Annual Report
2017

Homoeopathic Medical Council

Ministry of Health, Nutrition & Indigenous Medicine

Content

01. Summary

As in previous years, the Annual Report which includes the overall performance of the Homoeopathic Medical council during year 2016 is furnished herewith, with the purpose of setting up the foundation required for evaluating its vision, mission and objectives.

In early, Homoeopathic Medical Council was operated by a homoeopathic interim administrative committee which is the first Administrative Council established under the Homoeopathic Act No. 10 of 2016.The Accounting activities of the Council were handled by the Indigenous Medicine Division of the Ministry of Health, Nutrition and Indigenous Medicine; the line Ministry.

The Interim Medical Council, which has taken the formulation of rules and regulations required for the implementation of the new Homoeopathy Act No. 10 of 2016 as its main responsibility took great care in drafting and presenting the orders made by the Hon. Minister with high priority. Here the Regulations for the appointment of Homoeopathic Medical Council under the new Act, Registration of Homoeopathic Doctors, Paramedical officers, Medical Clinics and Homoeopathic Institutions and updating the registration were updated.

Similarly, the compilation of rules for the registration of Homoeopathic Medical Practitioners in terms of the Section 30 of the Act was completed and forwarded to the Ministry during this year. This year can be marked as a year in which the functions assigned to the Homoeopathic interim medical council; the first operational council; by the Homoeopathic Act, No. 10 of 2016, were properly fulfilled.

This year the actions were taken to strengthen the Medical Council's organizational structure by recruiting for the seven vacant posts for office assistants at the 7 Homoeopathic Clinics maintained by the Medical Council. The quantitative and qualitative improvement of the treatments provided by the 7 clinics had been acquired compared to the previous year.

Four new Homoeopathic Doctors have been registered and the number of registered doctors in the Homoeopathic Medical Council has been increased to 281. Applications have been called for the registration of medical professionals in terms of section 30 (1) of the Act and 185 applications had been forwarded.

In this manner, considering the overall function of the Medical Council, the administrative and financial functions required to maintain the institution have been basically evaluated by the Auditor General's report.

02. Introduction

Homoeopathy Medicine may be introduced as a system of medicine founded on the natural phenomenon of "Like cures like". Christian Friedrich Samuel Hahnemann; a German physician who lived in 18th Century introduced this this system of medicine to the world. Today, arrangements are being made to bring the homoeopathy's medical system which is being scientifically and technologically advanced to a powerful status in the public healthcare system. Accordingly, this has become evident by the fact that the government of India did not limit to the provision of Homoeopathy treatments to its public through its hospitals and Homoeopathy clinics spread all over the country by absorption of the system of Homoeopathy Medicine into the National Health Service but they have established universities granting homoeopathy medical degrees, homoeopathy medicine factories and homoeopathy research institutes.

The Homoeopathic Medical Council of Sri Lanka was established by the Homoeopathic Act No.07 of 1970 and it has been entrusted with the task of establishing and developing Homoeopathy medical system in Sri Lanka.

But, finally the medical council was collapsed in face of the legal and structural barriers arisen there. However, the homoeopathic Act No. 10 of 2016 was passed by Parliament with the intention of overcoming these challenges. In terms of the section 51 of the Act, an interim medical council was established in 2016 as its original form of Homoeopathic council in order to fulfill the task of restoring the homoeopathy Medical Council under section 2 of Part I in the new Act. The Homoeopathy interim medical council appointed by the Honorable Minister consists of 4 Homoeopathic doctors and six public officers. The Registrar of the Homoeopathic Medical Council is the Secretary of this council

Seven homoeopathy clinics have been established in seven districts with the purpose of promoting homoeopathy medical system as a public health service which comes under the role of homoeopathic medical council in achieving its objects. These places are Dehiwala, Parakaduwa, Monaragala, Palamunai, Matale, Kurunegala and Tholangamuwa.

03. Homoeopathic Medical Council

Vision

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

Mission

“Popularization, upliftment and development of Homoeopathic Medical System, by creating appropriate policies with regard to the promotion of human and physical resources pertaining to it.”

Objectives

Qualitative development of the professional education and the health services in the field of Homoeopathy and establishment of the well- being 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 Homoeopathic Act No.10 of 2016

04. Background information

Homoeopathic Medical Council is mainly a professional body. First council is nominated as the Homoeopathic Interim Medical Council in terms of the Homoeopathy Act No. 10 of 2016 and the members of the first Homoeopathic Medical Council are appointed as per the Homoeopathic Act by the Hon. Minister in charge of the subject. The frequent medical council is consisted with 11 members appointed by the Hon. Prime Minister; including three government officials appointed officially, five members elected among the medical professionals by a vote, and compulsorily two Homoeopathic doctors. While The Hon. Minister has been entrusted with the power to make rules in order to implement the policies and provisions of the Act, the power of formulating the regulations in relation to the prescribed fields in accordance with the Act is vested on the Council.

Rules and Regulations

Any orders which were effective on the date of the commencement of the new Homoeopathic Act No.10 of 2016 are deemed as the regulations made in accordance with this Act, until such regulations are made under this Act. Since the arrangements are being made at present in order to prepare the regulations under the new Act, the existing regulations which were effective under the Homoeopathic Act No. 07 of 1970 are still in force.

<u>Orders issued in accordance with the Homoeopathy Act No. 07 of 1970</u>

1. Homoeopathic Regulations - 1980

   (Regulations for the registration of medical
   Professionals and importation of Homoeopathy drugs)

2. Rules of the Medical Council - 1981

3. Electoral Regulations of the Homoeopathic Medical Council - 1998

Establishment of the Homoeopathy Medical Council

The first Homoeopathic medical council in the country was appointed by the Hon. Minister in charge of the subject in 1979, in accordance with the Homoeopathy Act No. 07 of 1970. Although the Medical Council should be appointed every five years by the vote of the Medical Professionals (except the First Medical Council), the Medical Council has not been continuously appointed. Subsequent to 1979, the second Medical Council and the third medical were appointed respectively in year 1979 and 2006 , the Minister in charge of the portfolio dissolved the third medical council before the end of its term of office and appointed a new council for next two years.

Its term of office expired on 30th January 2011. Homoeopathic interim committee was appointed by the Hon. Minister or the Secretary of the Ministry on the approval of the Cabinet of Ministers in order to carry out the activities of the medical council until a new act was brought in to eliminating the shortcomings of the Homoeopathic Act which was in force at that time. From July 16, 2011, until the new Homoeopathic Act No. 10 of 2016 was introduced, the activities of the Homoeopathic medical council were operated by an interim committee. There were 05 interim committees appointed as such. During this period, the Homoeopathic interim committee could receive the support from the technical committee of the Homoeopathy medical practitioners.

Homoeopathy Interim Medical Council

Subsequent to the new Homoeopathic Act No. 10 of 2016 was passed, Hon. Minister of Health, Nutrition and Indigenous medicine appointed a Homoeopathic interim council on 21st October 2016 in terms of the powers vested on him by the Act. The Homoeopathic Medical Council is first appointed in accordance with the Act. Its term of the office is two years. The main task of this council is to prepare the initial draft in relation to the formulation of regulations required to enforce the Act and to get it resolved.

05. Objectives of the Medical Council

The objectives of the Homoeopathic Medical Council in terms of the Homoeopathic Act No. 10 of 2016 are as follows.

