

Wijaya Kumaratunga Memorial Hospital Board - 2018

1.1 Qualified Opinion

The audit of the financial statements of the Wijaya Kumaratunga Memorial Hospital Board (“Board”) for the year ended 31 December 2018 comprising the statement of financial position as at 31 December 2018 and the Statement of financial performance, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, 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 provisions of the National Audit Act No.19 of 2018 and the Finance Act No. 38 of 1971. My comments and observations which I consider should be reported to the Parliament appear in this report.

In my opinion, except for the effects of the matters described in the paragraph 1.5 of this report, the financial statements give a true and fair view of the financial position of the Hospital Board as at 31 December 2018, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

1.2 Basis for Qualified Opinion

My opinion is qualified based on the matters described in the paragraphs 1.5 of this report. I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibilities, under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of my report. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

1.3 Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Hospital Board’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Hospital Board or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Hospital Board’s financial reporting process.

As per Section 16(1) of the National Audit Act No. 19 of 2018, the Hospital Board is required to maintain proper books and records of all its income, expenditure, assets and liabilities, to enable annual and periodic financial statements to be prepared of the Hospital Board.

1.4 Auditor's Responsibility for the Audit of Financial Statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sri Lanka Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Sri Lanka Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Hospital Board's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Hospital Board's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Hospital Board to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

The scope of the audit also extended to examine as far as possible and as far as necessary the following;

- Whether the organization, systems, procedures, books, records and other documents have been properly and adequately designed from the point of view of the presentation of information to enable a continuous evaluation of the activities of the Hospital Board and whether such systems, procedures, books, records and other documents are in effective operation;
- Whether the Hospital Board has complied with applicable written law, or other general or special directions issued by the governing body of the Hospital Board;
- Whether the Hospital Board has performed according to its powers, functions and duties; and
- Whether the resources of the Hospital Board had been procured and utilized economically, efficiently and effectively within the time frames and in compliance with the applicable laws.

1.5 Financial Statements

1.5.1 Non-Compliance with Sri Lanka Public Sector Accounting Standard

Non - compliance with reference to the Standard	Management comment	Recommendation
(a) Although a positive cash flow of Rs.6,921,869 relating to retirement benefits obligation paid, two negative cash flows of a sum of Rs.19,042,601 for purchasing property plant and equipment and Rs.506,833 as adjustments had been included in the cash flow statement which had been prepared according to the Sri Lanka Public Sector Accounting Standards 2, the accuracy of those values was not confirmed.	The cash flow statement had been balanced by the former accountant entering false values in the year 2017 and in previous years as well. It is difficult to give a definite reply because she has been dismissed from the service for the time being. Actions were taken to prepare the cash flow correctly in the year 2019.	According to the Sri Lanka Public Sector Accounting Standard, the cash flow statement should be prepared as the nature of the cash flow to be reflected correctly and to be able to identify the cash flows clearly.
(b) According to the paragraph 47 of the Sri Lanka Public Sector Accounting Standard 3, material prior period errors should be corrected retrospectively in the first set of financial statements authorized for issue after their discovery by restating the comparative amounts for prior	Actions will be taken to minimize such errors in future.	Prior period adjustment should be corrected as per the Sri Lanka Accounting Standard.

period presented in which the error occurred. However without doing so, a sum of Rs.739,212 had been adjusted to the cumulative profit which had been brought forward as at 01 January 2018 as prior year adjustment.

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| (c) | According to the paragraph 65 of the Sri Lanka Public Sector Accounting Standard 7, even though assets valued at Rs.113,682,114 had been fully depreciated, those assets have been still in use because the useful lifetime of non-current assets not being reviewed timely. Actions had not been taken to correct the estimated error thereon as per the Sri Lanka Public Sector Accounting Standard 3. Further actions had not been taken to identify the property, plant and equipment which was temporarily out of order and had been retired from the active use and to disclose the fair value of those assets. | Actions will be taken to correct the error in future, a proper arrangement had been made for preparing of assets register and actions are being taken to prepare a register by examining payment vouchers since the commencement of the hospital and identifying relevant assets. | Actions should be taken as per the Sri Lanka Public Sector Accounting Standard to reassess and take to accounts the non-current assets which had been depreciated completely and still in use. |
| (d) | According to the paragraph 69 of the Sri Lanka Public Sector Accounting Standard 7, depreciation of assets should be commenced when such assets are ready for use. However contrary to that requirement, a policy had been followed that depreciation for the purchased year and non-depreciation for the year removed without considering the purchased date and removal date. | Actions will be taken to correct the error. | The policy for depreciation of assets should be recognized as per the Sri Lanka Public Sector Accounting Standard. |

