

SRI JAYEWARDENAPURA
GENERAL HOSPITAL

ANNUAL REPORT

-

2002

Plaque at the entrance

“Sri Jayewardenapura General Hospital

and

Postgraduate Training Centre

donated by the Government of Japan to the

Government of the Democratic Socialist

Republic of Sri Lanka

up on the initiative of

His Excellency Junius Richard Jayewardene

President of the

Democratic Socialist Republic of Sri Lanka

as a token of friendship and

Co-operation

between Japan and

the Democratic Socialist

Republic of Sri Lanka

1983.”

Historical Facts

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The Hospital was ceremonially opened by his Excellency the President J.R.Jayewardene, then President of Sri Lanka and Honourable Ishimatsu Kitagawa representing the Government of Japan on 17th of September 1984.

The first patient was admitted to Ward No. 6, a Medical Ward under the care of Dr. H.H.R.Samarasinghe, M.D., FRCP on 17th December 1984.

The first Surgical Operation was done by Dr. K. Yoheswaran, FRCS (with anaesthesia being administered by Dr. K.A.Perera, FFARCS) on 17th January 1985.

The first delivery was on 18th January 1985 by Dr.Kingsley De Silva, FRCOG.,FRCS(E).

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Sri Jayewardenapura General Hospital has been set up to supplement the curative health service and to assist in the training of Medical Undergraduates, Postgraduates and other health personnel. The operational control is vested in a Board of Management which is in the control of the day to day running of the Hospital. Financing of the Hospital and capital equipment is through a grant from the General Treasury and earnings generated by the Hospital.

CORPORATE INFORMATION

NAME OF THE ORGANISATION

Sri Jayewardenepura General Hospital

ADDRESS

Thalapathpitiya, Nugegoda, Sri Lanka.

LEGAL FORM

Board established by Act of Parliament No. 54 of 1983

AUDITORS

Auditor General, Torington Square, Colombo 7

BOARD

Dr. H.H.R. Samarasinghe	Chairman
Dr. D.L.de Lanerolle	Director of the Hospital
Dr. L.U.C. Kumarage	Deputy Director of the Hospital Acting Director (from May 2002 to Jan 2003)
Mr. Asoka Senanayake	Representative of the Minister
Mr. Shirley Perera	Representative of the Minister
Mrs. Seetha Withanarchchi	Ministry Representative (up to August 2002)
Mr. I.K. Chandrasena	Ministry Representative (from September 2002)
Dr. J.B. Peiris	Director – Post Graduate Institute of Medicine (Ex-officio - up to July 2002)
Prof. Lalitha Mendis	Director – Post Graduate Institute of Medicine (Ex-officio - from October 2002)
Mr. S. Abeyasinghe	Finance Ministry Representative
Dr. A.M.L. Beligaswatte	Director General of Health Services (Ex-officio - up to June 2002)
Dr. Athula Kahandaliyange	Director General of Health Services (Ex-officio - from July 2002)
Dr. D.D. Ranasinghe	Consultant Representative
Dr. P.A.Gunaratne	Consultant Representative
Dr. C.A.Herath	Consultant Representative
Mr.H.H.Amarasinghe	Secretary to the Board

BANKERS

Hatton National Bank
Standard Chartered Grindlays Bank
Bank of Ceylon

SENIOR MANAGEMENT

Dr. H.H.R. Samarasinghe	Chairman
Dr. D.L.De Lanerolle	Director
Dr. L.U.C. Kumarage	Deputy Director
Mr. H.H. Am,arasinghe	Secretary
Mr. R Abeygunawardena	Accountant
Mrs.R.M.S.J. Bandara	Chief Matron

MANAGEMENT COMMITTEE

Dr. D.L.de Lanerolle	Director of the Hospital
Dr. L.U.C. Kumarage	Deputy Director (by invitation)
Dr.(Mrs) N. Amarasene	Consultant Cardiologist
Dr. D.H.H. Waryapola	Consultant Eye Surgeon
Dr. A.B.S.A. Perera	Consultant Orthopedic Surgeon
Mr.H.H.Amarasinghe	Secretary
Mr. R Abeygunawardena	Accountant
Mrs.R.M.S.J. Bandara	Chief Matron

AUDIT COMMITTEE

Dr. H.H.R. Samarasinghe	Chairman
Dr. D.L.de Lanerolle	Director of the Hospital
Dr. L.U.C. Kumarage	Acting Director (from April 2002 to January 2003)
Mr. H.L.C. Karunaratne	Internal Auditor

Chairman's Statement

I take pleasure in presenting the Annual Report together with the Audited Financial Statements of Sri Jayewardenepura General Hospital Board for the financial year ended 31st December 2002.

Sri Lanka experienced its worst recession since independence during the last few years. With a negative growth of 1.4% in year 2001 and insufficient revenue to meet government expenditure, the new Government that came into office in December 2001 took drastic measures to salvage the economy. One such decision was to reduce recurrent and capital grant to certain ministries and institutions. As a result our Hospital too had difficulties in financing the day to day activities as well as completion of the Advanced Cardiac Centre Project. While action was taken to review the activities and reduce stock levels and revise the prices on a rational basis to improve cash flow, a transfer of Rs. 20 million from grant for equipment to construction account was made to meet the Contractor's bills. Further assistance has been sought from Ministry of Health in this regard so that all Cardiac related units can be brought under one roof to provide an efficient service to the patients at least by the middle of 2003.

I also wish to point out that an upward revision of prices of a few selected procedures caused displeasure particularly among the Medical Consultants and among the public. It was therefore a relief to note that the economy has shown a positive growth towards the latter part of 2002 and I hope that Ministry of Finance would review the situation and enhance the recurrent grant in 2003 which has been drastically reduced by 14% to Rs.265 millions.

For Sri Jayewardenepura General Hospital 2002 was a year of "change". A new Board was appointed on 12th January 2002 and I was appointed as the Chairman. The Hospital "Tender Board" was expanded by the inclusion of a Ministry Representative and a Board Member to ensure transparency.

The "Budgetary Control Committee" was re-constituted and a Board Member was appointed to the committee. The Committee was re-named as "Budget Planning and Implementation Committee". For the benefit of the employees a Welfare Society and a Sports Club were formed on the advice of the Minister of Health.

One of the long felt need at the Hospital was a proper strategic plan. A comprehensive "Corporate Plan" was developed in-house saving over Rs.500,000. This plan will be used as a guidance for future development.

Operating results:

As a direct result of the budgetary constraints faced by the Government the recurrent grant was further reduced to Rs.307 million in year 2002 as depicted in the table below.

