

**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 2022**

**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 2022

We are pleased to present our MMA Internal Auditors Report Year ending 31st December 2022. 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 2022 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

Cash and Bank Balances

We note that the Cash and Bank Balances stands at RM 1,178,287. We recommend that only a sum of RM 500,000 to be kept as cash in hand for use. The balance to be in fixed deposit for short term.

2. Sustainability of income - Income has increased.

- We note that MMA's income for 2022 has improved.
- Income from Continuous Professional Development activities was RM 1,304,904.00. The commission from insurance is also encouraging RM 3,878,264.00, This has kept MMA' finance position healthy.
- We recommend that for MMA SCHOMOS, PPS, and other sub-committees of MMA to plan their activities and to generate income to maintain the sustainability rather than utilise the MMA fund.
- We note that the MJM and Berita MMA Editorial Board have performed very well and have generated income instead of using MMA Funds.

3 MMA Properties

- **Plaza Sentral Unit 3B-6-3 – RM 2,350,000**

We note that the full payment had been made, however, the issuance of the strata title is still pending from the developer. We recommend that the incoming EXCO to look into the matter.

- **Plaza Sentral Unit 3B-11-5 & 6 – RM 3,690,000**

We note that the full payment had been made, however, the issuance of the strata title is still pending from the developer. We recommend that the incoming EXCO to look into the matter.

We are informed by the Finance Section, that the lawyer is working on the issue and the strata title will be obtained soon. We note that the 3 units at Plaza Sentral are generating income from rental. We recommend that the incoming EXCO to look into the matter.

- **Melaka Property – RM 1,665,000**

We note that although the SPA was signed on 25th Feb 2021, the sales has not been completed.

The Sale and purchase agreement (SPA) was entered on the 25th Feb 2021.

We are informed by the Finance Section that the SPA was conditional upon obtaining 2 consents. One from the State Authority and the other from the Ministry of Domestic Trade and Consumer Affairs.

The condition precedent was to obtain both the consent within 6 months from the date of the Agreement failing which the parties could either mutually agree to extend or terminate the agreement and the Vendor shall refund the deposit. The Vendors of the property has taken too long to settle the Sales and Purchase Agreement. We recommend that the matter should be solved within 3 months, failing which MMA should terminate the agreement and request the Vendor to pay compensation.

4. Training courses for staff/Council Members

We note that every year MMA has a surplus income. We highly recommend that MMA should provide training courses to its Secretariat Staff and MMA EXCO/Council Members, such as.

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

5. MMA Special Savings (Life Investment0 Fund)

We note that the fund now stands at a healthy balance of RM 19,482,597.

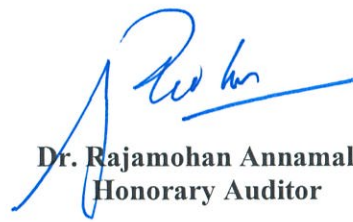
We recommend that MMA Council to consider increasing the death benefit payments to Life Members from RM 5000 to RM 10,000.

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 EXCO and Council to study further and give more proposals for greater interest of MMA.

Best Regards,



**Prof. Datuk Dr. Lekhraj Rampal
Honorary Auditor**



**Dr. Rajamohan Annamalai
Honorary Auditor**

Date: 20th July 2023