



Charity Review Operation Smile Foundation (Thailand)

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Reviewers: Khun Terrence P. We B Ec, CPA (Australia)
Manu Pensawangwat, BA

Charity Head: **Executive Director:** Ms. Christina Krause
christina.krause@operationsmile.org
Address: 12/2 Soi Methinivate, Sukumvit Soi 24
Klongtoey, Bangkok 10110
Telephone Numbers: +66 2-075-2700-2
Fax Number: +66 2 075-2703
Email Address: Thailand@operationsmile.org
Website <http://www.operationsmile.or.th/>

Charity Purpose:

Operation Smile Thailand provides free surgeries to repair cleft lip, cleft palate and other facial deformities for children throughout the country. Operation Smile Thailand was registered as a Not-for-profit organization on Feb 11, 2002. Registration as a not-for-profit organization # Kor Tor 1112 Thailand Income Tax Exempt number # 636. Donations to Operation Smile Thailand are tax-deductible for Thai income tax payers.

Approximately one in every 700 babies in Thailand is born with a cleft lip or cleft palate.

The need for Operation Smile support for Cleft Lip and Cleft Palate surgeries in Thailand is well recognised as over 100 medical professionals in Thailand volunteer their time to perform surgical missions each year.

Review Process:

We visited the Operation Smile Thailand's office in Bangkok and reviewed the charity activities and discussion in activities details with Mr. Kevin J. Beauvais, Chairman and Ms. Christina Krause, Executive Director and K. Tatpisha Termthavorn, Resources Development Director. We gained a good understanding of the need the surgeries supported by Operation Smile Thailand and can see the high level of professionalism of the staff and transparency of the organisation.

Background to the need:

Operation Smile is an international non-profit medical charity founded in the U.S. in 1982 by Dr. William Magee and his spouse, Kathy Magee with the aim of providing safe surgeries to underprivileged children and young adults at no cost to address facial deformities such as cleft lip, cleft palate and burns. This aim has taken Operation Smile across the globe with a presence in more than 60 countries.

As in many countries the public health sector in Thailand cannot meet the demand for various surgeries

in a timely manner and consequently there is a long queue for surgeries. This includes cleft lip and cleft palate reconstructive surgeries. The Thai Ministry of Public Health estimates that there are 25,000 untreated cases of cleft lip and cleft palate. There are approximately 1,800 new cases in Thailand per year as 1 in 700 babies is born with a cleft lip or palate. This does not include hill tribe persons and refugees living in Thailand. One in 8 babies with these deformities will die before their first birthday if untreated.

Furthermore, persons which do not have Thai citizenship are not entitled to receive public health treatment in Thailand. This means that marginalised persons such as in hill tribe areas and citizens from neighbouring countries in Thailand are not able to seek public health services in Thailand.

Having a Cleft lip/palate effects a child physically as they may be malnourished since they are unable to suckle well as a baby, have difficulty eating. They are also at higher risk of ear disease, suffer from dental and speech impediments let alone the humiliation the person suffers from having such a deformity.

History in Thailand

The first mission in Thailand was undertaken in 1997 with great support from the former Prime Minister H.E. Mr. Anand Panyarachun. In 2001, Operation Smile Thailand was registered and established as an official charitable medical foundation to provide help to indigent patients in remote rural areas across Thailand. Owing to the tireless devotion of its medical volunteers, non-medical volunteers and the foundation staffs, more than 12,000 life-changing surgeries were provided.

Operation Smile, with a current presence in 60 countries, is an international organisation started in the US in 1982 to provide free reconstructive surgery to children with facial deformities.

Operation Smile Thailand has created long-term sustainability by providing educational opportunities to its in-country medical volunteers. This will benefit the planning of medical treatment for patients with cleft lip and cleft palate as well as patients suffering from burn injuries- another area of expertise. These educational programs range from international medical conferences that involve the exchanging and sharing of new techniques and knowledge, to training programs for medical professionals such as international life support training, which are made possible by being a global partner with the American Heart Association.

In 2006, Operation Smile Thailand partnered with the Thai Speech and Hearing Association to produce the first Thai language manual for parents and their children who need integral cleft lip and cleft palate care.

In the last few years Operation Smile Thailand has performed more than 11,000 free surgeries for children in the Kingdom of Thailand, Laos and Myanmar.