Table – 1 Recurrent Grant

1999	2000	2001	2002
Rs M	Rs. M	Rs.M	Rs.M
328	338.5	323	307

Income generated from Hospital Charges was Rs.326 million and as compared to the previous year was higher by 11%. (see Table – 2)

Table – 2 Hospital Charges

1999	2000	2001	2002
Rs M	Rs. M	Rs.M	Rs.M
204	242	293	326

The Interest Income has declined during the year by 33% to Rs.14 million mainly due to lowering of interest rates by the Central Bank to encourage investment. However income from this source will not be available in the future as fixed deposit fund will be utilized to purchase some vital equipment such as a Catheterisation Laboratory and a Mammography machine. The income from other sources such as meals to staff and by standers, rent ect., had improved by 24% to Rs.10.6millions.

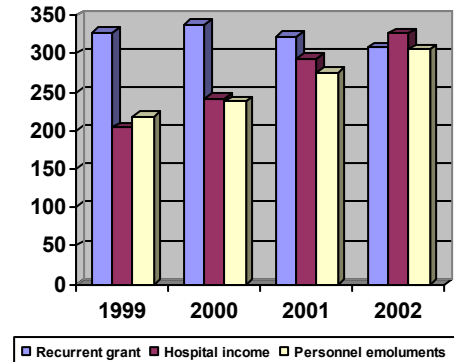
Chairman's Statement *contd.*

The expenditure for the period was Rs. 772 million, up by 13% when compared to the previous year.

Significant increases were recorded in personnel emoluments by Rs.29.3 millions (11%), electricity by Rs.14 millions (30%), and water by Rs.2.3 millions (17%). The increase of emoluments was because of the grant of special allowance by the government in October 2001. Besides overtime rates of Nursing Staff were also increased at the end of 2001 subsequent to trade union action. These increases were beyond the control of Hospital management. The overdraft facility which was arranged some years ago with our bankers Hatton National Bank against the security of a fixed deposit was utilized to overcome liquidity problems costing Rs.1.3 million by way of interest.

Conclusion:

From the graph given below it is apparent that Government Recurrent grants which were sufficient to cover personnel emoluments and part of other expenditure in the past has been gradually reduced compelling prices to be increased. Unless officials of the Ministry of Health and Ministry of Finance look at the problems faced by the Hospital management objectively Sri Jayewardenapura General Hospital will be beyond the reach of the middle class and the poor in the near future.



There was not a single strike during the year 2002 although some section of the work force carried placards appealing for greater financial incentives.

My heartfelt thanks to the staff who, working in difficult and challenging circumstances gave of their best towards the progress of the Hospital and my special thanks to the suppliers who understood the difficulties faced by the Hospital and extended credit even at a loss to themselves.

And I also take this opportunity to thank the Board Members, Minister, Secretary and the other officials of the Ministry of Health, who helped me to overcome many roadblocks in the year.

Dr. H.H.R. Samarasinghe
Chairman,
Sri Jayewardenapura General
Hospital.
24th February 2003.

Corporate governance

Best Practice in Corporate Governance for public enterprises had been the focus of the Public Sector since beginning of year 2002. This subject was introduced under Public Finance Circular No. PF/PE 22 dated 31.05.2002 and some public sector organizations were selected for implementation. However certain principles contained in the code of Best Practice set out by the Institute of Chartered Accountants of Sri Lanka is given below: -

The Board of Directors

The Board consist of eight (8) members appointed by the Minister and three ex-officio members. The Chairman and the Director of the Hospital carry out Executive Functions. While the Chairman functions as the Chief Accounting Officer, the Director is in-charge of the day to day operations.

The Non Executive Board Members while not involved in the day to day running of the Hospital, participate in the close review and monitoring of the operations and two of them function as members of the Tender Committee and one is in the Budget Planning and Implementation Committee.

Committee of Management :

The Committee of Management under the Chairmanship of the Director consist of the members as per SJGH Act administer the day to day affairs of the Hospital and carry out an advisory function to the Board.

Audit Committee

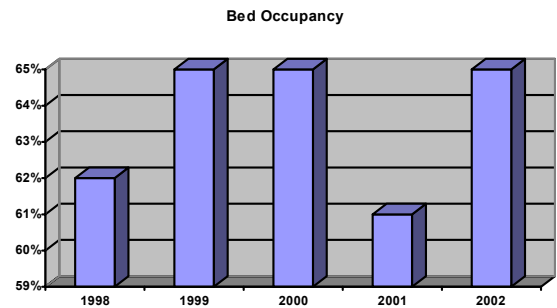
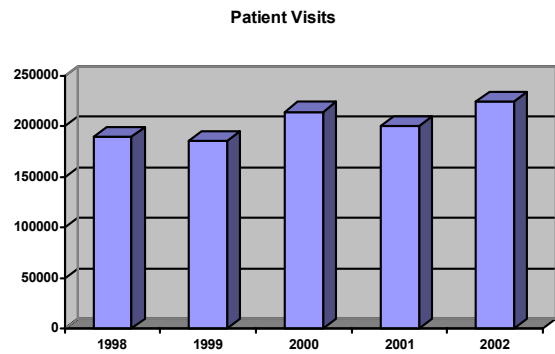
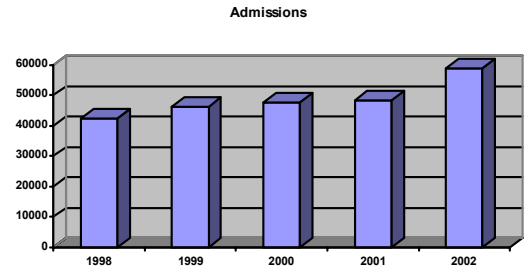
An Audit Committee was appointed in 2002 directly under the Chairman. The Director and the Internal Auditor function as members.

Code of Ethics and Best Practices

Code of Ethics and Best Practices was not specifically drawn up for the Board Members although the principles involved have been adopted.

Segmental Review of Operations

There was a significant increase in the number of patient visits, admissions and bed occupancy in year 2002 when compared with the previous years. This remarkable performance was attributable to the publicity campaign carried out through the electronic media and the improvements carried out in the services provided for the patients. (please see the graphs)



	Medical Wards				
	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Clinics held	292	293	292	293	327
Patient Visits	44835	43,802	46,981	46,686	50161
Admissions	9520	10976	11820	12267	16703
Bed occupancy	75%	78%	78%	74%	91%

Medical Units

There are three Medical wards each with 62 beds and managed by three Consultant Physicians. The clinic visits, admissions and bed occupancy have increased during the year under review due to:

(a) Introduction of three additional clinics per week in diabetic, endocrine and rheumatology.

(b) Dengue epidemic that broke out during the year

(c) More referrals from other hospitals and General Practitioners following publicity program.

Pediatric Medical Unit

This unit managed by a Consultant Pediatrician and a staff Specialist has shown an increase in admissions and bed occupancy. In fact bed occupancy of 101% indicated the maximum utilization of facilities available.

With the opening of specialised pediatric clinics such as Well Baby clinic, Asthma clinic and Immunization clinic patient visits at the General pediatric clinics has dropped slightly as a result of diversion.