1) Promotion, advancement and regulation of engaging in Homoeopathy medical profession;

2) Promote Homoeopathic medical system in the society with the purpose of promoting public health according to Homoeopathy medical system;

3) Studying and doing experiments about Homoeopathy medical system and promotion and encouraging of engaging in Homoeopathy medical profession;

4) Establishment and maintenance of Homoeopathy institutes;

5) Regulation and Control of Homoeopathic Institutions providing treatment for Homoeopathic remedies other than the government Homoeopathic Hospital;

6) Regulation and Control of Homoeopathic Medicines, Drugs and Other Preparations, Products, Import, Storage, Sale and Distribution.

06. Powers vested in the Medical Council

As per the Regulation No. 16 of the Act, the powers vested in the Homoeopathic Medical Council are as follows

01) Registration of Homoeopathy medical Practitioners, Homoeopathic Pharmacists, Homoeopathy Nurses, and Homoeopathic Institutions;

02) Accept or reject the educational qualifications of Homoeopathy medical professionals;

03) Certification from the institutions that granted qualifications to Homoeopathy medical practitioners;

04) Appointment of Inspectors to regulate Homoeopathy medical colleges or institutions;

05) Provide treatment services according to the Homoeopathy medical system;

06) Establishment and maintenance of Homoeopathy institutes and preparing postgraduate courses;

07) Importing or exporting Homoeopathic medicines;

08) Encouraging of producing Homoeopathy drugs scientifically;

09) Specifying and maintaining minimum standards for Homoeopathy medical care, equipment, courses and examinations;

10) Awarding scholarships and other facilities for those who follow Homoeopathy subjects, encouraging Homoeopathic research institutions, providing financial and

other reliefs to required institutions and individuals. to required institutions and individuals;

11) Specifying minimum Medical Education Standards on Post Graduate Homoeopathy Medical Education and maintaining them;

12) Improving the public health service according to Homoeopathy medicine system;

13) Work with higher educational institutes to confer degrees and other academic excellence in relation to the medicine;

14) Taking actions in relation to the Establishment of a Homoeopathy medical school in accordance with the Universities Act No. 16 of 1978 ;

15) Establishment of the Board and the Committees which would be required to carry out the work and the function of the Council, with the approval of the minister;

16) Assigning some powers or functions to an officer or a committee Assigning some powers or functions to an officer or a committee;

17) Formulating the regulations for the implementation and execution of the powers, duties and functions of the council;

18) Execution and carrying out the powers and functions under the Act.

07. Membership and term of office of the Medical Council

The Homoeopathic Medical Council, including the Chairman consists of 11 members in terms of the Homoeopathic Act No. 10 of 2016. Eleven persons are appointed including a senior official of the Ministry who is appointed in ex officio, a treasury representative and three public officers with a representative of the University Grants Commission, five persons elected among Homoeopathy medical professionals and two Homoeopathy doctors compulsorily and three people elected by the minister. The Secretary of the Medical Council / Registrar is appointed by the Hon. Minister with the approval of the Council. The council will be appointed for three years while the registrar is appointed for 5 years.

08. Corporate information

Name of the Institution	:-	Homoeopathic Medical Council
Address	:-	No. 94, Shelton Jayasingha Mawatha, Welisara,
Telephone No	:-	011-2958175
Fax	:-	011-2958175
E-mail	:-	homosri.mcouncil@gmail.com

Position of the Corporate Institution: - The Homoeopathic Medical Council has been set up with the powers and objectives as per sections 15,16 and 17 of the Homoeopathic Act No. 10 of 2016.

Administrative Structure	:-	Secretary/Registrar Doctors in charge Management Assistant Dispenser Office Assistant
Bankers	:-	Bank of Ceylon - Taprobane Branch, Colombo 01. Commercial Bank, Ja-ela Branch.

09. Action Plan of the Medical Council - 2017

Objective 01

Enforcement of the provisions of Homoeopathic Act No 10 of 2016

Strategies

- Publication of rules and regulations

Objective 02

01. Registration of Doctors under the provisions No 30/1 of the Act.
02. Training of paramedical health officers required to regularize Homoeopathic health care service.
03. Provide professional recognition and registration.

Strategies

- Calling application
- Appointment of an Examination Board
- Conducting Examinations.
- Registration of those who have passed
- Training of paramedical health workers
- Provide professional recognition and registration

Objective 03

Registration of Homoeopathic health care providers under the provisions of the Act.

Strategies

- Formulation of rules and criteria

Objectives 04

Importation of Homoeopathic Medicines under the provisions of the Act and fulfilling the requirements of doctors.

Strategies

- Identifying requirements
- Selection of suppliers.
- Calling for quotations
- Importation.

Objective 05

Regularizing and promoting Government Homoeopathy Clinics under the provisions of the Act.

Strategies

- Recruiting employees.
- Approving salary allowances and cadre.
- Performance
- Promotion of knowledge and skills
- Opening of new clinics and expansion of services.

Objective 06

Declaration of Regulations for Opening a Government Homoeopathic Medical College under the Provisions of the Act

Strategies

- Identifying the needs and determining a national policy.
- Studying the structures of foreign Homoeopathic medical schools.
- Identifying the criteria and conditions of the University Commission.
- Obtaining the approval of the Minister of Higher Education
- Formulating regulations.
- Approval and publication.

10. Performance of the Homoeopathic Medical Council.

(2017.01.01 – 2017.12.31)

01. Performance and Management of Government Homoeopathic Clinics.

Awareness Programs and Mobile Clinic conducted by the Government Homoeopathic Medical Centre, Kurunegala.

1.1. Performance of Government Homoeopathic Clinics

The number of patients attending the seven homoeopathic clinics this year is as follows.

Clinic	Number of patients
Dehiwala clinic	15,651
Parakaduwa clinic	9,733
Monaragala clinic	4,760
Palamunai clinic	11,487
Kurunegala clinic	9,196
Mathale clinic	9,816
Tholangamuwa clinic	12,730
Number of patients visited annually	**73,373**

1.2. Management of Government Homoeopathy Clinics.

With the objective of promoting Homoeopathy as a public health service, the Medical Council has taken steps to enhance the quantitative and qualitative development of the seven government Homoeopathic Clinics currently operating in 7 Districts, by providing facilities. In addition to providing basic facilities such as paying salaries of employees, paying electricity bills, supplying stocks of medicines, the following measures were taken.

1. 2. (i) Recruitment of office assistants (labourers) for clinics.

One of the most serious problems faced in running these clinics was the absence of any other medical personnel other than the Medical Officer and the dispenser to work in the government Homoeopathy Clinics. As a result, former Homoeopathic Interim Committee has approved seven (07) office assistant (labor) positions for the seven clinics. And the Interim Medical Council took steps to increase the number of staff of the Medical Council up to twenty six by recruiting for these seven vacant posts.

1. 2. (ii) Providing telephones for the clinics.

The Interim Medical Council decided to provide telephone land lines to seven clinics in order to establish a more effective and efficient service. The relevant estimates have been prepared and submitted to the Ministry and this request has been forwarded to the relevant institutions by the end of the year.

1. 2. (iii) Setting criteria for additional doctors to the clinics.

After considering the request made by several clinics to provide an additional doctor with the increasing number of daily visits to the state Homoeopathic clinics, Two Homoeopathic Doctors' Workshops were held to establish a standard for the number of patients a doctor can examine per day, considering the specialty of the Homoeopathic medical system.

