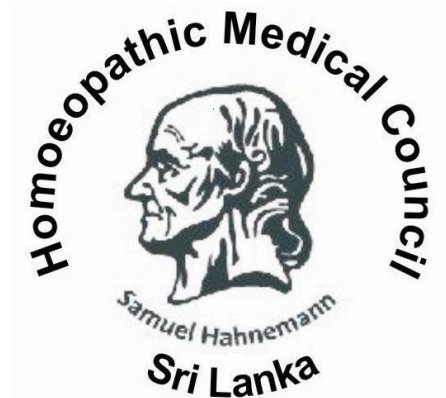


Ministry of Indigenous Medicine

**Homoeopathic Medical
Council**

Annual Report

2013



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01. Summary

The Annual Report - 2013 of the Homeopathy Medical Council is submitted herewith and this has evaluated the collective function of this institution during the year. The combined action taken to meet the mission, vision, objectives, plans and targets of the Homeopathy Medical Council and a related analysis has been submitted herewith.

The leadership provided by H.E. the President, Hon. Prime Minister, Hon. Minister and Hon. Deputy Minister as well as all other Members of Parliament will be of importance for the Homeopathy Medical Council which has made the promotion of the Homeopathy system of Medicine as a national health service to reach its goals.

Since the Homeopathy Medical Council was unable to be established even by the end of year 2013, it is a Homeopathy Interim Council which administered the functions on behalf of the Council as was the case during the last year. It received the assistance and recommendations of a Technical Committee consisting of three Medical Practitioners. In addition to continuing its general functions of the Medical Council, the Interim Council launched its performance basically on two areas during this year. One of them is to make the services of the Medical Council sufficient and stable in the form of recruitment of its staff. As such, two persons were recruited for the post of Office Assistant and another two for the post of Management Assistant. The turn taken for the first time after the appointment of the Interim Council to register Homeopathy Medical Professionals can be noted as the other area of performance. Accordingly, with granting registration to 5 Graduate Homeopathy Medical Practitioners in this year, the total number of Graduates registered by the Council rose up to 8 persons. Further, arrangements had been made to hold interviews for registration of Medical Professionals under Section 27 (1) C of the Act by the end of the year.

Supervision of the entire performance of the Homeopathy Medical Council and introduction of tactics and strategies it requires are done by the Ministry of Health and Indigenous Medicine. The final objective of launching this Annual Report is to open an avenue for the Homeopathy Medical Council which targets to develop physical and human resources required for the promotion of its system of medicine and the Ministry of Health and Indigenous Medicine, which is its line Ministry, to achieve their goals.

02. Introduction

Homeopathy Medicine may be introduced as a system of medicine founded on the natural principle of "Like cures like". Dr. Christian Friedrich Samuel Hahnemann who lived in 18th Century is the founder of this system of medicine who also performed an immense role in expanding this system of medicine. At present, the Homeopathy system is used in many countries of the world as a recognized system of medicine. For instance, the Government of India provides Homeopathy treatments to its public through its hospitals and Homeopathy clinics spread all over the country by absorption of the system of Homeopathy Medicine into the National Health Service.

The Homeopathy Medical Council has been established as per Sub-section 1 of Section 2 in Part 1 of the Act No. 07 of 1970.

The Homeopathy Medical Council should consist of seven persons to be elected out of Registered Homeopathy Medical Practitioners. (The Homeopathy Medical Council has been dissolved by now and its functions are administered by an Interim Committee). Its Registrar is the Secretary to the Homeopathy Medical Council.

There are 07 Homeopathy Clinics operated by this Council as established in the seven locations of Dehiwala, Parakaduwa, Moneragala, Palamunai, Matale, Kurunegala and Tholangamuwa.

03. Homeopathy Medical Council

Vision

“Promotion of the Homeopathic Medical System up to the level of National Health Services”

Mission

“Creating appropriate policies with regard to the promotion of human and physical resources pertaining to the Homeopathic Medical System for popularizing it among the people, for its progress as well as its development.”

Objectives

“Qualitative development of the professional education and the health services in the field of Homeopathy and establishment of the well veing of patients through the employment of skilled professionals with merit and experience for the conservation of the healthy persons devoid of diseases by conferring the professional legal status to ensure the professional status and the qualitative aspect in accordance with the provisions of the Homeopathy Act No. 07 of 1970.

04. Background

Homeopathy Medical Council is mainly a professional body. The members of the first Homeopathy Medical Council are appointed as per the Homeopathy Act by the Hon. Minister in charge of the subject. Members for the subsequent Medical Councils are appointed by a vote held among the registered Homeopathy Medical Practitioners. The duties and powers of the Homeopathy Medical Council should be exercised in keeping with the recommendation of the Minister in charge of the subject and the orders published by the Minister. The Homeopathy Medical Council has the power to make regulations as per the Homeopathy Act. Such regulations should be published by the Hon. Minister in keeping with the regulations in the Homeopathy Act.