Pediatric Medical Unit

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Clinics held	212	224	204	198	192
Patient Visits	8115	9,461	9,504	6,963	7679
Admissions	3215	3550	3660	3664	5040
Bed Occupancy	76%	73%	77%	75%	101%

Neonatal Intensive Care Unit

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Admissions	693	777	668	800	807
Bed Occupancy	54%	54%	48%	49%	54%

Neo-natal Intensive Care Unit (NICU)

This unit is well equipped to manage extremely pre mature babies and low birth weight babies under one (1) kilogram in weight. Unit is managed by Consultant Neonatologist and consists of six ventilators, 16 incubators and 16 cots. Although there is a high demand the accommodation is limited. Furthermore admissions depend on problematic deliveries at our Obstetric units as well as referrals from other maternity hospitals.

The facilities available in the unit have been well utilised during the year under review as depicted in the table.

Gynaecology and Obstetric Units

The two Gynaecology and Obstetric wards with 62 beds in each under the supervision of the two Consultants are very popular and well patronised.

The number of clinic visits in 2002 has shown a 7% increase when compared with the previous year.

Facilities have been provided since middle of 2002 to carry out some investigations and treatment at the clinic itself without admitting the patient to the ward. This change was made for the convenience of the mothers and patients but it has however resulted in a slight drop of 2% of the admissions.

During the year under review 5,742 babies were born at the Hospital.

Gynaecological & Obstetric

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Clinics held	419	344	342	338	339
Patient Visits	33651	38,439	35,399	37,713	40364
Admissions	10659	11059	10443	10386	10173
Bed occupancy	87%	93%	94%	89%	85%
Child birth	5261	5814	5941	5817	5742

Segmental Review of Operations contd

	General Surgery				
	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Clinics held	438	459	450	431	434
Patient Visits	17715	16,137	18,345	16,447	16221
Admissions	5432	5579	6096	5698	6609
Bed occupancy	65%	75%	63%	52%	66%
Surgeries (No)	4700	4240	5086	4566	4415

Eye Unit

The number of eye surgeries has gone up by 4% to 2,244 in the year 2002 when compared with the previous year.

Presently three eye surgeons (Consultant Eye surgeon, and Staff Specialist from SJGH and Consultant Eye Surgeon from Eye Hospital, Colombo) carry out surgeries at the Hospital.

As one of the surgeons was indisposed for nearly three months admissions and clinic visits had slightly dropped,

	ENT Unit				
	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Clinics held	144	148	143	142	126
Patient visits	6493	6,796	7,543	7,926	8475
Admissions	1236	1393	1576	1754	2258
Bed occupancy	43%	44%	48%	55%	57%
Operations	658	725	680	843	878

General Surgery

The three General Surgical wards under the three Consultant Surgeons have altogether a bed strength of 186 beds.

The number of patient visits and the surgical operations show a slight drop in year 2002 when compared with previous years. This can be attributable mainly to the fact that there were no war casualties as a result of on going peace process. However there is an improvement in bed occupancy and the admissions indicating better utilization of facilities.

	Eye Unit				
	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Clinics held	143	146	145	148	143
Patient visits	17715	16,137	14,615	14,128	14039
Admissions	1391	1407	1411	1562	1440
Bed occupancy	55%	53%	51%	54%	49%
Operations	1523	1926	2026	2167	2244

ENT Unit

A speech therapy unit was established in the year under review. An awareness programme in ENT problems and facilities available at the Hospital carried out through electronic media and women's magazines has resulted improvement in admissions in ENT emergencies and referral cases from General Practitioners.

Segmental Review of Operations contd

Orthopedic Unit

The performance of this unit had remained at the same level for last five years. The number of patient visits have increased while the number of orthopedic operations have dropped by 17% when compared with year 2001. The unit carries out special orthopedic operations such as arthroscopy surgery, limb lengthening, knee and hip replacement and scoliosis correction surgeries.

The material cost of these surgeries are very high and unless financial support is given to patients by a third party not very many can afford such surgeries. President Fund provided assistance for four patients to undergo scoliosis corrections in 2002.

	Cardiac and Cardiac Investigation Unit				
	1998	1999	2000	2001	2002
Clinics held	0	46	44	50	50
Patient visits	0	2,327	2,269	2,999	3276
Admissions	513	555	603	539	510
Bed occupancy	33%	29%	30%	36%	87%
Echocardiograms	3762	4562	4777	5088	7961
Stress Tests	599	540	668	124	1113

Cardio-thoracic Unit

In this specialised unit two (2) consultant cardio-thoracic surgeons carry out both open and close heart surgeries and also thoracic surgeries. The unit has 18 normal beds and 12 Intensive Care Beds (ICU).

The performance of the unit has improved in all aspects. Out of 663 heart surgeries performed in the year 68 were Coronary Artery By Pass (CABG) surgeries and 379 are pediatric heart surgeries. This unit has won the reputation and confidence for pediatric heart surgeries and many children with heart ailments are referred from outstation hospitals. The material cost of surgeries and the running cost are very high in this area and in the year 2002 the prices were rationalized and increased which led to a public outcry. President Fund assisted 493 patients and ETF Board assisted 18 patients to under go heart surgeries at the Hospital in 2002.

Orthopedic Unit

	1998	1999	2000	2001	2002
Clinics held	95	98	96	101	93
Patient visits	5199	5,586	6,577	7,200	7483
Admissions	1253	1334	1648	1699	1689
Bed occupancy	50%	45%	60%	53%	50%
Operations	1295	1267	1314	1450	1200

Cardiology and Cardiac Investigation Unit (CIU)

This unit has performed well in the year 2002 in terms of number of patient visits, bed occupancy and investigations following the publicity campaign carried out to create awareness among the public.

Unit is managed by a Consultant Cardiologist.

Cardiac-thoracic Surgery Unit

	1998	1999	2000	2001	2002
Clinics held	80	100	98	95	97
Patient visits	2450	3,218	3,440	4,197	5992
Admissions	378	474	480	502	545
Bed occupancy	65%	73%	79%	96%	112%
Surgeries	444	533	615	584	663

Segmental Review of Operations contd

Nephrology & Dialysis Unit

This unit is equipped with 30 beds in the Nephrology Ward and eight Hemodialysers and four Peritoneal Dialysers in the Dialysis unit.

The first case of kidney transplant was done in year 2000 and up to now 10 have been done with a success rate of 100%.

In year 2002, five (5) kidney transplant surgeries were carried out and the patients were financially assisted by the President Fund.

Available facilities have been fully utilized in the year under review.