03. Homoeopathic mobile clinics.

2.1. Conducting Homoeopathy mobile clinics.

Medical Council Office made arrangements to organize the Homoeopathy seminars and mobile clinics in various parts of the country by individuals and organizations that who have recognized the importance of Homoeopathic medical treatments. These mobile clinics are mainly provided with doctors and staff by the Homoeopathic Hospital in Welisara.

While fifteen Homoeopathic Seminars and Mobile Clinics were held in the Colombo and Puttalam Districts, 1702 patients had taken treatments.

A group of teachers is getting treatments from a school clinic conducted by Government Homoeopathic Clinic in Dehiwala.

While two seminars and mobile clinics were conducted by the Government Homoeopathic Clinic in Dehiwala, one seminar and one clinic were conducted by the Government Homoeopathic Clinic in Kurunegala as seminars and three mobile clinics with the full contribution of these clinics. 398 patients took part in these clinics.

In addition to this, 5 seminars and mobile clinics were conducted by Homoeopathic doctors at Maradana, Meegoda, Kotahena, Negombo and Ministry of Official Languages by supplying all the services including the medicine required for the clinics in free of charge under the direction of the Chairman of the Medical Council. Number of patients attended for these clinics is 1833.

2.2. Increasing the social awareness of Homoeopathic medicine.

A workshop and a clinic on the prevention and control of dengue fever through the Homoeopathic Medical System were conducted by Dr. Anusha Hemakumara, Medical Officer in-charge of the Dehiwala Clinic. 380 patients attended for this.

The Chairman of the Homoeopathic Interim Medical Council joining with the Homoeopathic doctors in Kandy on a voluntary basis conducted 03 workshops under three themes related to the curative power of the Homoeopathic medical system and use of medicine. 380 persons had participated in these programs.

2.3. Electronic and printed media programs.

The President of the Medical Council, Medical Officers in charge of Clinics and Registered Doctors participated in 26 television programs during this year. Similarly, In 13 radio programs, doctors made actions to educate the public on Homoeopathic medicine.

Awareness Programs on Homoeopathy through Medias

Serial No.	Programme	Media	Conducted by
1	Homoeopathic treatments for lung diseases	Siyatha T.V. Channel	Homoeopathic clinic, Dehiwala
2	Homoeopathic treatments for Arthritis	Siyatha T.V. Channel	Homoeopathic clinic, Dehiwala
3	Homoeopathic treatments for osteoporosis	Siyatha T.V. Channel	Homoeopathic clinic, Dehiwala
4	Homoeopathic treatments for varicose veins and numbing	Siyatha T.V. Channel	Homoeopathic clinic, Dehiwala
5	Homoeopathic treatments for gastritis	Siyatha T.V. Channel	Homoeopathic clinic, Dehiwala
6	Fundamentals of Homoeopathic Medicine	Siyatha T.V. Channel	Homoeopathic clinic, Dehiwala
7	Homoeopathic Awareness Programs	ITN	Homoeopathic clinic, Dehiwala
8	Homoeopathic treatments for neck pain	Siyatha T.V. Channel	Homoeopathic clinic, Dehiwala
9	Homoeopathic treatments for Parkinson's	Siyatha T.V. Channel	Homoeopathic clinic, Dehiwala
10	Homoeopathic treatments for back pain	Siyatha T.V. Channel	Homoeopathic clinic, Dehiwala

11	Homoeopathic treatments for back pain	ITN radio	Homoeopathic clinic, Dehiwala
12	Homoeopathic treatments for varicose veins	ITN radio	Homoeopathic clinic, Dehiwala
13	Homoeopathic treatments for dengue	ITN radio	Homoeopathic clinic, Dehiwala
14	Homoeopathic treatments for neck pain	ITN radio	Homoeopathic clinic, Dehiwala
15	Homoeopathic treatments for phlegm and mucus	ITN radio	Homoeopathic clinic, Dehiwala
16	Homoeopathic treatments for curing asthma	ITN radio	Homoeopathic clinic, Dehiwala
17	Homoeopathic treatments for curing locking up fingers	ITN radio	Homoeopathic clinic, Dehiwala
18	Homoeopathic treatments for curing the numbness of arms and legs	ITN radio	Homoeopathic clinic, Dehiwala
19	Homoeopathic treatments for curing viral fever	ITN radio	Homoeopathic clinic, Dehiwala
20	Undoubted cure for the diseases from side effect –free Homoeopathic treatments	Sunday Lakbima newspaper	Homoeopathic clinic, Dehiwala
21	Homoeopathic treatments for curing dengue patients	Isiwara Newspaper, August issue	Homoeopathic clinic, Dehiwala
22	Homoeopathic treatments for giving life Parkinson's patients	Isiwara Newspaper, September issue	Homoeopathic clinic, Dehiwala

23	Wonder of the Homoeopathy divine medication (Divi Osuwa) for curing limb deformation	Isiwara Newspaper, October issue	Homoeopathic clinic, Dehiwala
24	Homoeopathic treatments cure varicose veins	Isiwara Newspaper, November issue	Homoeopathic clinic, Dehiwala
25	Homoeopathic treatments to cure neck pain	Isiwara Newspaper, December issue	Homoeopathic clinic, Dehiwala

These public awareness programs led to the influx of new patients to Homoeopathy Clinics and Homoeopathic Hospitals.

03. Enforcement of the New Homoeopathy Act

3.1 Drafting of orders.

The Interim Medical Council had considered the main task of this year was to draft and submit the directives made as per the instructions of the Hon. Minister to enforce the Homoeopathy Act No. 10 of 2016.

i. Regulations for the appointment of a Homoeopathic Medical Council
ii. Regulations for registration and updating the registration of Homoeopathic doctors, paramedical practitioners, treatment centres and Homoeopathic institutions that provides various services.

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3.2 Drafting rules

The Medical Council shall have the power to compiling the laws for the registration of Doctors under Section 30 of this Act. Accordingly, compilation of rules for conducting the relevant examinations was completed by the end of the year.

04. Registration of Homoeopathic Doctors

4.1 Registration of graduate Homoeopathic Doctors.

. Homoeopathy graduates who have studied Homoeopathic medicine in India have been registered in the General Register of the Homoeopathic Medical Council. Accordingly, the number of registered Homoeopathic doctors so far is 281

4.2 Registration of Homoeopathic doctors in terms of Section 30 (1) of the Act

In terms of section 30 (1) of the Homoeopathy Act No. 10 of 2016, applications were called from those who had been engaging in Homoeopathic medical practice for more than 5 years for as Homoeopathic medical professional having conducted an examination. There were 185 applications received. There were 185 applications received.

The Interim Medical Council drafted the necessary rules for conducting this examination and it was completed by the end of 2017. The proceedings will begin, once the rules are gazetted.

05. Approval of new posts for the cadre.

The interim Medical Council; having considered that the management assistants working in the Medical Council office were carrying out a large number of tasks that the Medical Council is unable to perform, and the Medical Council has been vested with financial and accounting functions of the Medical Council fully and a great deal of new functions with the new Homoeopathic Act, the Medical Council has decided to request the approval for seven new posts including the post of Accountant and forwarded the same to the Department of Management Services through the Ministry.

06. Renovation and providing facilities for the medical council office

It has been decided to renovate the office building of the Homoeopathic Medical Council to maintain the office of the President of the Medical Council also there and to renovate the school building in order to maintain the library, lecture room, drug store and storage room in that place. Initially, Rs. 1,355,614.34 was allocated to the Wattala Divisional Secretariat for this task. It was able to complete around half of these activities at the end of the year.