Rules and Regulations

Although a period of some 40 years has passed after Homeopathy being a medicinal system recognized by the government and over 30 years has passed after establishment of Homeopathy Medical Council, regrettably, only a handful of regulations required for enacting the Homeopathy Act have been made so far. This situation, while being an obstacle in the way to progress of the Homeopathy Medical System, has also created the environment necessary for engagement in various types of frauds over and above the provisions of the Act. This has disabled the Medical Council to achieve its objectives while also disabling the proper performance of the Council.

By laws published so far

1. Rules of the Medical Council - 1981
2. Homeopathy Regulations - 1980
(Medical Practitioners' Regulations and Importation of Homeopathy Medicines)
3. Rules of the Homeopathy Council – 1983
4. Electoral Regulations of the Homeopathy Medical Council 1998

Establishment of the Homeopathy Medical Council

The first Homeopathy Medical Council was established in the year 1979. The Hon. Minister has enacted the Homeopathy Act by appointment of members to the Homeopathy Medical Council as per the regulations in the Act. Members for the subsequent Medical Councils have been appointed by a vote held among the Homeopathy Medical Practitioners in keeping with the regulations of the Homeopathy Act. The members of the Medical Council have been dismissed from their offices in keeping with the orders in the third Homeopathy Medical Council Act.

Members of the Homeopathy Medical Council

- Members of the first Homeopathy Medical Council were appointed by the Hon. Minister in accordance with the regulations of the Act. (1979-1989)
- Since the Medical Council Election Regulations were not drafted for about 10 years subsequently, the Medical Council remained inactive. (1989 - 1998)
- The Medical Council was elected in September 1998 for a period of 5 years after an election. (1998 - 2003)

- Due to the change of the Ministry in charge of the subject and various other legal matters, the Medical Council remained inactive again for a period of around 03 years. (2003 - 2006)
- Elected in the year 2006 by an election, the third Medical Council functioned up to July, 2009. Having removed the members of the Medical Council, the Hon. Minister appointed new members to such posts in October, 2009 (the relevant gazettes are attached).
- A Medical Council was appointed for the balance period of two years of the Medical Council dissolved by the Hon. Minister on the Special Gazette Notification No. 1625 of 29/10/2009. With the termination of the term of office, the said Medical Council became annulled on 31st January 2011.
- Since then there was no Medical Council in operation up to 16th June 2011.
- On instructions of the Attorney General, an Interim Board of Administration was appointed by the Hon. Minister on 16th June 2011 to run the work in the Medical Council. Since then up to date, the functions of the Medical Council are run by the Interim Committee.

05. Objectives of the Medical Council

Under Section 22 of the Homeopathy Act, the objectives of the Homeopathy Medical Council are as follows.

1. Registration and suspension of registration of the Homeopathy Medical Practitioners.
2. Protecting rules and professional ethics of Homeopathy.
3. Extension and encouragement of Homeopathy as well as improvement of Homeopathy medical education.
4. Establishment and legal recognition of the Homeopathy Medical Colleges and Institutions.
5. Production, importation, marketing, controlling and regulation of Homeopathy medicines and perfumes.
6. Publishing books, magazines to raise awareness on Homeopathy and Public Health.
7. Publishing laws and ethics consistent with Homeopathy Act.

Informing the Hon. Minister on the responsibilities of professionals and members of Homeopathy as a professional body as per the regulations of the Homeopathy Act.

06. Powers vested in the Medical Council

As per the order 23 of the Homeopathy Act, the powers vested in the Medical Council are as follows.

1. Registration of Homeopathy Medical Practitioners.
2. Accepting Homeopathy Medical Colleges by approval or rejecting them as the case may be.
3. Regulation of syllabi for courses in recognized medical colleges and syllabi for revised courses.
4. Conducting examinations and offering degrees or diplomas for students studying in recognized medical colleges.
5. Regulating and charging fees as examination fees and entrance fees.
6. Checking and observing the quality and qualitative development in recognized medical colleges and ensuring their quality of education.
7. Appointment of medical practitioners registered in the ordinary registry as well as the external examiners in order to hold examinations published by the Medical Council.
8. Banning or suspending recognition of the Medical Colleges not adhering to the provisions and expected recommendations and criteria of the Act. (The Administrative Council of that institution should be given an opportunity before such action to rectify their faults)

9. Establishment of Homeopathy Research Institutions, organizing post-graduate courses, taking steps to produce Homeopathy medicines.
10. Publishing Homeopathy magazines.
11. Utilizing funds in the Homeopathy Fund for the purpose of meeting the expectations of the Act and achieving the objectives of the Medical Council.
12. Action to achieve the objectives set out in the Act and the prospects of the Medical Council pertaining to improvement of Homeopathy.
13. Formulating regulations for methodical performance of functions of the Medical Council and enforcement of provisions of the Act and the Hon. Minister publishing the required regulations in the gazette after passing in Parliament.

