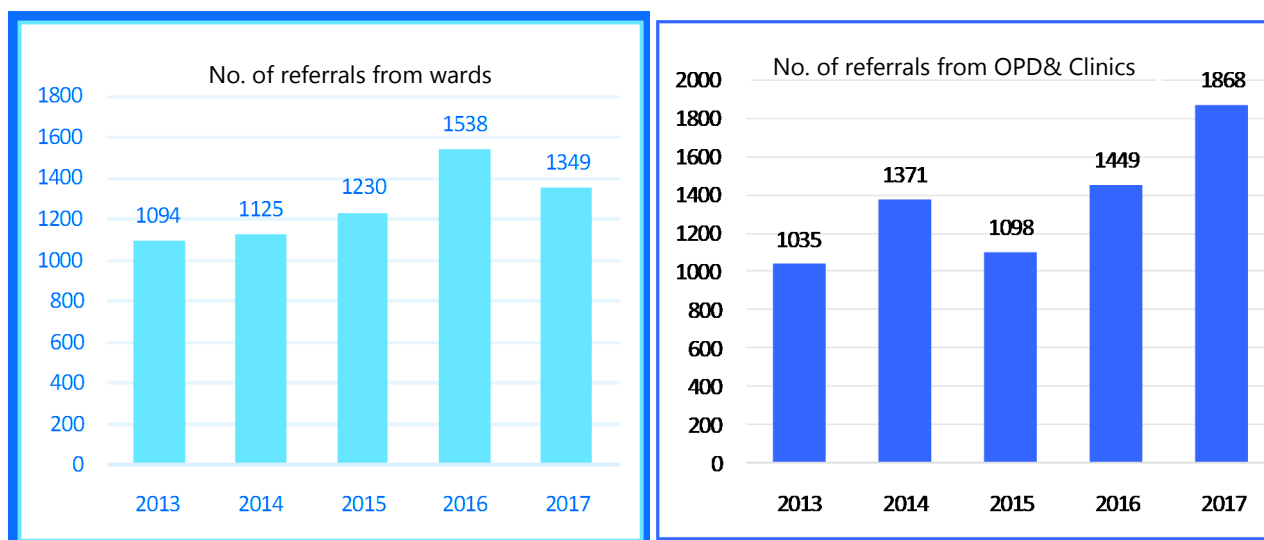
Five year summery



XXX. Nutrition Unit

	2013	2014	2015	2016	2017
No. of referrals from Wards	1094	1125	1230	1538	1349
No. of referrals from OPD & Clinics	1035	1371	1098	1449	1868

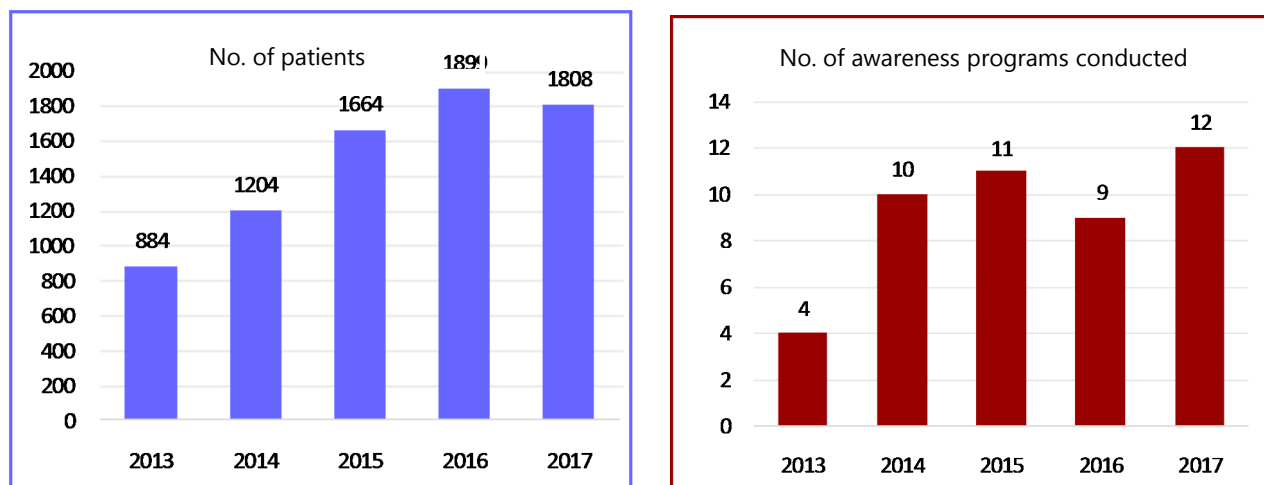
Five year summery



XXXI. Psychological Counseling Unit

	2013	2014	2015	2016	2017
No. of patients	884	1204	1664	1899	1808
No. of patients referred for Psychiatric or Medical treatments	137	316	238	278	257
No. of patients referred for legal advice	57	86	79	68	46
No. of awareness programs conducted	4	10	11	9	12

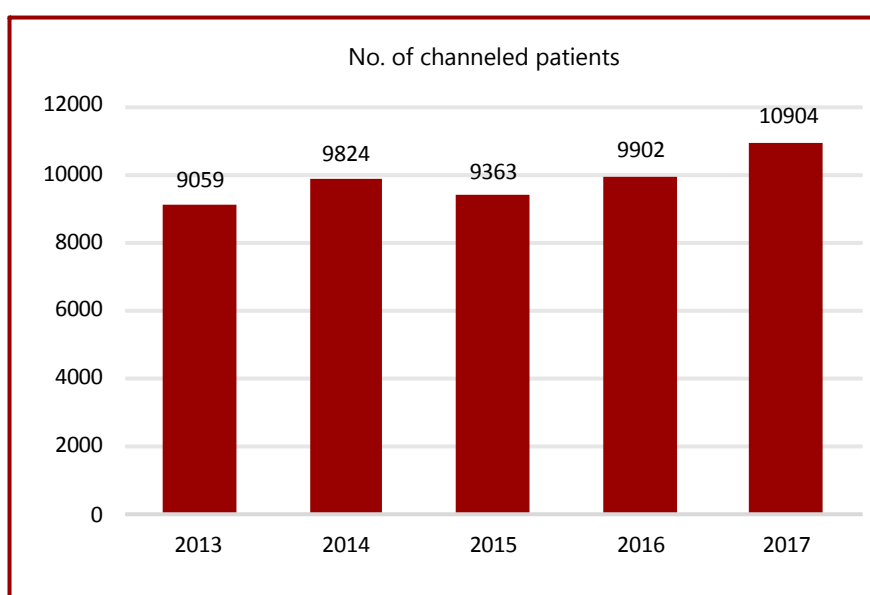
Five year summery



XXXII. Channelling Service

	2013	2014	2015	2016	2017
No. of Channeled patients	9059	9824	9363	9902	10904

Five year summery



3.4 10 year summary

	2008 000'	2009 000'	2010 000'	2011 000'	2012 000'	2013 000'	2014 000'	2015 000'	2016 000'	2017 000'
Hospital Charges	588,214	721,761	812,121	828,236	993,119	1,120,511	1,316,437	1,493,892	1856261	2100845
Growth rate %	12.19	22.70	12.57	1.98	19.91	12.83	17.49	13.48	24.25	13.17
Govt. grants - recurrent	736,400	775,000	775,000	837,000	827,234	999,600	1,700,000	920,086	1300000	1300000
Growth rate %	9.54	5.24	-	8.00	(1.17)	20.84	70.07	(45.88)	41.29	-
Interest income	4,933	4,823	3,334	4,443	5,376	5,514	5,470	7,163	7352	7035
Growth rate %	(1.24)	(2.23)	(30.87)	33.26	21.00	2.57	-0.80	30.93	2.63	-4.3
Other income	17,339	27,099	32,909	24,032	32,250	31,788	34,271	40,089	47157	83869
Growth rate %	17.62	56.29	21.44	(26.97)	34.20	(1.43)	7.81	(16.97)	17.63	77.85
Total income	1,346,886	1,528,683	1,623,364	1,693,711	1,857,979	2,157,414	3,056,179	2,635,921	3454557	3795483
Growth rate %	10.73	13.50	6.19	4.33	9.70	16.12	41.66	(17.46)	31.05	9.86
Total expenditure	1,438,597	1,555,528	1,571,299	1,712,964	1,977,155	2,065,126	2,492,169	2,988,539	3630374	3945102
Growth rate %	11.13	8.13	1.01	9.02	15.42	4.45	20.68	19.92	21.47	8.66
Surplus / (deficit)	(91,711)	(26,845)	52,065	(19,253)	(119,176)	92,286	720,613	(352,618)	(175818)	(149619)
Growth rate %	17.27	(70.73)	(293.95)	(136.98)	519.00	(177)	680.85	148.80	(50.13)	-14.9
Govt. grants - Capital	106,100	102,925	115,000	236,785	71,000	282,751	190,225	265,654	998000	525269
Growth rate %	(18.75)	(2.99)	11.73	105.90	(70.01)	298.24	-32.72	39.65	275.67	-47.36
Recurrent grants out of total Revenue %	55	51	48	49	45	46	56	35	37	37

3.4 10 year summary - continue

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
No. of beds in Hospital	1013	1043	1046	1047	1088	1078	1079	1076	1086	1074
Bed occupancy percentage (%)	73%	75%	66.1%	66.8%	70.5%	64.07%	64.10%	63.04%	68.80%	79.65
No. of Patients admitted	53,952	55,142	53,962	52,554	57,119	54,283	53,424	55,143	59,257	71,054
Daily admissions average	148	151	148	144	156	149	146	151.08	162.34	194.67
Average daily sick	741	780	670	693	759	690	677.42	678.7	732	846.8
Average length of stay (days)	4.7	5.1	4.6	4.7	4.8	4.6	4.7	4.5	4.5	4.5
No. of clinics held	2,515	2,782	2,822	2,851	2,939	3,027	3,101	3,196	3,344	3,841
No. of first time visits for clinics	24,825	26,961	26,312	25,722	24,295	26,854	27,987	28,787	30,956	34,816
No. of subsequent visits	123,165	126,630	123,611	121,567	123,462	124,302	130,187	129,664	134,202	142,560
No. of visits to the Emergency Treatment Unit	38,005	40,452	38,012	36,898	42,883	38,323	35,060	36,752	46,792	55,681
Total No. of outpatient visits	16,895	16,222	15,536	16,434	16,532	18,843	18,733	21,377	21,847	24,196
Average of No. attended clinics	59	55	53	51.7	50.3	49.9	51.00	49.6	49.4	46.2

4. Financial Reports



4.1 Statement of Financial Position

Statement of Financial position as at 31st December

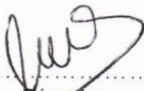
SRI JAYEWARDENEPURA GENERAL HOSPITAL STATEMENT OF FINANCIAL POSITION

AS AT 31 ST DECEMBER	Note	2017 Rs	2016 Rs
ASSETS			
Current Assets			
Cash & Cash Equivalents	01	58,766,301	606,124,906
Receivables and Prepayments	02	348,638,224	293,369,443
Inventories	03	359,565,291	264,999,676
Short Term Investment	04	45,000	45,000
		<u>767,014,816</u>	<u>1,164,539,025</u>
Non Current Assets			
Property, Plant & Equipment	05	1,720,546,842	1,240,860,249
Furniture & Fittings, Auto Mobiles, Others	05	47,096,909	67,849,572
Capital Work in Progress		432,718,789	103,540,836
		<u>2,200,362,540</u>	<u>1,412,250,657</u>
Total Assets		<u>2,967,377,356</u>	<u>2,576,789,682</u>
LIABILITIES			
Current Liabilities			
Trade & Other Payables	06	1,321,177,339	954,964,140
Total Liabilities		<u>1,321,177,339</u>	<u>954,964,140</u>
Net Assets		<u>1,646,200,017</u>	<u>1,621,825,542</u>
NET ASSETS/ EQUITY			
Contributed Capital and Reserves			
Grants Received from Japanese Govt.		978,976,227	978,976,227
Capital Reserve - (Other Grants Received)		37,848,935	37,848,935
Capital Reserves		2,280,000	2,280,000
Other Donations		7,940,525	7,940,525
Deferred Income (Capital Grant)		1,393,185,909	1,189,652,363
Accumulated Surplus / (Deficit)	14	(774,031,578)	(594,872,508)
Total Net Assets / Equity		<u>1,646,200,017</u>	<u>1,621,825,542</u>

The Accounting Policies on pages 6 to 9 and notes on pages 10 to 16 form an integral part of these Financial Statements. The Board of Directors is responsible for the preparation and presentation of these Financial Statements. Financial Statements were approved by the Board Of Directors and signed on their behalf.

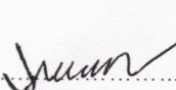

Chief Financial Officer

Date 17th May 2018

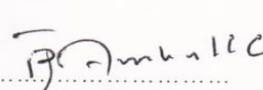

Director

Dr. Susitha Senaratne
MD (Hon)
Director

Sri Jayewardenepura General Hospital
Therapathipitiya, Nugegoda


Chairman

Dr. Prabhath Ambawatta
MBBS D. Path MD (Pathology) Co'
Consultant Pathologist
Sri Jayewardenepura General Hospital


Board Member

U.K. Abeysooriya
Bus.Admin, ACA, ACMA
Financial Officer
Jayewardenepura General Hospital
Nugegoda

Dr. Athula Kahandaliyanage
MBBS, MSc (Gen. Med), DCEH (Lond), MCMA, FRCGS
Chairman
Sri Jayewardenepura General Hospital

4.2 Financial Performance Statement

Financial Performance Statement for the Year Ended

SRI JAYEWARDENEPURA GENERAL HOSPITAL FINANCIAL PERFORMANCE STATEMENT

FOR THE YEAR ENDED 31ST DECEMBER

	Note	2017 Rs.	2016 Rs.
Revenue	07	3,484,713,805	3,203,417,959
Other Operating Income (Interest)		7,034,993	7,352,890
Capital Grant Amortization		<u>303,734,564</u>	<u>243,786,065</u>
		<u>3,795,483,362</u>	<u>3,454,556,914</u>
Materials & Consumables Used	08	1,111,194,412	1,040,739,577
Staff Costs	09	2,080,834,979	1,904,879,045
Depreciation	10	303,734,564	243,786,065
Other Operating Expenses	11	<u>423,585,448</u>	<u>423,158,758</u>
		<u>3,919,349,404</u>	<u>3,612,563,445</u>
Profit/(Loss) from Operations		(123,866,042)	(158,006,531)
Finance Costs	12	11,442,779	8,585,243
Other Expenses	13	<u>8,824,515</u>	<u>4,874,469</u>
Profit/(Loss) Before Taxation		(144,133,336)	(171,466,243)
Economic Service Charges		<u>5,486,050</u>	<u>4,352,732</u>
Profit/(Loss) After Taxation		(149,619,386)	(175,818,975)
Profit & Loss Account Brought Forward	14	(624,412,192)	(419,053,540)
Profit & Loss Account Carried Forward		<u>(774,031,578)</u>	<u>(594,872,515)</u>

4.3 Cash Flow Statement

SRI JAYEWARDENEPURA GENERAL HOSPITAL CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST DECEMBER2017
Rs.2016
Rs.**CASH GENERATED FROM OPERATIONS**

Profit/(Loss) Before Taxation	(144,133,336)	(171,466,243)
Adjustment in respect of Previous Year	(29,539,684)	(15,104,017)
Capital Grant Amortization	(321,735,830)	(243,786,065)
Depreciation	303,734,564	257,076,160
Provision for Gratuity	98,726,039	101,325,007
Investment Income (Interest)	(7,034,993)	(7,352,890)

Operating Profit/(Loss) before Working Capital Changes	(99,983,240)	(79,308,048)
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Adjustment for Working Capital Changes		
(Increase) / Decrease in Stocks	(94,565,615)	(51,672,864)
(Increase) / Decrease in Debtors	(55,268,781)	(94,036,544)
Increase / (Decrease) in Creditors & Payables	303,888,414	158,009,884

Cash Generated From Operating Activities	54,070,778	(67,007,572)
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Gratuity Paid	(36,401,254)	(27,144,676)
Economic Service Charge	(5,486,050)	(4,352,732)

Net Cashflow Generating From Operating Activities	12,183,474	(98,504,980)
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Cash Flows From Investing Activities

Capital Grant Received	525,269,376	998,000,000
Purchase of Property, Plant & Equipment	(762,668,493)	(529,873,807)
Capital Work In Progress	(329,177,953)	-

Net Cash Flows From Investing Activities	(566,577,070)	468,126,193
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Cash Flows From Financing Activities

Interest Income	7,034,993	7,352,890
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Net Cash Flows From Financing Activities	7,034,993	7,352,890
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Net Increase/ decrease in Cash & Cash Equivalents	(547,358,603)	376,974,104
Cash & Cash Equivalents at the beginning of the year	606,124,904	229,150,800
Cash & Cash Equivalents at the end of the period	58,766,301	606,124,904

ANALYSIS OF CASH AND CASH EQUIVALENTS

Cash in Hand & Bank	59,215,119	606,125,053
Bank Balance	(448,818)	(147)
	58,766,301	606,124,906

4.4 Statement of changes in equity

SRI JAYWARDENAPURA GENERAL HOSPITAL STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST DECEMBER 2017

	Contributed Capital	Other Reserves	Deferred Income	Accumulated Surplus/ Deficit	Other Donation	Total Net Equity
Balance as at 01 st January 2016	1,016,825,160	2,280,000	445,438,428	(403,949,520)	7,940,525	1,068,534,593
Profit for the year	-	-	-	(175,818,974)	-	(175,818,974)
Prior Period Adjustments	-	-	-	(15,104,017)	-	(15,104,017)
Capital Grant Received	-	-	988,000,000	-	-	988,000,000
Amortisation	-	-	(243,786,065)	-	-	(243,786,065)
Balance as at 31st December 2016	1,016,825,160	2,280,000	1,189,652,363	(594,872,511)	7,940,525	1,621,825,537
Balance as at 01 st January 2017	1,016,825,160	2,280,000	1,189,652,363	(594,872,511)	7,940,525	1,621,825,537
Profit for the year	-	-	-	(149,619,386)	-	(149,619,386)
Prior Period Adjustments	-	-	-	(29,539,678)	-	(29,539,678)
Capital Grant Received	-	-	525,269,376	-	-	525,269,376
Amortisation	-	-	(321,735,830)	-	-	(321,735,830)
Balance as at 31st December 2017	1,016,825,160	2,280,000	1,393,185,909	(774,031,575)	7,940,525	1,646,200,019

4.5 Detailed analysis of net assets

SRI JAYEWARDENAPURA GENERAL HOSPITAL DETAILED ANALYSIS OF NET ASSETS

	2017 Rs.	2016 Rs.
CAPITAL GRANTS		
Grant from Japanese Government to Sri Lanka Government for the Project	928,851,297	928,851,297
Grant received under Japanese International Co-operation	50,124,930	50,124,930
Deferred Income (Capital Grant from SL Government) Note -C	1,393,185,909	1,189,652,363
Capital Reserves	2,280,000	2,280,000
Donation to Purchase a Hemo Dialysis machine	799,233	799,233
Cars & Equipment donated by Kajima Corporation of Japan	260,000	260,000
Grant from Olympus Corporation of Japan	79,700	79,700
Central Bank Grant for Cardio-thoracic unit	30,000,000	30,000,000
Grant from President Fund	6,710,000	6,710,000
Other Donations - Funds and Equipments	7,940,525	7,940,525
	<u>2,420,231,594</u>	<u>2,216,698,048</u>

Note - C

Deferred Income (Capital Grant from SL Government)

Balance as at 1st January	1,189,652,363	445,438,428
Add : Capital Grants Received During the Year	525,269,376	988,000,000
Less : Capital Grant Amortization	303,734,564	243,786,065
Audit Report adjustment - year 2016	18,001,266	-
Balance as at 31st December	<u>1,393,185,909</u>	<u>1,189,652,363</u>

4.6 Significant Accounting Policies - 2016

Significant Accounting Policies

For the year ended 31.12.2017

1. GENERAL

1.1 Basis of Accounting

Financial Statements are prepared in conformity with Public Sector Accounting Standards laid down by Institute of Chartered Accountants of Sri Lanka and in keeping with the Historical Cost convention where appropriate accounting policies are disclosed in succeeding notes.