1.5.2 Accounting Deficiencies

Audit Issue -----	Management comment -----	Recommendation -----
(a) Although the depreciation for pervious 8 years and for the year under review were Rs.4,284,762 and Rs.1,884,381 respectively relating to the fixed assets at the cost of Rs.12,876,545 as at 31 December 2018 which had been received as donation since the year 2010, actions had not been taken to write off the donation account by a similar amount regularly.	Assets received as donations up to now were not depreciated and this error will be corrected in future.	Accounts should be presented after correcting the error.
(b) Accrued expenditure amounting to Rs.1,016,934 relating to 4 expenditure items as at 31 December 2018 and accrued canteen rent income as at that date amounting to Rs.80,000 had not been taken into accounts.	This error will be corrected in future.	-do-
(c) Depreciations of machinery for the year under review amounting to Rs.44,188 and depreciation of computers amounting to Rs.126,000 had been understated in the accounts.	This error will be corrected in future.	-do-
(d) Gratuity provisions amounting to Rs.698,157 had not been made on behalf of 15 employees as at 31 December 2018.	These 15 employees were considered as casual employees and gratuity provisions were not made and actions will be taken to allocate provisions as per the instructions made by audit.	Accounts should be presented after correcting the error.
(e) Value of medicine and surgical materials, ECG materials and dental surgery materials as at 31 December 2018 had been understated by Rs.4,618,856 and the value of common store materials, stationary and maintenance stock had been overstated by Rs.213,759.	Actions will be taken to correct the matter after searching in stock books.	-do-

1.6 Non -compliance with laws Rules Regulations and Management Decisions

Reference to laws, rules regulations etc.	Non - compliance	Management comment	Recommendation
(a) Wijaya Kumarathunga Memorial Hospital Board Act. No. 38 of 1999			
(i) Paragraph (iii) of Sub Section 3.1	Medical professionals employed in the Wijaya Kumarathunga Memorial Hospital Board had not appointed a person who had selected among them as a member of Hospital Board.	This vacancy is available as at 31 December 2018 due the contract period of the Director of the hospital was completed.	The Director of the Hospital is not a member of the Hospital Board. Hence the members of the Hospital Board should be appointed as per the provisions of the Act.
(ii) Paragraph (v) of Sub Section 3.1	Although 4 members who had represented the Wijaya Kumarathunga Memeorial Foundation and who had been named by the said Foundation should be appointed as the members of the Hospital Board, 5 members who had represented the said Foundation had been appointed as the members of the Hospital Board.	As per the sub section 3 (1) (v) of the Act, former president Mrs.Chandrika Bandaranayaka Kumarathunga, Professor Carlo Fonseka, Mr.Chandra Wickramasingha and Mr.Ananda Wimalasena were appointed and as per the Sub Section 3 (1) (iv) Mr.N.A. Umagiliya was appointed as a specialist in a certain profession.	Members of the Hospital Board had not been appointed as per the provisions of the Act. Hence the members of the Hospital Board should be appointed as per the provisions of the Act.

