

## **Sri Jayewardenepura General Hospital Board - 2015**

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The audit of financial statements of the Sri Jayewardenepura General Hospital Board for the year ended 31 December 2015 comprising the statement of financial position as at 31 December 2015 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 Jayewardenepura 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**

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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**

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

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

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

### **1.4 Basis for Qualified Opinion**

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

## **2. Financial Statements**

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### **2.1 Qualified Opinion**

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In my opinion, except for the effects of the matters described in paragraph 2.2 of this report, the financial statements give a true and fair view of the financial position of the Sri Jayewardenepura General Hospital Board as at 31 December 2015 and its financial performance and cash flows for the year then ended in accordance with Sri Lanka Public Sector Accounting Standards.

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

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#### **2.2.1 Sri Lanka Public Sector Accounting Standard 07**

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The following observations are made.

- (a) The sum of Rs.4, 258,177 spent for the development of 9 items of assets of the Hospital had been brought to account as recurrent expenditure without being capitalized.
- (b) The fixed assets costing Rs.1, 678,856,148 had been fully depreciated as the useful life of non-current assets had not been reviewed annually. However, they had still been in use. Accordingly, action had not been taken to revise the estimated error in terms of Sri Lanka Public Sector Accounting Standard 03.

#### **2.2.2 Accounting Deficiencies**

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The following observations are made.

- (a) Provisions for gratuity expenditure had been overstated by Rs.1,788,516 in the year under review due to failure in making provisions for gratuity allowance for 21 employees who are in the service and making overprovisions for 113 employees who were in the service as at 31 December 2015. Further, the gratuity amounting to Rs.115,868 overpaid to a female officer who resigned from the service had not been brought to account as a recoverable amount.
- (b) The gratuity amounting to Rs.65,383 paid in the year under review to an employee who left the service in the preceding year, had been debited to the Gratuity Expenditure Account without being debited to the Gratuity Payable Account.
- (c) Depreciation for non-current assets had been understated by Rs.18,191,156 due to errors in computation.
- (d) A methodology for accounting the fair value of various non-current assets received from local donors from the date of inception of the Hospital up to the year under review, had not been introduced. As such, action had not been taken to account for the fair value of 44 units of equipment and 4,493 inventory items received as donations in the year under review.

- (e) The consultancy service fees amounting to Rs.2,133,975 paid to the State Engineering Corporation of Sri Lanka for the construction of the new nurses' quarters, had been brought to account as a recurrent expenditure without being debited to the Work- In - Progress Account.
- (f) In the preparation of financial statements, it had been indicated by the Notes to Accounts that accounts had been prepared on accrual basis. Nevertheless, accrued expenses amounting to Rs.2,610,060 for the year under review and prepaid expenditure of Rs.217,056, had not been brought to account.
- (g) Costs of trade stocks and outdated stocks as at the end of the year under review had been understated by Rs.591,575 and Rs.679,322 respectively due to errors in computation.

### 2.2.3 Unexplained Differences

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The following observations are made.

- (a) According to the financial statements and files and Registers made available to audit relating to the following items, there had been a difference of Rs.13, 211,360. However, reasons for the difference had not been explained.

<b>Particulars</b>	<b>File/Register presented to audit</b>	<b>Value according to the Financial Statements</b>	<b>Value according to the File/Register</b>	<b>Difference</b>
		<b>Rs</b>	<b>Rs</b>	<b>Rs</b>
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Cost of non-current assets purchased during the year	Register of Fixed Assets	300,039,300	287,472,439	12,566,861
Hospital Charges receivable as at 30 September 2015 from the President's Fund	File relating to Hospital Charges	11,920,902	11,620,902	300,000
Hospital Charges receivable as at 31 December 2015 from 8 Insurance Companies	Register relating to Hospital Charges of Insurance Companies	10,150,639	9,914,766	235,873

Distress Loans of 10 Officers as at 31 December 2015	Loan Register	1,398,166	1,506,792	108,626
				----- 13,211,360 =====

(b) A difference of Rs.7, 492,933 existed between the total value of 6 balances of Trade Creditors Accounts and the total value of Certificates of Confirmation of Balances received thereon as at 31 December of the year under review. However, reasons for the difference had not been explained.