The Financial Statements of the Board are prepared in Sri Lankan Rupees.

1.2 Comparative Figures

Comparative figures have been adjusted to confirm the changes in presentation in the current Financial Year.

2. PROPERTY, PLANT & EQUIPMENT

Property, Plant and Equipment are stated at cost or valuation less accumulated depreciation. The cost of property plant and equipment is the cost of purchase or construction together with any incidental expenses incurred in bringing 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.

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

Japanese Government Donation

Building	2%
Electrical work	10%
Sewerage & Plumbing	10%
Air conditioning	15%
Lifts	10%
Furniture & Fittings	13%
Medical Equipment	20%

Other Assets

Other Buildings	5%
Furniture & Fittings, Gas Cookers & other equipment	20%
Electrical Equipment, Sewing Machines & Cylinders	10%

Significant Accounting Policies

For the year ended 31.12.2017

2. PROPERTY, PLANT & EQUIPMENT (Contd..)

Medical Equipment	25%
Refrigerator & Photocopy Machines	15%
Automobiles	20%
Software (Locally Developed)	100%

No depreciation is provided in the year of purchase / acquisition and full depreciation is provided in the year of disposal.

3. INVENTORIES

Consumables are indicated in the inventories and valued at the lower of cost and net realizable value. The cost of inventories is valued on first in first out (FIFO) basis.

4. ACCOUNTING FOR GRANTS

4.1 Government Grants

In the absence of a Sri Lanka Public Sector Accounting Standard for the presentation of Government Capital Grant received by the statutory Board, the LKAS 20 para 26 is adopted by the Board.

Accordingly Capital Grant is credited to a deferred income account and amortized at the rates which are equal to the rates of depreciation. Amortisation rate is approximately equal to the depreciation rate calculated for the investment made in assets.

Recurrent Grant from Treasury has been recognized as income of the period and credited to the Income Statement for the year.

Significant Accounting Policies

For the year ended 31.12.2017

5. LIABILITIES & PROVISIONS

5.1 Retirement Benefits

In terms of Gratuity Act No12 of 1983, the liability to an employee arises only upon completion of 5 years of continued services. To meet the liability, a provision is made, equivalent to half of a month salary based on the last month of the Financial Year for all employees who have completed five years of service.

5.2 Capital Commitments & Contingencies

(a) All material commitments expenditure commitments and contingent liabilities as at the date of Balance Sheet have been disclosed in the notes to the accounts.

(b) The Following Legal Cases are filed against Hospital Board as at 31/12/2017

1. 258/2009 – Dr. D.H Samarakoon – Promotion Case
2. 444/2009 – Dr. Anula Wijesundara – Rs.2.5 Million with Cost
3. Mr. Ekanayaka – Labour Tribunal – Rs.2 Million
4. Mr. Lasantha - Labour Tribunal – Rs.2 Million
5. Mr. Rathnasinghe - Labour Tribunal – Rs.2 Million
6. Ex.Internal Auditor – Rs.3.5 Million
7. 51/68/05M – Professor R.L Satharasinghe Rs.60 Million with Cost

(c) The Department of Inland Revenue has computed an additional PAYE tax liability for the years of assessment - 2013/14 & 2014/15 of Rs. 4,449,091 and Rs.5,293,440 respectively in relation to Professional Charges and Free Medical to Staff. Appeal was made for the above additional assessment.

6. INCOME & EXPENDITURE

6.1 Revenue & Expenditure Recognition

The revenue of the Board represents the Income from Hospital Charges, Government Recurrent Grant, Interest Income from call deposits and loans to employees, and other miscellaneous income.

All income has been recognized on an accrual basis.

The total revenue from Hospital care includes the cost of free medical provided to (inpatients) Hospital staff members during the year.

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

For the purpose of presentation of the income Statement, the Board is of the view that the nature of expenses method fairly presents the elements of the Board's performance: hence such a presentation method is adopted.

Significant Accounting Policies

For the year ended 31.12.2017

6.1 Revenue & Expenditure Recognition (Contd..)

All exempted Hospital bills have been recognized as Hospital Income as well as shown as expenditure in the Income Statement.

Professional fees of Rs.341 million collected by the Hospital Board during the year had not been recognized in the accounts as the same fees are not earned or derived by the Board. These professional fees belongs to some identified employees of the Board for providing professional services on private clients during their off duty hours and on holidays.

6.2 Cash Flow Statement

The cash flow statement has been prepared using the indirect method. For the purpose of Cash Flow statement, cash and cash equivalent consist of current account balances held at banks.

7. FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions are converted to Sri Lankan Rupees at the exchange rate prevailing at the time of occurring the transaction.

8. TAXATION

The provision for Income Tax is based on the elements of Income & Expenditure as reported in the Financial Statements and computed in accordance with the provision of the Inland Revenue Act No.10 of 2006. However in view of Tax losses, no provision has been in the accounts.

Income Tax on interest income had not been provided in the Accounts as such income tax can be set off against ESC.

4. 7 Notes to the Accounts- 2017

SRI JAYEWARDENAPURA GENERAL HOSPITAL NOTES TO THE FINANCIAL STATEMENTS CONTD.

As At 31 st December	2017 Rs.	2016 Rs.
Note: 01		
<u>Cash & Cash Equivalents</u>		
Bank of Ceylon Current A/C - No 01 (Recurrent)	15,020,756	35,657,462
Bank of Ceylon Current A/C - No 02 (Capital)	5,229,105	527,743,966
Bank of Ceylon - 20th Anniversary a/c	20	20
Hatton National Bank	(448,671)	337,025
H N B Call Deposit A/C	32,055,000	32,791,000
Bank of Ceylon - Dialysis Fund A/C	1,235,185	2,211,201
Cash in Hand & Imprest Accounts	5,081,043	7,287,369
Petty Cash Imprest for Stamp Duty	594,010	97,010
HNB - Dialysis Fund Current A/C	(147)	(147)
	<u>58,766,301</u>	<u>606,124,906</u>

Note: 02 **Receivables and Prepayments**

Miscellaneous Deposits	Schedule 01	5,839,582	5,839,582
Pre Payments		740,635	354,599
Income Receivable	Schedule 02	1,019,080	806,461
Staff Distress Loans	Schedule 03	163,575,305	154,018,179
University College		4,364,660	-
Special Loan - Cricket Team		76,400	752,035
Staff - Salary Advance	Schedule 04	242,302	247,868
Staff - Festival Advance	Schedule 05	488,455	335,190
Dialysis Assistance Fund A/C		1,685,600	1,685,600
Sundry Debtors	Schedule 06	38,286,641	11,728,439
Hospital Charges Receivable	Schedule 07	132,325,102	105,391,407
V A T Control A/C		-	11,615,280
Death Donation Recoverable		(50,000)	550,340
Clinical Society		44,463	44,463
		<u>348,638,224</u>	<u>293,369,443</u>
		<u>348,638,224</u>	<u>293,369,443</u>

Notes to the accounts

SRI JAYEWARDENAPURA GENERAL HOSPITAL NOTES TO THE FINANCIAL STATEMENTS CONTD.

As At 31 st December	2017 Rs.	2016 Rs.
Note:03		
<u>Inventories</u>		
General Stores	37,988,686	22,436,675
Drugs Stores	25,854,009	26,393,888
Surgical Consumables Stores	124,835,036	90,948,245
Dressings Stores	9,710,350	10,209,065
Electro Mechanical Engineering (EME) Stores	6,395,728	6,965,350
Radiology Department Stores	2,911,581	2,092,317
Path lab & Blood Bank Stores	24,209,385	12,434,470
General items in sub Stores	20,375,134	11,363,068
Drugs & Surgical Consumables in sub Stores	112,323,144	87,194,360
	<u>364,603,053</u>	<u>270,037,438</u>
Less: Provision for Expiry Items	5,037,762	5,037,762 *
	<u><u>359,565,291</u></u>	<u><u>264,999,676</u></u>
Note: 04		
<u>Short term Investment</u>		
National Savings Bank (Staff Security Deposits)	45,000	45,000
	<u><u>45,000</u></u>	<u><u>45,000</u></u>

Notes to the accounts

SRI JAYEWARDENAPURA GENERAL HOSPITAL
NOTES TO THE FINANCIAL STATEMENTS CONTD.

Note - 5

FIXED ASSETS (PROPERTY, PLANT & EQUIPMENT, FURNITURE ETC.,)

Description	Freehold Land (26 acres) Rs.	Buildings Donated by Japan Rs.	Other Buildings Rs.	Other Donations by Japan Rs.	Furniture & Fittings Rs.	Electrical Equipments Rs.	Refrigerator & Photo Copy Machines Rs.	Medical Equipments & Implements Rs.	Automobiles Rs.	Computer Software & Network Rs.	Renovation Of Kitchen Rs.	Total 2017 Rs.	Total 2016 Rs.
COST / REVALUATION	*	*	*	*									
As at 1st January	15,015,732	453,028,634	469,253,600	416,490,078	41,478,636	185,787,896	27,756,555	2,303,396,262	44,189,282	43,551,168	28,760,185	4,028,708,028	3,583,858,810
Additions	-	-	68,657,873	-	9,359,933	18,889,191	619,691	663,486,505	745,630	909,671	-	762,668,493	450,016,118
Transfers/Disposals	-	-	-	-	-	-	-	-	-	-	-	-	5,166,900
As at 31st December	15,015,732	453,028,634	537,911,473	416,490,078	50,838,569	204,677,087	28,376,246	2,966,882,767	44,934,912	44,460,839	28,760,185	4,791,376,523	4,028,708,028
DEPRECIATION													
As at 1st January	-	289,938,330	186,628,645	416,490,077	26,331,461	77,549,247	17,988,206	1,641,274,003	37,983,610	15,198,786	10,615,842	2,719,998,207	2,481,379,042
Charge for the year	-	9,060,570	22,199,519	1	5,294,200	14,956,548	1,948,353	223,801,678	3,529,800	21,505,876	1,438,020	303,734,564	243,786,065
Charge on Disposals	-	-	-	-	-	-	-	-	-	-	-	-	5,166,900
As at 31st December	-	298,998,900	208,828,164	416,490,078	31,625,661	92,505,795	19,936,559	1,865,075,681	41,513,410	36,704,662	12,053,862	3,023,732,771	2,719,998,207
NET BOOK VALUE													
As at 1st January	15,015,732	163,090,304	282,624,955	1	15,147,175	108,238,649	9,768,349	662,122,259	6,205,672	28,352,382	18,144,343	1,308,709,821	1,102,479,768
As at 31st December	15,015,732	154,029,734	329,083,309	1	19,212,908	112,171,293	8,439,687	1,101,807,085	3,421,502	7,756,176	16,706,323	1,767,643,751	1,308,709,821

Notes to the accounts

SRI JAYEWARDENAPURA GENERAL HOSPITAL NOTES TO THE FINANCIAL STATEMENTS CONTD.

As At 31 st December		2017 Rs.	2016 Rs.
Note: 06			
<u>Trade & Other Payables</u>			
Creditors and Accrued Expenses	Note 6.1	751,174,248	432,038,800
Other Liabilities	Note 6.2	58,179,258	73,426,293
Provision for Gratuity		511,823,832	449,499,047
		<u>1,321,177,339</u>	<u>954,964,140</u>

Note 6.1

Creditors and Accrued Expenses

Accrued Expenses	Schedule 11	161,599,419	144,816,601
Auditor General's Department		1,206,823	1,834,723
Trade Creditors	Schedule 12	477,920,039	199,061,610
N W S & D B		437,799	437,799
M S D		74,663,028	77,388,068
Inland Revenue Department		-	8,500,000
V A T Control A/C		<u>35,347,142</u>	<u>-</u>
		<u>751,174,248</u>	<u>432,038,801</u>

Note 6.2

Other Liabilities

Performance Bond Deposit	Schedule 08	1,463,230	1,685,195
Sundry Creditors	Schedule 09	6,741,062	6,625,889
Professional Charges	Schedule 10	33,087,344	46,220,934
Hospital Charges - Deposits		13,013,505	12,407,000
Special Projects Funded		25,750	25,750
Gratuity Payable		2,120,778	2,120,778
Special Theater Allowance		100	100
Special Study		15,000	15,000
Dialysis Assistance Fund A/C	Schedule 13	1,238,555	2,214,571
Construction of Temple		1,800	1,800
Library Memberships		252,907	250,907
Cheque Cancelled		219,228	-
Tender Deposits		<u>-</u>	<u>1,858,369</u>
		<u>58,179,258</u>	<u>73,426,293</u>

Notes to the accounts

SRI JAYEWARDENAPURA GENERAL HOSPITAL NOTES TO THE FINANCIAL STATEMENTS CONTD.

For the year ended 31st December2017
Rs.2016
Rs.**Note: 07****Revenue**

Revenue from Hospital Care	2,100,844,980	1,856,260,845
Government Grants - Recurrent	1,300,000,000	1,300,000,000
Other Income Note A	83,868,825	47,157,114
	<u>3,484,713,805</u>	<u>3,203,417,959</u>

Note A Other Income

Ambulance Charges	2,998,989	2,727,997
Revenue from Staff Meals	898,595	963,510
Revenue from Staff Rent and Electricity	2,830,121	2,223,500
Hospital Shop - Rent	3,357,656	2,792,008
Hospital Shop - Electricity	596,268	659,350
Hospital Bank - Rent	585,000	540,000
Hospital Bank - Electricity	231,684	403,299
Sanasa Rent	-	12,000
Bank of Ceylon - Electricity	162,840	189,364
Bank of Ceylon - Rent	260,000	240,000
Miscellaneous Income	24,736,245	10,378,294
Bonds settled by Staff Members	10,477,454	1,690,204
Sales Commission	184,023	183,937
Channeling Fees	3,355,563	673,033
Milk Bar Electricity	135,777	152,917
Milk Bar Rent	120,000	130,000
Rent - OSUSALA	1,020,000	1,020,000
OSU SALA - Electricity	802,350	916,042
People's Bank Electricity	115,340	-
Service Charges 0.1%	511,644	438,330
Revenue from Car Park	26,274,010	15,493,097
Fruit Juice Bar - Electricity	109,335	57,172
Income From Supplier Registration	161,000	-
Sale of Fixed Assets	3,938,932	5,267,060
Post Office - Rent	6,000	6,000
	<u>83,868,825</u>	<u>47,157,114</u>

Note:08**Materials & Consumables Used**

Drugs	312,653,928	284,406,175
Surgical Items	367,561,200	366,771,346
Dressings	75,774,802	74,770,520
Medical Oxygen	19,875,215	28,885,080
Lab Chemicals & Consumables	178,954,216	108,727,034
X-Ray films & Chemicals	27,071,932	20,122,618
General Supplies	115,402,346	104,490,401
Electro Medical Engineering (consumables)	27,393,458	21,353,740
	<u>1,124,687,097</u>	<u>1,009,526,914</u>
Add: Stocks brought forward	270,037,438	218,364,574
Less: Stocks carried forward	<u>364,603,053</u>	<u>270,037,438</u>
	1,030,121,482	957,854,050
Add: Condemned & Expired Stocks (Provision)	-	-
Add: Material cost for meals (for patients and staff)	<u>81,072,930</u>	<u>82,885,527</u>
	<u>1,111,194,412</u>	<u>1,040,739,577</u>

*Adjustment for over provision is in brackets

Notes to the accounts

SRI JAYEWARDENAPURA GENERAL HOSPITAL
NOTES TO THE FINANCIAL STATEMENTS CONTD.For the year ended 31st December

	2017 Rs.	2016 Rs.
Note: 09		
Staff Costs		
Salaries & Allowances	1,318,275,593	1,232,771,529
EPF & ETF	162,455,334	137,787,603
Overtime, Piece Rate & Extra Duty Payment	393,058,225	329,710,547
Uniform Allowance	14,993,010	14,004,225
Encashment of Leave	14,648,077	12,000,000
Pension Contribution	4,481,413	3,972,333
Traveling	1,269,743	1,094,542
	<u>1,909,181,396</u>	<u>1,731,340,779</u>
Add: Other Staff Related Expenses		
Cost of free Medical Treatment - Staff Inpatients	37,649,553	38,216,053
S P C - Free Medical To Staff	31,691,543	32,773,618
Staff Welfare	635,188	300,688
Human Resources Development Expenses	2,951,261	922,900
Provision for Gratuity	98,726,039	101,325,007
	<u>2,080,834,979</u>	<u>1,904,879,045*</u>
Note:10		
Depreciation		
Provision for the Depreciation for the year	303,734,564	243,786,065
	<u>303,734,564</u>	<u>243,786,065</u>
Note:11		
Other Operating Expenses		
(a) Fuel		
Boilers	14,036,920	18,101,734
Motor Vehicles	2,276,124	1,610,624
	<u>16,313,044</u>	<u>19,712,358</u>
(b) Utility Services		
Electricity Charges	132,555,360	133,474,640
Water Charges	44,552,768	50,106,977
Telephone Charges (Communication)	3,558,847	4,229,527
	<u>180,666,976</u>	<u>187,811,144</u>
(c) Repairs & Maintenance		
Service Agreements signed with Suppliers	19,448,422	17,023,808
Repairs to Motor Vehicles	2,186,367	1,800,305
Repairs to Medical Equipment/Other Equipments (on breakdowns)	30,418,433	23,186,399
Repairs to Steel Furniture	474,477	128,710
Repairs to Buildings	12,358,607	16,465,374
	<u>64,886,306</u>	<u>58,604,596</u>
(d) Other Services		
Janitorial and Cleaning Services	46,665,159	38,900,707
Garbage Disposal Service	3,269,150	5,965,981
Removal of Unclaimed Dead Bodies	713,600	654,000
Maintenance of Sewerage Line	13,666,009	15,670,165
Laundry Service	13,637,687	8,763,000
Security Service	19,939,190	26,370,604
License and Insurance	1,203,475	1,355,832
Legal Charges	1,162,569	1,484,165
Audit Fees	862,500	862,500
Disciplinary Procedure Expenses	5,871	1,066,373
Postage & Stamps	576,002	742,428
Refreshment	116,505	192,950
Allowances for Board Members/Tender Board Members	1,981,250	1,475,450
Hospital Charges Exempted - In Patients(clergy /other)	21,820,230	22,976,525
Press Advertisements	7,615,017	7,280,418
Books & Periodicals	1,487,961	1,375,053
Sports Club	16,250	
Miscellaneous Expenses	26,103,976	21,017,789
Rates & Taxes	876,720	876,720
	<u>161,719,123</u>	<u>157,030,660</u>
	<u>423,585,448</u>	<u>423,158,758</u>

Notes to the accounts

SRI JAYEWARDENAPURA GENERAL HOSPITAL NOTES TO THE FINANCIAL STATEMENTS CONTD.