07. Membership and term of office of the Medical Council

The Homeopathy Medical Council, including the Chairman, consists of 07 members. They should be elected by vote of Homeopathy Medical Practitioners registered with the names in the General Registry. Secretary/Registrar of the Medical Council is appointed by the Medical Council. The Hon. Minister appoints the Chairman of the Medical Council out of the members elected for the Medical Council.

As per the Homeopathy Act No. 07 of 1970, the Medical Council becomes legally effective after its publishing in the gazette by the Hon. Minister. The Medical Council is elected for a term of office of 05 years.

08. Corporate information

Name of the Institution :- Homeopathy Medical Council

Address :- No.94, Shelton Jayasinghe Mawatha, Welisara,
Ragama.

Telephone No. :- 011-2958175

E-mail :- homosri.mcouncil@gmail.com

Position of the Corporate Institution

The Homeopathy Medical Council has been set up with the powers and objectives as per sections 23 and 22 of the Homeopathy Act No. 07 of 1970.

Administrative Structure :- Secretary/Registrar

Management Assistant

Office Assistant

Bankers :- Bank of Ceylon - Taprobane Branch, Colombo 01.

Commercial Bank, Ja-ela Branch.

09. Action Plan - 2013

Objective 01

Giving due recognition to the Homeopathic System of Medicine.

Strategies

01. Changing the name of the Ministry by also including Homeopathy.
02. Receiving Cabinet Approval.

Objective 02

Enforce Homeopathic Medical Council by implementing orders of the Homeopathy Act.

Strategies

Preparation and publication of regulations.

Objective 03

Re establishment of a Homeopathy Public Health Council.

Strategies

01. Preparation and approval of laws and regulations.
02. Identifying an administrative structure.
03. Adopting a procedure of granting appointments.
04. Allocation of provisions.

Objective 04

Generation of Homeopathy Medical Practitioners and Dispensers, promotion of knowledge and skills.

Strategies

01. Publication of regulations.
02. Creation of a Homeopathy Medical College as a legally recognized institution.

Objective 05

Ensuring market and availability on Homeopathy medicine and products.

Strategies

01. Formulation and declaration of rules and regulations on Homeopathy medicines, cream and instruments.
02. Raising funds and establishment of state Homeopathy Pharmacies.

10. Operation of the Homeopathy Medical Council From January to December 2013

10-1 Management and Maintenance of Clinics

- Maintenance of 7 Government Homeopathy Medical Clinics established in 07 districts under the Medical Council.
- Salaries and allowances have been provided to these clinics maintained under the supervision of the Medical Council.
- Action is being taken to provide the basic needs required for maintenance of clinics.
- Action has been taken by now to take all these clinics to government buildings.

Performance of the clinics

56290 patients have received treatments during the year from the under mentioned 7 clinics supervised by the Medical Council.

Clinic	No. of patients
1. Dehiwala	11556
2. Moneragala	5680
3. Palamunei	7907
4. Matale	7030
5. Tholangamuwa	5130
6. Kurunegala	9642
7. Parakaduwa	9345

10-2 Interim Council

The functions in the Homeopathy Medical Council even for the year 2013 were performed by an interim council appointed by the Hon. Minister.

Its members were

1. Dr. Newton Peiris, Advisor to the Hon. Minister of Indigenous Medicine - Chairman
- 2.
3. Mrs. P. Dayaratne, Additional Secretary of the Ministry of Indigenous Medicine (Development) - Member
4. Prof. K.A.D.S.Ranaweera, Director of Bandaranaike Ayurveda Research Institute - Member.
5. Mr. A.J.M.Munawwar, Medical Officer of the Homeopathy Hospital - Member.
6. Mr. K.S.Piyasiri, Chief Accountant of the Ministry of Indigenous Medicine.

Changes in the Interim Council

Since the post of the Chief Accountant had fallen vacant, Mrs. W.W. Udara Jayamali of the Ministry of Indigenous Medicine participated as a member of the Committee in its place.