Nephrology Ward & Dialysis Unit

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Clinics held	92	97	97	93	98
Patient Visits	4969	6,007	6,764	7,626	7990
Admissions	1983	1293	1462	1455	1626
Bed Occupancy	50%	59%	66%	60%	83%
No. of Dialysis	4033	4383	4443	3873	4256

Endoscopy Unit

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
G.I. Endoscopy	931	899	895	896	1250
Colonoscopies	178	192	116	108	283
E.R.C.P	45	1	1	5	0
Sclerotherapy	33	91	100	114	85
Oesophagial varical banding			4	8	9
Total No. of Examinations	1351	1332	1219	1239	1708

Endoscopy Unit:

This unit has the facilities to perform Colonoscopy, Sclerotherapy and Oesophagial, Variceas banding and 1627 investigations and treatment were carried out in 2002.

Pathological Services

The number of tests carried out in 2002 are as follows:

Bio-chemistry	274,478
Hematology	245,421
Histology	4,927
Micro-biology	139,262

Radiology Department

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
No. of patients X-rayed	35736	35796	36115	35257	35721
Routine X-ray examination	46998	47826	47100	45560	48926
C.T. scan studies	458	688	442	1220	2048
Ultrasound Scans	3760	3352	3813	3517	3951
Other	1415	1265	1084	919	1384

Radiology Department

The initial teething problems faced by the unit when new Spiral CT Scanner was installed in year 2000 have been sorted out and now more than 10 scanners were done for a day. The performance of the unit has improved over the years.

Human Resources Development

Training of employees:

Several training programmes for non-medical staff were arranged with the assistance of Sri Lanka Institute of Development Administration (SLIDA) and Institute of Industrial Techno Management and more than forty employees had the opportunity of undergoing training to acquire and upgrade knowledge. Four employees from clerical staff who had passed GCE Advanced Level in Science were selected to undergo training as ECG technicians at the ECG School of Ministry of Health.

A batch of 50 student nurses passed out from Sri Jayewardenapura Nursing School joined the Hospital permanent carder in 2002.

A batch of 13 Nursing Officers were selected for training on Management and Supervision at Post Basic Nursing School. They will be appointed as Ward Sisters once the training is completed in 1 ½ years.

A pre promotion training programme was conducted by Senior Staff of the Hospital for the benefit of a batch of Minor Staff.

Medical Education:

As a teaching hospital the Hospital provided training for over 150 undergraduates from Medical Faculty of Sri Jayewardenapura University and Post Graduate training for 117 Medical Officers assigned by Post Graduate Institute of Medicine. Clinical training was provided for undergraduates from foreign Medical Schools. At the request of Sri Lanka Medical Council, Act 16 examination was conducted at the Hospital.

A Clinical Society established in year 1985 by the Medical Staff of the Hospital has conducted several educational activities such as weekly clinical meetings, guest lectures, Medical updates, Post Graduate Symposia in year 2002. These programmes were very useful in disseminating knowledge to Junior Doctors and Medical Students.

Clinical Society conducted its 17th Annual Academic Sessions in December 2002 which provided a good opportunity for Doctors to present research papers on research carried out by them at the Hospital.

Seven numbers of permanent doctors were successful in their examinations conducted by Post Graduate Institute of Medicine in the year.

Employee Welfare

In addition to the existing free medical scheme for employees and their dependents two 15 seater airconditioned vehicles were provided for them to hire at a nominal fee of Rs.10 per kilometer.

Outside organisatinos were allowed to carry out consumer durable sales (furniture, electrical items etc..) in the Hospital lobby during the festival seasons for the benefit of the employees.

Ten children of employees who were successful at the fifth standard scholarship examination were selected on merit and awarded a prize of Rs.2,500 by way of a bank savings deposit.

Staff Strength

As at 31st December 2002:

Executive Staff	-	16
Clerical & Allied grades	-	136
Medical Specialists	-	29
Medical Officers	-	106
Intern Medical Officers	-	80
PGIM Trainees	-	36
Nursing Staff	-	456
Para Medical Staff	-	84
Technical Staff	-	07
Others	-	94
Minor Staff	-	<u>474</u>
Total	-	<u>1518</u>

Income statement

FOR THE YEAR ENDED 31ST DECEMBER	Note	2002 Rs.	2001 Rs.
Revenue	1	658,761,313	645,789,620
Personnel Cost	2	(305,401,454)	(276,136,904)
Other Operating Costs	3	(399,578,178)	(360,020,897)
Provision for Depreciation & others	5	(64,985,130)	(45,523,432)
Finance Cost	4	(2,358,745)	(444,181)
Surplus or (Deficit) of Income over Expenditure		<u>(113,562,194)</u>	<u>(36,335,794)</u>

* Figures in brackets indicate deductions.

* The Accounting Policies and Notes on pages to form an integral part of these Financial Statements

Balance sheet

AS AT 31ST DECEMBER	Note	2002 Rs.	2001 Rs.
<i>ASSETS</i>			
<u>Non-Current Assets</u>			
Property, Plant & Equipment	5	<u>677,737,699</u>	<u>615,822,437</u>
<u>Current Assets</u>			
Investments	6	117,396,308	130,114,005
Stocks	7	164,538,582	148,470,673
Debtors, Deposits, Pre-payments	8	104,059,006	99,247,810
Bank & Cash Balance	9	<u>(28,079,342)</u>	<u>12,399,360</u>
		<u>357,914,553</u>	<u>390,231,848</u>
Total Assets		<u>1,035,652,253</u>	<u>1,006,054,285</u>
<i>EQUITY & LIABILITIES</i>			
<u>Capital & Reserves</u>			
Capital Grants	10	1,676,766,321	1,558,536,452
Capital Reserves		2,280,000	-
Hospital Fund un-appropriated balance	11	<u>(781,232,752)</u>	<u>(669,251,489)</u>
Current Liabilities	12	<u>137,838,684</u>	<u>116,769,322</u>
Total Equity & Liabilities		<u>1,035,652,253</u>	<u>1,006,054,285</u>

* The Accounting Policies and Notes on pages 14 to 15 form an integral part of these Financial Statements

* The Board of Directors are responsible for the preparation of these Financial Statements.

The Accounts have been approved by the Board on

Signed for and on behalf of the Board:

Dr.H.H.R.Samarasinghe } Chairman
Dr.D.L.de Lanerolle } Director

Cash flow statement

FOR THE YEAR ENDED 31ST DECEMBER

2002
Rs.

2001
Rs.

CASH FLOWS FROM OPERATING ACTIVITIES

Cash generated from operating activities (Note A)	(59,299,230)	(2,938,346)
Interest Paid		-
Gratuity Paid	(2,045,528)	(2,005,824)
Net Cash Inflow from operating activities	<u>(61,344,759)</u>	<u>(4,944,170)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest Income	14,538,884	24,829,409
Capital Grant	118,229,869	122,595,449
Purchase of Property, Plant & Equipment	(124,620,393)	(162,554,627)
(Increase) / Decrease in Fixed Deposits	12,717,697	(2,366,765)
	<u>(40,478,702)</u>	<u>(22,440,704)</u>

Net Increase in Cash & Cash Equivalents

Cash & Cash Equivalents as at 1st January	12,399,360	34,840,061
Cash & Cash Equivalents as at 31st December (Note B)	(28,079,342)	12,399,360
	<u>(40,478,702)</u>	<u>(22,440,701)</u>