For the year ended 31 st December	2017 Rs.	2016 Rs.
Note: 12		
<u>Finance Costs</u>		
Bank Charges	153,255	10,500
Credit Card Commission	11,289,525	8,574,743
	<u>11,442,779</u>	<u>8,585,243</u>
Note: 13		
<u>Other Expenditure</u>		
Outside Test Charges	8,824,515	4,874,469
	<u>8,824,515</u>	<u>4,874,469</u>
Note: 14		
<u>Accumulated Fund</u>		
Profit /(Loss) as per income Statement	(149,619,386)	(175,818,974)
Profit & (Loss) a/c 1st January	(594,872,514)	(403,949,523)
Adjusted in respect of Previous Years	(29,539,678)	(15,104,017)*
Profit & Loss a/c 31st December	(624,412,192)	(419,053,540)
Profit & Loss A/C at the end of the Year	<u>(774,031,578)</u>	<u>(594,872,514)</u>

5. Audit Reports



5.1 Auditor General's Report



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தேசிய கணக்காய்வு அலுவலகம்

NATIONAL AUDIT OFFICE



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எனது இல.
My No. }

HSM/B/SJGH/1/17/33

ඔබේ අංකය
உமது இல.
Your No. }

දිනය
திகதி
Date }

10 October 2018

The Chairman,
Sri Jayawardenapura General Hospital Board

Report of the Auditor General on the Financial Statements of the Sri Jayawardenapura General 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 Sri Jayawardenapura General Hospital Board for the year ended 31 December 2017 comprising the statement of financial position as at 31 December 2017, and the statement 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 Sub-section (3) of Section 12 of the Sri Jayawardenapura General Hospital Board Act, No.54 of 1983. 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.

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).



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நேசிய கணக்காய்வு அலுவலகம்
NATIONAL AUDIT OFFICE

1.4 Basis for Disclaimer of Opinion

As a result, of the matters described in paragraph 2.2 of this report, I am unable to determine whether any adjustments might have been found necessary in respect of recorded or unrecorded items, and the elements making up the statement of financial position, statement of financial performance, statement of changes in equity and cash flow statement.

2. Financial statements

2.1 Disclaimer of Opinion

Because of the matters described in paragraph 2.2 of this report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, I do not express an opinion on these financial statements.

2.2. Comments on Financial Statements

2.2.1 Sri Lank Public Sector Accounting Standards

The following observations are made.

(a) Sri Lank Public Sector Accounting Standard 01

- (i) When preparing financial statements, an assessment of an entity's ability to continue as a going concern had not been made in terms of paragraph 38 of the standard and the measurement basis used in preparing the financial statements had not been disclosed in terms of paragraph 132(a) of the standard.
- (ii) In terms of paragraph 48 of the standard, assets and liabilities should not be offset unless required or permitted by a Sri Lank Public Sector Accounting Standard. However, the bank overdraft of Rs.448,671 existed as at 31 December 2017 from the total balance of cash and cash equivalent amounting to Rs.59,215,119 and the credit balances of Rs.27,373,267 in the Hospital charges debtors accounts from the debit balances of Rs.286,765,620 in the Hospital charges debtors accounts had been offset and shown the net balances in the financial statements.



- (iii) Even though, the reserves, including the description of the nature and purpose of each reserve within the equity capital should be disclosed in the financial statements in terms of paragraph 95(c) of the standard, particulars of the capital reserve of Rs.2,280,000 as at 31 December 2017 had not been so disclosed.
- (iv) In terms of paragraph 108 of the standard, an entity should present either on the face of the statement of financial position or in the notes, a sub-classification of total revenue classified in a manner appropriate to the entity's operations. Nevertheless, the revenue of Rs.2,100,844,980 received by the Hospital in respect of patients hospitality service had not been presented being so classified.
- (v) In terms of paragraph 132 of the standard, the measurement basis used in preparing the financial statements should be disclosed but the measurement basis for the capital works in progress totalling Rs.432,718,789 as at 31 December 2017 had not been disclosed.
- (vi) Even though, the value of closing stock amounting to Rs.359,565,291 as at 31 December 2017 had been valued at cost or net realisable value whichever is lower, such stock items had not been separately disclosed.

(b) Sri Lanka Public Sector Accounting Standard 07

- (i) As the useful life of non-current assets had not been reviewed annually in terms of paragraph 65 of the standard, the fixed assets costing Rs.1,968,854,481 had been fully depreciated but still being used. Accordingly, the estimated error had not been revised in terms of Sri Lanka Public Sector Accounting Standard 3.
- (ii) In terms of paragraph 69 of the standard, depreciation of an asset begins when it is available for use and when it is in the location and condition necessary for it to be capable of operating. On the contrary, non-depreciation in the year of purchase or acquisition of assets had been disclosed as the accounting policy.



2.2.2 Accounting Deficiencies

The following observations are made.

- (a) The unidentified debit balance of Rs.16,271,838 in the Hospital charges control account as at 31 December 2017 had been transferred to the accommodation charges account without taking action to find how it was created and to correct it.
- (b) Drugs costing Rs.31,444,099 received from the Medical Supplies Division as donations during the year under review and the value of 491 items of equipment received as donations in the year under review and the previous year had not been brought to accounts.
- (c) In place of opening balances of 9 stock accounts relating to drugs and surgical materials, dressings, consumables, radioactive materials, laboratory materials, stationery and general stores materials as at 01 January 2017, the opening balances of such accounts existed as at 01 January 2016 had been erroneously posted due to computer system errors and as a result, those stock account had been over debited by Rs.51,606,864. Without being rectified the overstated stock accounts, a same value had been transferred to the relevant purchases accounts from each stock account.
- (d) A sum of Rs.35,700,014 payable in respect of medical supplies obtained from the Medical Supplies Division in the previous year, existed in the creditors Account maintained for the Medical Supplies Division had been again debited to the Trade creditors control account and credited to a separate creditors control account without eliminating from the Medical supplies Account by journal entries. As a result, the creditors balance had been overstated by a similar value.
- (e) An advance of Rs.23,284,960 paid as a part of the value of asset in the year under review in respect of purchase of medical equipment for the surgery and furniture for the laboratory had been debited to the respective assets accounts instead of being debited to the advance account.



- (f) A sum of Rs.165,183 spent for the purchase of 2 items of fixed assets during the year under review had been debited to the sundry expenses account, instead of being debited to the respective assets accounts.
- (g) In making payments to 7 medical equipment suppliers in 10 occasions, demurrages charge of Rs.2,875,084 recovered as per the agreements had not been brought to accounts.
- (h) Even though, medical equipment, electric stairs, generators, building materials, furniture and equipment, wheel chairs and other equipment disposed of from 16 Divisions of the Hospital during the year under review had been sold for Rs.4,391,608, action had not been taken to eliminate the cost of those assets and their accumulated depreciations from the respective accounts after being identified.
- (i) Even though, the rate depreciation on building where male nurses hostel was located, identified as other buildings in the financial statements was 5 per cent it had been depreciated at 2 per cent only and as such the depreciation for the year under review had been understated by Rs.283,746.
- (j) Employees provident Fund contribution of Rs.183,144 deducted from the salaries of 50 students nurses who had not got permanent appointments had been refunded to them but that amount had been debited to the salaries advance account instead of being debited to the salaries account.
- (k) Even though, the error arisen in under accounting of depreciation on buildings and furniture and equipment in the preceding year amounting to Rs.93,756 had been rectified in the current year, the capital grants accounts had not been amortised by a similar amount.
- (l) Distress loan balances totalling Rs.211,022 of 2 employees which had been fully settled as at 31 December 2017 had been stated as further receivable loans and the distress loan balances totalling Rs.245,396 of another 2 employees which had not been settled had not been shown in the accounts as receivable loans.

- (m) Electricity charges of Rs.81,848 receivables as at 31 December 2017 in respect of renting parts of the hospital premises, sales commissions of Rs.146,041 receivable as at that date and a sum of Rs.628,460 receivable as at that date from other 9 types of revenue items had not been brought to accounts.
- (n) Provisions of Rs.1,004,992 for gratuities had been made in the year under review in respect of 3 employees who had retired and left the service in the year 2014 and prior years. Even though, gratuities of Rs.599,247 had been paid in the year 2015 to another 3 employees, it had been shown in the accounts as further payable.
- (o) Distress loan of Rs.96,069 recovered when paying gratuities to an employee had not been brought to accounts.
- (p) Without being specifically recognised and accounted the hospital charges and the professional charges separately, included in the credit letters forwarded by insurance companies and other entities, who were the hospital charges debtors, a sum of Rs.9,163,244 had been debited to the Hospital charges control account and credited to the payment of professional charges account.
- (q) According to the physical stock verification reports conducted as at 31 December 2017 action had been taken to write off 17,472 units of expired stock costing Rs.6,520,276 against the profit. According to the computer software, used for the accounting of stocks, the expired stock units as at that date amounted to 43,385 and the cost thereof amounted to Rs.3,848,630, thus the difference was Rs.2,671,646 for which reasons had not been identified.

.3 Unexplained Differences

The following observations are made.

A difference totalling Rs.261,789,518 between the value as per the financial statements and the value as per files and registers presented to audit relating to the following items were observed but the reasons for differences were not explained.



ජාතික විගණන කාර්යාලය
தேசிய கணக்காய்வு அலுவலகம்
NATIONAL AUDIT OFFICE

Description	Account/ File/ register presented to audit	Value as per financial statements	Value as per the account file/ register	Difference
-----	-----	-----	-----	-----
		Rs.	Rs.	Rs.
(i) Hospital charges debtor as at 31 December 2017	List of Individual debtors	132,325,102	134,958,121	2,633,019
(ii) Trade creditors as at 31 December 2017	List of individual creditors	477,920,039	516,627,485	38,707,446
(iii) Balance stock as at 31 December 2017	Physical verification reports	364,603,053	365,687,748	1,084,695
(iv) Performance security deposits as at 31 December 2017	Schedule	1,463,230	1,685,195	221,965
(v) Cost of fixed assets purchased and acquired during the year under review	(i) Computer printed schedule	762,668,493	675,759,711	104,908,782
	(ii) Schedule indicating particulars of GRNN	762,668,493	648,847,810	113,820,683
(vi) Festival advances as at 31 December 2017	Detailed festival advance report	488,455	302,500	185,955
(vii) Ambulance charges revenue	Revenue classification report, privately ambulance reservation register and private visiting register	2,998,989	2,772,016	226,973



ජාතික විගණන කාර්යාලය
நேசிய கணக்காய்வு அலுவலகம்
NATIONAL AUDIT OFFICE

2.2.4 Lack of Evidence for Audit

Due to non-availability of evidence indicated against the following items of account to audit they could not be satisfactorily vouched or accepted in audit.

Item	Value	Evidence not made available
	Rs.	
(a) Sundry deposits	4,189,582	Registers to establish the correctness of sundry deposits older than 20 years.
(b) Service Charges	511,644	Approval of the Board of Directors relating to the recovery of only 0.15 per cent of the professional fees as hospital charges.
(c) As at 31 December 2017,		
Debtors	128,187,769	Debtors and creditors age analysis
Creditors	477,920,038	prepared in a manner to disclose outstanding periods appropriately.
(d) Professional Charges,		
Recoveries	356,017,257	Recover and payment of professional
Payments	289,538,096	charges were made through the 'Datamation Software System' but particulars of professional charges due, professional charges payable and professional charges paid.
(e) Error correction of Hospital charges	1,010,158,314	Journal entries with a formal approval for the 2 error correction transactions.
Revenue	1,957,650,245	



2.3 Accounts Receivable and Payable

The following observations are made.

- (a) Action had not been taken to settle 15 sundry creditors balances totalling Rs.4,572,784 older than 5 years as at 31 December 2017, 7 performance bond deposits valued at Rs.800,907 and the payable professional charges of Rs.3,616,142 or to account being identified as revenue.
- (b) Action had not been taken recover or to write off after obtaining a proper approval from the accounts, the hospital charges of Rs.2,438,514 and Rs.1,698,819 due from the Sri Lanka Army and Sri Lanka Air Force respectively receivable prior to the year 2009.
- (c) Action had not been taken to get the salaries of Rs.1,112,280 and Rs.3,312,066 paid to the intern medical officers in the years 2013 and 2016 reimbursed from the Ministry of Health, Nutrition and Indigenous Medicine even by 30 June 2018.
- (d) A salary advance of Rs.87,000 paid to a medical officer in the year 2015 had not been settled even by the end of the year under review.

2.4 Non-compliance with laws, rules, regulations and management decisions

Non-compliances with laws, rules, regulations and management decisions are given below.

Reference to Laws, rules etc.	Non-compliance
(a) Public contract agreement Act No.3 of 1987.	According to the Act, the contractors present for contracts more than Rs.5 million, he and that public contract agreement should be registered under the Public Contract Registrar. Nevertheless, the contractors who had been awarded 3 construction contracts the total cost of which amounted to Rs.175,827,708 and a contract, the total



ජාතික විගණන කාර්යාලය
தேசிய கணக்காய்வு அலுவலகம்
NATIONAL AUDIT OFFICE

cost of which amounted to Rs.58,562,300 awarded for the purchase of a medical instrument had not registered those contract agreements.

(b) Financial Regulations of the Democratic Socialist Republic of Sri Lanka.

(i) Financial Regulations
103(1)(b) and 104(1)(a)

Preliminary investigations had not been conducted in respect of 8 vehicle accidents occurred in the years 2016 and 2017 and not determined the responsible persons.

(ii) Financial Regulation 389(a)
and (b)

Cheques must not be handed over to a payee unless he is properly identified. Nevertheless, cheques valued at Rs.10,074,565 as professional charges had been handed over to 58 Medical Officers during the month of January 2017 without being ensured their identify.

(iii) Financial Regulation 756(1)

Even though, on or about 15th of December each year a Board of Survey should be appointed for the verification of stores, and where necessary for reporting on unserviceable stores held in each divisions and branches, the Board of Survey functions relating to the year 2017 had not been conducted even by 31 July 2018.



ජාතික විගණන කාර්යාලය
 தேசிய கணக்காய்வு அலுவலகம்
 NATIONAL AUDIT OFFICE

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| <p>(d) Budget Circular No.133(1) dated 09 March 2007 and Public Administration Circular No.30/2008 dated 31 December 2008.</p> | <p>In terms of the circular instructions, the maximum distress loan to be granted to an employee had been limited to Rs.250,000. Nevertheless, distress loans ranging from Rs.258,114 to Rs.399,346 had been issued to 106 employees during 9 months ended 30 September 2017 from January 2017 and the total value, exceeding the maximum loan entitlement amounted to Rs.6,758,503.</p> |
| <p>(e) Public Enterprises Circular No.PED/1/2015 of 25 May 2015.</p> | <p>Even though, the officers who have been allocated an official vehicle or who obtain transport allowance including the fuel allowance should not use pool vehicles, 6 officers in the hospital had used 6 pool vehicles for travelling 2,191 km.</p> |
| <p>(f) Treasury Circular No.842 of 19 December 1978.</p> | <p>A register of fixed assets had not been prepared in accordance with the relevant circular.</p> |

Financial Review

Financial Results

According to the financial statements presented, the operations of the Board had resulted in as deficit of Rs.149,619,386 for the year under review ended 31 December, as compared with the deficit of Rs.175,818,975 for the preceding year, thus improving the financial result of the year under review by Rs.26,199,589 as compared with the preceding year. Even though the operating expenses of the hospital of the year under review had increased by Rs.306,785,959, as compared with that of the preceding year, the revenue of the year had also increased by Rs.340,926,448 and this had mainly attributed for this improvement.



ජාතික විගණන
தேசிய கணக்காய்வு
NATIONAL AUD

In the analysis of financial results of the year under review and the preceding 4 years, surpluses of Rs.92,286,361 and Rs.720,613,254 had indicated in the years 2013 and 2014 respectively, and deficit of Rs.352,618,182, Rs.175,818,975 and Rs.149,619,386 had indicated in the years from 2015 to 2017. However, employees remunerations, government taxes and depreciation on non-current assets had been re-adjusted to the financial results, the contribution of the Board amounting to Rs.1,026,310,304 in the year 2013 had improved up to Rs.1,477,876,821 by the year under review being fluctuated.

4. Operating Review

4.1 Performance

4.1.1 Planning

According to the action plan prepared for the year under review, sums of Rs.1,300 million, Rs.68 million and Rs.85 million had been provided for the construction of paying ward complex, male nurses quarters and workshop building respectively. However, sums of Rs.750 million, Rs.75 million and Rs.105 million had only been provided in the Master Procurement Plan.

4.1.2 Operations and Review

In the examination of the action plan prepared for the year under review and the physical and financial progress report, it was observed that the procurement functions of 3 projects, the estimated value totalling Rs.700 million had delayed and due to weaknesses in the contract process of 2 projects totalling Rs.153 million, the contract period had delayed for periods ranging from 01 month to 10 month as per the relevant agreements.



4.2 Management Activities

The Hospital charges revenue for the year ended 31 December 2017 amounted to Rs.2,100,844,980. However, except drugs and surgical material charges, a pricing committee had not been appointed to determine the other charges and the manner in determining other charges or basis had not been included in the Computer Software System. Similarly, although hospital charges such as medical operations, various types of tests and other service charges had been revised from time to time, a formal approval had not been obtained therefor.

4.3 Operating Activities

The following observations are made.

- (a) An instruction manual, containing an appropriate methodology and procedures for this Hospital, accorded with the General Circular No.01-21/2015 dated 28 May 2015 issued by the Ministry of Health, Nutrition and Indigenous Medicine in respect of the supply of raw foods to the Hospitals and to provide foods to Junior Staff, had not been prepared and get it approved by the Board of Directors. The following observations are made in respect of the supply of raw foods.
 - (i) The Weekly food program prepared by the Head of Institution to get the assistance of the Food Management Committee for its preparation had not been given to the relevant Divisions and action had not been taken to prepare the monthly supply requirement of raw foods accordingly.
 - (ii) Action had not been taken by the Doctors in each ward to note suitable dietary circle of each patient in terms of extra foods of the patient in his bed head ticket and to certify it personally.



ජාතික විගණන කාර්යාලය
தேசிய கணக்காய்வு அலுவலகம்
NATIONAL AUDIT OFFICE

- (iii) At the first day of each month, in respect of all residential patients, functions such as preparation of new dietary meal record, computation of number of meals required per day by summarizing dietary meals of each patient and comparison with number of patients available as at that date, adding extra food record every day posting summaries on such food in the reconciliation etc. had not been performed.
- (iv) Registers to establish whether orders had been placed by reducing a certain percentage of raw food having being examined the wastage of balance cooked foods, had not been maintained.
- (v) Filed documents and information to establish whether random sudden tests were conducted and taken action in respect of weaknesses observed thereon were not made available.
- (vi) Registers to ensure whether samples were shown before being distributed cooked foods, checking that hospital employees had taken foods by producing food coupons and whether prescribed quantity of foods had been given to employees.
- (vii) A food management committee for the management of ordering, receiving, cooking and distribution of raw food stuff in a manner, incurring a minimum cost had not been actively in operation.
- (viii) Appropriate specimen forms had not been introduced for ordering accounting, documentation and control of food stuff.

The clinical waste incinerator purchased on 30 November 2016, incurring an expenditure of Rs.23,544,099 had been given on lease rent to a private entity since 01 August 2017 at a monthly rental of Rs.900,000 for 3 years. The following observations are made in this connection.



- (i) Without following the tender procedures as stated in Regulation 774 of the Financial Regulations of the Democratic Socialist Republic of Sri Lanka, the entity to which the machine was given on rent had been selected.
- (ii) According to the agreement entered into on 28 July 2017, that entity should pay a monthly rental of Rs.900,000 to the hospital but any money whatsoever had not been recovered from 01 August 2017 to 30 June 2018.
- (iii) The cost of 3,644 liters of kerosene costing Rs.174,902 which had been pumped to the machine at the time of handing over to the contractor had not been recovered from him.
- (iv) The number of clinical waste disposed of by the hospital daily had been about 250 kg to 300 kg but without doing proper study thereon, a machine with daily capacity of about 1200 kg had been purchased. The quantity of waste burnt during the period of 13 months from 01 December 2016 to 31 December 2017 had been only 184,187 kg and as such only 39 per cent of the total machine capacity had been utilized. Even though, the machine had been rented by expecting to combust clinical waste obtained from other private Hospitals and Health entities, the intended purpose was not achieved.

4.4 Personnel Administration

 The following observations are made.

- (a) Action had not been taken to prepare and get a formal scheme of recruitment and promotion approved in respect of recruiting persons for the posts of the hospital, promotions and grading, even up to 31 December 2017.