<u>Year</u>	<u>Number of Surgeries</u>	<u>Location</u>
2011	48 O	Sakonnakhon Hospital
	52 O	Surin Hospital
	50 W	Sanpasitprasong Hospital, Ubon Ratchathani
	120 O	Srinagarind Hospital Faculty of Medicine, Khon Kaen University
	80 O	Chonburi Hospital

	100 O	Maharaj Nakorn Chiang Mai Hospital
	129 W	Maesot Hospital
	100 O	Buddhachinnaraj Hospital
	42 W	Sanpasittiprasong Hospital, Ubon Ratchathani
	67 O	Songklanagarind Hospital
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	788	
2012	24 O	Nan Hospital
	85 O	Srinagarind Hospital Faculty of Medicine, Khon Kaen University
	85 O	Maharat Nakhon Ratchasima Hospital
	85 O	Buddhachinnaraj Hospital
	70 O	Chonburi Hospital
	73 W	Sanpasittiprasong Hospital, Ubon Ratchathani
	85 O	Mahara Nakhon Si Thammarat Hospital
	100 O	Maharaj Nakorn Chiang Mai Hospital
	35 O	Panyanantaphikkhu Chonprathan Medical Center
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	642	Srinakharinwirot University
2013	40 O	Klang hospital Bangkok
	139 O	Maesot, Tak
	73 W	Sanpasittiprasong Hospital, Ubon Ratchathani
	100 O	Maharat Nakhon Chiang Mai Hospital
	66 O	Sisaket Hospital
	<hr/>	
	418	
2014	70 O	Surin Hospital
	50 O	Panyanantaphikkhu Conprathan Medical Center, Nonthaburi
	122 W	Maesot General Hospital
	40 W	Nakhon Phanom Hospital
	100 O	Udon Thani Hospital
	120 O	Maharat Nakhon Ratchasima Hospital
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	502	
2015	140 W	Nakornmaesot International Hospital
	60 O	Maharaj Nakorn Si Thamarat Hospital
	74 W	Sisaket Hospital
	100 O	Songklanagarind Hospital
	170 O	Maharat Nakhon Ratchasima Hospital
	48 W	Chonburi Hospital
	100 O	Majaraj Nakorn Chiang Mai Hospital
	100 O	Buddhachinnaraj Hospital, Pitsanulok
	<hr/>	
	792	

Note: "O"ngoing or "W"eeKlong Mission

<http://www.operationsmile.or.th/missions/reports/index.phtml>

Fact about cleft lip and cleft palate

Statistics show that every three minutes, a child is born with a cleft. A child born with a cleft palate often is unable successfully breastfeed or bottle feed. Children with these deformities can suffer from a multitude of medical problems including difficulty with speech development, hearing difficulties resulting from ear disease and chronic ear infections, and breathing problems followed by complications such as pneumonia. Children born with these deformities often hide away from the world because of the stigma and isolation it brings, their self-esteem shattered. In Thailand, there are countless numbers of cleft children living their lives untreated.

Causes:

- The exact cause is unknown
- These birth defects happen early, during the first 3 months of pregnancy.
- Genetic and environmental influences such as maternal illness, malnutrition or drug usage increase the incidence of cleft.

Statistics:

- Every three minutes, a child is born with a cleft.
- One in every 700 babies are born with a cleft lip or cleft palate, some born with both conditions.
- In Thailand, there are approximately 2,000 babies born yearly with a cleft lip or cleft palate. This statistic does not include the hill tribes and refugee populations living in Thailand with unknown numbers.

Operation Smile Thailand Foundation enables poor patients nation-wide to receive free cleft lip and cleft palate reconstructive surgeries in a timely manner. Operation Smile medical missions are divided into two types. Weeklong Medical Missions provide full medical volunteer service and On-going Medical Missions which provide finance and support to Thai public hospitals upcountry so that poor citizens can receive the surgery in a timely manner.

1. Weeklong Medical Mission

This is particularly needed for persons who cannot access the Thai public health system. The Weekly Missions (which take one week each) are conducted in border areas such as Mae Sot near the border with Myanmar, Sisaket and Ubon Ratchathani near the borders with Laos and Cambodia. Medical volunteers in the fields of reconstructive surgery, anaesthesia and nursing are mobilized from all over Thailand to provide free and safe surgeries in remote rural areas lacking specialized medical professionals to deliver quality surgical care and medical services.

Medical volunteers in the fields of reconstructive surgery, anaesthesia and nursing are mobilized from all over Thailand to provide free and safe surgeries in remote rural areas lacking specialized medical professionals to deliver quality surgical care and medical services. These volunteers provide their skills to children with cleft lip and cleft palate as well as other injuries and birth defects that can be corrected by reconstructive surgeries such as scar contractures from burns and scalds, finger fusion (Syndactyl) and extra fingers (Polydactyl).

Babies need to be at least 6 months old and/or 5 kgs in weight to be ready for the surgery.

Each weeklong Medical mission consists of 50-60 volunteer Thai medical professionals and each operation requires a team of 9 medical staff to operate on 20-30 patients per day. The doctor volunteers are usually private practitioners in Bangkok. Medical staff are usually all Thai due to Thai legal qualification requirements. The average cost of a Weekly Mission surgery is Baht 35,000 (excluding medical staff time which is volunteered).

2. On-Going Medical Mission

To meet the growing demand for safe and effective treatment solutions, Operation Smile Thailand

launched the first on-going medical program in the global network. After identifying hospitals that have full time plastic surgeons, but that lack the funds to offer free surgeries, it conducts fundraising activities to pay the necessary costs to provide for an agreed upon number of patients.