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| (iii) Sub Section 5.1 | Although meetings of the Hospital Board should be conducted even once in a month, in 2018 only 3 meetings had been conducted. | Reasons for non-conduction of meetings could not be found due to the death of the former Chairman and completion of the contract of the former Director of the Hospital. | Attention should be paid to conduct meetings as per the provisions of the Act. |
| (iv) Section 7 | Actions had not been taken to transfer the ownership of the land located at Seeduwa which had been mentioned in the schedule of the Hospital Board Act even up to 31 December 2018. | Necessary steps will be taken in future by informing Board of Directors. | Immediate actions should be taken to transfer the ownership of the land to the Hospital Board. |
| (v) Sub Section 10 (1) and 10 (2) | A Management Committee had not been appointed for administration of day to day activities of the hospital by delegating powers, functions and duties which were determined by the Hospital board. | A management committee was appointed on 08 July 2019. | Actions should be taken as per the provisions of the Act. |
| (b) Financial Regulation 702(3) of the Financial Regulation of the Democratic Socialist Republic of Sri Lanka | Although copies of the contract agreement at the total value of Rs.18,099,909 including maintenance and cleaning, supply of raw food, security service and laundry service should be presented to the Auditor General as soon as they are signed, it had not been presented to audit even up to the date of this report. | Copies of service agreements were sent to the Auditor General on 19 September 2019. | Copies of agreements should be presented to the Auditor General immediately when entering in to agreement for supply of various services. |

- (c) General Circular of the Ministry of Health, Nutrition and Indigenous Medicine No. 01-21/2015 dated 28 May 2015.
- (i) According to the paragraph 5.1.3 and 5.1.4 of the Circular, actions had not been taken to obtain the assistance of food management committee by the head of the institute to prepare weekly food programme, to provide the week food programme prepared to relevant sections and to prepare monthly programme for supplying of vegetables.
- Weekly food programme and Monthly programme are being prepared since September 2019 with the assistance of Food Management Committee.
- Actions should be taken to follow the common circular issued by the Ministry.
- (ii) According to the paragraph 8.1.1, 8.1.3 and 8.1.4 of the Circular, actions had not been taken to prepare a new food round paper in the health 31 format for the ward on 1st day of each month for resident patients, to enter the due food in the food round paper by examining the bed head ticket by relevant officers, to count the food rounds needed for the day by summarizing food rounds of each patient and reconcile with the patients available.
- There was no clerk to prepare health 31 format. Hence it was not prepared at the time and actions will be taken to recruit a clerk.
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- (iii) According to the paragraph 10.5 and 11.7 of the Circular, actions had not been taken to reduce the order of raw food in a certain percentage after
- Emergency investigations are being carried out randomly.
- Actions should be taken to follow the common circular issued by the Ministry.

searching for the wastage of cooked food and to be informed the matters revealed in emergency investigation to the Head of the Hospital.

(iv) According to the Employee food -do- paragraph 14.1, 15.1, card system is and 15.3 of the Circular, being actions had not been implemented taken to show samples since September before distributing 2019. cooked food and to confirm that due amount of food is being given to the employees who had obtained food card.

2. Financial Review

2.1 Financial Results

The operating result of the year under review amounted to a surplus of Rs.45,732,117 and the corresponding surplus for the preceding year amounted to Rs.14,269,158. Therefore an improvement amounting to Rs.31,462,959 of the financial result was observed. The reason for the improvement is increase of expenditure only by Rs.17, 886,115 even though government grant was increased by Rs.45,920,000.

3. Operating Review

3.1 Management Inefficiencies

Audit Issue	Management comment	Recommendation
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(a) A sum of Rs.1,519,607 had been incurred for purchasing 937,258 units from the Medical Supplies Division out of 71 medical supply categories which had not been estimated. Further 4,519,611 units of 192 categories of medical supplies at the estimated cost of Rs.55,494,999 had not been purchased from that division and even though it had been estimated to purchase 3,360,790 units from 60	An estimate including the entire supply requirement of the hospital is submitted to the Medical Supplies Division annually, even though it had been mentioned in the audit query that 71 medicine and surgical items were not included in the annual estimate, out of that, 61 medicine and surgical items were included into the estimate. Treatments had to be made exceeding the expected level resulted	Realistic annual estimates should be prepared.

categories of medical supplies, out of that, only 947,251 units represents 28 percent had been purchased. Further it had been estimated to purchase 4,370,769 units out of 85 medical supply categories, 5,741,364 units had been purchased from that division and the amount purchased over the estimate was 31 percent.

to obtain excess supply. There was an unexpected requirement for treatment for patients. Hence the rest of 10 categories of medicine and surgical were supplied, Medical Supplies Division had not supplied 192 categories of medicine and surgical in the instances of where necessary.