ජාතික විගණන කාර්යාලය
தேசிய கணக்காய்வு அலுவலகம்
NATIONAL AUDIT OFFICE

In terms of the approval of the Board of Directors dated 22 May 2015, an IT Consultant had been recruited on assignment basis since 08 June 2015 and a total sum of Rs.3,720,000 had been paid as allowances at Rs.120,000 per month during the period up to 31 December 2017.

The following observations are made in this connection.

- (i) According to the relevant letter of appointment, this officer should come to the hospital and work for 3 days a week between the period of 2 to 4 hours a day and the monthly allowance should be paid after getting confirmed by the Supervising Officer that he had engaged in service and the expected service had been obtained. However, without getting confirmed the attendance by written evidence and got the relevant service performed, allowances had been paid.
- (ii) According to the letter of appointment, he should have performed such duties as the improvement of the existing information technology system by precluding system weaknesses, assisting to operate 'Systolic and Accpac' Computer Software satisfactorily in respect of accounting and billing hospital charges, rendition of deficiencies identified therein and reports on solutions for those deficiencies monthly as required by management. But, it was revealed that no any such reports whatsoever had been presented.
- (iii) The first appointment had been given for 6 months and the service period had been extended from 6 months to 6 months subsequently. However, it was not established in audit that he had identified system faults in respect of accounting and billing and presented solutions for faults.



5. Sustainable Development

5.1 Reaching Sustainable Development Goals

The Hospital was not aware about the Circular No.NP/SP/SDG/17 dated 14 August 2017 issued by the Secretary to the Ministry of National Policies and Economic Affairs and the 2030 'Agenda' of the United Nations on Sustainable Development. As a result, action had not been taken to identify Sustainable Development Goals, targets and turning points to achieve those targets and indicators to measure the reaching of those targets, in respect of functions coming under the purview of its scope.

6. Accountability and Good Governance

6.1 Procurements and Contract Process

6.1.1 Procurements

(a) The contract for the purchase of 5 electric bed Lifts, the contract value of which amounted to Rs.53,833,744 awarded to a private company in the previous year and 83 per cent of the contract sum amounting to Rs.44,618,959 had been paid on 17 February 2017. The following observations are made in this connection.

(i) Remarking that the old 5 electric lifts, with operational condition was defective, they had been disconnected and removed. However, the recommendation of a Board of Survey appointed including a technical officer for such removal had not been obtained in terms of Financial Regulation 770.

(ii) In terms of Guideline 6.3.6 of the Government Procurement Guidelines relating to the purchase of this lift, bid opening functions should be recorded in a specimen form. However, a specimen form had not been used therefor and the bid opening record maintained therefor had not been signed by any member of the bid opening committee.



ජාතික විගණන කාර්යාලය
தேசிய கணக்காய்வு அலுவலகம்
NATIONAL AUDIT OFFICE

- (iii) According to the specifications included in the bid documents, a performance certificate in respect of the utilisation of relevant lifts externally from the country of manufacture and a test report relevant to the entire machine obtained from a recognised independent testing authority had not been rendered by the bidder but the bidder had been selected disregarding that requirement.
- (iv) Even though, within 14 days since the date of awarding the contract and before the commencement of works, the bidder should present the working drawings for the approval of the Electrical Engineer as stated in the Technical specifications, that requirement had not been fulfilled.
- (v) As stated in the technical specifications, before being despatched lift materials from the factory of the relevant manufacturing entity, two nominated inspectors should be given a factory inspection visit for the inspection of quality assurance of machine components. However, after 9 months of the receipt of lift materials to the hospital, that visit had been given and as such the anticipated objectives were not achieved by such a visit.
- (vi) As agreed by the bidder, all 5 lifts should be supplied and installed by 08 April 2017 being elapsed 8 months from 08 August 2016, the date of issue of purchase order. Nevertheless, 3 lifts of them had not been installed and issued the handing over certificate even by 31 August 2018.

Further, the inter phone system facilities between the main control room and the lift cabin had not been provided. In addition, the demurrage charges for a period of 1 year and 4 months could not be recovered as the demurrage condition had not been included in the bid conditions.



- (vii) In terms of specification No.14 stated in the bid documents, the width of a lift cabin should be 1,500 mm. but the width of lift cabins bearing Nos.1, 2, 3 and 4 had been only about 1,200 mm and the physical verification observed that the width of the lift cabin No.5 had only been about 1,400 mm. The responsibility of the certification of these actual measurements obtained by auditors had been evaded by the maintenance Engineer of the Hospital.
- (viii) Even though, the contractor had agreed to offer 2 years free of charge maintenance period, it was established that the supplier had not carried out proper services when malfunctioned the machines in several instances after being installed.
- (b) A digital Mammography machine had been purchased in the year under review, incurring an expenditure of Rs.58,525,000 and the matters observed in this regard are given below.
 - (i) In terms of guideline 5.3.2 of the government procurement guidelines, the invitation for calling for bids should be published in a manner, inclusive of appropriate and relevant basic information required by the bidder enabling him to prepare bids, including the requirements on criteria and qualifications as to ensure directly the appropriateness to be available with the successful bidder. Nevertheless, bid invitation had been published only for the supply of machine instead of publishing all functions such as supply, install and maintenance.
 - (ii) In terms of guideline 6.3.6 of the government procurement guidelines, the bid opening functions should be recorded in a specific form but a specific form had not been used therefore and the signatures of the bidders or their representatives had not been obtained for the bid opening record maintained.



ජාතික විගණන කාර්යාලය
தேசிய கணக்காய்வு அலுவலகம்
NATIONAL AUDIT OFFICE

- (iii) Even though, a table showing the compliance of all bidders with major provisions in the technical specifications should be prepared and presented to the procurement committee by the Technical Evaluation Committee in terms of guideline 7.11.1 of the government procurement guidelines, action had not been taken accordingly.
 - (iv) The bid presented by the selected bidder had included the foreign and local training to be given to the relevant officers but such a training had not been given even by 28 February 2018, though the machine had been handed over to the Hospital on 10 February 2017. However, the total contract value had been paid to the contractor.
 - (v) As the audit revealed that this machine could be able to do about 20 breast cancer tests per day, about 3,200 tests could have been carried out during the period of 8 months from 23 June 2017 to 28 February 2018 when calculated as considered 20 working days per month. However, only 449 tests had been carried out during that period and as such the capacity utilisation of this machine had been at a low level of about 14 per cent.
- (c) A flow cytometer machine enabling to identify blood cancer had been purchased in the year under review by incurring an expenditure of Rs.21,450,000 and the matters observed in this connection are given below.
- (i) Even though, the estimated value of this machine included in the medical equipment list, expected to be purchased in the year 2016 amounted to Rs.8 million, the actual expenditure incurred was Rs.21.45 million, thus exceeding the estimated amount by 168 per cent.



ජාතික විගණන කාර්යාලය
தேசிய கணக்காய்வு அலுவலகம்
NATIONAL AUDIT OFFICE

- (ii) In terms of general condition No.(1) relating to the specification of the machine, the registration certificate of the National Drugs Regulatory Authority relating to the type or category of the machine supplied by the bidder should be submitted. However, irrespective of the non-rendition of that certificate, the contract had been awarded.
- (iii) Even though, both bidders who had submitted bids had presented bids in respect of machines agreed upon with the crucial requirements specifications, the bid presented the lowest price had been rejected stating that a machine supplied before had become malfunctioned. However, it was revealed in audit that such a malfunction had not occurred. Similarly, the contract had been awarded to the bidder who had quoted high price of cost of the machine and the maintenance cost by Rs.10,250,646 without being looked into the bidders pre-allegations.
- (iv) It was revealed in audit that this type of blood cancer diagnosed by this machine was not reported largely in Sri Lanka and only 32 tests had been carried out during the period of 14 months from 01 March 2017 to 30 April 2018, and no any tests whatsoever had been carried out in certain months.
- (v) The audit revealed that 42 antibody vials costing Rs.4,608,158 used for this machine were available in the relevant Division and it could do 3,390 test occasions, and as such it was observed that the machine was under-utilised condition. As a result, 38 vials costing Rs.4,319,196 had expired even by 30 June 2018.
- (d) The contract agreement for the supply of fish to the hospital for the year under review had been signed on 04 January 2017, and the contract value amounted to Rs.25,950,240. The following observations are made in this regard.



ජාතික විගණන කාර්යාලය
தேசிய கணக்காய்வு அலுவலகம்
NATIONAL AUDIT OFFICE

- (i) The preparation of the invitation for the examination of pre-qualification of bidders and their review and approval, preparation of bid documents drafts including specifications and their review had not been submitted to the Technical Evaluation Committee for approval in terms of guideline 2.3.2(b) and (c) of the government procurement guidelines.
- (ii) In terms of guideline 2.11.3 of the government procurement guidelines, procurement committee reports and Technical Evaluation Committee report had not been recorded in a specific format.
- (iii) In terms of guideline 2.12(a) of the government procurement guidelines, a declaration of confidentiality and impartiality had not been given by the members of the procurement committee and the Technical Evaluation Committee.
- (iv) A total cost estimate relevant to all food supplies requirements had not been prepared in terms of guideline 4.3.1(a) of the procurement guidelines.
- (v) The standard bid calling documents in terms of guideline 5.3.1(a) to (d) of government procurement guidelines had not been used by the Hospital Board and the suitability of bid documents used in place of them had not been checked and approved by the procurement committee, and the Technical Evaluation Committee.
- (vi) In terms of guideline 5.3.2 of the government procurement guidelines, the invitation for calling for had not been prepared in a manner, inclusive of appropriate and relevant basic information required by the bidder in order to prepare bids including the requirements on criteria and qualifications ensuring directly the appropriateness to be available with the successful bidder.



- (vii) According to the guideline 7.10 of the procurement guidelines, criteria for the checking of post qualifications should be clearly stated in the bid calling documents. However, criteria such as similar service supplies for the last 3 years, financial statements data previous performance of hospital supplies etc. had not been included in the bid calling documents.
- (e) In addition, to the list of foods, the monthly value of which amounted to Rs.7,620,442 approved by the Procurement Committee of the Ministry of Health, Nutrition and Indigenous Medicine, the contract for the purchase of 82 extra food items valued at Rs.2,605,056 had been awarded on 27 September 2016 to the supplier who supplied fish and raw food stuff himself without calling for competitive bids. In terms of Guideline 5.4.10 of the government procurement guidelines, a performance bond valued at 10 per cent of the annual contract value had not been obtained and a formal agreement had not been entered in to with the contractor in terms of guideline 8.9.1.
- (f) A cardiac catheterization laboratory machine had been purchased in the year under review, incurring an expenditure of Rs.130,380,000, and the matters observed in that connection are given below.
 - (i) Bid Evaluation had not been completed within the period stated in the procurement time table in terms of guideline 7.4.1 of the government procurement guidelines.
 - (ii) The Procurement Committee had not cautiously considered in respect of the recommendation of the technical evaluation committee in terms of guideline 8.1.1 of the government procurement guidelines.
 - (iii) In terms of guideline 8.5.1 of the government procurement guidelines, the other bidder had not been informed that the successful bidder had been selected in accordance with the Decision of the Ministry Procurement Committee and representations against it if any, could be presented.



ජාතික විගණන කාර්යාලය
தேசிய கணக்காய்வு அலுவலகம்
NATIONAL AUDIT OFFICE

- (iv) A formal letter of acceptance had not been issued to the bidder immediately the bid had been accepted in terms of guideline 8.9.1 of the government procurement guidelines.
- (v) The amount of Rs.3,030,000 allocated for giving a training for 5 officers within the country of manufacture of the machine in respect of the operation of the machine had been paid to the contractor on 30 April 2018, but such a training had not been given even up to the date of this report.
- (vi) In terms of bid documents presented by the selected bidder, the machine should be supplied and installed in the hospital by 28 March 2017. However, as the hospital had not taken action to make the walls of the premises proposed to be installed this machine with a thickness of 300 mm, in terms of the regulations of the Sri Lanka Atomic Energy Regulatory Council, the installation of the machine had delayed by 4 months up to 18 August 2017 and a sum of Rs.478,980 had to be paid to the supplier therefore.
- (g) Fourteen containers had been taken on rent in the year under review by incurring an expenditure of Rs.3,903,000 but an agreement had not been entered into with the contractor in terms of guideline 8.9.1 of the government procurement guidelines.

2 Weaknesses in Contract Administration

The contract for the construction of workshop and office for the garden and cleaning service staff with the contract value of Rs.87,019,408, exclusive of taxes had been awarded on 09 November 2016. The following observations are made in this connection.



- (a) Even though, the bid opening activities should be recorded in a specimen form in terms of guideline 6.3.6 of the government procurement guidelines, a specimen form had not been used therefor. Only the name of the bidder had been included in the bid opening record used and the particulars such as bid value, prices of alternate bids, value of bid bond etc. had not been included. Furthermore, only one member of the bid opening committee had signed that record.
- (b) Even though, all the bids received should be subjected to primary bid evaluation in terms of guideline 7.8 of the government procurement guidelines, only 4 bids submitted lowest quotations out of 10 bids received had been subjected for evaluation.
- (c) If the service of a consultant is obtained for bid evaluation, it should be done under the supervision and guidance of the Technical Evaluation Committee in terms of guideline 7.3 of the government procurement guidelines, but the supervision and the guidance had not been given for the evaluation made by the consultation entity. The Technical Evaluation Committee had presented their recommendations, based on the evaluation report presented by the consultation entity.
- (d) In terms of instructions for bidders stated in No.4.1 (j) of bid documents, the selected bidder with the 3rd minimum price had not presented confirmation documents ensuring that working capital requirement for works in hand could be fulfilled and the details of works being carried out at present. Similarly, it was established that the bidders financial position was not satisfactory according to the financial statements presented for the last 5 years by the bidder but, disregarding that fact, the technical evaluation committee had recommended to select this bidder.
- (e) In terms of guideline 8.9.1 of the government procurement guidelines, an agreement should be entered into by both parties immediately since the issue of the contract awarding letter but the agreement had been signed after 219 days, since the date of awarding the contract.



ජාතික විගණන කාර්යාලය
தேசிய கணக்காய்வு அலுவலகம்
NATIONAL AUDIT OFFICE

- (f) According to the condition No.4.14 of the contract stated in bid documents, the monthly progress reports had not been presented by the contractor. Even though, it was planned to commence the contract on 30 January 2017 and to complete on 29 April 2018, due to failure in supplying employees specified and materials with standard from the contractor, the performance of the contract could not be achieved as expected and only the works up to the slab level of the first floor had been completed by 06 April 2018.
- (g) According to the contract data No.14.5 stated in the bid documents, the minimum value of an interim bill which can be payable amounted to Rs.3,200,000, but payments had been made for 2 interim bills, valued at Rs.1,733,666 and Rs.1,708,771 presented by the contractor.

6.2 Unresolved audit paragraphs

One occasion in which the directives given by the committee on Public Enterprises on 09 June 2017 was not accomplished is given below.

Even though, the Committee on Public Enterprises had directed that the approval for the scheme of recruitment be obtained within 2 months after doing necessary amendments required for the qualifications of the posts of Director, Deputy Director and Accountant, such approval had not been obtained even by the date of this report.

7. Systems and Controls

Weaknesses in systems and controls were brought to the attention of the Chairmen of the Hospital Board from time to time. Special attention is needed in respect of the following areas of control.

Areas of systems and control

- (a) Fixed Assets Control

Observations

Inclusion of particulars only in respect of fixed assets purchased during the year, in the computer printed register of fixed assets presented to audit and action had not been taken to document all fixed



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assets after being physically identified and assessed, the values.

- | | |
|---|--|
| (b) Stock Control | Obsolete stock not correctly identified. |
| (c) Personnel Administration | Action not taken to prepare the formal scheme of recruitment and get it approved. |
| (d) Contract Administration | Action not taken to get the contract works done without delay and action not taken in terms of certain provisions in the government procurement guidelines. |
| (e) Purchases Control | Purchase of medical equipment made without being identified the requirements appropriately, action not taken to get the service of the suppliers in terms of conditions of the agreements. |
| (f) Accounting and use of Computer Software | <p>(i) Journal entry No, description of transaction, description of double entry not posted to the ledger accounts available.</p> <p>(ii) Approval for the 3 journal entries totalling Rs.24,125,003 as at 31 December 2017 not obtained.</p> <p>(iii) Existence of credit balances in 27 debtors accounts totalling Rs.27,373,267 as at 31 December 2017.</p> |



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- (iv) Existence of debit balances totalling Rs.21,567,527 in 26 creditors account as at 31 December 2017.
- (v) Non-introduction of separately ledger accounts codes for the accounting of various types of revenue within the “Systolic” computer software, established for accounting hospital charges revenue, accounting various types of revenue under each revenue ledger accounts code, preparation of Trial balance in taking several such ledger accounts balances and that computer system did not identify a methodology in accounting the refund of hospital charges.
- (vi) It was impossible to obtain Hospital charges and professional charges separately recovered from each patients being treated in paying words from the ‘Systolic’ computer system and a system for accounting professional charges and a proper control system not introduced.



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(vii) Only a sum of Rs.511,644 out of the professional charges of Rs.341,094,920 recovered from the patients on behalf of Doctors and other staff in the year under review, had been credited to the revenue of the Hospital and a cost analysis in respect of the employment of staff for the recovery and refund of professional charges, cost of operation of computer software system and bank accounts and other overhead cost had not been carried out.

(g) Financial Control

‘Cancelled’ seal had not been kept on the face of the cancelled cheques.

(h) Vehicles Control

Fuel in the vehicles not tested in accordance with circular instructions.