Similarly, actions were taken to purchase a considerable number of wooden furniture required for the office.

07. Approval of License to Import Homoeopathic Medicines.

The Interim Medical Council has made arrangements to approve seven applications for the importation of Homoeopathic medicines. Their total value is US $ 28,790.77.

11. Annual Accounts Reports

Final Accounts for the year ended as at 31.12.2017

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- Statement of Financial Status as at 31.12.2017
- Base Notes for Statements of Financial Status (From 1 to 6)
- Financial Performance Statement for the year ended as at 31.12.2017
- Base Notes for Financial Performance Statements (From 1 to 9)
- Consolidated Cash Flow Statement for the year ended as at 31.12.2017
- Base Notes for Consolidated Cash Flow Statements (From 1 to 6)
- Trail balance as at 31.12.2017
- Fixed Asset Depreciation Register as at 31.12.2017
- Report on Stock change as at 31.12. 2017

Accounting Policies

Presentation of accounts

Presentation of accounts is in accordance with No: 1 of the Sri Lanka public sector's accounting standard. As well, it has been presented as "illustration of expenses classification on nature" According to the decisions made by interim medical council, the final accounts have been prepared by having considered the all the expenses made by Homeopathy medical council from the Bank of Ceylon' account, re-current provisions and capital provisions.

Provision for Depreciation

All the fixed assets have been depreciated by using diminishing balance method.

Every assets have been depreciated at the depreciation rate of 12% up to 31.12.2017.

The cost of the assets have been accounted in accordance with No: 07(28) (b) of the Sri Lanka public sector's accounting standard.

Even though the assets up to 31.12.2016 have purchased in any day of the year, it have been depreciated for all the year.

Since the assets purchased at the end of the December in the year 2017 have not been used for the year, they have not been depreciated for that year.

Even though the asset was disposed in any day of the year, it will not be depreciated for all the relevant year.

Provision for Gratuity

According to the Gratuity paying Act No: 12 of 1983, since the officers who have a service period more than five years are entitled to receive Gratuity, provisions have been made only for Gratuities that is paid for the officers who have a service period more than five years as mentioned in the Act and after having completed the service period five years, it has to be paid Gratuity for whole period, the provisions allocated up to now have been indicated as a balance.

Homeopathy Medical Council
Statement of Financial Position as at 31st December, 2017

	Note	2017	2016
Assets			
Current assets	Note		
Cash and cash equivalents	1	2,274,507	2,334,346
Non- current assets			
Plants and equipments	2	1,715,119	1,003,317
Building renovation		4,227,506	2,812,738
Other equipments		1,450	1,450
		5,944,075	3,817,505
Total Assets		8,218,582	6,151,851
Liabilities			
Current liabilities			
Payables	3	844,316	594,126
Non-current liabilities			
Total liabilities		844,316	594,126
Net assets		7,374,266	5,557,725
		8,218,582	**6,151,851**
Net assets/stocks			
Capital		2,562,144	2,562,144
Government Capital Allocation		5,677,925	3,430,957
Aggregate shortage/excess		(893,263)	(462,836)
Last year adjustment account		27,460	27,460
Net assets/Stock		**7,374,266**	**5,557,725**

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

....	....	....	....
Registrar	Chairman	Committee Member	Prepared by,
Homeopathic	Homeopathic	Homeopathic	Chief Accountant
Medical Council	Medical Council	Medical Council	indigenous medicine Unit

Note 1	2017	2016
Cash and cash equivalents		
Commercial bank	1,702,684	1,626,281
Bank of Ceylon	375,923	512,165
Bank of Ceylon, Rajagiriya	195,900	195,900
	2,274,507	**2,334,346**
Note 2		
Plants and equipment		
Plants and equipment (Purchased price)	3,155,516	2,323,316
Less:		
Accumulated Depreciation	1,440,397	1,319,999
Net value	**1,715,119**	**1,003,317**
Note 3		
Payables		
Audit charges payable	143,861	185,616
Telephone charges payable	5,643	647
Dispensary charges payable		28,450
Electricity payable	4,296	1,737
Water charges payable	9,698	792
Staff pay and allowances payable	98,860	
Employees Provident Fund payable	7,475	
Employees Trust Fund payable	1,869	
Medical Council Chairman's allowances	75,000	
Gratuity payable	497,614	376,884
	844,316	**594,126**

Note 4

Submission of accounts

No. "01" of Public Sector Accounting Standards (2009) of Sri Lanka.

Note 5

Allocation of depreciation

Every fixed asset has been depreciated based on the system of diminishing balances

Rate of depreciation is 12% for all assets as at 31.12.2017

Cost of assets accounts as No. "07 (28)(b)" of Public Sector Accounting Standards of Sri Lanka.

Irrespective of the date of purchase of assets during the year, depreciation is accounted for the whole of the corresponding year.

Note 6

Provision for Gratuity

According to the Gratuity paying Act No: 12 of 1983, since the officers who have a serviceperiod more than five years are entitled to receive Gratuity, provisions have been made only for Gratuities that is paid for the officers who have a service period more than five years as mentioned in the Act and after having completed the service period five years, it has to be paid Gratuity for whole period, the provisions allocated up to now have been indicated as a balance.

Homeopathy Medical Council
Statement of Financial Performance as at 31st December, 2017

	Note	2017	2016
Revenue			
Recurrent provisions		13,786,709	12,596,733
Other revenue	1	51,000	43,100
Bank interest		83,047	79,534
Total revenue		**13,920,756**	**12,719,367**
Expenses			
Salaries, wages and employee benefits	2	11,972,353	10,301,697
Supplies and	3	69,990	18,845
Depreciation and gradual depreciation.		120,398	136,816
Other expenses	4	2,181,798	2,678,161
Legal charges		6,644	6,363
Financial expenditure (Bank charges)			
Total expenditure		**14,381,183**	**13,141,882**
Deficiency/excess for the period of time		**(430,427)**	**(422,515)**

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

....	....	....	....
Registrar Homeopathic Medical Council	Chairman Homeopathic Medical Council	Committee Member Homeopathic Medical Council	Prepared by, Chief Accountant indigenous Medicine Unit

Note 1	**2017**	**2016**
Other revenue		
Annual fee	4,050	5,100
Miscellaneous receipts	46,950	38,000
	51,000	**43,100**
Note 2		
Salaries, wages and employee benefit		
Staff pay and allowances	10,424,323	8,961,708
Employees' Provident Fund	1,238,424	1,071,991
Employees Trust Fund	309,606	267,998
	11,972,353	**10,301,697**
Note 3		
Supplies and consumables		
Stationery expenses	12,896	6,002
Refreshment expenses	57,094	12,843
	69,990	**18,845**
Note 4		
Other expenses		
Audit fees	20,000	40,000
Telephone bills	80,635	47,358
Medical camp expenses	220,240	333,450
Electricity charges	55,686	21,290
Water charges	64,170	52,397
travelling expenses	1,570	6,070
Fuel expenses	13,500	
postal charges	5,815	
Printing charges	82,690	275,829
Medical council miscellaneous expenses	27,523	21,679
Translation fees	25,740	17,587
Identity card preparation charges	12,420	
Chairman's allowance	1,050,000	
Interim medical council meeting expenses	258,000	168,000
News paper advertisement charges	106,318	
small repair expenses	36,761	
compensation expenses	120,730	376,884
Medical camp expenses		17,130
Office furniture repair		10,047
Equipment for medical clinics (Bottles and covers)		1,290,440
	2,181,798	**2,678,161**

Note 5

Presentation of accounts

Presentation of accounts is in accordance with No: 1 of the Sri Lanka public sector's accounting standard. As well, it has been presented as "illustration of expenses classification on nature"

Note 6

Audit fees paid with in the year 2017 is relevant to the 2014/2015 financial year. Therefore it has been adjusted to the allocation account and audit fee has been allocated for the year 2017.