Note - A

CASH GENERATED FROM OPERATIONS

Deficit from Operating Activities	(113,562,194)	(36,335,794)
Adjustment in respect of previous year	1,580,934	(6,843,429)
Depreciation	64,985,130	45,523,432
Provision for Gratuity	825,116	978,746
Provision for Expiry Items	886,812	1,589,270
Investment Income (Interest)	(14,022,822)	(21,343,291)
Operating Deficit before Working Capital Changes	<u>(59,307,024)</u>	<u>(16,431,066)</u>
Adjustment for Working Capital Changes		
(Increase) / Decrease in Stocks	(16,954,721)	(27,833,411)
(Increase) / Decrease in Debtors	(5,327,258)	11,159,330
Increase / (Decrease) in Creditors & Payables	22,289,772	30,166,801
	<u>(59,299,230)</u>	<u>(2,938,346)</u>

Note - B

ANALYSIS OF CASH AND CASH EQUIVALENTS

Cash in Hand & Bank	12,446,416	20,905,873
Bank Overdraft	(40,525,758)	(8,506,513)
	<u>(28,079,342)</u>	<u>12,399,360</u>

Significant accounting policies

1 GENERAL

1.1 Basis of Preparation

1. The Balance Sheet, Income Statement, Statement of Changes in Equity and Accounting Policies and Notes of the Board are prepared in accordance with the Accounting Standards laid down by the Institute of Chartered Accountants of Sri Lanka.
2. The Financial Statements of the Board are prepared under the historical cost convention.
3. The Financial Statements of the Board are prepared in Sri Lankan Rupees (Rs.)

1.2 Government Grants

Board receives two types of Government grants namely

- Capital Grant
- Recurrent Grant

1. Capital Grant is credited direct to the Equity Capital provided by the Government.
2. Recurrent Grant has been recognized as income of the period and credited to the Statement of Income & Expenditure.

1.3 Taxation

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

1.4 Comparative Information

The Accounting policies has been consistently applied by the Board and are consistent with those of the previous year and the previous year's figures and phrases have been re-arranged wherever necessary to conform to the current year's presentation.

2 ASSETS AND BASES OF THEIR VALUATION

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

1. Property, Plant & Equipment are stated at cost or valuation less accumulated depreciation.

The cost of property, plant & equipment is the cost of purchase or construction together with any incidental expenses incurred in brining the assets to its working condition for its intended use.

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

2. 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	02%
Electrical work	10%
Sewerage & Plumbing	10%
Air conditioning	15%
Lifts	10%
Furniture & Fittings	13%
Medical Equipment	20%

Other Assets

Other Buildings	05%
Furniture & fittings, Gas cookers and Other Equip;	20%
Electrical equip; Sewing machines, Cylinders	10%
Medical equip; & implement	25%
Refrigerator & Photocopy Machines	15%
Automobiles	20%

3. No depreciation is provided in the year of purchase or acquisition, full depreciation is provided in the year of disposal

Significant accounting policies contd...

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

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

4. A used vehicle gifted by Japanese International Co-operation Association (JICA) in 1999 and capitalized at the insurance value was re-valued on the basis of a report obtained from Auto Mobile Association of Sri Lanka.

The surplus arising from the revaluation was credited to the Capital Reserve Account.

5. For the purpose of cash flow statement cash and cash equivalents consist of cash in hand and outstanding bank overdraft. For the purpose of presentation of cash flow statement reported based on the indirect method.

3 LIABILITIES & PROVISIONS

3.1 Capital Commitments & Contingencies

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

3.2 Retirement Benefit Cost

A Retirement Gratuity Provision of 5% of the difference between provision at the beginning of the year and actual paid during the year has been made by debiting the Income & Expenditure Statement under personnel cost.

3.3 Provision for expiry of drugs

A provision of 5% of the Drugs and Surgical requisites has been made adjusting the actual cost of drugs expired during the year debiting to the Income & Expenditure Statement.

3.4 Valuation of Inventories

Inventories have been valued at the Average cost.

4 INCOME & EXPENDITURE ACCOUNT

4.1 Revenue

1. The revenue of the Board represents the Income from Hospital Charges, Government Recurrent Grant, Interest Income from fixed deposits and loans to employees, and Other miscellaneous income.
2. All income has been recognized on an accrual basis.

4.2 Expenditure

1. All expenditure incurred in the providing of 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 & Expenditure Statement, the Directors are of the view the nature of expenses method fairly presents the elements of the Board's performance, hence such a presentation method is adopted.

Notes to the accounts

	2002 Rs.	2001 Rs.
1. REVENUE		
Turnover (Hospital charges)	326,455,791	292,882,465
Government grant (Revenue)	307,700,000	323,000,000
Interest income	14,022,822	21,343,291
Other income	10,582,700	8,563,864
	658,761,313	645,789,620
2. PERSONNEL COST		
Salaries & allowances	227,893,169	203,124,491
EPF & ETF	29,697,732	27,821,401
Overtime & Extra duty payment	44,311,201	39,412,721
Encashment of leave	1,500,000	3,653,054
Pension contribution	688,824	816,934
Provision for gratuity	825,116	978,746
Traveling & subsistence	485,412	329,557
	305,401,454	276,136,904
3. OTHER OPERATING COSTS		
Material consumption	267,711,344	247,342,600
Repairs & maintenance	22,448,847	22,866,577
Utility services	67,23,610	53,140,048
Other services	41,407,565	35,082,402
Provision for expiry items	886,812	1,589,270
	399,578,78	360,020,897

Notes to the accounts Contd....

	2002 Rs.	2001 Rs.
4. FINANCE COST		
Bank charges	631,475	254,589
Bank overdraft interest	1,349,581	-
Credit card commission	377,689	189,592
	2,358,745	444,181

5. PROPERTY, PLANT & EQUIPMENT

	Freehold land (26acres) Rs.	Buildings donated by Japan Rs.	Other buildings Rs.	Other donations by Japan Rs.	Furniture & fittings, gas cookers & other equip: Rs.	Medical equipment & implements Rs.	Automobiles Rs.	Capital work in progress Rs.	Total 2002 Rs.	Total 2001 Rs.
As at 1 st January	15,015,732	453,028,634	64,947,555	416,490,078	34,988,090	433,049,432	16,105,668	102,592,222	1,536,217,411	1,373,662,784
Additions	-	-	-	-	1,578,607	34,647,303	-	88,394,483	124,620,393	162,554,627
Revaluation	-	-	-	-	-	-	1,800,000	-	1,800,000	-
As at 31 st December	15,015,732	453,028,634	64,947,555	416,490,078	36,566,697	467,696,735	17,905,668	190,986,705	1,662,637,804	1,536,217,411

DEPRECIATION

As at 1 st January	-	154,029,736	36,253,805	408,913,327	25,767,720	285,847,259	9,583,217	-	920,394,974	874,871,542
Charge for the year	-	9,060,573	3,274,689	841,871	1,937,296	47,718,315	2,152,387	-	64,985,130	45,523,432
Revaluation adjustment	-	-	-	-	-	-	480,000	-	480,000	-
As at 31 st December	-	163,090,308	39,528,494	409,755,108	27,705,016	333,565,574	11,255,604	-	984,900,105	920,394,974

NET BOOK VALUE

As at 1 st January	15,015,732	298,998,898	28,693,750	7,576,841	9,220,370	147,202,172	6,522,451	102,592,222	615,822,437	498,791,242
As at 31 st December	15,015,732	289,938,326	25,419,062	6,734,970	8,861,681	134,131,161	6,650,064	190,986,705	677,737,699	615,822,437

Notes to the accounts Contd....