H.M. GAMINI WIJESINGHE
Auditor General

H.M.Gamini Wijesinghe
Auditor General

The Auditor General's Report of Sri Jayawardanepura General Hospital Board, in terms of Section 14(2) C of the Financial Act No. 38 of 1971 in relation to the Financial Statements for the year ended from 31 December 2017

2.2	Comments on Financial Statements	
2.2.1	Sri Lanka Public Sector Accounting Standards The following observations are made.	
	(a)	Sri Lanka Public Sector Accounting Standards 01
	(i)	<p>When preparing financial statements, and assessment of an entity's ability to continue as a going concern had not been made in terms of paragraph 38 of the standard and the measurement basis used in preparing the financial statements had not been disclosed in terms of paragraph 132(a) of the standard.</p> <p>We admit the defect of non-disclosure of the accounting policy in the Financial Statements for 2017 in relation to the ability of continuous existence of the institution. We also couldn't disclose that Financial Statements are prepared on accrual basis. Steps will be taken to disclose correctly the accounting policies in preparing the Financial Statement for 2018, avoiding the defects aforesaid.</p>
	(ii)	<p>In terms of paragraph 48 of the standard, assets and liabilities should not be offset unless required or permitted by Sri Lanka Public Sector Accounting Standard. However, the bank overdraft of Rs. 448,671.00 existed as at 31 December 2017 from the total balance of cash and cash equivalent amounting to Rs. 59,215,119.00 and the credit balances of Rs. 27,373,267.00 in the Hospital charges debtors accounts from the debit balance of Rs. 286,765,620.00 in the Hospital charges debtors accounts had been offset and shown in the net balances in the financial statements.</p> <p>As mentioned in the audit query, the overdraft related to the account in the HNB Bank (according to the cash book) has indicted under assets as cash and cash equivalent, which we admit. However, steps will be taken to submit the assets and liabilities separately, without setting them off each other.</p> <p>We admit that the total of credit balances in 27 debtors' accounts had been set off with the total of debit balances. Steps will be taken in future to present such credit balances (if any) correctly in the Financial Statements.</p>
	(iii)	<p>Even though, the reserves, including the description of the nature and purpose of each reserve within the equity capital should be disclosed in the financial statements in terms of paragraph 95(c) of the standard, particulars of the capital reserves of Rs. 2,280,000 as at 31 December 2017 had not been so disclosed.</p> <p>I admit that the details relating to the nature and objectives of each reserve should be disclosed in the financial statements, in terms of the accounting standards 95(c).</p> <p>A summarized description about the capital reserves relating to the total of Rs. 40,128,935 stated in the audit query has mentioned in page No. 05 of the financial statements. These reserves had been given for certain projects by various parties a number of years ago and, it is practically difficult to obtain information to make an extensive and descriptive disclosure. Steps will be taken further to obtain instructions for this, from the Audit Division.</p>
	(iv)	<p>In terms of paragraph 108 of the standard, an entity should present either on the face of the statement of financial position or in the notes, a sub-classification of total revenue classified in a manner appropriate to the entity's operations. Nevertheless, the revenue of Rs. 2,100,844,980 received by the Hospital in respect of patients hospitality service had not been presented being so classified.</p> <p>According to paragraph 108 of the standard, the total revenue of an entity should be sub-classified appropriate to its operations. Accordingly, the total revenue has sub-classified as the revenue received for the patients hospitality and, government's refraction grants & other revenues.</p>

			However, it is practically difficult to sub-classify the revenue received for the patients hospitality service and, I wish to obtain instructions from Audit Division with regard to the method of preparing further the classification.
	(v)	In terms of paragraph 132 of the standard, the measurement basis used in preparing the financial statements should be disclosed but the measurement basis for the capital works in progress totaling Rs. 432,718,789 as at 31 December 2017 had not been disclosed.	As the value of capital works in progress has been disclosed in the financial statements, based on the value of the works certified by the Consultants. But it was unable to disclose with regard to that and, steps will be taken in future to make such disclosures in the financial statements.
	(vi)	Even though, the value of closing stock amounting to Rs. 359,565,291 as at 31 December 2017 had been valued at cost or net realizable value whichever is lower, such stock items had not been separately disclosed.	It is admitted that the stock items valued to the cost and net realizable value had not been disclosed separately as stated in the audit query. The reason for above is the net realizable value of all stocks in the hospital is higher than the cost (because of charging at least 10% to the cost).
	(b) (i)	<u>Sri Lanka Public Sector Accounting Standard 07</u> As the useful life of non-current assets had not been reviewed annually in terms of paragraph 65 of the standard, the fixed assets costing Rs. 1,968,854,481 had been fully depreciated but still being used. Accordingly, the estimated error had not been revised in terms of Sri Lanka Public Sector Accounting Standard 3	Although some assets in the hospital had been fully depreciated, it is admitted that said assets could be further used and, should be revalued & included to the books, to which need assistance from a professional institution. A big cost should be born for this and, expect to obtain further the audit instructions in relation to the method of action to be taken for this. However, revaluation of assets in a government is practically difficult and, and an additional cost should be born which effects to the profitability of the institution. Accordingly, it is clear that the cost incurred for above, born by a government institution would result only to increase the government's expenditures. In terms of paragraph 92 of Sri Lanka Public Sector Accounting Standard 07, it is admitted that the gross carrying amount of the property and plant that have been fully depreciated but could be used further, should be disclosed in the financial statements. But such disclosures in the financial statements should be done after revaluating the assets and placing the gross carrying amount. Accordingly, assistance from a professionally specialist institution should be obtained to fulfill this task and, the cost to be born for that and, its benefits should be determined. It is admitted that the properties, plant and equipment classified as retired from the active utilization and, left for disposal have

			not been identified and, works relating to disclosing the carrying amount have not been done. The only matter affected to this is, the practical difficulties exist in updating the fixed assets register that should be maintained by the institution. Also there is a difficulty in obtaining the values of the assets retired from utilization because, most of said assets had been donated us by Japan government in 1984 and therefore it is difficult to assess them. However, steps will be taken in future to conduct a census of assets with the objective of arranging the fixed assets register.
	(ii)	In terms of paragraph 69 of the standard, depreciation of an asset begins when it is available for use and when it is in the location and condition necessary for it to be capable of operating. On the contrary, non-depreciation in the year of purchase or acquisition of assets had been disclosed as the accounting policy.	The defects pointed out in the relevant audit query are admitted and, it is difficult to identify the time of commencing the utilization of each asset, when a fixed asset is purchased. Though, steps will be taken to depreciate assets correctly, making aware of each and every division in future as to be acted in compliance to the accounting standards.
2.2.2	<u>Accounting Deficiencies</u> The following observations are made.		
	(a)	The unidentified debit balance of Rs. 16,271,838 in the Hospital charges control account as at 31 December 2017 had been transferred to the accommodation charges account without taking action to find how it was created and to correct it.	As two accounting software systems namely Systolic and Accpac are used, it is difficult to indicate all information in the ledger accounts due to certain practical problems arise when importing data. Due to this reason, problems arise when comparing the Hospital Charges Control Account. This amount of Rs. 16,271,838.00 has arisen due to said reason. Although a credit balance existed in said account in every year, a debit balance has existed in this year so that it was transferred to the revenue account. Necessary arrangements are being made to enter the Professional Charges too into the system and, we assure to avoid occurring such defects in future. Steps will be taken in future to identify this debit balance.
	(b)	Drugs costing to Rs. 31,444,099 received from the Medical Supplies Division as donations during the year under review and the value of 491 items of equipment received as donations in the year under review and the previous year had not been brought to accounts.	Matters contained in the relevant audit query are admitted. Steps will be taken in future to observe extensively with regard to this by the internal audit and, may able to account the donation amounts correctly in future via the measures obtained in relation to that. Further, it has been proposed to establish a separate division to accept initially the donations received by the hospital initially and, the problem aforesaid may be solved furthermore by that.

(c)	In place of opening balances of 9 stock accounts relating to drugs and surgical materials, dressings, consumables, radioactive materials, laboratory materials, stationery and general stores materials as at 01 January 2017, the opening balances of such accounts existed as at 01 January 2016 had been erroneously posted due to computer system errors and as a result, those stock account had been over debited by Rs. 51,606,864. Without being rectified the overstated stock accounts, a same value had been transferred to the relevant purchases accounts from each stock account.	The opening balances have not been recorded due to a defect exist in the computer system and, we admit that making adjustments by the current year's purchases is a fault. However, the financial statements for 2017 has already been prepared and therefore steps will be taken to make these adjustments correctly in 2018.
(d)	A sum of Rs. 35,700,014 payable in respect of medical supplies obtained from the Medical Supplies Division in the previous year, existed in the creditors Account maintained for the Medical Supplies Division had been again debited to the Trade creditors control account and credited to a separate creditors control account without eliminating from the Medical supplies Account by journal entries. As a result, the creditors balance had been overstated by a similar value.	The amount payable to the Medical Supplies Division in 2016 was credited to the Trade Creditors control account to identify it easily. Although these adjustments were adjusted in the ledger account, they were again re-adjusted in 2017 because they don't exist from the sole creditors' balances. But this had not been corrected due to the Reverse Entry in the ACC Pac and, steps will be taken to correct it in 2018.
(e)	An advance of Rs. 23,284,960 paid as a part of the value of asset in the year under review in respect of purchase of media equipment for the surgery and furniture for the laboratory had been debited to the respective assets accounts instead of being debited to the advance account.	We agree with this audit observation. Steps will be taken to correct it in 2018.
(f)	A sum of Rs. 165,183 spent for the purchase of 2 items of fixed assets during the year under review had been debited to the sundry expenses account, instead of being debited to the respective assets accounts.	It is admitted that a Creatinine Kit amounting to Rs. 57,523.00 and a Ceramic Type Wash Basis amounting to Rs. 107,660.00, out of the amount (Rs. 885,183.00) stated in the audit query should be capitalized and, it had been debited to the account of sundry account by oversight, which we admit. Steps will be taken to correct it. But Rs. 720,000/- was the rent paid for the air conditioner obtained on rental basis to the operation theater according to an urgent need, not to purchase an air conditioner and therefore no need to capitalize it.
(g)	In making payments to 7 medical equipment suppliers in 10 occasions, demurrages charge of Rs. 2,875,084 recovered as per the agreement had not been brought to accounts.	We admit our fault that the demurrages charge of 2,875,084 exists further in the creditors account as credit balance without considering it as a revenue and, profit in the year has shown less and, responsibilities has shown in excess due to this fault which we admit. Steps will be taken to correct this when preparing accounts for 2018.
(h)	Even though, medical equipment, electric stairs, generators, building materials, furniture and equipment, wheel chairs and other equipment disposed of from 16 Divisions of the Hospital during the year under review had been sold for Rs. 4,931,068, action had not been taken to eliminate the	We admit that the cost of assets disposed contained in the document of audit query and, the practical difficulty in finding the accumulated depreciation value, couldn't remove from the current year accounts to which has affected the inability of

		cost of those assets and their accumulated depreciations from the respective accounts after being identified.	maintaining permanent fixed asset register for the hospital. Many fixed assets stated herein are donations received from Japan and correct records pertaining to them cannot find out. Although money has obtained by disposing and selling the assets in the asset register as mentioned in the audit query, we admit that these assets couldn't remove from accounts due to the practical difficulty in identifying the cost and, finding the accumulated depreciation amount of those assets and, steps will be taken to identify them and remove from books. The key matter affected to this is, a permanent fixed asset register need to identify the assets, is not being maintained by the hospital since its commencement. Therefore, the need of preparing a fixed asset register has identified by the management.
	(i)	Even though, the rate depreciation on building where male nurses hostel was located, as other buildings in the financial statements was 5 per cent it had ben depreciated at 2 per cent only and as such the depreciation for the year under review had been understated by Rs. 283,746.	The depreciation rate allocated for the buildings donated by Japan since commencement of the hospital was 2%. But the depreciation rate allocated for other buildings was 5%. However, we admit that the male nurses' hostel has depreciated in 2017 @ 2% by oversight and, steps will be taken to correct it when preparing accounts for 2018.
	(j)	Employees' Provident Fund contribution f Rs. 183,144 deducted from the salaries of 50 students nurses who had not bot permanent appointments had been refunded to them but that amount had been debited to the salaries advance account instead of being debited to the salaries account.	@@ We agree with this audit observation and steps will be taken to correct it when preparing accounts for 2018.
	(k)	Even though, the error arisen in under accounting of depreciation on buildings and furniture and equipment in the preceding year amounting to Rs. 93,756 had been rectified in the current year, the capital grants accounts had not been amortized by a similar amount.	We admit that the fixed assets should be amortized by an amount similar to the depreciation amount, because the fixed assets for hospital are purchased by the government capital grants and, the depreciation amount of Rs. 93,756.00 for furniture has not been adjusted to the capital grants as an amortization amount similar to the above amount which also admitted and, steps will be taken to correct it in 2018.
	(l)	Distress loan balances totaling to Rs. 211,022 of 2 employees which had been fully settled as at 31 December 2017 had been stated as further receivable loans and the distress loan balances totaling to Rs. 245,396 of another 2 employees which had not been settled had not been shown in the accounts as receivable loans.	The matter contained in the audit query is admitted. Steps will be taken to identify the relevant errors by checking extensively about the distress loans paid for the employees mentioned therein. The relevant Management Assistant has been instructed to check with regard to this and, steps will be taken to correct it.
	(m)	Electricity charges of Rs. 81,848.00 receivable as at 31 st December 2017 in respect if renting parts of the hospital premises, sales commissions of Rs. 146,041.00 receivable as at that date and a sum of Rs. 628,460.00 receivable as at that date from other 9	We agree with this audit query and, steps will be taken to account all other income sources on accrued basis, in 2018.

		types of revenue items had not been brought to accounts.							
	(n)	Provisions of Rs. 1,004,992.00 for gratuities had been made in the year under review in respect of 3 employees who had retired and left the service in the year 2014 and prior years. Even though, gratuities of Rs. 599,247.00 had been paid in the year 2017 to another 3 employees, it had been shown in the accounts as further payable.	As the gratuity allocation amounting to Rs. 1,004,992.00 as at 31.12.2016 for three employees mentioned in the audit query was incorrect, it had been corrected in 2017 but, the gratuity allocation as at 31.12.2017 had been re-allocated by journal entry No. 58 by an oversight which we admit and, steps will be taken to correct it in 2018.						
	(o)	Distress loan of Rs. 96,069.00 recovered when paying gratuities to and employee had not been brought to accounts.	We admit that the distress loan balance of Rs. 96,069.00 and festival advance balance of Rs. 500.00 recovered from the employee (No. 1829) when paying him gratuity, have not been deducted from the relevant accounts by an oversight. The distress loan balance of Rs. 72,180.00 recoverable from the employee (No. 212) has been recovered when paying him gratuity. Formal measures are presently being followed to recover in fully the loan balances that are in arrears, when paying gratuities.						
	(p)	Without being specifically recognized and accounted the hospital charges and the professional charges separately, included in the credit letters forwarded by insurance companies and other entities, who were the hospital charges debtors, a sum of Rs. 9,163,244.00 had been debited to the Hospital charges control account and credited to the payment of professional charges account.	Such defects may avoid in future by implementing the billing of professional charges via Systolic system. Entering professional charges into the Systolic system has presently been commenced and such defects may avoid in future by further developing and continuing this system.						
	(q)	According to the physical stock verification reports conducted as at 31 st December 2017 action had been taken to write off 17,472 units of expired stock costing Rs. 6,520,276.00 against the profit. According to the computer software, used for the accounting of stocks, the expired stock units as at that date amounted to Rs. 43,385.00 and the cost thereof amounted to Rs. 3,848,630.00, thus the difference was Rs. 2,691.00 for which reasons had not been identified.	We agree with this audit observation and, it is practically difficult to determine the correctness of the value of expired stocks amounting to Rs. 6,520,276 indicated as per the Systolic system and, the value of expired stocks amounting to Rs. 3,848,630 identified according to the physical stocks verification and, steps will be taken in future to introduce the policy to identify the expiring stocks in the hospital which was not available since its commencement. We have planned to conduct an Interim Stock Verification at the beginning of August and end of September 2018 aiming the matters stated above. Here, special attention will be drawn about the expired stocks.						
2.2.3	Unexplained Differences The following observations are made. A difference totaling Rs. 261,789,518.00 between the value as per the financial statements and the value as per files and registers presented to audit relating to the following items were observed but the reason for differences were not explained.		<div>i.</div> <table><tr><td>Variance according to the audit query</td><td>127,067,250</td></tr><tr><td>Deducted – Non debtors amount (Annexture 1)</td><td>124,434,231</td></tr><tr><td>Actual variance</td><td>2,633,019</td></tr></table>	Variance according to the audit query	127,067,250	Deducted – Non debtors amount (Annexture 1)	124,434,231	Actual variance	2,633,019
Variance according to the audit query	127,067,250								
Deducted – Non debtors amount (Annexture 1)	124,434,231								
Actual variance	2,633,019								

	Desc ription	Account/ File/ register presented to audit	Value as per financial statements	Value as per the account file/register	Difference
(i)	Hospital charges debt or as at 31 st December 2017	List of individual debtors	132,325,102	134,958,121	2,633,019
(ii)	Trade debtors as at 31 st December 2017	List of individual creditors.	477,920,039	516,627,485	38,707,446
(iii)	Balance stock as at 31 st December 2017	Physical verification reports	364,603,053	365,687,748	1,084,695
(iv)	Performance security deposits as at 31 st December 2017	Schedule	1,463,230	1,685,195	221,965
(v)	Cost of fixed assets purchased and acquired during the year under review	(i) Computer printed schedule	762,668,493	657,759,711	104,908,782
		(ii) Schedule indicating particular of GRNN	762,668,493	648,847,810	113,820,683
(vi)	Festival advance as at	Detailed festival advance report	488,455	302,500	185,955

An amount that are not debtors have included in the debtors balance according to the register. Eg. : Contain free medical bills extended to clergies, staff & their dependents and, other parties. Although these should be identified as an expenditure, exists in the register as an asset due to including within debtors. Steps will be taken to present the compared balance list.

The debtors' register is being compared fully nowadays and steps will be taken in future to avoid defects aforesaid by that.

ii.

Creditors balances as at 31.12.2017

Variance according to the audit query	38,707,446
Deducted – MSD balance	35,700,014
Variance	3,007,432

As stated above, the balance of Rs. 35,700,014.00 payable to the Medical Supplies Division of the Ministry of Health has included within this variance and, steps will be taken to compare the remaining variance.

iii.

We agree with this observation. But certain defects exist in the stock value taken to the financial statements as well as in the stock value assessed after the physical stock inspection. Steps will be taken to identify and correct them within 2018.

Iv.

Expenditures amounting to Rs. 221,965.00 have been debited to this account in 2017. Steps will be taken to correct it when preparing accounts for 2018.

V.

A register has prepared for the fixed assets purchased by the capital grants received from the government in 2017. Accordingly a register for Rs. 657,759,711.00 has already been presented to the audit. Fixed Assets amounting to Rs. 104,908,782.00 purchased by the hospital income have not included to this register. Accordingly, the total value of the fixed assets purchased is Rs. 762,668,493.00.

As stated in this audit observation, steps

	31 st Dec emb er 2017					will be taken to find out and present the good receiving notes in respect of purchasing the fixed assets amounting to Rs. 113,820,683.00.
	(vii)	Ambulan ce reve re char ges	Revenue classificat ion report, privately ambulanc e reservatio n register and private visiting register	2,998,989	2,772,016	226,973
						Vi, vii The reason for this variance is, settlement of distress loans and festival advances by the monthly amount and, discontinuation of the installments related to the terminated employees etc... are not updated in the payroll system on due date. Therefore comparing of these balances is not correct. Steps will be taken to avoid such defects by further strengthening correctly the methodology of granting and recovering the distress loans. viii. The reason for variance is, the ambulance income and, the income for private tours have been accounted to a sole account. Steps will be taken in future to account these incomes identifying separately.
2.2.4	<u>Lack of Evidence for Audit</u> Due to non-availability of evidence indicated against the following items of account to audit they could not be satisfactorily vouched or accepted in audit.					(a) There are moneys deposited in various institutions since commencement of the hospital. The original documents can't find out. It is practically difficult to find out the documents related to sundry deposits that are old more than 20 years. (b) Approval from the Board of Directors has been obtained for this in the past time and said approval can't find out. Auditors have been informed with regard to that signed by the Director. (c) The creditors and debtors time analysis obtained through the AccPac accounting system has been presented to the audit. Presently it can't be altered as required because it is a Standard Format. The maximum time analysis could be made by the computer software is only in four ranges i.e. 1-30 days, 31-60 days, 61-90 days and above 90 days. Therefore, it is difficult to make the time analysis by computer software as requested. (d) Steps will be taken to provide the information required, after making the necessary changes in the software system. The defects indicated in the Data Mation software are admitted and, the system changes need to avoid said defects are presently being carried out. Accordingly,