#### 2.2.4 Lack of Evidence for Audit

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Evidence shown against the following items had not been made available to audit.

Item	Value	Documentary Evidence not made Available to Audit
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	<b>Rs.</b>	
(a) Non-current assets eliminated from accounts	29,287,000	Written evidence to confirm the cost of non-current assets eliminated from accounts for disposal and the accuracy of the accumulated depreciation.  Recommendations of the Board of Disposal relating to the disposal of assets and the approval of the Board of Directors.  Confirmation of Balances
(b) Non-current assets eliminated from accounts	2,268,500	
(c) 115 Creditors Balances	132,220,019	
(d) Hospital Charges receivable	11,307,230	
(e) Value payable to the Medical Supplies Division	41,688,054	

#### 2.3 Accounts Receivable and Payable

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The following observations are made.

(a) Adequate steps had not been taken over periods between 2 and 6 years to recover a sum totalling Rs.7,540,268 comprising the hospital charges amounting to Rs.6,349,313 receivable from 03 Government institutions, salaries amounting to Rs.1,112,280 paid to

the Internee Doctors and electricity charges amounting to Rs.78,675 receivable from 03 private institutions.

- (b) Action had not been taken over periods from 2 to 5 years to settle audit fees amounting to Rs.2,453,571, payable to the Auditor General’s Department as at 31 December 2015.
- (c) Action had not been taken for over a period of 5 years to settle a sum of Rs.10,838,120 to the Ministry of Health for medical supplies purchased and water charges amounting to Rs.437,799 to the National Water Supplies and Drainage Board.
- (d) The professional fees amounting to Rs.3,616,142 not settled for the Doctors over a period of 5 years, had not been written back to income.

**2.4 Non-compliance with Laws, Rules, Regulations and Management Decisions**

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 The following non-compliances were observed.

<b>Reference to Laws, Rules and Regulations</b>	<b>Non-compliance</b>
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(a) Establishments Code of the Democratic Socialist Republic of Sri Lanka	
(i) Sections 4 and 5 of Chapter VII	Appointments for the post of Cardiographer Grade III had been given to 4 officers of the clerical staff and they were placed on a salary step relating to the post of Cardiographer Grade III contrary to provisions of the Establishments Code of the Democratic Socialist Republic of Sri Lanka. Even though those officers had not passed the Efficiency Bar Examination prescribed for the post, increments had been continuously paid to them.
(ii) Section 4.1 of Chapter XXX	Nine officers including 6 Doctors of the Hospital had participated in conducting lectures of the University College of Health Studies during their duty hours in the years 2013, 2014 and up to 30 November 2015 without obtaining the proper approval and obtained allowances totalling Rs.877,125 thereon.
(b) Treasury Circular No.842 dated 19 December 1978	Hospital had not taken action to follow a proper procedure in accounting the fixed assets and to maintain a Register of Fixed Assets.

- (c) Section 9.3.1 of the Public Enterprises Circular No. PED/12 of 02 June 2003 Schemes of Recruitments and Promotions of all Grades should be prepared and after obtaining the approval of the Board of Directors and the relevant Ministry, recommendation of Salaries and Cadre Commission and the approval of the Department of Management Services should be obtained. Nevertheless, action had not been taken to obtain the relevant recommendation and approval for the prepared Scheme of Recruitment and Promotions.

### **3. Financial Review**

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#### **3.1 Financial Results**

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According to the financial statements presented, the operations of Sri Jayewardenepura General Hospital Board for the year ended 31 December of the year under review had resulted in an after tax deficit of Rs.352,618,182 as against the after tax surplus of Rs.720,613,254 for the preceding year, thus indicating a decrease of Rs.1,073,231,436 in the financial result as compared with the preceding year. The decrease in the Government grant by a sum of Rs.779,914,000 and the increase in the cost of the staff by a sum of Rs.299,119,863 in the year under review had been the main reasons for the deficit.