Note 7

According to the Gratuity paying Act No: 12 of 1983, since the officers who have a service period more than five years are entitled to receive Gratuity, provisions have been made only for Gratuities that is paid for the officers who have a service period more than five years as mentioned in the Act and allocated amount has been shown in the financial performance.

Note 8

The cost of the assets have been accounted in accordance with No: 07(28) (b) of the Sri Lanka public sector's accounting standard.

Note 9

In terms of the decision taken by the Interim – Medical Council, the final accounts had been prepared by considering all the expenditure and recurrent provisions, capital provisions borne by the Homeopathy Medical Council through the Bank of Ceylon Account

Homeopathy Medical Council
Consolidated Cash Flow statement as at 31st December, 2017

	Note	2017	2016
Receipt of cash flow out of operational activities			
Receipts			
Recurrent grants received from the Government		13,786,709	13,663,330
Bank interest		83,047	79,534
Other receipt	1	51,000	43,100
		13,920,756	**12,785,964**
Payments			
Workers' expenditure	2	11,864,149	10,277,013
Bank interest (Banking charges)		6,644	6,363
Other payments	3	2,109,802	2,386,317
		13,980,595	**12,669,693**
Net cash flow from operational activities		**(59,839)**	**116,271**
Net cash flow from investment activities			
Capital provisions received from the Government		2,246,968	1,858,910
Building Repair		1,414,768	1,858,910
Property and equipment		832,200	
Net cash flow from investment activities			
Net increase of cash and cash equivalents	4	(59,839)	116,271
Cash and cash equivalents at the beginning of the period	5	2,334,346	2,218,075
Cash and cash equivalents at the end of the period	6	2,274,507	2,334,346

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

....	....	....	....
Registrar	Chairman	Committee Member	Prepared by,
Homeopathic	Homeopathic	Homeopathic	Chief Accountant
Medical Council	Medical Council	Medical Council	indigenous Medicine Unit

	2017	2016
Note 1 : Other receipts		
Miscellaneous income		
Annual fee	4,050	5,100
Fees for homeopathy exam	46,950	38,000
	51,000	**43,100**
Note 2 : Employees expenditure		
Employees’ salaries and allowances	10,325,463	8,937,024
Employees’ Provident Fund	1,230,949	1,071,991
Employees’ trust fund	307,737	267,998
	11,864,149	**10,277,013**
Note 3: Other payments		
Audit changes	61,755	66,597
Telephone charges	75,639	52,675
Expenses for medical clinic	242,567	342,450
Electricity charges	53,127	20,269
Water charges	55,264	53,405
Travelling expenses	1,570	7,637
Fuel expenses	13,500	
Postal fee	5,815	
Printing charges	82,690	275,829
Miscellaneous expenses for medical council	33,646	
Stationary	12,896	6,902
Refreshment expenses	57,094	12,843
Translation fees	25,740	32,074
Expenses for preparing identity card	12,420	
Chairman's allowances	975,000	
Interim medical council members allowances	258,000	168,000
Advertisement charges	106,318	
Small repairs in the office	36,761	
micellenous expenses		21,679
Office & other equipment		10,047
Expenses for medical clinic equipments		1,315,910
	2,109,802	**2,386,317**

	2017	2016
Note 4: Net increase in cash and cash equivalents		
Year-end cash balance	2,274,507	2,334,346
Cash balance at the beginning of the year	2,334,346	2,218,075
	(59,839)	**116,271**
Note 5: Cash and cash equivalents at the beginning of the financial year		
Commercial Bank	1,626,281	1,553,110
Bank of Ceylon	512,165	469,065
Bank of Ceylon- Rajagiriya	195,900	195,900
	2,334,346	**2,218,075**
Note 6: Cash and cash equivalents at the end of the period		
Commercial Bank	1,702,684	1,626,281
Bank of Ceylon	375,923	512,165
Bank of Ceylon- Rajagiriya	195,900	195,900
	2,274,507	**2,334,346**
	(59,839)	**116,271**
Comparison of net excess/deficit from general activities with the net cash flow from the operational activities		
Net excess/deficit from general activities	(430,427)	(422,515)
Non cash changes		
Depreciations	120,398	136,816
Increase of payable expenses	250,190	401,970
Annual' changes in the reconciliation account in the last year Net cash flow from operational activities	**(59,839)**	**116,271**

Homeopathy Medical Council
Trial balance as at 31.12.2017

Description	Debit (Rs)	Credit (Rs)
Govermant allocation		13,786,709
Audit Fees	20,000	
Accrued Audit Fees		143,861
Telephone Bills	80,635	
Accrued Telephone bills		5,643
Expencess for medical camp	214,117	
Electricity charges	55,686	
Accrued Electricity charges		4,296
Water Carges	64,170	
Accrued Water Charges		9,698
Staff Salary and Allowances	10,424,323	
Accrued Staff Salary and Allowance		98,860
Employee Provident Fund	1,238,424	
Accrued Employee Provident Fund		7,475
Employees Trust Fund	309,606	
Accrued Employees Trust Fund		1,869
Travelling Expenses and accommodation costs	1,570	
Fuel Expenses	13,500	
Postal charges	5,815	
Printing charges	82,690	
Medical camp and medical council micellenous expencess	33,646	
Stationary Expenses	12,896	
Refreshment Expenses	57,094	
Transaltion charges	25,740	
Expnecess of preparation identity card	12,420	

Medical Council Chairman allowance	1,050,000	
Accrued Medical Council Chairman allowance		75,000
Interium Medeical Council staff allowances	258,000	
Newspaper advertiesment	106,318	
Small repair expencess on office	36,761	
transport expencess		
Annual depreciation	120,398	
Allocation of depreciation		1,440,397
Gratuity expencess	120,730	
Gratuity allocation		497,614
Govermant allocation - Capital		5,677,925
Property, Plant & Equipment	3,155,516	
Building renavation	4,227,506	
Office equipement	1,450	
Capital		2,562,144
Bank balance - Bank of Ceylon	375,923	
Bank balance - Commerial Bank	1,702,684	
Bank blance - Bank of Ceylon, Rajagiriya	195,900	
Bank charges	6,644	
Bank interest income		83,047
Misellenous income including annual charges		51,000
Last year adjestment account		27,460
Excess depecit accoounts as at 31.12.2016	462,836	
Total	**24,472,998**	**24,472,998**

Homeopathy Medical Council
Fixed Asset Depreciation Register - 2017 (up to 31.12.2017)