	<u>Item</u>	<u>Value Rs.</u>	<u>Evidence not made available</u>
(a)	Sundry deposits	4,189,582	Registers to establish the correctness of sundry deposits older than 20 years
(b)	Service charges	511,644	Approval of the Board of Directors relating to the recovery of only 0.15 per cent of the professional fees as hospital charges
(c)	As at 31 st Decemb er 2017, Debtors Creditor s	128,187,769 477,920,038	Debtors and creditors age analysis prepared in a manner to disclose outstanding periods appropriately.
(d)	Professi onal Charges Recover ies Payment s	356,017,257 289,538,096	Recover and payment of professional charges were made through the 'Datamation Software System' but particulars of professional charges due, professional charges payable and professional charges paid.
(e)	Error correctio n of Hospital charges Revenue	1,010,158,314 1,957,650,245	Journal entries with a formal approval for the 2 error correction transactions

			steps will be taken in future to develop this software enabling to obtain reports via that. (e) We agree with this observation and steps will be taken to obtain approval for same.						
2.3	Accounts Receivable and Payable The following observations are made.								
	(a)	Action had not been taken to settle 15 sundry creditors balances totaling Rs. 4,572,784.00 older than 5 years as at 31 st December 2017, 7 performance bond deposits valued at Rs. 800,907.00 and the payable professional charges of Rs. 3,616,142 or to account being identified as revenue.	The amounts stated here are too old, payable amounts and, steps will be taken to obtain further instructions for this from audit division. It has been proposed to make necessary accounting by identifying initially such amounts as a revenue and, to pay for the relevant persons when they request. Accordingly this will be corrected in future.						
	(b)	Action had not been taken recover of to write off after obtaining a proper approval from the accounts, the hospital charges of Rs. 2,438,514.00 and Rs. 1,698,819.00 due from the Sri Lanka Army and Sri Lanka Air Force respectively receivable prior to the year 2009.	It is admitted that the accounts indicates Rs. 2,488,514.00 and Rs. 1,698,819.00 receivable from Sri Lanka Army since 2009 and, this amount is related to the bills issued in respect of the treatments given for soldiers by the hospital at the war time which had not been settled by the government. This is a cost generated in respect of the treatments given for soldiers involved with war and therefore steps will be taken to inquire from the Board of Directors whether it will be borne by the hospital.						
	(c)	Action had not been taken to get the salaries of Rs. 1,112,280.00 and Rs. 3,312,066.00 paid to the intern medical officers in the years 2013 and 2016 reimbursed from the Ministry of Health, Nutrition and Indigenous Medicine even by 30 June 2018.	Payments made for the officers aforesaid related to March 2013 have not been reimbursed by the Ministry of Health and, the voucher pertained to that had been submitted on 20.03.2013. Reminder letters related to that have been sent the Ministry and, steps will be taken further to recover this amount. Everything receivable related to 2016 have already been recovered.						
	(d)	A salary advance of Rs. 87,000.00 paid to medical officer in the year 2015 had not been settled even by the end of the year under review.	Steps will be taken to recover the relevant amount from the gratuity of said Medical Officer						
2.4	<u>Non-compliance with laws, rules, regulations and management decisions :</u> Non-compliances with laws, rules, regulations and management decisions are given below.		(a) The requirement in terms of General Contractual Agreements Act No. 3 of 1987, has taken into consideration since 2016. Accordingly, tenders had been called indicating; this requirement should be fulfilled for the tenders above Rupees 5 Million carried out within said year. But it had not been identified that this requirement is a factor to issue tender documents so that, the tender documents had been issued without said certificate. This had been occurred due to the unawareness of the staff engaged with the relevant tasks. But after making aware of						
		<table><tr><td></td><td>Reference to Laws, rules etc.</td><td>Non-compliance</td></tr><tr><td>(a)</td><td>Public contract agreement Act No. 3 of 1987</td><td>According to the Act, the contractors present for contracts more than Rs. 5 million, he and that public contract agreement should be registered under the</td></tr></table>		Reference to Laws, rules etc.	Non-compliance	(a)	Public contract agreement Act No. 3 of 1987	According to the Act, the contractors present for contracts more than Rs. 5 million, he and that public contract agreement should be registered under the	
	Reference to Laws, rules etc.	Non-compliance							
(a)	Public contract agreement Act No. 3 of 1987	According to the Act, the contractors present for contracts more than Rs. 5 million, he and that public contract agreement should be registered under the							

			Public Contract Registrar. Nevertheless, the contractors who had been awarded 3 construction contracts the total cost of which amounted to Rs. 175,827,708 and a contract, the total cost of which amounted to Rs. 58,562,300 awarded for the purchase of a medical instrument had not registered those contract agreements.	them with regard to this requirement, tender documents had been issued only upon taking this certificate. Accordingly, the reasons mentioned above had affected for non-availability of said certificate in respect of the tenders stated above.
	(b)	<u>Financial Regulations of the Democratic Socialist Republic of Sri Lanka</u>		(b) (i) Accidents occur to which involve the vehicles belong to the hospital reserve are reported to the police and, several occasions available that accidents occur to which involved the vehicles assigned personally to the officers had been omitted upon the requirement of said vehicle. Steps will be taken to act in compliance to F.R. 103 (I) and 104 (1-(a)) above.
	(I)	Financial Regulations 103(1)(a) and 104(1)(b)	Preliminary investigations had not been conducted in respect of 8 vehicle accidents occurred in the years 2016 and 2017 and bit determined the responsible persons.	(b) (ii) The general method in issuing a cheque is, the Identity card of the cheque receiver is inspected and next issue the cheque. But we admit that Identity Card Numbers have not been noted in the register by an oversight. Further in many occasions, the Identity Card of Specialist Doctors can't be checked because they don't bring it with them when paying the professional charges. Steps will be taken in future to arrange a systematic methodology for this.
	(ii)	Financial Regulations 389(a) and (b)	Cheques must not be handed over to a payee unless he is properly identified. Nevertheless, cheques valued at Rs. 10,074,565.00 as professional charges had been handed over to 58 Medical Officers during the month of January 2017 without being ensured their identify.	iii. We admit that the fixed asset survey in the hospital had not been conducted continuously and annually. But the Board of Surveys had been conducted since 2016 but, thereafter the it couldn't conduct in 2017 due to certain practical difficulties. We will plan to conduct the board of survey in 2018 with the approval of the Board of Directors.
	(iii)	Financial Regulations 756(1)	Even though on or about 15 th of December each year a Board of Survey should be appointed for the verification of stores, and where necessary for reporting on unserviceable stores held in each divisions and branches, the Board of Survey functions relating to the year 2017 had not been conducted even by 31 st July 2018.	(c) We admit that the limit of distress loan granted for government employees should be the lower amount out of Rs. 250,000/- or the gross salaries of 10 months, as stated in the audit query. We assure to act in compliance to the Public Administration Circular of Budget Circular, revising the existing method after making aware of the Board of Directors.
	(d)	Budget Circular No. 133(1) dated 09 th March	In terms of the circular instructions, the maximum distress loan to be granted to an employee had been	(e) Officers use the reserve vehicles only in such occasions where an urgency exists for the duties in the hospital, but steps will be taken in future to minimize this.

		<p>2007 and Public Administration Circular No. 30/2008 dated 31st December 2008.</p> <p>limited to Rs. 250,000.00. Nevertheless, distress loans ranging from Rs. 258,114.00 to Rs. 399,346.00 had been issued to 106 employees during 9 months ended 30th September 2017 from January 2017 and the total value, exceeding the maximum loan entitlement amounted to Rs. 6,758,503.00.</p>		
	(e)	Public Enterprises Circular No. PED/2015 of 25 th May 2015.	Even though, the officers who have been allocated an official vehicle or who obtain transport allowance including the fuel allowance should not use pool vehicles, 6 officers in the hospital had used 6 pool vehicles for travelling 2,191 Km.	
	(f)	Treasury Circular No. 842 of 19 th December 1978	A register of fixed asset had not been prepared in accordance with the relevant circular.	
3.	Financial Review			
3.1	<p>Financial Results</p> <p>According to the financial statements presented, the operations of the Board had resulted in a deficit of Rs. 149,619,386.00 for the year under review ended 31st December, as compared with the deficit of Rs. 175,818,975.00 for the preceding year, thus improving the financial result of the year under review by Rs. 26,199,89.00 as compared with the preceding year. Even though the operating expenses of the hospital of the year under review had increased by Rs. 306,785,959.00 as compared with that of the preceding year, the revenue of the year had also increased by Rs. 340,926,448.00 and this had mainly attributed for this year improvement.</p> <p>In the analysis of financial results of the year under review and the preceding 4 years, surpluses of Rs. 92,286,361.00 and Rs. 720,613,254.00 had indicated in the year 2013 and 2014 respectively, and deficit of Rs. 352,618,182.00, Rs. 175,818,975.00 and Rs. 149,619,386.00 had indicated in the years from 2015 to 2017. However, employees remuneration, government taxes and depreciation on non-current assets had been re-adjusted to the financial results, the contribution of the Board amounting to Rs. 1,026,310,304.00 in the year 2013 had improved up to Rs. 1,477,876,821.00 by the year under review being fluctuated.</p>			

4.	<u>Operating Review</u>	
4.1	<u>Performance</u>	
4.1.1	<u>Planning</u> <p>According to the action plan prepared for the year under review, sums of Rs. 1,300 million, Rs. 68 million had been provided for the construction of paying ward complex, male nurses quarters and workshop building respectively. However, sums of Rs. 750 million, Rs. 75 million had only been provided in the Master Procurement Plan.</p>	<p>The Action Plan has been prepared including all constructions and other activities that should be done in the hospital. Accordingly, it has been prepared by the Planning Division. The Procurement Division also has prepared a plan costing Rs. 29,980 million to which including all projects contained in the Action Plan, in preparing its Procurement Plan for 2017, to obtain capital provisions. Accordingly, it has been submitted to the ministry requesting Rs. 400 million for female nurses' hostel, Rs. 200 million for administrative building, Rs. 80 million for male nurses' hostel and Rs. 80 million for work site building. But only capital provisions of Rs. 1,000 million has been allocated said year.</p> <p>Accordingly, only few projects that were included to the Action Plan and to the Basic Procurement Plan, could implemented in said year. Accordingly, the Procurement Plan was re-amended and prepared for projects costing Rs. 1,000 million. The female nurses' hostel and administrative building have not included to aforesaid amended plan. Those two projects have not been included to the plan because they should be implemented under the ministerial Procurement Committee approval and based on the assumption of said projects won't be implemented up to the tender award within said year according to tender procedures. Accordingly, all projects contained in the Action Plan can't implement practically within the expected year because the provision received for same is not sufficient.</p> <p>However, we admit that there some variance between the estimated values for the projects and, necessary instructions have been given to fulfill this in future with a good coordination.</p>
4.1.2	<u>Operation and Review</u> <p>In the examination of the action plan prepared for the year under review and the physical and financial progress report, it was observed that the procurement functions of 3 projects, the estimated value totaling Rs. 700 million had delayed and due to weaknesses in the contract process of 2 projects totaling Rs. 153 million the contract period had delayed for period ranging from 01 month to 10 month as per the relevant agreements.</p>	<p>Reasons for the delay of projects indicated are correct and, the projects mentioned in the Action Plan couldn't complete on the dates specified, due to said reasons. Progress as at 30th June 2018 has shown and, a further progress has shown by now. Accordingly, following progresses have been achieved as at 20th August 2018.</p> <p>(i) The building consists with 2 parts and, slab of the second floor in one part has</p>

		<p>already been completed. The structure need to make the slab for second floor in the other part is being made.</p> <p>(iii) Slab of the second floor has already been completed. Placing of beam pillars need to make the slab of the third floor has been commenced.</p> <p>(iii) Slab of the second floor has already been completed and construction of walls in the first floor has been commenced.</p> <p>(iv) The boundary walls of the hospital should have been constructed prior to construct the building and therefore, about 100 feet out of that has been constructed and, placing of beam pillars need to make the slab of first the floor has been commenced.</p> <p>(v) Issuing recommendations of the Technical Evaluation Committee was delayed due to several instruction that should be obtained from the Electricity Board and, recommendations of the Evaluation Committee have been submitted to the Procurement Committee for approval by now.</p>
4.2	<u>Management Activities</u>	<p>The Hospital charges revenue for the year ended 31st December 2017 amounted to Rs. 2,100,844,980.00. However, except drugs and surgical material charges, a pricing committee had not been appointed to determine the other charges and the manner in determining other charges or basis had not been included in the Computer Software System. Similarly, although hospital charges such as medical operations, various types of tests and other service charges had been revised from time to time, a formal approval had not been obtained thereafter.</p> <p>The Pricing Committee is in action for the services rendered by the hospital. The Deputy Director, the Medical Officer-in-Charge of Planning Division and, the Accountant (Revenue and Control) act as the Chairman and, other permanent members of the Pricing Committee respectively. In addition to that, a representative of the unit providing services for pricing also acts as a Member of said Pricing Committee.</p> <p>After computing this price, a method of approving the proposal in relation to that by the Management Committee is implemented in the hospital.</p> <p>But this price computation has limited only for the tests commenced newly in the hospital. As pointed out by this audit, it has been proposed to launch this pricing for every service via this Committee.</p>
4.3	(a) <u>Operating Activities</u>	<p>The following observations are made.</p> <p>An instruction manual, containing and appropriate methodology and procedures for this Hospital, accorded with the General Circular No. 01-21/2015 dated 28th May 2015 issued by the Ministry of Health, Nutrition and Indigenous Medicine in respect of the supply of raw foods to the Hospitals and to provide foods to Junior Staff, had not been prepared and get it approved by the Board of Directors. The following observations are made in respect of the supply off raw foods.</p>

	<p>(i) The Weekly food programme prepared by the Head of Institution to get the assistance of the Food Management Committee for its preparation had not been given to the relevant Divisions and action had not been taken to prepare the monthly supply requirement of raw foods accordingly.</p>	<p>It is practically difficult to our institution to use the circular issued by the Ministry of Health in providing meal for patients and employees.</p> <p>Reasons :-</p> <p>Meals are not provided for a patient in a government hospital within first 24 hours after he/she admitted and, money is charged from the patients in our hospital so that, meal should be provided from the time he/she admitted to the hospital until discharged.</p> <p>Appropriate changes also should be made for the meals upon request of the patient, especially in paying wards (no loss would incur to the hospital by this).</p> <p>Also, deciding of the additional quantity of meals considering the special nutritional needs of each patient, is done by the Nutritionists.</p> <p>The nutritional needs (according to the disease) of patients and the quantity of meals, in many diets stated here are too contradictory.</p> <p>Eg. :-</p> <p>Meat/fish for a diabetic patient in his/her meal has prescribed only 30g., which means 01 Kg. of broiler should be shared among 33 patients.</p> <p>The daily energy requirement for a kidney patient is apprx. 1800-2000 K.Cal. and, the daily energy requirement of the kidney patients mentioned here is about 1300 K.Cal. Also, their protein requirement is 40g-50g and, amount mentioned here is 30 g.</p> <p>25g of gram/Cowpea (කළු)/green gram has provided for a patient for his breakfast i.e. ½ cup, which means this quantity doesn't provide the nutritional need of said diet as well as it is however not sufficient to quench their hunger.</p> <p>Preparing of diets for the patients according to their nutritional needs, implemented in our hospital is done by the Nutritionists with the assistance of Chief Chefs and, said diets are provided to the Supplies Division.</p>
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			<p>Eg. : Light diet Normal Diet Diabetic Diet Renal Diet Dialysis Diet</p> <p>These meals are ordered as additional meals upon patients' needs (based on the instructions of Nutritionists)</p>
	(ii)	Action had not been taken by the Doctors in each ward to note suitable dietary circle of each patient in terms of extra foods of the patient in his bed head ticket and to certify it personally.	The type of diet is written over the bed head ticket by Medical Officers / Nursing Officers which won't be happened occasionally. The type of diet of the relevant patients should be mentioned compulsorily when placing orders for diets via computer system which is presently being implemented.
	(iii)	At the first day of each month, in respect of all residential patients, functions such as preparation of new dietary meal record, computation of number of meals required per day by summarizing dietary meals of each patient and comparison with number of patients available as at that date, adding extra food record every day posting summaries or such food in the reconciliation etc. had not been performed.	A diet order sheet for every ward / division in our hospital is being prepared before 9.30 am. which is approved by the Officer-in-Charge of the ward and next referred to the Supplies Division and kitchen. Although raw materials are provided based on the number of patients existed on the previous day, meal should be provided for all patients on the existing day and therefore, the Buffer Stock is used in case the number of patients is higher (on the existing day) than the number of patients on the previous day. As well, if the number of patients is less (on the existing day) than the number of patients on the previous day, said raw materials are returned together with the Buffer Stock from which minimize the wastage.
	(iv)	Registers establish whether order had been placed by reducing a certain percentage of raw food having being examined the wastage of balance cooked foods, had not been maintained.	A percentage from the meals provided for employees was deducted by the Director based on the information provided by the Nutritionist, considering the employees' meal consumption.
	(v)	Filed documents and information to establish whether random sudden tests were conducted and taken action in respect of weaknesses observed thereon were not made available.	Random checking are done by the Operational Human Resources Manager, based on the instructions given by the Director.
	(vi)	Registers to ensure whether samples were shown before being distributed cooked foods, checking that hospital employees had taken foods by producing food coupons and whether prescribed quantity of foods had been given to employees.	Coupons are issued to the minor employees who come for duties on daily basis to get their meals and, said coupons are collected back by meal keepers when giving out the meal and, finally they are listed.
	(vii)	A food management committee for the management of ordering, receiving, cooking and distribution of raw food stuff in a manner, incurring a minimum cost had not been actively in operation.	Although it is practically impossible to comply with the circular based on reasons aforesaid, instructions have been given by the Director to appoint a Food Committee.
	(viii)	Appropriate specimen forms had not been introduced for ordering accounting, documentation and control of food stuff.	Forms approved by the administration are used for these activities in our hospital.

(b)	The clinical waste incinerator purchased on 30 th November 2016, incurring an expenditure of Rs. 23,544,099.00 had been given on lease rent to a private entity since 01 st August 2017 at a monthly rental of Rs. 900,000.00 for 3 years. The following observations are made in this connection.	
(i)	Without following the tender procedure as stated in Regulation 774 of the Financial Regulations of the Democratic Socialist Republic of Sri Lanka, the entry to which the machine was given on rent had been selected.	<p>The clinical waste of the hospital is disposed by GFC Waste Management (Pvt) Ltd. since a number of years and, a Public – Private Partnership (PPP) proposal was referred to the Board of Directors to collect the clinical waste of other hospitals utilizing the high capacity of this machine as well as utilizing the ability of burning the clinical waste in other hospital too and, to burn said wastage deploying the hospital staff or their staff and, investing Rs. 15 million by said institution too.</p> <p>As a Pilot Project, taking into consideration the reliable relationship built with the hospital and said institution since a number of years, Encare (Pvt) Ltd. (Sisiliana), the sole institution in Sri Lanka who disposes the clinical waste of hospitals agreed to do this task based on the directive given the Director General of Health Services but it didn't fulfill this task duly and, made very bad situation to the hospital and therefore, the Board of Directors has decided to sign this Pilot Project with GFC Waste Management (Pvt) Ltd.,</p>
(ii)	According to the agreement entered into on 28 th July 2017, that entity should pay a monthly rental of Rs. 900,000.00 to the hospital but any money whatsoever had not been recovered from 01 st August 2017 to 30 th June 2018.	Invoices have been issued by the hospital to GFC Management (Pvt) Ltd., from September 2017 to March 2018. However, the problem arisen with regard to burning the clinical waste was investigated by a committee and the report issued by said committee corroborates that parties (02) had been entered into the agreement without having a formal study. Accordingly, recommendations contained in the investigation report have been referred to the Board of Directors. According to the Board Decision No. 427:08:1, it has been decided to recover Rs. 150,000.00 and Rs. 450,000.00 covering the periods from September 2017 to June 2018 and, from July 2018 to December 2018 respectively.
(iii)	The cost of 3,644 liters of kerosene costing Rs. 174,902.00 which had been pumped to the machine at the time of handing over to the contractor had not been recovered from him	Invoices in respect of the quantity of Kerosene had in this machine as at the date of this machine was handed over to said institution were submitted on 28.12.2017 to recover Rs. 174,902.40 but we admit that it had not been paid to the hospital. Steps will be taken to recover said amount forthwith or to amend the agreement enabling to charge an amount equivalent to