	2002 Rs.	2001 Rs.
6. INVESTMENTS		
Treasury General Deposit	31,273,678	31,273,678
Fixed Deposits at		
Hatton National Bank	60,699,542	31,927,085
Sampath Bank	-	43,823,834
Panasia Bank	-	23,039,409
Bank of Ceylon	25,373,089	-
National Savings Bank	50,000	50,000
	<u>117,396,308</u>	<u>130,114,005</u>

7. STOCKS

General Stores	12,762,300	9,422,658
Drugs Stores	15,906,941	19,710,967
Surgical consumables stores	73,880,890	46,176,630
Dressing Stores	6,372,952	7,424,917
Electro Mechanical Engineering (EME) stores	13,399,032	18,480,037
Radiology Department Stores	579,991	1,523,997
Path Lab & Blood Bank Stores	12,370,183	10,362,348
General items in sub stores	2,236,467	2,540,261
Drugs & Surgical consumables in sub stores	<u>32,864,982</u>	<u>39,041,445</u>
	170,373,743	154,682,658
Less: Provision for expiry items	<u>5,835,161</u>	<u>6,211,985</u>
	<u>164,538,582</u>	<u>148,470,673</u>

8. DEBTORS, DEPOSITS AND PRE-PAYMENTS

Pre-payments	19,142	19,142
Miscellaneous deposits	4,264,582	3,317,082
Income Receivable	695,205	1,211,267
Staff distress loans	73,259,413	67,220,635
Staff School Book Advance	53,700	636,200
Staff Special Advance	5,800	5,800
Staff – Festival Advance	866,900	876,300
Local Purchase Advance	20,221	20,221
Sundry debtors	6,725,003	5,212,252
Hospital Charges Receivable	17,250,012	19,894,494
Suspense Account	1,097	1,487
Sri Lanka Army	653,240	653,240
Death Donation Recoverable	<u>210,000</u>	<u>150,000</u>
	<u>104,059,006</u>	<u>99,247,810</u>

Notes to the accounts Contd....

	2002 Rs.	2001 Rs.
9. BANK AND CASH BALANCES		
Standard Chartered Grindlays Bank	11,020,329	19,672,061
Bank of Ceylon	210,189	210,189
Hatton National Bank	(40,525,758)	(8,506,513)
Hatton National Bank – Dialysis Fund Current Account	80,970	51,309
Cash in hand & Imprest Accounts	<u>1,134,928</u>	<u>972,314</u>
	<u>117,396,308</u>	<u>130,114,005</u>
10. 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
Capital Grant by the Government of Sri Lanka Note-B	659,941,159	541,711,291
Donation to purchase a Hemo Dialysis Machine	799,235	799,235
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	<u>6,710,000</u>	<u>6,710,000</u>
	<u>1,676,766,321</u>	<u>1,558,536,452</u>
Note-B		
Capital Grant by the Government of Sri Lanka		
Official quarters and boundary wall transferred by the Government	28,426,831	28,426,831
Value of Motor Vehicles	747,855	747,855
26 Acres of land acquired for the Hospital	14,426,057	14,426,057
Deposit paid to Ceylon Electricity Board by the Government	600,000	600,000
Construction of stores complex	2,000,000	2,000,000
Furniture & Fittings	500,000	500,000
Capital Grant for Staff quarters	2,408,533	2,408,533
Grant given annually for Equipment	425,195,122	366,965,253
Grant for construction of Advance Cardiac Centre	<u>185,836,763</u>	<u>125,836,763</u>
	<u>659,941,159</u>	<u>541,711,291</u>
11. HOSPITAL FUND UN-APPROPRIATED BALANCE		
Surplus (Deficit) as Income & Expenditure Statement	(113,562,194)	(36,335,794)
Excess of Expenditure over income balance brought forward	(669,251,492)	(626,072,269)
Adjusted in respects of previous years	1,580,934	(6,843,429)
Excess of Expenditure over income at the beginning of the year (Adjusted)	<u>(667,670,558)</u>	<u>(632,915,698)</u>
Excess of Expenditure over income at the end of the year	<u>(781,232,752)</u>	<u>(669,251,492)</u>

Notes to the accounts Contd....

	2002 Rs.	2001 Rs.
<hr/>		
12. CURRENT LIABILITIES		
<hr/>		
Accrued Expenses	106,933,753	84,563,576
Other Liabilities	13,577,505	13,657,907
Provision for Gratuity	<u>17,327,426</u>	<u>18,547,839</u>
	<u>137,838,684</u>	<u>116,769,322</u>

AUDITOR GENERAL'S REPORT

The Chairman
Sri Jayewardenepura General Hospital

Report of Auditor General on the Accounts of the Sri Jayewardenepura General Hospital Board for the year ended 31st December 2002 in terms of Section 14(2)(c) of the Finance Act, No.38 of 1971.

The audit of accounts of the Sri Jayewardenepura General Hospital Board for the year ended 31st December 2002 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. My 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. The detailed report in terms of Section 13(7)(a) of the Finance Act will be furnished in due course.

1:2 Scope of Audit

Audit opinion, Comments and findings in this report are based on a review of the financial statements presented to audit and substantive tests of samples of transactions. The scope and the extent of such review and tests were such as to enable as wide an audit coverage as possible within the limitations of staff other resources and time available to me. The audit was carried out in accordance with Sri Lanka Auditing Standards methods and practices to obtain reasonable assurance as to whether the financial statements are free of material misstatements. The audit included examinations of evidence supporting the amounts and disclosures in the financial statements an assessments of accounting principles and significant estimates and judgments made in the preparation of financial statements, evaluation of their overall presentation and determining whether the accounting polices adopted were appropriate, consistently applied and adequately disclosed. Sub Sections (3) and (4) of Sections 13 of the Finance Act No.38 of 1971 give discretionary powers to the Auditor General to determine the scope and extent of the audit.