Meetings of the Interim Committee

01.17.01.2013	- 15	(it was able to hold only 7 Interim
02. 28.02.2013	- 16	Committee Meetings during the year)
03.20.05.2013	- 17	
04.09.07.2013	- 18	
05.29.08.2013	- 19	
06.04.10.2013	- 20	
07.26.11.2013	- 21	

10-3 Changes and new recruitments in Homeopathy Medical Council

Post	Number	
01. Secretary	01	
02. Administrative Officer	01	(service period terminated on 31.03.2013)
03. Medical Professional	07	
04. Management Assistant	02	
05. Dispenser	07	(a Dispenser was recruited on 15.10.2013 for the vacancy existed in Moneragala clinic)
Total	<u>18</u>	

10-4 Scheme of Recruitment and changes in the cadre

- Two Casual Office Assistants were recruited on 15.02.2013 to the office of the Homeopathy Medical Council on daily pay basis.
- Service of Mr. P.A.Piyasena who worked on contract basis as the Administrative Officer in Homeopathy Medical Council terminated on 31.03.2013.
- The two officers namely Ms. N.P.G.Jayathri Piumalee Palliyaguru and P.A.Deepika Nirosha Herath who were selected out of the Interview held to make appointments for the post of Management Assistant in the office of the Homeopathy Medical Council were appointed in service with effect from 10.06.2013.
- Ms. L.Rasika Chandani who was selected at the Interview held for appointment to the post of Temporary Dispenser in the Homeopathy Medical Clinic, Moneragala, administered by the Homeopathy Medical Council, was appointed in service with effect from 15.10.2013.

10-5 Data and timely information

Register of Doctors registered up to year 2013

category	27-1-a	27-1-c	27-2	27-5	Total
Registered doctors	56	36	49	51	192
Graduate	04				04
Diploma holders	52				52
General		36	49	51	136

summary

	Registered Practitioners	Not formally registered	Registration updated up to Dec. 2013	Registration not updated up to Dec. 2013	dead
total	191	01	99	51	40

10 - 6 Issue of Licenses to Medical Professionals for importation of Medicines

- Approval has been granted for 20 requests made for importation of medicines from January to 30th December 2013.
- Its aggregate value

US \$	33578.27
INDIAN RS	208106.00
€	15.60

- Approval has been requested for manufacture of 3 new Homeopathy products. Instructions required for creation of an effective product have been issued.

10-7 Judicial matters

Supreme Court

The case no. 891/2009 filed in the Supreme Court is being heard. The determination on the case no. 187/2013 (F/R) filed in the Supreme Court demanding for a ruling to the Homeopathy Interim Council for registration of Homeopathy Medical Practitioners temporarily registered in December, 2008 in the general registry was issued on 13/06/2013. Therein, it was also ordered, by granting leave for the demand of the plaintiffs, to take action to make registrations by conducting the relevant examination within 06 months and also to extend their period of temporary registration which was due to terminate on 30/11/2013, in further 06 months for the purpose.

Court of Appeal

The case filed in the Court of Appeal by three medical practitioners against registration of Homeopathy Medical Practitioners naming the Hon. Minister, the Secretary to the Ministry, the Registrar, the Interim Council and the Hon. Attorney General as respondents was further under hearing.

The case that had been filed in the Court of Appeal in December, 2008, by three medical practitioners registered in the temporary register seeking for a stay order to the Interim Medical Council preventing holding an examination for confirmation of the Temporary Medical Practitioners in post until a Medical Council is appointed was not finalized up to the end of the year.

District Court

The case no. 13953/M filed in the District Court, Negombo, by Mr. E.M.R.D. Saram, the former Office Assistant of the Homeopathy Medical Council demanding Rs. 03 million against stoppage of his service is being heard.

11. Audit Report

As was practiced during the last year, functions of the Homeopathy Medical Council were operated by a Homeopathy Interim Council. Its financial affairs were also conducted by the Ministry itself. Audit Reports, Revenue and Expenditure for the year 2013 attached herewith were submitted for auditing and Audit Queries, replies to them and Auditor General's Report are also submitted herewith.

An Action Plan was prepared for the year 2013. Further, the Corporate Plan of the Homeopathy Council for 2013-2017 was prepared and forwarded to the Ministry. Deviating from the condition with restricted functions to the Administration affairs during last two years, the registration of Medical Practitioners was re-started in this year by the Homeopathy Interim Council. As such, five Graduate Medical Practitioners of Homeopathy were registered. Two persons were recruited to the Permanent post of Management Assistant in the staff by taking forward the process of raising physical and human resources in Homeopathy Medical Council.

Since a case had been filed in court against activities of the Interim Council, it had to operate under certain constraints. This should be stated as one of the main constraints in the way of implementing certain parts of this Action Plan.