			said quantity of Kerosene had in the clinical waste burning machine as at the date of said machine is handed over to the hospital, as agreed verbally.
	(iv)	The number of clinical waste disposed of by the hospital daily had been about 250 kg to 30 kg but without doing proper study thereon, a machine with daily capacity of about 1200 kg had been purchased. The quantity of waste burnt during the period of 13 months from 01 st December 2016 to 31 st December 2017 had been only 184,187 kg and as such only 39 per cent of the total machine capacity had been utilized. Even though, the machine had been rented by expecting to combust clinical waste obtained from other private Hospitals and Health entities, the intended purpose was not achieved.	The normal clinical waste collected in the hospital is about 300 kg. per day but this machine had been purchased with the objective of earning an additional income by burning the clinical waste of external institutions, so that this machine is in a capability of burning 1200 kg. clinical waste, which is suitable machine that purpose. Measures have been taken to rent out this machine on monthly rental basis, to achieve the same objective. Accordingly, clinical waste from 900 kg. – 100 kg. collected from government and private hospitals such as Asiri Hospital, Hemas Hospital of Thalawathugoda, Castle Street Hospital for Women, General Hospital of Matara is burnt by this machine.
4.4	Staff Administration The following observations are made.		
	(a)	Action had not been taken to prepared and get a formal scheme of recruitment and promotion approved in respect of recruiting persons for the posts of the hospital, promotions and grading even up to 31 st December 2017.	A formal recruitment and promotion procedure is presently being implemented for recruitment, promotion and grading of the permanent staff in the hospital. Approval for recruitment, promotion and grading of the junior staff (PL1, PL2, PL3) has already been obtained and, steps are being taken to obtain approval for recruitment, promotion and grading of other staff.
	(b)	In terms of the approval of the Board of Directors dated 22 nd May 2015, an IT Consultant had been recruited on assignment Basis since 08 th June 2015 and a total sum of Rs. 3,720,000.00 had been paid as allowances at Rs. 20,000.00 per month during the period up to 31 st December 2017. The following observations are made in this connection.	
	(i)	According to the relevant letter of appointment, this officer should come to the hospital and work for 3 days a week between the period of 2 to 4 hours a day and the monthly allowance should be paid after getting confirmed by the Supervising Officer that he had engaged in service and the expected service had been obtained. However, without getting confirmed the attendance by written evidence and got the relevant service performed, allowances had been paid.	Mr. Nuwan Dehigasipitiya – the Information Technology Consultant reported for duty in this hospital with effect from 09.06.2015 his arrival and departure was monitored under the Director's supervision. An attendance register was maintained on behalf of him.
	(ii)	According to the letter of appointment, he should have performed such duties as the improvement of the existing information technology system by precluding system weaknesses, assisting to operate 'Systolic and Accpac' Computer Software	In relation to the tasks fulfilled by this officer as the Information Technology Consultant, meetings have been held at the end of every month together with the hospital management making aware of the

		satisfactorily in respect of accounting and billing hospital charges, rendition of deficiencies identified therein and reports on solutions for those deficiencies monthly as required by management. But, it was revealed that no any such reports whatsoever had been presented.	management to discuss about the tasks completed by him, the defects identified and the expenses incurred to tackle with said defects. The said discussion had been held for the clients contribute really towards the task specially.
	(iii)	The first appointment had been given for 6 months and the service period had been extended from 6 months subsequently. However, it was not established in audit that he had identified system faults in respect of accounting and billing and presented solutions for faults.	Meetings had been held from time to time making aware of the hospital management and, Mr. Nuwan Dehigaspitiya – the Information Technology Consultant had been worked in the institution from 08.06.2015 to 07.12.2017 making aware of the hospital management with regard to the progress achieved upto now, about the defective situations and, the remedies in relation to that.
5.	<u>Sustainable Development</u>		
5.1	<u>Reaching Sustainable Development Goals</u>		
		The Hospital was not aware about the Circular No. NP/SP/SDG/17 dated 14 th August 2017 issued by the Secretary to the Ministry of National Policies and Economic Affairs and the 2030 'Agenda' of the United Nations on Sustainable Development. As a result, action had not been taken to identify Sustainable Development Goals, targets and turning points to achieve those targets and indicators to measure the reaching of those targets, in respect of functions coming under the purview of its scope	Sustainable development objectives are achieved in ministry and department level. This is not a measure carried out alone by our hospital level. In comparing with the above measure, it is not practical to our hospital to involve with this measure as an individual institution. Further, the development works in the hospital are carried out by a duly prepared Corporate Plan and, Other hospitals also join to the relevant sustainable development measure via ministries, departments but not alone.
6.	<u>Accountability and Good Governance</u>		
6.1	<u>Procurement and Contract Process</u>		
6.1.1	<u>Procurements</u>		
	(අ)	The contract for the purchase of 5 electric bed Lifts, the contract value of which amounted Rs. 53,833,744.00 awarded to a private company in the previous year and 83 per cent of the contract sum amounting to Rs. 44,618,959.00 had been paid on 17 th February 2017. The following observations are made in this connection.	
	(i)	Remarking that the old 5 electric lifts, with operational condition was defective, they had been disconnected and removed. However, the recommendation of a Board of Survey appointed including technical officer for such removal had not been obtained in terms of Financial Regulation 770.	It is true that the electric lifts were in operative condition. But these lifts are old about 33 years which had been installed at the commencement of the hospital. The maintenance cost of these lifts within past few years was too high and occurred various problems while in operation them. In many occasions, any one of these lifts stops at any floor, its ground level stays below or above the said floor's ground level. At such times, taking into or out the beds and chairs carried away the patients was too difficult, which was fast affected to the patients in critical condition. Considering such matters, the hospital management planned to purchase new lifts throughout several years but couldn't implement because no provisions were

		<p>The practical conditions of those lifts affect directly to the patient care service and we don't think that installing new lifts after removing the old ones, is a fault. Further, it is a practically difficult task to purchase new lifts after becoming fully inactive the old ones. As too long time consumes to obtain provisions, to select a supplier following the tender procedure and to install them, we should work always with a pre-alert aiming to minimize the risk, which should have compulsorily in a hospital render the patient care services. Further, we must say that these lifts were not in a 100% operative level. *</p>
(ii)	<p>In terms of Guidelines 6.3.6 of the Government Guidelines relating to the purchase of this lift, bid opening functions should be recorded in a specimen form. However, a specimen form had not been used thereafter and the bid opening record maintained thereafter had not been signed by any member of the bid opening committee.</p>	<p>Several prescribed forms are maintained. Two officers were present at the bids opening and, all bidding files had been signed by them. They had not signed over the bidders' register at the bids opening and, the documents kept to mark the bidders attendance, which we admit as a defect. But such defects have been make good by now.</p> <p>Further, it is practically difficult to maintain all forms related to the opening. One day per week has reserved to open tenders where more than 10 tenders/quotations are opened. It is also difficult to note down all that data over the forms. But forms equivalent to that, are prepared by Supplies Division and referred to the Evaluation Committee. However, steps will be taken in future to maintain the prescribed forms.</p>
(iii)	<p>According to the specifications included in the bod documents, a performance certificate in respect of utilization of relevant lifts externally from the country of manufacture and a test report relevant to the entire machine from a recognized independent testing authority had not been rendered by the bidder but the bidder had been selected disregarding that requirement.</p>	<p>Except fire rated doors of the traction machine in the Inspection & test report, all other parts belong to the Traction machine and therefore contain all that certificate.</p> <p>Supply, installation and testing after making active these lifts were conducted by PS Jaysoma & Partners and, certified to purchase them (for all lifts)</p>
(iv)	<p>Even though, 14 days within 14 days since the date of awarding the contract and before the commencement of works, the bidder should present the working drawings for the approval of the Electrical Engineer as stated in the Technical specifications, that requirement had not been fulfilled.</p>	<p>The relevant Working Drawing had been certified by Mr. Siriwardhana – Consultant, after presenting them by Melco institution. These Drawing had been used to know the necessary information and for observations. Copies of above could be observed.</p>

	(v)	<p>As stated in the technical specifications, before being dispatched lift materials from the factory of the relevant manufacturing entity, two nominated inspectors should be given a factory inspection visit for the inspection of quality assurance of machine components. However, after 9 months of the receipt of lift materials to the hospital, that visit had been given and as such the anticipated objectives were not achieved.</p>	<p>Factory testing tour planning had been given late by the Melco institution and, production process of lift parts, quality testing of each part and machine operation were tested and, could obtain a due understanding with regard to that.</p> <p>An officer from Melco institution, Mr. Siriwardhana (Consultant) of the consultative company appointed by the hospital and, the Maintenance Engineer had been participated for this quality test. Also, the above process is conducted for all lifts manufactured in the factory and, the lift parts supplied to the hospital were tested and, certified.</p> <p>As aforesaid, an understanding about lifts could obtain via the factory test.</p>
	(vi)	<p>As agreed by the bidder, all 5 lifts should be supplied and installed by 08th April 2017 being elapsed 8 months from 08th August 2016, the date of issue of purchase order. Nevertheless, 3 lifts of them had not been installed and issued the handing over certificate even by 31st August 2018.</p>	<p>The hospital management has understood that it is essential to keep in operation 3 lifts for the purpose of day to day operations in the hospital, to move goods & guests up/down and, to keep maintained the patient care duly. As agreed by the bidder, the new lifts were changed under several steps. Initially, lift No. 1 and 2 were changed and, other 3 lifts were changed in 2 occasions so that such time had consumed to install all new lifts (05 Nos.). This process could carry on without making any disturb to the patient care services, which is a benefit to the hospital</p> <p>The old lifts (No. 3 & 4) were dismantled and removed, installed two new lifts (No. 3 & 4), brought them to operative position and handed over to the hospital on 09.01.2018 to use them (Annexure 6.1.1(a) (iv, vi).</p> <p>As stated above, lift No. 05 was brought to operative position and handed over to the hospital on 25.07.2017 to use it. Copies have annexed. Electronic Touchless Human Door Sensors (full height) have fixed for all 5 lifts. This could be confirmed by a practical observation. Communication between Main control room and lift cable is presently been done by the Interphone system and, ETA Melco has informed in writing with regard to this delay. They were finally informed in writing on 13.09.2018.</p>
	(vii)	<p>In terms of specification No. 14 state to the bid documents, the width of a lift cabin should be 1,500 mm., but the width of lift cabins bearing No. 1, 2, 3 and 4 had been only about 1,200 mm. and the physical verification observed that the width of the</p>	<p>Tender documents were prepared with the support of best standard BS – 5655 (British Standard) specifications in the world for electric lifts and, EN 81 (from page 89) used in European countries and therefore</p>

	<p>lift cabin N. 5 had only been about 1,500 mm. The responsibility of the certification of these actual measurements obtained by auditors had been evaded by the maintenance Engineer of the Hospital.</p>	<p>according to the counter weight of modern technical machines for bed carrying lifts should be in operation up/down by aside the lift vehicle (Latest Technology incorporated with Microprocessor controller and inverter power drive with feedback Technology).</p> <p>But the counter weight unit in the old lifts that were manufactured 32 years ago is operative up/down back to the lift vehicle and, the shaft & machinery room also had been manufactured according to very old technology and, this manufacturing process in not used by any other country in the world.</p> <p>In preparing the tender specifications and, in respect of the taking maximum effort to keep maintained the condition of old lifts, the width & length of old lifts (1500mm and 2300mm) have been mentioned as the width and length of new lifts.</p> <p>But according to Bs-5655 new technology, as the lift shaft was not sufficient to use a lift vehicle in extent earlier measurement, it was decided that the width of new lifts No. 1, 2, 3 & 4 should be 1200 mm and, the width of lift No. 5 should be 1400 mm because the shaft is somewhat large (The Engineers' conclusion was, it not suitable to change the civil condition of the old lift shaft aforesaid).</p> <p>Also, the length of lift vehicles installed is longer by 220mm than the length of lifts existed. However, according to standard BS—5655, establishing of lifts was illegal and therefore could be mentioned that the lifts available for this, are the most suitable lifts for this place.</p> <p>Obtaining of measurements of the electric lift had been assigned to the head electrician by the maintenance engineer and the measurement of the lift was taken by audit officers arrived together with the head electrician.</p>
(viii)	<p>Even though, the contractor had agreed to offer 2 years free of charge maintenance period, it was established that the supplier had not carried out proper services when malfunctioned the machines in several instances after being installed.</p>	<p>After installing the electric lifts by ETA Melco (Pvt) Ltd., the monthly maintenance services had been carried out duly under cost free maintenance agreement for 2 years. Reports pertained to that are available with us. The said company was verbally informed about the breakdown in any lift (total 5 lifts), occur in addition to above. A note pertained to that has been placed in 10 log book. The defect had</p>

			<p>been restored by the institution within a short time, sometimes in delay. But every occasion restored the lifts have been noted in the 10 log book by the electricians.</p> <p>As a whole, the breakdowns had been restored by Melco institution and long term breakdowns (24 hours) had not been occurred. Under this circumstance, we can satisfy about the services rendered by the Melco institution.</p>
	(b)	A digital Mammography machine had been purchased in the year under review, incurring an expenditure of Rs. 58,525,000.00 and the matters observed in this regard are given below.	
	(i)	In terms of guidelines 5.3.2 of the government procurement guidelines, the invitation for calling bids should be published in a manner, inclusive of appropriate and relevant basic information required by the bidder enabling him and relevant basic information required by the bidder enabling him to prepare bids, including the requirements on criteria and qualifications are to ensure directly the appropriateness on criteria and qualifications as to ensure directly the appropriateness to be available with the successful bidder. Nevertheless, bid invitation had been published only for the supply of machine instead of publishing all functions such as supply install and maintenance.	<p>The newspaper advertisements to call bids had been done properly. As pointed out here, the newspaper advertisement was containing only about supply of said equipment. But bidding documents for this tender had been purchased by 6 institutions and there had been a sufficient contest. Further, such machines are manufactured only by very limited manufacturers in the world and, every such institution had been represented.</p> <p>Further, the newspaper advertisement states that relevant bidding document could be checked free of charge. Accordingly, any institution interested for this could read the bidding documents. Therefore these statements can't be admitted.</p>
	(ii)	In terms of guidelines 6.3.6 of the government procurement guidelines, the bid opening functions should be recorded in a specific form but a specific form had not been used therefore and the signatures of the bidders or their representatives had not been obtained for the bid opening record maintained.	<p>A separate file is maintained containing forms signed by the representatives of the bidders confirming their participation to the bidding opening event. It could have been provided in case the audit requested.</p> <p>Tender openings are done once a week by the hospital and more than 10 tenders are opened per day. Obtaining signatures for tenders one by one are difficult and, one list of signatures of the representatives participated the tender opening is taken which is maintained in a separate</p> <p>Accordingly, the procurement procedure had been done according to the procurements recommendations</p>
	(iii)	Even though, a table showing the compliance of all bidders with major provisions in the technical specifications should be prepared and presented to the procurement committee by the Technical Evaluation Committee in terms of guideline 7.11.1 of the government procurement guidelines, action had not been taken accordingly.	<p>After evaluating the compliancy of the technical specifications, various methods were used to prepare the report and, we were made aware by the Hospital Procurement Committee since 2017 to use the table method. Accordingly, we were compelled to use the table method. The specification evaluation report of the tender had been prepared according to the general method existed previously in our</p>

			institution. Accordingly, all specifications had been inspected after the primary evaluation conducted.
	(iv)	The bid presented by the selected bidder had included the foreign and local training to be given to the relevant officers but such a training had not been given even by 28 th February 2018, though the machine had been handed over to the Hospital on 10 th February 2017. However, the total contract value had been paid to the contractor.	The equipment's value and all other expenses should be included to the total cost computed at the technical evaluation process. The special training is a compulsory technical specification and therefore, the expense incurred for that should not however be ignored. Accordingly, the said cost also had included to the value here.
	(v)	As the audit revealed that this machine could be able to do about 20 breast cancer tests per day, about 3,200 tests could have been carried out during the period of 8 months from 23 June 2017 to 28 th February 2018 when calculated as considered 20 working days per month. However, only 449 tests had been carried out during that period and as such the capacity utilization of this machine had been at low level of about 14 per cent.	The monthly data given by us are correct. Also the number of tests could done in a day is correct. No waiting list is maintained by us for these tests and, they are done on the due date as and when required by the patients. Although only 20 testes per day could be done by this machine, all said 20 tests are not done because no demand for number of tests per day and, you are informed that 20 tests are not done.
	(c)	A flow cytometer machine enabling to identify blood cancer had been purchased in the year under review by incurring and expenditure of Rs. 21,450,000.00 and the matters observed in this connection are given below.	
	(i)	Even though, the estimated value of this machine included in the medical equipment list, expected to be purchased in the year 2016 amounted to Rs. 8 million, the actual expenditure incurred was Rs. 21.45 million, thus exceeding the estimated amount by 168 per cent.	We intended to purchase this machine under the financial statements of 2016 and, the provisions allocated for said year. Accordingly, it was estimated that the equipment may cost for about Rs. 8 million. Such machine had not been purchased previously and this amount was allocated based on a rough estimated value. But after calling tender, the selected equipment was of Rs. 21.45 million. This is higher by 168% than the estimated price. Estimate for such equipment can't be done 100% correctly and purchasing was done based on a rough estimate so that such changes may be occurred. Effort will be taken to minimize such incidents.
	(ii)	In terms of general condition No.(1) relating to the specification of the machine, the certificate of the National Drugs Regulatory Authority relating to the type or category of the machine supplied by the bidder should be submitted. However, irrespective of the non-remission of that certificate, the contract had been awarded.	<p>A copy of the application together with the number of CDDA (NMRA) registration certificate, referred to renew the registration, has been given together with the tender. Recommendations based on that had been issued and, approval also had been granted.</p> <p>However, it is compulsory to obtain presently a copy of the NMRA certificate and, recommendations are issued considering it as the key evaluation factor.</p>

(iii)	<p>Even though, both bidders who had submitted bids had presented bids in respect of machines agreed upon the crucial requirements specifications, the bid presented the lowest price had been rejected stating that a machine supplied before had become malfunctioned. However, it was revealed in audit that such a malfunction had not occurred. Similarly, the contract had been awarded to the bidder who had quoted high price of cost the machine and the maintenance cost by Rs. 10,250,646.00 without being looked into the bidders pre-allegations.</p>	<p>Recommendations issued by the Technical Evaluation Committee had been taken into consideration to award this tender. Both bids submitted in respect of that had confirmed the prescribed specifications but, services of the bidder submitted the lowest price are not satisfactory and, it was the matter considered as the key factor. End user also had been included to this Committee and, this had confirmed by the Specialist Doctor. Further, this recommendation has been issued based on the factor i.e. such equipment had not supplied within Sri Lanka by the bidder submitted the lowest price but, such equipment had supplied by the recommended bidder within Sri Lanka and, their successful performance. This had accepted by the Procurement Committee. Although the financial factor had not been accepted as a key factor, steps had been taken by the Procurement Committee to reduce the maintenance cost from Rs. 10,942 million to Rs. 7,112 million.</p> <p>This purchase had been done accordingly. Further, we can't admit that the contract had been awarded to the selected bidder without investigating pre-charges existed against him. The Technical Evaluation Committee had mentioned in its recommendations in relation to the hospitals purchased this equipment supplied by this supplier and, his service.</p>
(iv)	<p>It was revealed in audit that this type of blood cancer diagnosed by this machine was not reported largely in Sri Lanka and only 32 tests had been carried out during the period of 14 months from 01st March 2017 to 30th April 2018, and no any tests whatsoever had been carried out in certain months.</p>	<p>Blood cancer diseases could be identified very correctly and quickly by the machine installed in the hospital, to ascertain the blood cancer diseases and, the Specialist Doctors can cure the patients suffering from blood cancer, giving quick treatments to those patients who are in a serious condition. This is a latest model machine (8 colour dye) available presently in the hospital and, its usage & results given by it are in the modern nature than the models had previously.</p> <p>Blood cancers such as Leukemia, Multiple Myeloma, Lymphoma could be ascertained by this machine and, the Bone Marrow & Peripheral Blood of patients are used for that.</p> <p>This machine is used safely at the modernized part of Sri Jayawardanepura Hospital under prescribed temperature levels which could be understood by any person who comes to the hospital laboratory.</p> <p>About 22 diagnostics could make by this</p>