2. Accounts

2.1 Audit Opinion

Except for the effects of the adjustments arising from the matter referred to in paragraph 2:2 of this report, I am of opinion that the financial statements have been satisfactorily prepared to present fairly in all materials respects, the financial positions of the Sri Jayewardenepura General Hospital Board as at 31st December 2002and the results of its operations and cash flow for the year then ended in accordance with the Sri Lanka Accounting Standards other than the Standards referred to in this report.

2.2 Comments on Accounts

2.2.1 Accounting Deficiencies

The following accounting deficiencies were observed.

- (a) The net value of stocks, interest income from investments and sundry expenses had been overstated in the accounts by Rs.1,311,519, Rs.33,208 and Rs.88,258 respectively.
- (b) The Bank overdraft and the balance cash in hand had been understated in the accounts by Rs.5,122 and Rs.6,256 respectively.

- (c) Provision for materials that would expire the period of validity amounting to Rs.5,211,9085, the value of stationary in the office and the wards amounting to Rs.500,000 and the value of stores issued amounting to Rs.227,982,973 had not been into consideration in the preparation of accounts.

2.2.2 Unreconciled Control Accounts

An unreconciled difference of Rs.231,956 between the value of the closing stocks of general stores, drugs and medical equipment spare parts shown in the accounts and the value shown in the stock control ledger was observed.

2.2.3 Lack of Evidence for Audit

Balance in the fixed assets accounts totaling Rs.1,647,663,221 current assets accounts totaling Rs.10,583,991 and investments amounting to Rs.31,273,618 (Treasury General Deposits) could not be satisfactorily vouched or accepted in audit due to the non-availability of adequate audit evidence..

2.2.4 Non compliance with Laws, Rules, Regulations and Managements Decisions

Several instances of non-compliance with the provisions in the following Laws, Regulations and Management Decisions observed in audit were brought to the notice of the Chairman of the Board from time to time.

- (a) Finance Act. No.38 of 1971 – Sections 8(1), (2) and (3).
- (b) Financial Regulations 387, 388, 3965, 396, 751, 756, 757, 762d, 802 and 1647.
- (c) Public Finance Circulars Nos. PF/PE/9, PF/PE/14, FIN/352 AND 393.
- (d) Public Enterprises Circulars No.PE/1/54/1.
- (e) Public Administration Circulars Znos.22/99 and 19/94.
- (f) Cosmetic Device and rugs Act.No.27 of 1980 – Section 9.

3. Financial and Operating Review

3:1 Financial Results

According to the accounts presented the operations of the Board for the year under Review had resulted in a deficit of Rs.113,562,195 as compared with the corresponding deficit of Rs.36,335,791. The financial results, as compared with the preceding year, had further deteriorated by Rs.77,226.404 or 212 per cent. Although the income of the Board had increased due to the upward revision of hospital charges, the increase in other income etc., th4e expenditure had increased over the income due to the failure of the Board to take adequate steps for the control of expenditure.

The following observations are made in this connection.

- (i) The income from hospital charges which had been Rs.293 million in the preceding year had increased during the year under review to Rs.326 million by Rs.33 millions or by 11 per cent due to the upward revision of hospital charges etc.
- (ii) Although there was no substantial increase of salaries or personnel during the year under review, the total salary cost of Rs.270 million in the preceding year had increased to Rs.302 million or by 11 per cent during the year under review. The over time and extra duty an holiday pay cost of Rs.39 millions during the preceding year had increased to Rs.44 million or by 12 per cent during the year under review.

- (iii) Expenditure on food had increased from Rs.34 million by 20 per cent while the expenditure on security, insurance and other services had increased from Rs.13 million to Rs.19 million by 46 per cent.
- (iv) Cost of drugs and surgical materials which had been Rs.173 million during the preceding year had increased to TRs.183 million by 6 per cent during the year under review laboratory and blood bank services supplies had increased from Rs.23 million to Rs.25 million by 8 per cent. X-ray materials supplies had increased from Rs.1.2 million Rs.4.77 million by 292 per cent. While medical equipment and spare parts supplies had increased from Rs.6.7 million to Rs.9 million by 34 per cent.

3.2 Performance

- (i) The number of patient days and the cost per patient day for the year under review had been 311,218 and Rs.2,273 respectively as compared with 286,332 patient days and the cost per patient day of Rs.2,223 for the preceding year.
- (ii) The number of out door patients during the year under review amounted to Rs.224,261 as compared with 197,565 for the preceding year increased by 26,696 thus indicating an increase of 13.5 per cent.
- (iii) The number of surgical operations had decreased from 4,566 to 4,415 by 3 per cent, ECG examinations had decreased from 29,519 to 28,679 by 3 per cent while physiotherapy treatments had decreased from 34,116 to 32,082 by 6 per cent.
- (iv) Although the number X-rays which had been 58,982 in the preceding year had decreased by 7 per cent to 54,951 during the year under review, the X-ray materials expenditure had increased from Rs.1,433,242 to Rs.2,588,162 by 80.6 per cent. Thus the cost of materials for an X-ray examinations had increased from Rs.26 to Rs.47.
- (v) The utilization of beds in the hospital which was 61 per cent during the preceding year had increased to 65 per cent during the year under review. However, the utilization of beds in the E.N.T. wards and the Orthopedic and Eye wards had decreased to 50 per cent.
- (vi) The construction of the Advanced Cardiac Centre (Phase 1) scheduled for completion during the year under review according to the Corporate Plan had not been completed even by the end of the year under review.
- (vii) The closing stock which stood at Rs.148 million as at the end of the preceding year had increased by 11 per cent to Rs.164 million.

3:3 Identified Losses

- (a) The Board had incurred losses of Rs.1,349,581 from the payment of Bank overdraft interest and Rs.53,083 from the settlement of residential telephone bills.
- (b) Although a sum of Rs.1,500,645 had been spent by the Hospital in connection with a scholarship awarded by the Post Graduate Institute of Medicine to a doctor had not been recovered from the Institution that awarded the scholarship.

3:4 Idle and Under-utilised Assets

Equipment, Machinery spare parts and sundry stores materials costing Rs.7,336,775 a blood testing machine costing Rs.1,121,033 Sundry machinery and equipment received as donations from Japan, the value of which could not be ascertained had been lying unused for periods ranging from 01 to 05 years.

3:5 Uneconomic Transactions

The value of outdated stocks as at the end of the year under review amounted to Rs.2,978,637 the value of un-utilized and slow moving stock and the value of stocks destroyed during the year amounted to Rs.4,346,707 and Rs.1,263,636 respectively. This had resulted from purchase and storage of surplus stocks of drugs, surgical and bandage materials without considering their usability and the possibility of those becoming outdated.

3:6 Budgetary Control

Significant variances were observed between the budget and the actuals thus indicating that the Budget had not been made use of as an effective instrument of management control.

3:7 Systems and Controls

Special attention is needed in respect for the following areas of control.