Action are being expedited to pass the new Homeopathy Act. Homeopathy Council will be re-appointed soon after passing of this new Act. The objective of this is to open up the way to meet the goals enumerated in the Homeopathy Act with no hindrances in its way.

Dr. Newton A. Peiris
Chairman
Homeopathy Interim Committee

Felicitations

.....★ ★★.....

Hon. Minister of Health, Nutrition & Indigenous Medicine

Hon. Deputy Minister

Members of the Medical Council

Secretary and Additional Secretaries

Chairman of the Homeopathy Interim Committee

Members of the Interim Committee

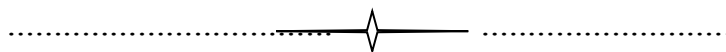
Attorney General's Department

Auditor General's Department

The Registrar of the Homeopathy Medical Council

&

The Staff



Homeopathy Medical Council
Financial Performance Statement
For the year ended on 31st December, 2013

	2013	2012
revenue	Rs.	Rs.
Recurrent provisions of the government	5806790	5518399
Annual charges	11850	2800
Other revenue (note 1)	134789	115641
Total revenue	5953429	5636840
Expenditure		
Salaries, wages and employee benefits (note 2)	4866152	4595815
Supplies and consumables (note 3)	8354	11012
Depreciation and gradual depreciation	119310	133064
Other expenses (note 4)	868477	918105
Legal charges	142000	-
Financial expenditure (Bank charges)	8994	8149
Total expenditure	6013287	5666145
Deficiency for the period of time	(59858)	(29305)

We certify that the responsibility of preparation and presenting this financial statement is borne by the Homeopathy Interim Council.

Sgd.

Sgd.

Sgd.

Sgd.

Registrar

Chairman

Committee Member

Prepared by,

Homeopathy
Council

Medical

Homeopathy
Council

Medical

M.T.R.C.Chithralatha

K.S.Jayasiri

Note (1) - other revenue		
Miscellaneous income	22370	13775
Bank interest	112419	101866
	134789	115641
Note (2) - salaries, wages and employee benefits		
Staff pay and allowances	4035064	3844620
Employees' Provident Fund	722668	455606
Employees Trust Fund	108400	113901
Employee compensation	-	181688
	4866152	4595815
Note (3) - supplies and consumables		
Stationery expenses	7134	
Entertainment expenses	1220	11012
Note (4) - other expenses		
Miscellaneous expenses	24421	134487
Travelling expenses	38586	48111
Dispensary charges	152626	164199
Postal pay	6000	11060
Medical Council Meeting fees	116000	136000
Audit fees	40000	40000
Water charges	43176	13599
Electricity charges	13419	6357
Telephone bills	49196	45042
Printing charges	140345	35000
Advertising fees	89152	125664
Reparation of office equipment	101523	113154
Petty cash expenses	33727	45432
Deyata Kirula expenses	20306	
	868477	918105

Note (5) - presenting accounts

As per no. "01" of Public Sector Accounting Standards of Sri Lanka (2009). Further, this has been submitted in line with its "**Displaying Classification of Expenditure on the Nature**".

**Combined Cash Flow Statement of Homeopathy Medical Council for the
year ended on 31st December 2013**

	2013
	Rs.
Receipt of cash flow out of operational activities	
Recurrent grants received from the Government	5806790
Bank interest	112419
Other receipts (note 1)	34220
Payments	
Workers' expenditure (note 2)	(4828813)
Bank interest (Bank charges)	(8994)
Other payments (note 3)	(977977)
Net cash flow from operational activities	137645
Net cash flow from investment activities	
'capital' provisions received from the Government	973273
Purchase of plants and equipment (note 4)	(973273)
Net cash flow from investment activities	
Net increase of cash and cash equivalents (note 5)	137645
Cash and cash equivalents at the beginning of the period (note 6)	1690450
Cash and cash equivalents at the end of the period (note 7)	1828095

We certify that the responsibility of preparation and presenting this financial statement is borne by the
Homeopathy Interim Council.

