

PERSATUAN PERUBATAN MALAYSIA
(MALAYSIAN MEDICAL ASSOCIATION)
(Registered under the Society Act 1966)
(ROS Registration No: PPM -016-14-13101967)

INTERNAL AUDITORS REPORT
FOR THE YEAR ENDED 31st DECEMBER 2020

**INTERNAL AUDITORS REPORT TO THE MEMEBRS OF PERSATUAN
PERUBATAN MALAYSIA (MALAYSIAN MEDICAL ASSOCIATION)
(Registered under the Society Act 1966)
(ROS Registration No: PPM -016-14-13101967)**

Report on the Internal Audit of the Financial Statements Ending 31st December 2020

We are pleased to present our MMA Internal Auditors Report Year ending 31st December 2020. Our report should be read in conjunction with the opinion given by the external auditors.

We have audited the Financial Statements for MMA. We have looked at the controls that have been put in place and note that some of the recommendations that were submitted during the previous years' audit meeting and the interim audit meeting for this year have been implemented.

We had submitted certain queries and comments after examining the 2020 draft accounts. These queries and comments have been addressed in the Final Report.

The areas of concern that we have identified that still have to be addressed are as follows:

1. Current Assets

a. Inventories

- i) Effort has been made to improve stock keeping.
- ii) We note that the following books are recorded as slow-moving inventories in the account:

No	Book	Publication Year
1	GP Summit Book	2011
2	Stroke book	2018
3	Case Studies in Medical Ethics	2008
4	Occupational Health for Health Care Professionals	2008
5	Occupational Medicine Case Series	2007

We recommend to the Exco to donate the above books to libraries and medical schools.

b. Cash and Bank Balances

We also note that the Cash and Bank Balances which is RM 1,923,560 as compared to RM 624,835 in the previous year in 2019. However, we were informed that the bank balance will be utilised for purchase of properties.

2. Sustainability of income - Income has increased.

We note that MMA Income for 2020 has improved. Commission from insurance has increased by 25.5%. Income from Continuous Professional Development activities has increased by 394.8% compared to 2019. We note that the MMA Exco has taken action to find alternate source of income instead of depending on its insurance income. In 2020, has brought in net RM 101,723 from Medical Procedures and Services Nomenclature (MPSN). It is a very good start.

3. Expenditure

MMA EXCO/Council has in 2020 taken action to reduce the expenses.

- Council and Exco expenses have been reduced by 31.7% compared to 2019
- International Conference Expenses has been reduced by 99.2% compared to 2019
- PPS meeting expenses has been reduced by 70.3% compared to 2019
- SCHOMOS meeting expenses has been reduced by 35.1% compared to 2019

4. MMA Properties

a) Registered Ownership of Properties.

The EXCO has taken action to change the ownership name of all MMA properties from trustees to Association's name.

b) Leasehold period for MMA buildings

We understand that application for the extension of leasehold period for MMA Building done previously and according to Timbalan Pengarah Pengurusan Tanah, the application only can be done when the remaining lease period is less than 30 years.

5. CSR Fund

There is a sum of RM 414,550 under CSR fund that has not been utilised since last year for CSR activities. We recommend the Exco to utilise the fund for Covid-19 related activities.

6. Special Savings Fund

Internal Auditors suggests the MMA Council to look into MMA Special savings fund with the view of giving a small contribution to the family of a deceased Life Members of MMA and this money to be taken from MMA Special Saving (Life Investment) Fund.

7. Training courses for staff/Council Members

We note that every year MMA has a surplus income. We recommend that MMA should provide training courses to the Secretariat Staffs and MMA EXCO/Council Members such as:

- Leadership Course.
- Skills/ IT base Training for the Staffs

8. MMA Branch Accounts

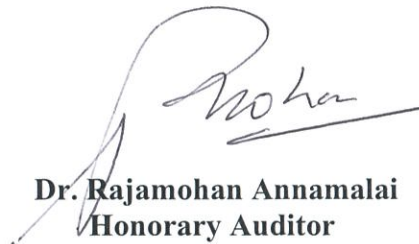
Proper audit to be done to all branch accounts.

Finally, we have given our recommendations, which in our view will help to further improve the financial Health of MMA. These recommendations are by no means complete or comprehensive and we would sincerely urge the MMA Council to study further and give more proposals.

Best Regards,



Datuk Dr. Lekhraj Rampal
Honorary Auditor



Dr. Rajamohan Annamalai
Honorary Auditor

Date: 3rd July 2021