An analysis of financial results of the Board of the year under review and 04 preceding years revealed a continuous financial deficit up to the year 2012. Nevertheless, there had been a financial surplus in the years 2013 and 2014 and it had again converted to a financial deficit in the year 2015. Taking into consideration the employees' remuneration, Government tax and depreciation for the non-current assets, the overall contribution of the Board had improved continuously from the year 2012 up to the year 2014 from Rs.716,896,615 to Rs.1,739,662,005. However, the overall contribution had decreased to Rs.950,142,035 in the year under review and it was a decrease by Rs.789,519,970 as compared with the preceding year.

#### **3.2 Legal Actions instituted against the Hospital**

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Six persons of the hospital staff and 02 external persons had filed 06 and 02 cases respectively in the Courts against the Hospital as at the end of the year under review claiming compensation of Rs.11 million based on matters such as retiring prior to reaching the age of retirement, non-receipt of promotions, dismissal from the service due to misappropriation of cash and Rs.62.5 million due to weaknesses in the patient care services respectively.

### **4. Operating Review**

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#### **4.1 Management Activities**

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The following observations are made.

- (a) A Memorandum of Understanding had been entered into between the Sri Jayewardenepura Hospital and the Ministry of Youth Affairs and Skills Development on 09 May 2013 for the establishment of the University College of Health Studies with a view to establishing training programmes in the Technical Division of the Health Sector. In terms of that agreement, water and electricity charges of that College established on the premises of the Hospital, had been paid by the Hospital. However, as the relevant Memorandum of Understanding had been cancelled as at 09 May 2016, the Management had not paid attention to the uncertainty of the going concern of the College and necessary action had not been taken to establish the College on a formal basis.
- (b) A number of 12,322 units of 11 types of drugs costing Rs.546,490 and 4,778 units of 32 types of surgical items and radiology items costing Rs.5,686,759 remained in the stores as at 31 December 2015 as non-movable items with short expiry periods. In addition to that, out of 2,208 units of 12 types of surgical items and drugs costing Rs.585,643 purchased during the year under review, not even one unit had been used during the year. Proper attention had not been paid to use these drugs and matters such as purchase of drugs without properly identifying the requirement, retirement of the surgeon who named the drugs for use and non-prescribing of those drugs for use by the new surgeon had been the reasons for existence of such stocks.
- (c) A number of 1,658 units of 24 types of drugs costing Rs.973,665 and 2,321 units of 18 types of surgical items costing Rs.143,782 of the Indoor Pharmacy and the surgical stores had been included in the stock books without source documents.
- (d) Even though the stocks that remained as at 08 July 2015 had been computerized for the first time, physical stock verification had not been carried out as at that date. According to the stock books as at that date, 388,016 units of 152 types of surgical items had remained. However, according to the computerized data, it had been 412,755 units. Even though there were excess of stocks of 44,047 units and shortage of stocks of 21,683 units, action had not been taken to find out the reasons therefor.

#### **4.2 Transactions of Contentious Nature**

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 The following observations are made.

- (a) Two Radiographers over 68 years old had been recruited on 21 and 25 August 2015 on duty assignment basis for a year without the prior approval of the Cabinet of Ministers in terms of Section 9.1 of Chapter II of the Establishments Code of the Democratic Socialist Republic of Sri Lanka without identifying the special duty to be assigned and the basis on which salaries and allowances are to be paid monthly for them. When a retired officer is re-employed, 50 per cent of his salary drawn at the time of retirement or Rs.15,000 or whichever is more, can be paid as a monthly allowance in terms of provisions of the Public Administration Circular No. 09/2007 of 11 May 2007. However, contrary to that, sums of Rs.358,680 and Rs.215,698 had been overpaid respectively to those two officers during the period from July 2015 to January 2016.
- (b) Three anesthesia machines received as donations on 19 March 2014, used for a period less than one year, had been disposed of by stating that they were defective and instead of

them, 4 new anesthesia machines had been purchased at a cost of Rs.29,900,000 on 14 August 2015. Recommendations of a Technical Survey Board for whether those machines were defective, had not been obtained for disposal of 3 old machines and it was confirmed in audit that those 3 machines granted to Negombo, Kaluthara and Moneragala District Hospitals, had been used without any defects.