Sgd.	Sgd.	Sgd.	Sgd.
Registrar	Chairman	Committee Member	Prepared by,
Homeopat y Council	Medical Council	Homeopat hy Medical Council	M.T.R.C.Chithralatha K.S.Jayasiri

Note (1) - other receipts	
Miscellaneous income	22370
Annual fee	11850
	34220
Note (2) - worker expenditure	
E.P.F.	705118
E.T.F.	105767
Employee salaries and allowances	4017928
	4828813
Note (3) - other payments	
Travelling expenses	36533
Dispensary expenses	150826
Stationery	7134
Medical Council Meetings	96000
Advertising charges	89152
Electricity charges	13208
Telephone charges	53738
Printing charges	185345
Repairs to office equipment	84779
Water	33588
Entertainment expenditure	1220
Petty cash expenses	33727
Miscellaneous expenditure	24421
Legal charges	142000
Postal charges	6000
Expenses for Deyata Kirula	20306
	977977
Note (4) - purchase of plant and equipment	
Purchasing a foot bicycle	10845
Purchasing a water filter	8600
Building renovation (improvement) expenses	953828
	973273
Note (5) - net increase in cash and cash equivalents	
Year-end cash balance	1828095
Cash balance at the beginning of the year	(1690450)
	137645

Note (6) - cash and cash equivalents at the beginning of the financial year	
Commercial Bank	1301742
Bank of Ceylon	388708
	1690450
Note (7) - cash and cash equivalents at the end of the period	
Commercial Bank	1405167
Bank of Ceylon	422928
	1828095
Note (8) - comparison of net excess/deficit from general activities with the net cash flow from the operational activities	
- Net excess/deficit from general activities	(59858)
Non-cash changes	
Depreciations	119310
Increase of payable expenses (note 9)	130310
'annual' changes in the reconciliation account in the last year	(52116)
Net cash flow from operational activities	137646

Note (9) - increase in payable expenses

	Comparison of years 2012 and 2013		
	Annual reduction	Annual increase	Net change (+)/(-)
- Provident funds payable	-	17550	
- Employees funds payable	-	2633	
- Dispensary fees payable	-	1800	
- Medical Council Meetings payable	-	20000	
- Audit charges payable	-	45616	
- Telephone charges payable	(3342)	-	
- Electricity payable	-	513	
- Travelling expenses payable	-	2053	
- Water bills payable	-	9588	
- Staff salaries and allowances payable	-	17155	
- Office equipment repairs payable	-	16744	
	(3342)	133652	130310

Homeopathy Medical Council
Statement of Financial Position as at 31st December, 2013

	2013	2012
Assets	Rs.	Rs.
Movable assets		
Cash and cash equivalents (note 1)	1828095	1690450
	1828095	1690450
Immovable assets		
Plant and equipment (note 2)	874958	974822
Building renovation expenditure	953828	
	1828786	974822
Total assets	3656881	2665272
liabilities		
Current liabilities		
Payables (note 3)	235284	104974
Non-current liabilities	-	-
Total liabilities	235284	104974
Net assets	3421597	2665272
	3656881	2665272
Net assets/ aggregate		
capital	2562144	2562144
government capital allocation	973273	-
aggregate shortage	(89163)	(29305)
last year adjustment account	(24657)	27459
Net assets/aggregate	3421597	2560298

We certify that the responsibility of preparation and presenting this financial statement is borne by the
Homeopathy Interim Council.

Sgd.	Sgd.	Sgd.	Sgd.
Registrar	Chairman	Committee Member	Prepared by,
Homeopathy Council	Medical Homeopathy Council	Medical M.T.R.C.Chithralatha	K.S.Jayasiri

Note (1) - Cash and cash equivalents		
Commercial Bank	1405167	1301742
Bank of Ceylon	422928	388708
		34220
Note (2) - Plant and equipment		
Plant and equipment - (purchased price)	1725992	1706547
(-) aggregate depreciation	(851034)	(731725)
Net value	874958	974822
Note (3) - payables		
Employees Provident Fund payable	17550	
Employees Trust Fund payable	2633	
Dispensary charges payable	16200	14400
Medical Council, Meeting fees payable	20000	
Audit charges payable	85616	40000
Telephone charges payable	3937	7279
Electricity payable	1240	727
Travelling pay payable	2053	
Water charges payable	10156	568
Staff pay and allowances payable	59155	
Office equipment repairs payable	16744	42000
	235284	104974

Note (4) presentation of accounts

In line with no. "01" of Public Sector Accounting Standards (2009) of Sri Lanka.

Note (5) - depreciation system

- Every fixed asset has been depreciated based on the system of diminishing balances.
- Rate of depreciation is 12%
- Irrespective of the date of purchase of assets during the year, depreciation is accounted for the whole of the corresponding year.
- Irrespective of the date of disposal of the assets, no depreciation is accounted for the same.