		<p>machine within a period of one year since it was installed which is an achievement of the Haematology Division in our hospital laboratory, by which confirms number of such opportunities we may get in the future. Many patients out of above were the patients of Sri Jayawardanepura General Hospital and, the above test had been conducted for the patients came from other private hospitals too.</p> <p>The tests conducted by this machine are too expensive and therefore such tests are conducted only for the patients indeed.</p>
(v)	<p>The audit revealed that 40 antibody vials costing Rs. 4,608,158.00 used for this machine were available in the relevant Division and it could do 3,390 test occasions, and as such it was observed that the machine was under-utilized condition. As a result, 38 vials costing Rs. 4,319,196.00 had expired even by 30th June 2018.</p>	<p>Blood cancer diseases could be identified very correctly and quickly by the machine installed in the hospital, to ascertain the blood cancer diseases and, the Specialist Doctors can cure the patients suffering from blood cancer, giving quick treatments to those patients who are in a serious condition. This is a latest model machine (8 colour dye) available presently in the hospital and, its usage & results given by it are in the modern nature than the models had previously.</p> <p>Blood cancers such as Leukemia, Multiple Myeloma, Lymphoma could be ascertained by this machine and, the Bone Marrow & Peripheral Blood of patients are used for that.</p> <p>This machine is used safely at the modernized part of Sri Jayawardanepura Hospital under prescribed temperature levels which could be understood by any person who comes to the hospital laboratory.</p> <p>About 22 diagnostics could make by this machine within a period of one year since it was installed which is an achievement of the Haematology Division in our hospital laboratory, by which confirms number of such opportunities we may get in the future. Many patients out of above were the patients of Sri Jayawardanepura General Hospital and, the above test had been conducted for the patients came from other private hospitals too.</p> <p>The tests conducted by this machine are too expensive and therefore such tests are conducted only for the patients indeed.</p>
(d)	<p>The contract agreement for the supply of fish to the hospital for the year under review had been signed on 04th January 2017, and the contract value amounted to Rs. 25,950,240.00. The following observations are made in this regard.</p>	
(i)	<p>The preparation of the invitation for the examination of pre-qualification of bidders and their review and approval, preparation of bid documents drafts</p>	<p>We should mention here that the pre-qualifications of bidders have not been taken into consideration. But prior to call</p>

		including specifications and their review had not been submitted to the Technical Evaluation Committee for approval in terms of guidelines 2.3.2(b) and (c) of the government procurement guidelines.	bids, a Technical Evaluation Committee was appointed to prepare the bidding documents & specifications and, referred for their recommendations. Accordingly, the documents i.e. request dated 27.09.2016 to appoint the Committee and, request dated 04.10.2016 to appoint the Evaluation Committee, contain in File No. Q746/16 (to supply fish). Thereafter, the tender drafts had been recommended by the Technical Evaluation Committee according to the prescribed form.
	(ii)	In terms of guideline 2.11.3 of the government procurement guidelines, procurement committee reports and Technical Evaluation Committee report had not been recorded in a specific format.	This can't be accepted and, the Technical Evaluation Reports and, the Procurement Committee Reports had been recommended according to the prescribed form
	(iii)	In terms of guideline 2.1(a) of the government procurement guidelines, a declaration of confidentiality and impartiality had not been given by the members of the procurement committee and the Technical Evaluation Committee.	It is true that this declaration had not been obtained. A large number of tenders/quotations are called annually in the hospital. A large number of Technical Evaluation Committee members also appointed from time to time. Although it is difficult to obtain this declaration from all those persons, necessary steps will be taken to adhere to this.
	(iv)	A total cost estimate relevant to all food supplies requirements had not been prepared in terms of guideline 4.3.1(a) of the procurement guidelines.	The tender procedure to supply raw foods was conducted by the Ministry up to date and, supply of piece fish was done by the hospital. Accordingly, an annual estimate was prepared and given to the ministry but, no formal estimate had been prepared for other food items. But all procurements in future will be done by the hospital and therefore, instructions have been given to make necessary arrangements in conducting procurements for 2018/2019 preparing formal estimates.
	(v)	The standard bid calling documents in terms of guideline 5.3.1(a) to (d) of government procurement guidelines had not been used by the Hospital Board and the suitability of bid documents used in place of them had not been checked and approved by the procurement committee, and the Technical Evaluation Committee.	The standard bids calling documents for the piece fish tender had been issued after preparing the documents relatively complying with said bids calling documents, under the recommendations of the Technical Evaluation Committee and, after approval granted by the Procurement Committee. The defects (in any) in relation to this may be corrected on your instructions.
	(vi)	In terms of guideline 5.3.2 of the government procurement guidelines, the invitation for calling for had not been prepared in a manner, inclusive of appropriate and relevant basic information required by the bidder in order to prepare bids including the requirements on criteria and qualifications ensuring directly the appropriateness to be available with the successful bidder.	It is true that the qualifications of bidders had not been included to the bid invitation. All necessary information are available in the tender documents and therefore, we have mentioned that tender documents could be checked free of cost. Accordingly, the interested parties had chance to purchase the relevant documents after checking them. Steps were taken to reduce the cost incurred for the bid invitation, making it short.

(vii)	According to the guideline 7.10 of the procurement guidelines, criteria for the checking of post qualifications should be clearly stated in the bid calling documents. However, criteria such as similar service supplies for the last 3 years, financial statements data previous performance of hospital supplies etc. had not been included in the bid calling documents.	Only few forms are presently kept at the bids opening event, which had been used for this bid opening too. All forms were not used at the bids opening event considering the practical difficulties, but necessary steps will be taken in future to use these forms.
(ඉ)	In addition, to the list of goods, the monthly value of which amounted to Rs. 7,620,442.00 approved by the Procurement Committee of the Ministry of Health, Nutrition and Indigenous Medicine, the contract for the purchase of 82 extra food items value at Rs. 2,605,056.00 had been awarded on 27 th September 2016 to the supplier who supplied fish and raw food stuff himself without calling for competitive bids. In terms of Guideline 5.4.10 of the government procurement guidelines, a performance bond valued at 10 per cent of the annual contract value had not been obtained and a formal agreement had not been entered in to with the contractor in terms of guideline 8.9.1.	<p>Procurements to supply raw food items to the hospital was conducted by the ministry. Thereby, the list of items related to the tender calling is given by the ministry to the hospital and, next take the relevant amounts of estimates. Although we have informed to refer a list of items purchased by the hospital extraneously to this list, to the ministry and absorb it to the main tender, ministry had approved the prices after procuring only for their list of items.</p> <p>But these raw food items also need for the patients in the hospital and therefore, it is an administrative problem to call separate tenders, so that they were purchased from the supplier approved by the ministry, under the hospital's procurement committee approval. Here, no performance bond had been obtained or entered into an agreement, which we admit that a fault had been occurred from our end. However, this error had been corrected in the following year</p>
(ඊ)	A Cardiac Catheterization Laboratory machine had been purchased in the year under review, incurring and expenditure of Rs. 130,380,000.00, and the matters observed in that connection are given below.	
(i)	Bid Evaluation had not been completed within the period stated in the procurement time table in terms of guideline 7.4.1 of the government procurement guidelines.	(i),(ii),(iii),(iv) Purchasing of Cardiac Catheterization Laboratory
(ii)	The Procurement Committee had not cautiously considered in respect of the recommendation of the technical evaluation committee in terms of guideline 8.1.1 of the government procurement guidelines.	In opening the bids, had been reported according to the forms used by the hospital upto now and, steps will be taken in future to use the forms that couldn't use on practical difficulties.
(iii)	In terms of guideline 8.5.1 of the government procurement guidelines, the other bidder had not been informed that the successful bidder had been selected in accordance with the Decision of the Ministry Procurement Committee and representations against it if any, could be presented.	It should mention that steps had been taken to secure the confidentiality of procurement decisions, by the hospital at every time.
(iv)	A formal letter of acceptance had not been issued to the bidder immediately the bid had been accepted in terms of guideline 8.9.1 of the government procurement guidelines.	Long time had been consumed to evaluate the bids, in the procurement process. The Technical Evaluation Committee for this procurement was consisted representing Sri Jayawardanapura General Hospital, Bio Medical Engineering Division, Ministry of Health and the General Hospital of Colombo. The relevant task couldn't

			<p>complete according to the procurement time table due to the difficulties existed to gather them within one day.</p> <p>It should mention here the procurements can't be made within prescribed time, on such practical difficulties.</p> <p>Hospital can't involve directly with the ministerial Procurement Committees.</p> <p>Prior to give opportunity to submit objections against the selected bids, objections had been submitted by one institution so that, no objections had been re-called.</p> <p>After accepting the bids, it had been informed by an order so that no letters of acceptance had been issued. Issuing order had been followed because it is the general procedure in the hospital.</p>
	(v)	The amount of Rs. 3,030,000.00 allocated for giving a training for 5 officers within the country of manufacture of the machine in respect of the operation of the machine had been paid to the contractor on 30 th April 2018, but such a training had not been given even up to the date of this report.	Although the relevant division had been informed by said institution to give the foreign training, their opinion was to participate this training after using this machine for a certain period because the problems arisen while using it may be solved.
	(vi)	In terms of bid documents presented by the selected bidder, the machine should be supplied and installed in the hospital by 28 th March 2017. However, as the hospital had not taken action to make the walls of the premises proposed to be installed this machine with a thickness of 300 mm, in terms of the regulation of the machine had delayed by 4 months up to 18 th August 2017 and a sum of Rs. 47,980.00 had to be paid to the supplier therefore.	Initially it was planned to remove the old machine and install this machine at that place, but later this decision was changed and, had been decided to leave it at the same place and, install it in a room situated close to said old machine. Accordingly the said premises should be arranged in compliance to the regulations issued by the Atomic Energy Authority so that, about 3 months' delay had been occurred in installing the said machine.
	(g)	Fourteen containers had been taken on rent in the year under review by incurring an expenditure of Rs. 3,903,000.00 but an agreement had not been entered into with the contractor in terms of guideline 8.9.1 of the government procurement guidelines	This had been obtained on rental basis so that parties had not been entered into an agreement and, we admit that it a fault.
6.1.2	<u>Weaknesses in Contract Administration</u>		
	The contract for the construction of workshop and office for the garden and cleaning service staff with the contract value of Rs. 87,019,408.00, exclusive of taxes had been awarded on 09 th November 2016. The following observations are made in this connection.		
	(a)	Even though, the bid opening activities should be recorded in a specimen form in terms of guidelines 6.3.6 of the government procurement guidelines, a specimen form had not been used therefor. Only the name of the bidder had been included in the bid	In opening the bids, inquiries had been made several times relating to the prescribed forms. It had not been done due to the practical difficulties existed in reporting according to the prescribed forms

		opening record used and the particulars such as bid value, prices of alternate bids, value of bid bond etc. had not been included. Furthermore, only one member of the bid opening committee had signed that record.	and, steps had been taken to correct it in future. Further, these bids had been opened since 2016 and, only two members had been present for the bids opening within said period. Only one member out of them had been participated because the other couldn't. No such thing happened in this tender. But it had been corrected after May of said year.
	(b)	Even though, all the bids received should be subjected to primary bid evaluation in terms of guidelines 7.8 of the government procurement guidelines, only 4 bids submitted lowest quotations out of 10 bids received had been subjected for evaluation.	According to the reference 7:9:1 of the government procurement guidelines, only those bids decided as the bids show a substantial responsiveness in the bidding documents i.e. the bids not having material exclusions should be considered for the detailed evaluation. A detailed evaluation had been made by the Central Engineering Consultancy Bureau (CECB) and, all bids had been considered at the preliminary evaluation.
	(c)	If the service of a consultant is obtained for bid evaluation, it should be done under the supervision and guidance of the Technical Evaluation Committee in terms of guideline 7.3 if the government procurement guidelines, but the supervision and the guidance had not been given for the evaluation made by the consultant entity. The Technical Evaluation Committee had presented their recommendations, based on the evaluation report presented by the consultation entity.	Supervision of this project* had been assigned to the Central Engineering Consultancy Bureau (CECB). Therefore, an independent evaluation report was obtained from the bureau and, bids were evaluated under more transparency.
	(d)	In terms of instructions for bidders stated in No. 4.1 (i) of the bid documents, the selected bidder with the 3 rd minimum price had not presented conformation documents ensuring that working capital requirement for works in hand could be fulfilled and the details of works being carried out at present. Similarly, it was established that the bidders financial position was not satisfactory according to the financial statements presented for the last 5 years by the bidder but, disregarding that fact, the technical evaluation committee had recommended to select this bidder.	A description about the works in hand had been submitted together with bidding documents by EMP institution and said documents had been certified by a Lawyer. In comparing the accounts of past years, a positive working capital position had been continued by EMP institution.
	(e)	In terms of guideline 8.9.1 of the government procurement guidelines, an agreement should be entered into by both parties immediately since the issue of the contract awarding latter but the agreement had been signed after 219 days, since the date of awarding the contract.	Certain time had been consumed to handover the project work site after awarding the contract and, execution & signing of the agreement had been delays due to that reason. However according to the conditions of ICTAD, the letter of acceptance could be accepted as an agreement, until the agreement is signed. Accordingly, a legal security had been obtained by the letter of acceptance.
	(f)	According to the condition No. 4.14 of the contract stated in bid documents, the monthly progress reports had not been presented by the contractor. Even though, it was planned to commence the contract on 30 th January 2017 and to complete on 29 th April 2018, due to failure in supplying employees specified and materials with standard from the contractor, the	Several rounds of discussions pertained to this had been held and, progress in constructions has acquired into a certain extent. In considering the complexities could be arisen in case this contract is cancelled, it is carried on by this contractor because we felt it is timely to do so.

		performance of the contract could not be achieved as expected and only the works up to the slab level of the first floor had been completed by 06 th April 2018.																			
	(h)	According to the contract date No. 14.5 stated in the bid documents, the minimum value of an interim bill which can be payable amounted to Rs. 3,200,000, but payments had been made for 2 interim bills, valued at Rs. 1,733,666 and Rs. 1,708,771 presented by the contractor.	This payment had been made based on the recommendations issued by the consulting institution, considering as a special need, based on the delay occurred by dint of the weak financial position of the contractor. However, the contractor had been informed that no such payment will be repeated.																		
6.2	<u>Unresolved audit paragraphs</u> One occasion in which the directives given by the committee on Public Enterprises on 07 th June 2017 was not accomplished is given below. Even though, the Committee on Public Enterprises had directed that the approval for the scheme of recruitment be obtained within 2 months after doing necessary amendments required for the qualifications of the posts of Director, Deputy Director and Accountant, such approval had not been obtained even by the date of this report.		The recruitment procedure pertained to these positions had been submitted to the Department of Management Services seeking approval, which is pending.																		
7.	<u>Systems and Controls</u> Weaknesses in systems and controls were brought to the attention of the Chairmen of the Hospital Board from time to time. Special attention is needed in respect of the following areas of control.																				
	(e)	<table><tr><td></td><td><u>Area of systems and control</u></td><td><u>Observations</u></td></tr><tr><td>(a)</td><td>Fixed Assets Control</td><td>Inclusion of particulars only in respect of fixed assets purchased during the year, in the computer printed register of fixed assets presented to audit and action had not been taken to document all fixed assets after being physically identified and assessed, the values.</td></tr><tr><td>(b)</td><td>Stock control</td><td>Obsolete stock not correctly identified.</td></tr><tr><td>(c)</td><td>Personnel Administration</td><td>Action not taken to prepare the formal scheme of recruitment and get it approved.</td></tr><tr><td>(d)</td><td>Contract Administration</td><td>Action not taken to get the contract works done without delay and action not taken in terms of certain provisions in the government procurement guidelines.</td></tr><tr><td>(e)</td><td>Purchases Control</td><td>Purchase of medical equipment made without being identified the requirements appropriately, action not taken to get the service of the suppliers in</td></tr></table>		<u>Area of systems and control</u>	<u>Observations</u>	(a)	Fixed Assets Control	Inclusion of particulars only in respect of fixed assets purchased during the year, in the computer printed register of fixed assets presented to audit and action had not been taken to document all fixed assets after being physically identified and assessed, the values.	(b)	Stock control	Obsolete stock not correctly identified.	(c)	Personnel Administration	Action not taken to prepare the formal scheme of recruitment and get it approved.	(d)	Contract Administration	Action not taken to get the contract works done without delay and action not taken in terms of certain provisions in the government procurement guidelines.	(e)	Purchases Control	Purchase of medical equipment made without being identified the requirements appropriately, action not taken to get the service of the suppliers in	(a), (b), (c), (d), (e), (f), (g), (h) Defects in systems and controls pointed out at the audit have been referred to the management attention and necessary steps will be taken to avoid said defects.
	<u>Area of systems and control</u>	<u>Observations</u>																			
(a)	Fixed Assets Control	Inclusion of particulars only in respect of fixed assets purchased during the year, in the computer printed register of fixed assets presented to audit and action had not been taken to document all fixed assets after being physically identified and assessed, the values.																			
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(e)	Purchases Control	Purchase of medical equipment made without being identified the requirements appropriately, action not taken to get the service of the suppliers in																			

			terms of conditions of the agreement	
	(f)	Accounting and use of Computer Software	i. Journal entry No, description of transaction, description of double entry not posted to the ledger accounts available.	
			ii. Approval for 3 journal entries totaling Rs. 24,125,003 as at 31 st December 2017 not obtained.	
			iii. Existence of credit balances in 27 debtors accounts totaling Rs. 27,371,267 as at 31 st December 2017.	
			iv. Existence of debit balances totaling Rs. 21,567,527 in 26 creditors account as at 31 st December 2017.	
			v. Non-introduction of separately ledger accounts codes for the accounting of various types of revenue within the "Systolic" computer software, established for accounting hospital charges revenue, accounting various types of revenue under each revenue ledger accounts code, preparation of Trial balance in taking several such ledger accounts and that computer system did not identify a methodology in accounting the refund of hospital charges.	
			vi. It was impossible to obtain Hospital charges and professional charges separately recovered from each patient being treated in paying wards from the "Systolic" computer system and a system for accounting professional charges and a proper control system not introduced.	
			vii. Only a sum of Rs. 511,644 out of the professional charges of Rs. 341,094,920 recovered from the patients on behalf of Doctors and other staff in the year under review, had been credited to the revenue of the Hospital and a cost analysis in respect of the employment of staff for the recovery and refund of	

				professional charges, cost operation of computer software system and bank accounts and other overhead cost had not been carried out.	
		(g)	Financial Control	"Cancelled" seal had not been kept on the face of the cancelled cheques.	
		(h)	Vehicles control	Fuel in the vehicles not tested in accordance with circular instructions.	

6. Future Vision



6.1 Expected Medium Term Actions to Improve the performance of the Institute

Objectives	Activities
1. Improvement of infrastructure facilities at the hospital for patients, visitors and the staff	<ul style="list-style-type: none"> i Construction of nurses quarters (on going) ii Construction of Administration and Finance building with auditorium. (on going) iii Construction of work shop Building (on going) iv Construction of nurses (Male) quarters.(on going) v Construction of 6 story paying ward complex(on going) vi Installation of solar energy panels for all existing roof area of the main building (on going)
2.Expansions	<ul style="list-style-type: none"> i. Expansion of OT complex. ii. New car parking facility. iii. Expansion of the main laboratory. iv .Bio Medical Engineering unit. v. Expansion of Medical checkup unit and its services. vi. Expansion of the Cardiology Unit. vii. Expansion of CSSD Unit viii . Laundry Facilities.
3.Improvements for the existing infrastructure	<ul style="list-style-type: none"> i. Replacing led Lamps in wards (on going). ii Hospitals beds to be serviced. iii. Install registration and billing counters in new building. iv. Improvements of general appearance of hospital entrance and the security check point. v. Reinstallations of fire protection and detection system vi. Purchase of MRI Scanner. (Ordered)& Purchase of other medical equipment
4.Human Resource Development	<ul style="list-style-type: none"> i Develop a skills based training and development plan for all staff. ii. Set up a Marketing and brand development unit. iii. Increase the staff cadre.



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