Serial No	Asset Name	Purchase Date	Quantity	Purchase price	Depreciation as st 31.12.2011	Value as at 01.01.2012	Depreciation as st 31.12.2012	Value as at 01.01.2013	Depreciation as st 31.12.2013	Value as at 01.01.2014	Depreciation as st 31.12.2014	Value as at 01.01.2015	Depreciation as st 31.12.2015	Value as at 01.01.2016	Depreciation as st 31.12.2016	Value as at 01.01.2017	Depreciation as st 31.12.2017	Value as at 01.01.2018
	Depreciation rate 12%																	
1	Before 2008			280,492	140,452	140,040	16,805	123,235	14,788	108,447	13,013.64	95,433.34	11,452.00	83,981.34	10,077.76	73,903.58	8,868.43	65,035
2	Name board - steel	28/04/2008	1	20,125	8,056	12,069	1,448	10,621	1,274	9,346	1,121.55	8,224.69	986.96	7,237.72	868.53	6,369.20	764.30	5,605
3	Internet Modam	26/06/2008	1	3,910	1,565	2,345	281	2,064	248	1,816	217.92	1,598.05	191.77	1,406.29	168.75	1,237.53	148.50	1,089
4	Telephone	01/07/2008	7	34,300	13,730	20,570	2,468	18,102	2,172	15,929	1,911.53	14,017.88	1,682.15	12,335.73	1,480.29	10,855.45	1,302.65	9,553
5	Curtion bars	06/10/2008		8,400	3,363	5,037	604	4,433	532	3,901	468.08	3,432.57	411.91	3,020.67	362.48	2,658.19	318.98	2,339
6	Amlifier 100 watts	25/06/2009	5	99,000	31,534	67,466	8,096	59,370	7,124	52,246	6,269.48	45,976.19	5,517.14	40,459.05	4,855.09	35,603.96	4,272.48	31,331
7	Column Speakers	25/06/2009	10	33,000	10,512	22,488	2,699	19,789	2,375	17,415	2,089.76	15,324.94	1,838.99	13,485.95	1,618.31	11,867.64	1,424.12	10,444
8	F.M.Wireless Microphone	25/06/2009	5	66,000	21,023	44,977	5,397	39,580	4,750	34,830	4,179.62	30,650.57	3,678.07	26,972.50	3,236.70	23,735.80	2,848.30	20,888
9	White Board	28/06/2009	5	26,000	8,282	17,718	2,126	15,592	1,871	13,721	1,646.50	12,074.32	1,448.92	10,625.40	1,275.05	9,350.35	1,122.04	8,228
10	OHP Projector	29/06/2009	1	13,384	4,263	9,121	1,095	8,026	963	7,063	847.60	6,215.71	745.88	5,469.82	656.38	4,813.44	577.61	4,236
11	Table Squear - waud	07/07/2009	3	6,060	1,930	4,130	496	3,634	436	3,198	383.79	2,814.48	337.74	2,476.74	297.21	2,179.53	261.54	1,918
12	Plastic Dust Bing	07/07/2009	2	4,000	1,274	2,726	327	2,399	288	2,111	253.32	1,857.69	222.92	1,634.77	196.17	1,438.60	172.63	1,266
13	Gestetor Copy Printer	07/07/2009	1	196,000	62,432	133,568	16,028	117,540	14,105	103,435	12,412.21	91,022.85	10,922.74	80,100.11	9,612.01	90,488.10	8,458.57	52,030
14	Dupliator Cabinet	07/07/2009	1	8,400	2,676	5,724	687	5,037	604	4,433	531.92	3,900.75	468.09	3,432.66	411.92	3,020.74	362.49	2,658
15	File cabinet - 4 drawers	10/07/2009	5	60,230	19,185	41,045	4,925	36,120	4,334	31,785	3,814.23	27,971.02	3,356.52	24,614.50	2,953.74	21,660.76	2,599.29	19,081
16	Steel Almara	10/07/2009	3	33,516	10,676	22,840	2,741	20,099	2,412	17,687	2,122.48	15,564.82	1,867.78	13,697.04	1,643.65	12,053.40	1,446.41	10,607
17	Teek windows & doors	10/07/2009	1	32,300	10,289	22,011	2,641	19,370	2,324	17,045	2,045.44	14,999.88	1,799.99	13,199.89	1,583.58	11,615.91	1,392.91	10,222
18	office table	10/07/2009	2	16,000	5,097	10,903	1,308	9,595	1,151	8,443	1,013.19	7,430.09	891.61	6,538.48	784.62	5,753.86	690.46	5,063
19	Projector Optoma Movie	13/10/2009	2	180,000	57,335	122,665	14,720	107,945	12,953	94,992	11,399.01	83,592.76	10,031.13	73,561.63	8,827.40	64,734.24	7,768.11	58,966
20	Projector Scren vega	13/10/2009	2	36,960	11,773	25,187	3,022	22,165	2,660	19,505	2,340.58	17,164.24	2,059.71	15,104.53	1,812.54	13,291.98	1,595.04	11,697
21	Aluminium ledder	17/10/2009	1	6,250	1,991	4,259	511	3,748	450	3,298	395.78	2,902.39	348.29	2,554.10	306.49	2,247.61	269.71	1,978
22	Gas Cooker	17/10/2009	1	3,105	989	2,116	254	1,862	223	1,639	196.64	1,441.99	173.04	1,268.96	152.27	1,116.68	134.00	983
23	Plastic water tank	17/10/2009	1	4,600	1,465	3,135	376	2,759	331	2,428	291.33	2,136.41	256.37	1,880.04	225.61	1,654.44	198.53	1,456
24	Plastic water tank	19/05/2009	1	12,175	3,878	8,297	996	7,301	876	6,425	771.02	5,654.17	678.50	4,975.67	597.08	4,378.59	525.43	3,853
25	Plastic chair]	12/05/2009	6	6,360	2,026	4,334	520	3,814	458	3,356	402.75	2,953.50	354.42	2,599.08	311.89	2,287.19	274.46	2,013
26	Plastic Round table	12/05/2009	2	4,500	1,433	3,067	368	2,699	324	2,375	285.01	2,090.07	250.81	1,839.27	220.71	1,618.55	194.23	1,424