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கணக்காய்வாளர் தலைமை அறிபதி திணைக்களம்
AUDITOR GENERAL'S DEPARTMENT



මගේ අංකය
எனது இல. }
My No. }

HM/B/HMC/1/13/02

ඔබේ අංකය
உமது இல. }
Your No. }

දිනය
திகதி }
Date }

31 December 2014

Chairman
Homeopathy Medical Council

Report of the Auditor General on the Financial Statements of the Homeopathy Medical Council for the year ended 31 December 2013 in terms of Section 14(2)(c) of the Finance Act, No. 38 of 1971

The audit of financial statements of Homeopathy Medical Council for the year ended 31 December 2013 comprising the statement of financial position as at 31 December 2013 and the statements of financial performance and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information, 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 comments and observations which I consider should be published with the Annual Report of the Council in terms of Section 14(2)(c) of the Finance Act appear in this report. A detailed report in terms of Section 13(7)(a) of the Finance Act was furnished to the Chairman of the Council on 28 October 2014.

1.2 Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Public Sector Accounting Standards and for such internal controls as the management determines is necessary to enable the preparation of financial statements that are free from material misstatements whether due to fraud or error.

1.3 Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Sri Lanka Auditing Standards consistent with International Standards of Supreme Audit Institutions (ISSAI 1000- 1810). Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Council's preparation and fair presentation of the financial statements 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 Council's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of financial statements. Sub - sections (3) and (4) of Section 13 of the Finance Act, No. 38 of 1971 give discretionary powers to the Auditor General to determine the scope and the extent of the audit.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

1.4 **Basis for Qualified Opinion**

My opinion is qualified based on the matters described in paragraph 2.2 of this report.

2. **Financial Statements**

2.1 **Qualified Opinion**

In my opinion, except for the effects of the matters described in paragraph 2.2 of this report, the financial statements give a true and fair view of the financial position of the Homeopathy Medical Council as at 31 December 2013 and its financial performance and cash flows for the year then ended in accordance with Sri Lanka Public Sector Accounting Standards.

2.2 **Comments on Financial Statements**

2.2.1 **Accounting Deficiencies**

The following observations are made.

- (a) The provision made in respect of the Medical Council meeting fees, staff allowances and salaries and audit fees for the year under review had been understated by a sum of Rs.66,859.



- (b) Expenditure of recurrent nature amounting to Rs.27,020 had been considered as capital expenditure and brought to account as buildings and rehabilitation.

2.2.2 Non-compliance with Laws, Rules, Regulations and Management Decisions

The following non-compliances were observed.

Reference to Laws, Rules, Regulations, etc.	Non-compliance
(a) Financial Regulation 756	A Board of Survey of the Medical Council for the year under review had not been conducted.
(b) Financial Regulation 395(c)	Even though a Bank Reconciliation of the transactions at the end of each month should be prepared before the fifteenth day of the month following it had not been so done.

3. Financial Review

3.1 Financial Results

According to the financial statements presented, the operating results of the activities of the Council during the year under review amounted to a deficit of Rs.59,858, as compared with the corresponding deficit of Rs.29,305 for the preceding year, thus indicating a further deterioration of the financial results by a sum of Rs.30,553.

3.2 Legal Actions against the Council

Three external institutions (Groups) had filed 03 cases in the Courts against the Council claiming compensation totalling Rs.3,200,000 for the dissolution of the Medical Council, dismissal from service and termination of service.



4. Operating Review

4.1 Performance

The following observations are made.

- (a) In view of the non-existence of a legal Medical Council it had not been possible to achieve the following objectives spelt out in Section 22 of the Homeopathy Act, No. 7 of 1970.
- (i) Encouraging researches and studies for the Homeopathy Medical System.
 - (ii) Formulation of regulations for the production, import, sale and distribution of Homeopathy drugs.
 - (iii) Even though a building had been constructed in the year 2008 and furniture had been supplied in the year 2009 for the establishment of a Homeopathy Medical College, steps had not been taken even by 31 December 2013 for the formulation of the legal framework for the commencement of academic activities.
- (b) Out of the 07 medical clinics maintained in 07 areas of the Inland, the patient attendance had decreased by 8 per cent in the Parakaduwa Clinic, 13 per cent in the Moneragala Clinic and 9 per cent in the Kurunegala Clinic.

(c) Registration of Physicians

- (i) One hundred and ninety one physicians had been registered up to the dissolution of the Medical Council on 31 January 2011.

Five Physicians had been registered again in the year 2013 on the recommendation of the Interim Committee. The details thereon are given below.



Section of the Act relating to the Registration	Details	Number of Physicians Registered		
		31 December 2011	31 December 2012	31 December 2013
Homeopathy Act, No. 7 of 1970				
(i)	27(1)(a) Should have followed a Course on Homeopathy not less than 04 years.	54	54	54
(ii)	27(1)(b) Obtained a Diploma Certificate or a Degree Certificate from a recognized Homeopathy Institution in Sri Lanka or a foreign country.	-	-	05
(iii)	27(1)(c) Physicians who had been engaged in Homeopathy Medical Profession for a period not less than 10 years and recognized by the Council.	35	35	35
(iv)	27(2) Physicians who had been engaged in the Medical Profession for a period not less than 03 years who have obtained qualifications by sitting a written Examination conducted by the Council.	50	50	50
(v)	27(5) Grant of Registration to the Physicians whose names are in the Temporary List after sitting a Written Examination.	52	52	52
		191	191	196

Out of the above 196 Physicians registered 38 Physicians had died by 31 December 2013.