Despite notifying by the Letter dated 21 April 2015 of the “Royal Perth” Hospital in Australia that 4 new anesthetic machines will be granted as donations, the purchase order had been sent on 14 May 2015 to purchase the above 4 new machines. Further, despite having made aware of that 4 new machines will be received as donations, 4 machines had been purchased at a cost of Rs.29,900,000 and the 4 machines received as donations had remained idle in the Hospital even by 22 August 2016. However, the Chairman had informed the audit that as the 4 machines received as donations, were defective and cannot be used.

### **4.3 Operating Activities**

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Professional fees had been charged from patients for surgeries and treatments carried out in the Hospital and 99.85 per cent out of those fees had been paid to the Specialist Medical Officers, Medical Officers and to the assisting staff participated in the surgery. The entire professional fees so paid during the year 2015 alone amounted to Rs.243,870,143. The following observations are made in that connection.

- (a) Even though the approval of the Cabinet of Ministers had been received for the Doctors to engage in private practices outside normal duty hours, the Management had not prepared a specific methodology in respect of the value of the professional fees recoverable or the value payable to the Doctors and the assisting staff and the manner in which that value is computed. However, the relevant surgeon had decided the professional fees recoverable at his own discretion.
- (b) Even though the professional fees cannot be charged for surgeries and tests carried out during normal duty hours, 14 Doctors had charged professional fees amounting to Rs.1,917,075 for surgeries and tests carried out during normal duty hours from January to December 2015.
- (c) Even though the Pay As You Earn Tax (PAYE) should be levied on professional fees paid to the Specialist Medical Officers, Medical Officers and the Assisting Staff and should be remitted to the Commissioner General of Inland Revenue in terms of provisions of the Inland Revenue Tax Act, No. 10 of 2006, the Management of the Hospital had not levied Pay As You Earn Tax on professional fees. The estimated value of Pay As You Earn Tax so unrecovered during the years 2014 and 2015 amounted to Rs.35,367,508 and Rs.39,377,486 respectively.

### **4.4 Procurement and Contract Procedure**

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The following observations are made.



- (a) The three minimum bids received in the procurement for the maintenance of the garden of the Hospital and landscaping therein during the period from April 2015 to March 2016, had been rejected. The selected contractor who offered the fourth minimum bid of Rs.588,800 per month was the contractor of this purpose in the preceding year as well. However, under deployment of employees and inspectors by 18 per cent and 5 per cent respectively out of the cadre that should be deployed in the service had not been considered in this procurement. The total cadre deployed during the period from 01 April to 31 December of the year under review stood at 2,994 and it was less than the total cadre that should be deployed by 27.4 per cent.
- (b) Drugs had been purchased in the Trade Name instead of the generic name and it was revealed in the audit test check that the additional cost incurred for purchase of 23,534 units of 8 types of drugs in their Trade Name amounted to Rs.2,897,050.
- (c) The expansion of the motor vehicle park of the Hospital had been awarded to a contractor for a sum of Rs.11,209,829 on 05 September 2012 for the completion of the contract within 112 days as agreed. Even though the works should have been completed by 09 January 2013 in terms of the agreement, those works had not been completed even by 22 August 2016. The sample of soil used for filling the vehicle park had failed the quality test and soil compaction test and expansion joints had not been closed by mixing tar and sand. As the entire period of delay was over 3 years, the recoverable liquidated damages amounted to Rs.1,120,982. Even though the consultants had recommended the setting off of liquidated damages against the third interim bill of Rs.995,454 submitted by the contractor, without paying money for that bill, payments had been made for that bill after a period of 01 year and 06 months of that recommendation. The Hospital had not taken action to cash the performance bond before expiry and it had expired on 01 October 2014.
- (d) The contract of installation of a computer software system for the Hospital had been awarded to a private institution at a contract value of Rs.24,953,859 in the year 2010. The work had been abandoned in the year 2014 when the physical and financial performance of the above contract of which the contract period was 26 weeks, had been 65 per cent and 26 per cent respectively. The remaining work had been assigned to another contract company at a contract value of Rs.8,250,000 in December 2014 to be completed within 06 months. The new company which was an associate institution of the first contract company that executed the works of the first contract as well, had been involved in the purpose of installation of this software system for over a period of 4 years. Nevertheless, they had failed to complete it even by 22 August 2016. The period of delay of the second contract had exceeded a year and it had been reported that the physical performance had been only 90 per cent. However, the Conditions for recovery of liquidated damages had not been included in the Agreement and action had not been taken to obtain a performance bond as well. Mobilization Advances amounting to Rs.4,140,000 or 50 per cent of the contract value exceeding the limit specified in Guideline 5.4.4(i) of the Procurement Guidelines, had been granted without obtaining a security bond.
- (e) A condition had been entered into for obtaining a guarantee certificate for 3 years from the contractor to whom the work of prevention of leakage of water on the outer wall of the new Cardiology Building of the Hospital had been assigned. Nevertheless, out of the entire contract value, only a sum of Rs.263,812 had been retained and the balance of