27	Water tank frame	17/10/2009	1	7,000	2,230	4,770	572	4,198	504	3,694	443.27	3,250.62	390.07	2,860.55	343.27	2,517.28	302.07	2,215
28	Water tank frame	19/05/2009	1	5,815	1,852	3,963	476	3,487	418	3,069	368.27	2,700.67	324.08	2,376.59	285.19	2,091.40	250.97	1,840
29	chair with hand	21/07/2009	200	480,000	152,893	327,107	39,253	287,854	34,542	253,312	30,397.40	222,914.26	26,749.71	196,164.55	23,539.75	172,624.80	20,714.98	151,910
30	skelton model	29/04/2009	1	14,000	4,456	9,544	1,145	8,399	1,008	7,391	886.90	6,503.97	780.48	5,723.49				
31	Wall Clock	31/12/2010	1	600	135	465	56	409	49	360	43.21	316.88	38.03	278.86	33.46	245.40	29.45	216
32	Mobitel Dongale	19/07/2012	1	4,065	-	4,065	488	3,577	429	3,148	377.75	2,770.18	332.42	2,437.76	292.53	2,145.23	257.43	1,886
33	Bicycle	07/09/2013	1	10,845	-		-	10,845	1,301	9,544	1,145.23	8,398.37	1,007.80	7,390.56	886.87	6,503.70	780.44	5,723
34	Water filter	07/09/2013	1	8,600	-		-	8,600	1,032	7,568	908.16	6,659.84	799.18	5,860.66	703.28	5,157.38	618.89	4,538
35	HP Computer	31/12/2014	1	119,900						119,900	14,388.00	105,512.00	12,661.44	92,850.56	11,142.07	81,708.49	9,805.02	71,903
36	ENT set	31/12/2014	4	140,000						140,000	16,800.00	123,200.00	14,784.00	108,416.00	13,009.92	95,406.08	11,448.73	83,957
37	Weight scale	31/12/2014	2	4,000						4,000	480.00	3,520.00	422.40	3,097.60	371.71	2,725.89	327.11	2,399
38	Ceiling Fan	31/12/2014	7	24,430						24,430	2,931.60	21,498.40	2,579.81	18,918.59	2,270.23	16,648.36	1,997.80	14,651
39	Pedestal Fan	31/12/2014	7	33,250						33,250	3,990.00	29,260.00	3,511.20	25,748.80	3,089.86	22,658.94	2,719.07	19,940
40	chair (rotating)	31/12/2014	4	37,632						37,632	4,515.84	33,116.16	3,973.94	29,142.22	3,497.07	25,645.15	3,077.42	22,568
41	Arm Chair(Fabric Cushiom)	31/12/2014	31	159,712						159,712	19,165.44	140,546.56	16,865.59	123,680.97	14,841.72	108,839.26	13,060.71	95,779
42	Steel Almara	31/12/2014	3	43,680						43,680	5,241.60	38,438.40	4,612.61	33,825.79	4,059.10	29,766.70	3,572.00	26,195
43	Arm Chair (Plastic)	31/12/2014	15	15,120						15,120	1,814.40	13,305.60	1,596.67	11,708.93	1,405.07	10,303.86	1,236.46	9,067
44	Teek table with 2 dawers (5X3)	31/12/2014	1	19,600						19,600	2,352.00	17,248.00	2,069.76	15,178.24	1,821.39	13,356.85	1,602.82	11,754
45	Name board	23.06.2017	7	259,990										-		259,990.00		259,990
46	Computer Table	30.12.2017	1	13,512										-		13,512.00		13,512
47	Executive Table	30.12.2017	2	147,311												147,311		147,311
48	File rack	30.12.2017	2	29,629												29,629		29629
49	Teak chair	30.12.2017	6	64,971												64,971		64971
50	Teak weed chair	30.12.2017	4	140,421												140,412		140421
51	Executive chair	30.12.2017	3	80,375												60,375		80375
52	Computer		1	116,000												116,000		116000
				3,155,516	598,795	1,107,752	132,930	994,267	119,312	1,472,279	176,673.45	1,295,605	155,473	1,140,133	136,816	1,835,517	120,398	1,715,119

Homeopath Medical Council

Stock Change	Accumulation (Rs)
Initial Balance (as at 01.01.2017)	2,562,144
Government Capital Allocation	5,677,925
Prior Year Adjustment	27,460
Aggregate Deficit/Excess	(893,263)
Year End balance (as at 31.12.2017)	**7,374,266**

12. Audit Report

In early, Homeopathy Medical Council was operated by a homeopathy interim administrative committee which is the first Administrative Council established under the Homeopathy Act No. 10 of 2016. The Accounting activities of the Council were handled by the Indigenous Medicine Division of the Ministry of Health, Nutrition and Indigenous Medicine; the line Ministry.

The Interim Medical Council, which has taken the formulation of rules and regulations required for the implementation of the new Homeopathy Act No. 10 of 2016 as its main responsibility took great care in drafting and presenting the orders made by the Hon. Minister with high priority.

This year the actions were taken to strengthen the Medical Council's organizational structure by recruiting for the seven vacant posts for office assistants at the 7 Homeopathy Clinics maintained by the Medical Council. Four new Homeopathic Doctors have been registered and the number of registered doctors in the Homeopathic Medical Council has been increased to 281.

In this manner, considering the overall function of the Medical Council, the administrative and financial functions required to maintain the institution have been basically evaluated by the Auditor General's report.

Dr.Chandana Weerasekara
Chairman
Homeopathy interim administrative committee

Felicitations

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Hon. Minister of Health, Nutrition & Indigenous Medicine

Hon. Deputy Minister

Secretary and Additional Secretaries

Male and female Members of the Homoeopathic Medical Council

Attorney General's Department

Auditor General's Department

The Registrar of the Homoeopathic Medical Council

&

The Staff

මගේ අංකය
எனது இல.
My No. HSM/ B/ HMC/1/17/04

ඔබේ අංකය
உமது இல.
Your No.

දිනය
திகதி
Date 15 August 2018

The Chairman

Homeopathy Medical Council

Report of the Auditor General on the Financial Statements of Homeopathy Medical Council for the year ended 31 December 2017 in terms of Section 14 (2) (C) of the Finance Act No. 38 of 1971

The audit of financial statements of the Homeopathy Medical Council for the year ended 31 December 2017 comprising the statement of financial position as at 31 December 2017 and the statement of financial performance, statement of changes in equity 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 and Section 40(3) of Homeopathy Act , No.10 of 2016 . 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.

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 control 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 Auditing 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 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 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 the Section 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.

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 2017 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 Sri Lanka Public Sector Accounting Standards

The following observations are made .

(a) Sri Lanka Public Sector Accounting Standard 07

Even though the Depreciation of an asset begins when it is available for use in terms of Paragraph 69, in contrary to that the Council had followed the policy of totally depreciation of assets for the year purchased without considering date of purchased and the policy of non- depreciation in the year of removal .

(b) Sri Lanka Public Sector Accounting Standard 08

The necessary disclosures had not been made in the financial statements in respect of 5 cases on trial against the Council in terms of Paragraph 100 of the Standard.

2. 2.2 Accounting Deficiencies

The following observations are made.

(a) The cost made for the drug containers, lids and envelopes purchase for the packaging of drugs had been written off as an expenditure in the year of purchased itself. Therefore, as a result of the drug containers and lids cost at Rs. 233,000 thereon purchased in the preceding year and consumed during the year under review were not recorded as an expenditure, the expenditure of the year under review had been understated by the same amount. As such, because of the cost of the stock in hand amounted to Rs. 685,300 as at 31 December 2017 was not taken in to accounts, the current assets also had been understated by the same amount.

(b) Even though the gratuity provision which should be made as at 31 December 2017 for the total service period of 19 employees was Rs. 840,650 as a result of the provision made amounting to Rs. 497,614 instead of that, the gratuity provision had been understated by Rs. 343,036 .

(c) A sum of Rs. 195,900 received to the Council in the year 2014 as the examination fees had been credited to a current account maintained by the name of the Secretary to the Ministry of Health, Nutrition and Indigenous Medicine without crediting to the current account belong to the Council . Accordingly, due to that income had credited to the state revenue although that was not an asset of the Council hereafter , that value had been shown in the financial statements as an asset.

(d) The Office of the Homeopathy Medical Council is being functioned in a building belonging to the Ministry of Health and although the ownership of that building and the land had not belonged to the Council , a sum of Rs. 4,227,506 incurred for the renovation of that building during the period from the year 2013 to the year under review had been capitalized under non- current assets.

(e) The depreciation amount of Rs. 31,199 related 07 name boards purchased at cost of Rs. 259,990 during the year under review had not been brought to accounts.

3 . **Financial Review**

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3. 1 **Financial Results**

According to the financial statements presented, the financial result of the Council for the year under review had been a deficit of Rs. 430,427 and the corresponding deficit for the preceding year was Rs. 422,515 thus indicating a deterioration of Rs. 7,912 in the financial result of the year under review as compared with the preceding year. The increase of government recurrent grant by Rs. 1,189,976 and total expenditure by Rs. 1,209,301 in the year under review as compared with the preceding year had mainly attributed to the above deterioration.