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| (b) | Medicine and surgical items at the cost of Rs.23,044,956 had been purchased from the State Pharmaceutical Corporation without being estimated. | Not commented. | Realistic annual estimates should be prepared. |
| (c) | It had been revealed in a physical stock verification that there was an excess of 1225 units of stock relating to 51 medicine and surgical items at the cost of Rs.3,932,503 in 5 wards of the Hospital Board. Actions had not been taken to find out the reason for the situation and to apply necessary remedies. | Although the physical stock verification had been carried out accurately, there was an error occurred in preparation of stock survey report by the computer. | The error should be disclosed clearly. Actions should be taken to correct it properly. |
| (d) | Contribution for the Employees Trust Fund had not been remitted within the due period of time for 55 employees who had been recruited during the period from the year 2005 to the year 2016. Hence a surcharge of Rs.286,718 had to be paid. | Those had to be paid because the contribution for the Employees Trust Fund had not been paid for employees recruited during the period from the year 2005 to the year 2016. Accordingly surcharges had to be paid. | A surcharge had to be paid due to the negligence of officers of which contributions not being made to the Employees Trust Fund more than 10 years. Hence this loss should be recovered from the responsible officers. |
| (e) | A paper notice had been published for calling applications for recruitment of Finance Manager in which the post had not been included in the approved cadre for the Hospital board. However the requirement of such a post and duties relevant to the post had not been identified by the hospital. Approval of | An approved qualified officer should be recruited to the post due to dismiss of the former accountant. It had been identified by the Management Board that it was better to create a post of Assistant Director (Finance) which was higher than the post of Accountant. Advertisement were | Approval of the Department of Management Services should be obtained for recruiting new staff and additional staff. Actions should not |

the Department of Management Services had not been received hence a sum of Rs.139,080 incurred for the paper notice had become fruitless.

published subject to the covering approval of the Department of Management Services to recruit to the post of Finance Manager/ Assistant Director (Finance) according to the provision made by the Hospital Board Act that everything favorable to the administration of the hospital could be empowered by the Board.

be taken to recruit or publish advertisements subject to the covering approval of the said Department. Such fruitless expenditure should be recovered from the responsible officers.

3.2 Underutilization of Funds

Audit Issue

Utilization of funds received from the General Treasury for capital expenditure was in a feeble condition. Out of the funds received, a sum of Rs.28,861,901 had been saved as at 01 January 2018. A sum of Rs.39,100,000 had been received during the year under review and out of that only a sum of Rs.19,543,123 had been incurred. Accordingly savings as at 31 December 2018 was Rs.48,418,778.

Management comment

Provisions received for the year 2018 was saved due to delays of construction of new building and supply and installation of new generator and delays of technical evaluation of the procurement for purchasing medical devices. Provisions will be utilized efficiently in the year 2019.

Recommendation

Actions should be taken to utilize the financial provision received from the General Treasury.

3.3 Procurement Management

Audit Issue

(a) Total sum of Rs.7,182,892 had been incurred for maintenance and cleaning and laundry service of the Hospital Board during the year under review. Actions had not been taken as per the Government Procurement Guideline 2.3.2, 2.11.3, 4.3.1, 6.3.6 and 6.3.3 when selecting suppliers for the said 2 procurements. Further actions had not been taken as per the agreement. The following observations are made in this regard.