- (a) Purchases
- (b) Issue
- (c) Assets
- (d) Accounting
- (e) Payments

(S.C. MAYADUNNE)
AUDITOR GENERAL

CHAIRMAN'S OBSERVATIONS AND REMEDIAL ACTIONS ON THE REPORT OF AUDITOR GENERAL FOR THE YEAR ENDED 31ST DECEMBER 2002

2.2.1 Accounting Deficiencies

- (a) Necessary adjustments will be made in the year 2003 for stock values, interest income and rates.
- (b) It was revealed that the understated overdraft and cash in hand were due to posting errors, which will be corrected in the year 2003.
- (c) A provision of 5% on the value of stocks have been made under the guidance of Sri Lanka Accounting Standard No. 5 (27) for expiry items as drugs, surgical and dressings are subject to physical deterioration and obsolescence which is a prudent accounting policy. However this policy will be reviewed in the next financial year.

There are practical difficulties of taking the stocks of stationery items at various locations and since such stock levels are not very high an estimated figure has been taken to the final accounts.

Materials consumption during the year is being reviewed at the time of preparation of the accounts however there were no major variances observed

2.2.2 Un-reconciled controlled accounts

Action will be taken to analyse and make necessary corrections when preparing accounts for the year 2003.

2.2.3 Lack of evidence for audit

Although inventory registers are maintained from the inception no separate fixed asset registers have been maintained till 1997. A Board of Survey is being presently conducted in order to up-date the fixed assets register.

2.2.4 Noncompliance with laws, rules, regulations and Management decisions

- (a) Finance Act No. of 1971 Section 38 –8(1), (2) & (3)
 - a. Arrangements have been made to issue an instruction manual to ensure that the Budgets are prepared and approved within the stipulated period.
 - b. The concurrence of the Ministry of Finance is obtained on the basis of the estimated prices of equipment prior to the purchasing procedure is carried out. However in future approval will be obtained for the difference if the actual is in excess.
 - c. A Projected Balance Sheet will be incorporated in the Budget from the year 2003.

Financial Regulations

- (1) 387, 388, 395, 396

Action has been already taken to comply with the requirement.

(2) 751, 756, 757, 762

Although stock verification is being carried out no fixed asset verification has been done. However a Board of Survey has been appointed and the verification is being conducted at present.

(3) 802, 1647

Action has been already taken to comply with the requirement.

Public Finance Circulars

(1) PF/PE/9

In consultation with Treasury arrangements have been already made to purchase medical equipments utilizing the fixed deposits.

(2) PF/PE/14

The limits were revised as the Hospital has to function round the clock {Board Minute No.228 (9) }

(3) No. FIN 352 – Purchase of Drugs & Surgical items

Although the purchasing have been done following the tender procedure occasionally emergency purchases had been made through unregistered suppliers. However quality standard has been checked prior to the purchase.

(4) FIN/393

Instructions will be given to the relevant officers to follow the above circular.

(5) Public Enterprises Circular No. PE/1/54/1

Encashment of leave was paid only to Minor Staff for the year 2002 as approved by the Management Services.

(6) Public Administration Circular No. 22/99 & 19/94

Approval has been obtained from Secretary to the Ministry of Health for official vehicles.

3.3. Identified Losses

- (a) To overcome financial difficulties faced by the Hospital as a result of insufficient Grant an overdraft facility has to be utilized. However the interest income derived from the fixed deposit that has been pledged as security was higher than the overdraft interest. Therefore the loss incurred by the Hospital was not a material amount.

The limit mentioned in the circular for residential Telephone Bills was not realistic and the Hospital Board decided to increase the limits.

- (b) The allocation for human resources development under the hospital Budget was utilized to meet this expenditure. A request was made to the General Treasury through the Ministry for reimbursement.

Nine year summary

(In Rs.'000)

Year ended 31st December	2002	2001	2000	1999	1998	1997	1996	1995	1994
Revenue									
Turnover (Hospital Charges)	326,456	292,882	241,945	204,395	153,417	109,141	86,935	73,122	55,460
Government Grant - Recurrent	307,700	323,000	338,500	328,000	290,000	241,467	183,610	184,976	183,101
Interest Income	14,033	21,343	12,977	12,534	12,302	15,825	24,915	24,978	24,816
Other Income	10,583	8,564	7,018	6,028	4,182	3,808	3,546	2,879	2,365
Total Revenue	658,772	645,789	600,440	550,957	459,901	370,241	299,006	285,955	265,742
Total Expenditure	772,324	682,117	604,930	554,517	471,617	428,033	356,871	334,079	331,468
Surplus or (Deficit)	(113,552)	(36,328)	(4,490)	(3,560)	(11,716)	(57,792)	(57,865)	(48,124)	(65,726)
Government Grant - Capital	118,230	122,595	159,249	19,987	30,238	33,572	45,000	59,567	3,500
Assets									
Non Current Assets	795,134	745,936	626,538	566,230	569,484	587,003	599,733	636,167	623,498
Current Assets	240,529	260,118	270,960	185,949	144,299	129,729	129,036	103,997	80,918
Equity & Liabilities									
Capital & Reserves	897,824	889,285	809,869	650,327	640,586	625,733	652,358	687,942	666,056
Current Liabilities	137,839	116,769	87,630	101,851	73,663	90,999	76,410	52,222	38,360
Statistics									
Bed Complement (No.)	987	987	987	987	981	981	981	981	981
Beds Commissioned (No.)	984	985	984	985	977	968	981	981	918
Patients admitted (No.)	58,867	48,503	47,763	46,308	42,501	43,492	39,234	36,331	28,551
Patients discharged	58,886	48,879	47,704	46,448	42,653	43,690	39,206	36,373	28,766
Daily average admissions (No.)	161	133	131	127	116	119	107	100	78
Daily average discharges (No.)	153	134	131	127	117	200	107	100	79
Average daily sick (No.)	639	599	637	636	607	626	575	545	448
Average length of stay (days)	4.9	5.2	5.5	5.7	5.8	5.8	5.8	5.9	6
Bed occupancy (%)	65%	61%	65%	65%	62%	66%	67%	56%	49%
Clinics held (No.)	2,144	2,026	2,003	2,056	2,029	2,348	2,338	2,191	1,624
First time visits (No.)	29,447	27,272	29,221	28,584	26,930	27,789	24,814	22,539	15,549
Subsequent visits (No.)	135,708	126,162	124,119	118,800	120,638	121,506	115,580	103,411	75,539
Emergency Treatment Unit visits (No.)	59,106	46,560	61,003	37,812	42,129	45,636	46,068	37,570	38,598
Total out patient visits (No.)	224,261	199,994	214,343	185,196	189,697	194,931	186,462	163,520	129,686
Average patients per clinic (No.)	77	76	77	72	73	64	60	57	56

Our Mission

To be a model of an outstanding regional hospital with a national and international reputation for excellence in patient care and a centre for training of medical students, post graduates and other health personnel.

Our Vision

To be fully functional patient friendly hospital with all the multispecialties.