Rs.2,374,312 had been paid to the contractor in the year under review without obtaining a guarantee certificate.

#### 4.5 Idle and Underutilized Assets

The following observations are made.

Details in respect of unserviceable equipment that existed in the different Divisions of the Hospital as at the end of the year under review are given below.

<b>Division</b>	<b>Type of Assets</b>	<b>Quantity</b>	<b>Idle Period (Years)</b>
Laboratory	Laboratory Equipment	72 units of 55 types	2 to 25
Health Education Unit	Equipment	4 units of 4 types	More than 13
Blood Bank	Equipment	2 units	More than 1
Ward No. 2	Equipment	2 units	More than 13
Medical Reports Division	Equipment	6 units of 2 types	More than 2

Action had not been taken to dispose of the above mentioned unserviceable equipment formally. Moreover, action had not been taken either to identify the operating condition and use or for disposal of 3 units of goods that remained underutilized in the Health Education Unit over a period exceeding 7 years.

#### 4.6 Identified Losses

The following observations are made.

- (a) The total cost of the validity expired drugs and surgical goods that remained in 5 main stores and sub stores as at 31 December of the year under review amounted to Rs.5, 415,699. Details are given below.

<b>Validity expired Year</b>	<b>Cost of validity expired Drugs</b>
Year under review	Rs. 866,713
Between 1 and 3 years	268,170

More than 3 years 162,716

Validity expiring stocks of surgical goods purchased in preceding years for the Neuro Surgical Unit due to failure to purchase on accurate estimates after studying the consumption pattern.

4,118,100

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5,415,699

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Adequate steps had not been taken to dispose of validity expired drugs and surgical goods properly and eliminate them from books, to take disciplinary action against the parties responsible and to minimize the quantity of stocks of drugs subject to expiring of validity.

- (b) A number of 5,553 units of 14 types of drugs costing Rs.301,443 purchased from the Medical Supplies Division in 4 preceding years including the year under review had failed in quality test . However, action had not been taken even by the end of the year under review to recover that value or to obtain quality passed drugs instead, from the Medical Supplies Division.

#### 4.7 Staff Administration

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The following observations are made.