Management comment

Recommendation

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| (i) | <p>Actions had not been taken to maintain necessary communication with the related parties of the procurement, to collect necessary data and information, to submit to the Technical Evaluation Committee to prepare review and approve bidding documents including specifications. Bid opening minutes, bid evaluation reports, and procurement committee reports had not been prepared according to the specific format. Further total cost estimate consisted with all associated expenditure had not been prepared.</p> | <p>Technical evaluation reports and procurement committee decision reports were prepared according to the specific format in the year 2019 and estimates had been prepared.</p> | <p>Actions should be taken as per the Government procurement Guideline.</p> |
| (ii) | <p>The standard of the chemicals used for cleaning had not been mentioned in bidding documents. Assurance had not been obtained for the chemicals used by bidders.</p> | <p>A permanent nurse was not appointed for the Infection Control Unit in the year 2018. Hence the standard of chemicals could not be tested.</p> | <p>The standard of the chemicals used for cleaning should be mentioned in the bidding documents and an assurance should be obtained from the bidders for the standard used for cleaning.</p> |
| (iii) | <p>According to the section 10 of the service agreement for cleaning, 15 labours and 12 supervisors should be deployed in the service for 12 hours per day and an employee should not be deployed in the service more than 24 hours. However cleaning employees had been deployed in the service exceeding 24 hours in 45 instances during the period from 01 January 2018 to 31 October and employees had been deployed less than the due amount of employees in 188 instances.</p> | <p>Fines and a salary per day were recovered in the instances of deploying in the service more than 24 hours and deployed the employees less than due amount.</p> | <p>Recovering fines and a day's salary is not enough because the service could not be obtained properly when deploying employees less than the due amount. Actions should be taken to fulfill the duty from the contractor as per the agreement.</p> |
| (iv) | <p>According to the section 18 of the cleaning service agreement, chemicals which should be supplied by the contractor had not been supplied in due amount. During the period from 01 January 2018 to 31 October, chemicals had been supplied less than the due amount by 13 categories of chemicals from 1 liter to 20 liters, from 2</p> | <p>There was no officer to assign the duty because an Infection control nurse was not appointed during the year 2018, however chemicals received in the year 2018 were</p> | <p>Deduction from the monthly bills was not enough because low supply of chemicals was affected to fulfill the service proper standards. Actions</p> |

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| bottles to 50 bottles, 06 kilograms and 10 pieces | entered into a separate register, the infection control nurse has tested the standard of the chemicals since the year 2019 and deduction was made from the monthly bills for less supplied chemicals. | should be taken to fulfill the service as per the agreement. |
| (v) According to the section 13 (i) of the cleaning service agreement, certification should be obtained from each section and officers in charge of wards and should be submitted with the monthly bills. Although the said certificates had not been obtained from most sections, a sum of Rs.6,477,696 had been paid to the contractor during the year under review without considering the said requirement. | Deductions was made from the payments relating to the sections which was not submitted the certificate, as per the agreement during the period from January 2018 to October 2018. This situation had corrected in the year 2019. | A mechanism should be introduced and implemented to make payments only on the certificates obtained from the officers in charge of each section to confirm the service was satisfied. |
| (b) According to the section 07 of the security service agreement for obtaining security to the Hospital Board, women security guards should be deployed only in day time. Nevertheless 10 women security guards had been deployed in night time in 191 days. | A woman security guard was deployed due to unexpected issues of the nurses hostel occurred in the year 2018 and the agreement was revised from the year 2019. | Actions should be taken as per the sections included in the agreement for supplying of security service. |
| (c) A sum of Rs.4,801,422 had been incurred for supplying of raw foods to the Hospital Board during the year under review. Actions had not been taken as per the Government Procurement Guideline 2.11.3, 2.12(a), 3.12.2, 5.3.1 and 5.3.2. The following observations are made in this regard. | | |
| (i) Technical Evaluation Committee report and Bid Evaluation Summery Report had not been prepared as per the due format. | These errors were corrected since the year 2019. | Actions should be taken as per the Government procurement Guideline. Such errors should get corrected in future procurement. |

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| (ii) | Due statements had not been given by the members of the Procurement Committee and technical Evaluation Committee. | -do- | -do- |
| (iii) | Criteria to assess the capability of bidders to fulfill the contract successfully had not been recognized properly and a pre-qualification test had not been done. | -do- | -do- |
| (iv) | Appropriateness of the bidding documents used by the procurement entity had not been tested and approved by the procurement Committee and Technical Evaluation Committee. | -do- | -do- |
| (v) | Bid invitations had not been prepared including initial information which should be required for preparation of bids such as criteria for direct confirmation of capability and requirement of qualification which should be available with the successful bidder. | These errors were corrected since the year 2019. | Actions should be taken as per the Government procurement Guideline. Such errors should get corrected in future procurement. |