- (ii) Even though the registration of Physicians on a Degree Certificate issued by a recognized Homeopathy Institution in a foreign country had not been done previously, 05 Physicians had been registered under the Indian Degree Certificate in the year under review.

4.2 Management Inefficiencies

Even though the formulation of a set of General Orders for seven Medical Clinics had been decided at the meeting of the Interim Committee held on 05 January 2012 action thereon had not been taken even by 31 December 2013.

4.3 Idle Assets

Fixed assets valued at Rs.1,199,254 purchased in the year 2009 for the Homeopathy Medical College and the building belonging to the Ministry had been idling even by 31 December 2013.

5. Accountability and Good Governance

5.1 Presentation of Financial Statements

The Homeopathy Medical Council functioned in the year 2013 under and Interim Committee and all the expenditure of the Council had been incurred by the Ministry of Indigenous Medicine under its Head. As such, the financial statements had been prepared by considering a sum equivalent to all expenditure incurred by the Ministry as a grant given to the Medical Council.

5.2 Corporate Plan

Even though the copies of the updated Corporate Plan should have been furnished to the relevant Ministry, the Department of Public Enterprises of the Treasury and the Auditor General 15 days before the commencement of the financial year in terms of Section 5.1.3 of the Public Enterprises Circular, No. PED/12 of 02 June 2003 the updated Corporate Plan for the years 2013 to 2017 had been completed only in July 2013. It had not been furnished to the institutions referred to above.



5.3 Action Plan

The progress on the achievement of the objectives of the Action Plan as at 31 December 2013 had been as follows.

- (a) Even though the conduct of 15 mobile clinics for the build up of the public confidence to provide proper recognition to the Homeopathy Medical System had been planned only 07 clinics had been conducted.

Even though plans had been made for organizing 05 discussions and seminars and 05 school programmes with a view to promoting confidence in the people who obtained and did not obtain treatment, those had not been carried out. Even though plans had been made for organizing 05 discussions and seminars to promote cordiality and co-operation among the Physicians that as well had not been carried out.

- (b) Even though it was expected to obtain the approval of the Parliament and the relevant Minister for the laws and rules for activating the Homeopathy Medical Council through the implementation of provisions of the Homeopathy Act and for publication in the Gazette, that objective as well had not been achieved even by 31 December 2013.
- (c) Even though the setting up of the Homeopathy Public Health Service had been planned, that as well had not been achieved.
- (d) Even though the formulation of by-laws, recognition and the establishment of the Homeopathy Medical College had been planned for producing Homeopathy Medical Practitioners and Supplementary Physicians and improvement of their knowledge and skills, that objective as well had not been achieved.
- (e) Even though the formulation of by-laws for ensuring the market availability for Homeopathy drugs and products and for buildup of funds for the establishment of Homeopathy Medical Stores and Pharmacies had been planned, those plans had not been implemented.



5.3 Budgetary Control

It was observed that the budget had not been made use of as an effective instrument of financial control in view of the following matters.

- (a) Even though expenditure on Medical Council meeting expenses amounting to Rs.116,000, printing charges amounting to Rs.140,345, advertisement fees amounting to Rs.89,152 audit fees amounting to Rs.40,000, repair expenses of office equipment amounting to Rs.101,523 and legal fees amounting to Rs.142,000 had been incurred in the year under review, provision for those had not been made in the Annual Budget Estimate.
- (b) Variances of 100 per cent under 02 items and 81 per cent under one item were observed between the budgeted expenditure and the actual expenditure

5.5 Tabling of Annual Reports

The Annual Reports for the years 2011 and 2012 had not been tabled in Parliament.

5.6 Action not taken on the Directives of the Committee on Public Enterprises

According to the Minutes of the meeting of the Committee on Public Enterprises held on 15 September 2010, the Committee had directed that the regulations of the Medical Council should be updated to be in keeping with the present conditions. But those regulations had not been updated even by 31 December 2013 as the Medical Council had not been appointed.



6. Systems and Controls

Deficiencies in systems and controls observed during the course of audit were brought to the notice of the Chairman from time to time. Special attention is needed in respect of the following areas of control.

- (a) Maintenance of Registers
- (b) Accounting

W.P.C. Wickramaratne
Acting Auditor General