This tremendously benefits patients who are often unable to travel to its Weeklong Medical Mission locations due to unavailability caused by various restrictions such as school schedules or harvest season. The other benefit is that the surgeons are available at the hospital to offer follow-up surgeries and continuous post-operative care when necessary.

The average cost for an On-going Mission is Baht 15,000 as the facilities and doctors are utilised at the public hospitals.

3. Post Operative Care

The foundation provides continuous medical services and health care to patients when its professional medical volunteers see the need for further treatments such as speech camp, facial reconstructive surgeries and for patients who are accepted into Operation Smile's Individual Cases.

- Global Standard of Care

To ensure the safety and quality of care for every patient around the world, Operation Smile sets global policies for medical treatment, medical equipment and supplies. They also train their in-country medical volunteers and credential them in order to provide the safest surgeries in accordance with global medical standards.

- Student Programs

Through collaboration with educational institutions in Thailand, Operation Smile has founded school clubs to empower students with a sense of social responsibility and volunteerism while building leadership skills. Since its first effort in 2007, Operation Smile Thailand's Student Program has grown to 17 clubs from 16 international schools with more than 200 students from elementary to high school. Not only do the student groups join its Weeklong Medical Missions, they raise awareness and funds through social activities in and out of school throughout the year to support the cause and work of Operation Smile Thailand.

<http://www.operationssmile.or.th/smilestories/index.phtml>

- Education and Training

Operation Smile Thailand is proud to have created self-sufficiency and sustainability within Thai medical circles by partnering with the American Heart Association to organize life support training seminars ranging from Basic Life Support (BLS), Advanced Cardiovascular Life Support (ACLS) and Paediatric Advanced Life Support (PALS) for medical volunteers across the country.

Primary Supporting Organisations:

Operation Smile has a diverse range of supporters, which can be classified as:

	2012	2013	2014	2015
Corporate	9,450,184	6,553,826	239,541,055	40,378,328
School Clubs	855,870	2,688,896	2,795,376	32,336,183
Donation Box	228,292	237,477	302,439	472,767
Individual	1,769,465	2,723,611	6,086,408	11,254,451
Fight Night	2,625,610	3,239,914	5,293,156	5,154,900
Clubs & Associations	774,016	1,376,217	1,832,219	9,727,725
Merchandise / Events	310,125	1,418,165	721,059	829,301
In-Kind	-	301,645	3,252,634	3,984,327
Total	16,013,562	18,539,751	259,824,346	104,137,982

Transparency and reporting

Operation Smile prepare annual financial accounts and operational audits. The Operation Smile Foundation in Thailand 2012 financial statements were audited by TC Consulting Co.,Ltd. in accordance with International Financial Reporting Standards "IFRS".

In 2012, 11 volunteers provided unpaid work for Operation Smile organisations. The volunteers stayed with Operation Smile for different periods of time, but contributed approximately 2.3 man-years in 2012. Operation Smile has low administration cost ratio of revenues of 10% in 2012 after including the minimum notional cost of the medical staff volunteered time for each operation.

Operation Smile has presented its latest audited financial report for the year 2015 which was audited by Jittapon Sittisak, the Certified Public Accountant (Thailand) number 7290 on behalf of TC Consulting Co., Ltd. GBA verified its financial statement and revised the rating. GBA found that Operation Smile - Thailand has significant improved its information disclosure, especially on its website from the last review and rating of GBA in early 2014. As a result, GBA has upgraded its rating on Operation Smile - Thailand in response to the improvement.

Receipts and Outgoings Charity: Operation Smile Foundation (Thailand)

	Audited		Notional		Notional Time Value		Total
			In Kind		Volunteers		
	THB		THB		THB		THB
	2015		2015		2015		2015
<u>Income</u>							
Donation income	76,903,644						76,903,644
Other income	151,241						151,241
Donation in-kind			3,984,327				3,984,327
Total	77,054,885						81,039,212
<u>Program Expenses</u>							
Salary	9,795,782	13%					9,795,782 12%
Mission Expenses	28,571,032	37%					28,571,032 35%
Education Expenses	1,224,479	2%					1,224,479 2%
Individual patients	1,224,467	2%					1,224,467 2%
Total	40,815,760	53%					40,815,760 50%
<u>Overhead Expenses</u>							
Salary	2,693,431	3%					2,693,431 3%
Administrative	968,608	1%					968,608 1%
Total	3,662,039	5%					3,662,039 5%
Total expenses	44,477,799	58%					44,477,799 55%
Less Notional in-kind			3,984,327				- 3,984,327
Net Surplus	32,577,086						32,577,086
<u>Asset</u>							
	THB		THB		THB		THB
Current Asset	2015		2015		2015		2015
Cash & cash equivalent	55,121,675						55,121,675
Short-term investment	242,527						242,527
Other Current asset	1,811,281						1,811,281
Total current assets	57,175,483						57,175,483