3.4 Human Resources Management

Audit Issue -----	Management comment -----	Recommendation -----
(a) Scheme of recruitment and promotion had not been prepared for any post according to the section 9.3.1 of the Public Enterprises Circular No. PED/12 dated 02 June 2003.	It was a complicated process that preparing of scheme of recruitment which is significant for the hospital. Until it will be prepared, recruitment and promotions are being done according to a Government recruitment scheme with the approval of the Department of Management services.	According to the instructions of the Public Enterprises, scheme of recruitment and promotions should be prepared for each post of the staff and approval of the Department of Management Services should be obtained.
(b) Actions had not been taken to fill 18 vacancies of 6 main posts which had directly related to the patient care	There are many issues in recruitment of qualified officers because the	It should come to a solution having a discussion with the

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| <p>service even up to the end of the year under review.</p> | <p>privileges given by the Ministry are not obtained from the hospital board, four medical officers and a special grade nurse were recruited in the year 2019, recruitments were delayed because qualified applicants were not presented even though paper notices were published.</p> | <p>Ministry for applicants not being presented.</p> |
| <p>(c) A sum of Rs.272,000 had been paid as Rs.30,000 per month during the period from November 2018 to July 2019 to the female officer recruited for the post of Secretary to the Board of Directors which had not included in to the approved cadre without obtaining an approval of the Department of Management Services.</p> | <p>Administration powers are vested to the Board of Directors according to the Hospital Board Act, the Board of Directors had decided to recruit an officer for the duties of secretariat by paying Rs.30,000.</p> | <p>Approval of the Department of Management Services should be obtained for the cadre of the hospital Board.</p> |
| <p>(d) A minor grade officer had been recruited to the post of Assistant medical Registrar on 10 December 2013 without conducting a limited competitive examination following the recruitment scheme of the Management assistant.</p> | <p>Recruitment was made only having an interview due to sufficient applicants not being presented and actions will be taken to recruit a qualified applicant having a competitive examination in future.</p> | <p>If the Government recruitment and Promotion Scheme is followed, actions should be taken to follow the instructions mentioned in the said recruitment scheme.</p> |
| <p>(e) Contrary to the provisions of the Ministry General Circular No. 1979, official diaries had not been maintained by 3 medical officers for a period more than 12 days up to 12 November 2018 the date of audit. Actions had not been taken in this regard even up to 31 December 2018 as per the Chapter XLVIII of the Establishment code.</p> | <p>Warning letters were issued to the relevant medical officers for maintaining official diaries and the official diaries are being checked properly at present.</p> | <p>Instructions given by the Ministry General Circulars should be followed for maintaining official diaries. Actions should be taken in connection with officers who had not followed said instructions as per the provisions of the Establishment Code.</p> |

4. Accountability and Good Governness

4.1 Presentation of Financial statements

Audit issue	Management Comment	Recommendation
According to the section 6.5.1 of the Public Enterprises Circular No. PED / 12 dated 02 June 2003 and the Treasury Circular No. 01/2004 dated 24 February 2004, annual financial statements of the Statutory Boards should be presented to the auditor General within 60 days after the close of the financial year. However financial statements for the year 2018 had been presented on 23 September 2019 in a delay of 207 days.	Financial statements for the year 2018 could not be presented on due date because the former female accountant was found guilty for several charges and dismissed from the service on 28 July 2018 and termination of service of a former Director .	Annual financial statements should be presented on due date as per the instructions of the Public Enterprises Circular.

4.2 Corporate Plan

Audit issue	Management Comment	Recommendation
According to the paragraph 5.1.2 of the section 5 of the Public Enterprises Circular No PED / 12 dated 02 June 2003, corporate plan should be prepared including the organization chart of the institute, strengths, weaknesses, external threats and SWOT analysis, expected targets to be achieved within the relevant period and strategies implemented in this regard an it should be updated annually. However the corporate plan prepared by the hospital for the period of 2016 to 2020 had not complied with such requirement and it had not been updated for the year 2018 as well.	Not commented	Corporate plan should be prepared as per the instructions of relevant circulars.