- (a) Even though Directives had been given at the Committee on Public Enterprises held on 10 February 2016 that the Ministry of Health, Nutrition and Indigenous Medicine should intervene directly to fill permanently the vacancies that existed in main posts such as the Director, the Deputy Director and the Accountant of the Hospital, permanent officers had not been appointed to those posts even up to 22 August 2016.
- (b) Even though the number of vacancies in the posts of Ward Clerk / Management Assistant as at 10 August 2015 had been 9, a total of 17 persons including 9 and 8 had been recruited to the post of Ward Clerk on permanent and contract basis respectively. Salaries and overtime paid during the period from September to December 2015 to 8 officers recruited on contract basis exceeding the approved cadre without obtaining the prior approval of the Department of the Management Services and without an approved Scheme of Recruitment in terms of the Public Administration Circular No.25/2014 of 12 November 2014, totalled Rs.1,771,766.
- (c) Before approving the salary increments of the staff of the Hospital, the Efficiency Bar Examination that should be passed and whether it had been passed had not been considered and the requirement of including that in the Salary Increment Forms had not been identified.

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

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### **5.1 Corporate Plan**

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The Corporate Plan prepared for the period from the year 2014 to the year 2018 had not been updated for the year 2015.

### **5.2 Action Plan**

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The following observations are made.

- (a) Estimated values relating to each targeted function had not been included in the Action Plan.
- (b) Progress reports had not been prepared quarterly so as to enable to identify the progress of the achievement of the intended targets and objectives according to the Corporate Plan and the Action Plan as well, to identify the amount spent thereon according to the Budget Estimate and copies of those had not been furnished to the relevant Ministry and the Department of Public Enterprises.
- (c) Three development and construction activities for which provisions of Rs.230 million had been made and included in the Action Plan prepared for the year under review, had not been commenced even by the end of the year under review.
- (d) According to the Corporate Plan prepared, functions such as establishment of a cafeteria for Doctors, construction of a laboratory of high standard for heart patients and establishment of a new financial and administrative building to be implemented in the years 2014 and 2015, had not been included in the Action Plan of the year under review. Moreover, functions included in the Action Plan such as repairing of central air conditioning system and improvement of the electricity supplying system, had not been included in the Corporate Plan. Accordingly, the Action Plan had not been prepared in conformity with the Corporate Plan.

### **5.3 Procurement Plan**

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The amount spent in the year for purchase of 260 items of goods not included in the Procurement Plan of the year under review amounted to Rs.95,940,345. According to the approved Procurement Plan, 27 units of medical equipment had been purchased exceeding their estimated cost ranging from 91 per cent to 2,902 per cent. As such, it was observed that the Procurement Plan had not been made use of as an effective instrument of management control.

### **5.4 Budgetary Control**

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The following observations are made.

- (a) In terms of Section 5.2.1 of the Public Enterprises Circular No. PED/12 of 02 June 2003, an annual budget had not been prepared including the expenditure relating to the targets expected to be achieved according to the Action Plan.
- (b) A sum of Rs.34,881,433 had been spent for 6 Objects for which provisions had not been made for the year under review. The entire provisions amounting to Rs.3,450,000 made for 2 Objects had not been utilized.
- (c) Variances ranging from 49 per cent to 707 per cent and 61 per cent to 245 per cent were observed between the estimated and the actual income of 05 items and 8 items of expenditure respectively thus indicating that the budget had not been made use of as an effective instrument of management control.

### 5.5 Unresolved Audit Paragraphs

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Even though the Chairman of the Hospital Board had been directed at the meeting held on 22 August 2016 to update the Corporate Plan prepared for 5 ensuing years and to furnish within one month to the Committee on Public Enterprises with a copy to the Auditor General, action had not been taken in accordance with that Directive even by 22 August 2016.

### 6. Systems and Controls

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

<b>Areas of Systems and Controls</b>	<b>Observations</b>
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(a) Fixed Assets Control	Failure in taking action to identify physically all fixed assets of the Hospital, assess their values and to record them in the Register.
(b) Stock Control	Non-maintenance of inventories of drugs and surgical goods in the stores as well as in other sub-stores in the updated manner.
(c) Staff Administration	Failure in taking action to introduce and obtain approval for the proper schemes in respect of recruitments, promotions, grading and salary scales.
(d) Contract Management	Failure in super-checking, supervising and paying attention continuously in respect of contracts.

(e) Control of Purchases

Failure to purchase by identifying the requirement and failure in taking action to obtain the service of suppliers in terms of conditions.