In analyzing of the financial results for the year under review and the 04 preceding years the deficit of Rs. 111,977 and Rs. 170,636 in the year 2013 to the year 2014 respectively had become a surplus of Rs. 271,598 in the year 2015 and again converted into deficits of Rs. 422,515 and Rs. 430,427 in the years 2016 and 2017 respectively . However, in readjusting the employees' remuneration and depreciation for the non- current assets to the financial result, the contribution amounted to Rs. 4,873,487 in the year 2013 had

improved to Rs. 9,951,274 between 6 per cent and 93 per cent with fluctuations in the year 2015 and it had improved in the years of 2016 and 2017 up to Rs. 10,015,998 and Rs. 11,662,324 respectively .

3.2 Legal Action instituted against the Council

Cases had been filed against the dismissing of a Doctor and a labourer from the service employed in the Medical Council claiming compensations of Rs. 3 million and Rs. 2 million each respectively. In addition to that, two Doctors had filed 2 cases against the Council requesting for the abolition of appointments and registrations made after the dissolution of the Medical Council and payment of arrears in salaries.

4. Operating Review

4. 1 Performance

4. 1.1 Planning

The Action Plan of the year under review had not been prepared included in the plans related to achieve the main objectives such as to promote, foster and regulate the practice of Homoeopathy profession , to promote and encourage the study, research into and practice of Homoeopathy, to regulate and control of the manufacture, sale and distribution of Homoeopathic medicines, drugs and other Homoeopathic preparations.

4. 1.2 Activities and Review

The following observations were made at the examination conducted in relation with the achievement of the objectives of the Council during the year under review in terms of the Homeopathy Act No. 10 of 2016 .

(a) Even though the decisions had been taken at the Interim Medical Council meeting held on 04 November 2016 to take required actions for the Registrations of the Homeopathy Doctors in terms of Section 30 of Homeopathy Act No. 10 of 2016 , necessary laws for that had not been compiled even by the 31 May 2018.

(b) The participation of patients for the 04 clinics out of the 07 clinics conducted by the Council had dropped and that reduction had ranged from 4 per cent to 25 per cent as compared with the previous year. The participation of patients in 03 clinics had increased and that growth remained from 6 per cent to 20 per cent as compared to the previous year.

(c) The steps that were not taken in accordance with the Action Plan prepared for the year under review were as follows.

(i) Actions had not been taken to achieve the objectives under the provisions of the Act such as the Registration of Homeopathy Healthcare service providing institutions and publish necessary regulations to commence a Government Homeopathy Medical College . Furthermore, even though it had been planned to get passing in Parliament by publishing laws, rules and regulations during the year under review for the enforcement of the provisions in the Homeopathy Act , drafting of directives and 03 rules had only been made.

(ii) Although the applications had been called to conduct the examination by planning to register the Homeopathy Doctors by holding an examination during the year under review , the examination had not been held and the registration of doctors also had not been done.

(iii) Even though it had been planned to import and distribution of Homeopathy drugs during the year under review, the approval had been made only for 07 pharmaceutical importation applications.

4. 2 Management Activities

The following observations are made.

(a) The money collected as fees for a course planned to be conducted by the Interim Medical Council held in the year 2009 had been deposited in a private bank and the balance of that account as at 31 December in the year under review was Rs. 1,702,684 . The relevant course had not been conducted as planned and even though the Interim Medical Council had decided that those money should be paid back to the depositors , any information with regard to the depositors and the amount charged had not available in the Council.

(b) The activities of the Council should be conducted by the Interim Medical Council appointed by the Minister until the Council is established within two years from the date of this Act is in effect in terms of Section 51 (2) of No. 10 of 2016 of the Homeopathy Act . Nevertheless, according to the Section 51 (3) of the Act the Interim Medical Council should have been appointed by the Minister for a period of three months starting from the due date. Accordingly, the Management had not taken actions to rectify the non- comparison of each of the Sections of the Act regarding the validity period of the Interim Medical Council .

4.3 Operational Activities

The Register for Registration of Homeopathy Doctors had not been maintained in updated manner and 8 names of the doctors who had registered in the year 2016 had not been published by the Gazette Notification.

4.4 Transactions of Contentious Nature

Donation sheet books consisting of 100 sheets worth Rs. 50 each named as " Homeopathy Fund" had been printed without any provision for obtaining authority for the collection of public funds and also without a proper approval and any information with regard to the number of total donation sheets printed, the year of printed, sales income of the tickets, and descriptions of banking of the money had not available in the Council. Out of that, a stock of 417 books were remained by the date of 26 April 2018 . A shortage of 162 books were seen in between the lowest book number and the highest book number existed and the total amount which could have been able to collect by that was Rs. 810,000 .

4.5 Idle or underutilized Assets

Even though a building had been constructed in the year 2008 for the commencement of a Homeopathy Medical College and the furniture and equipment had been supplied in the year 2009, the academic activities of that had not been commenced even by 31 May 2018 as steps had not been taken for the formulation of the legal framework relating to the commencement of its academic activities. Accordingly, the fixed assets costing Rs. 1,199,254 purchased and the building related thereto had remained idle over a period of 07 years.

4.6 Staff Administration

The following observations are made.

(a) Even though in terms of Sections 20 (2) and 20 (3) of Homeopathy Act No. 07 of 1970 at the request of the Council, any Assistant Secretary to the Ministry may, with his consent and the consent of the Secretary to the Treasury be temporarily appointed as Registrar for such period as shall be determined by the Council with like consent, an officer outside to the Ministry had been enrolled on permanent basis for the post of Registrar on 16 October 2012 subject to a period of 03 years by the Interim Council.

(b) Even though, the efficiency bar examination should be passed before completion of 03 years period for the pharmacists after appointing to the post to permanent in the service in terms of 4.4 of the approved Scheme of Recruitment, actions had not been taken even by the 31 December 2017 to conduct the relevant efficiency bar examination for the 07 pharmacists who had been enrolled on permanent basis from the date of 24 October 2014 to permanent in service .

5. Sustainability Development

5.1 Achievement of Sustainability Development Goals

As a result of the Medical Council had not aware of the Circular No. NP/ SP/ SDG/ 17 of 14 August 2017 issued by the Secretary to the National Policy and Economic Affairs and the United Nations' year 2030 Agenda for Sustainable Development , actions had not been taken to identify the Sustainable Development Goals in relation to the activities of the Council, targets and interlinks where can be reached to the targets and the indicators to measure for reaching targets .

6. Accountability and Good Governance

6.1 Internal Audit

In terms of Financial Regulation 133 of the Financial Regulations of the Democratic Socialist Republic of Sri Lanka, an Internal Audit Unit had not been established for the Council and an internal audit had not been carried out even by the Internal Audit Unit of the Ministry of Health, Nutrition and Indigenous Medicine.

6.2 Budgetary Control

In terms of Section 5.2 of Public Enterprises Circular No. PED 12 of 02 June 2003, actions had not been taken to prepare an estimated budget on the income and expenditure of the Council for the year under review and to make use of it as an effective instrument of management control.

7. Systems and Controls

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

	Area of Systems and Control	Observations
(a)	Accounting	Non- maintenance of ledger accounts including all the assets, liabilities, income and expenditure and not writing the journal entries for the adjustments .
(b)	Stock Control on Consumable Items	Not conducting the physical verification for drug containers, lids and envelope stocks and not maintaining a proper accounting system regarding those stocks.
(c)	Staff Administration	Not enrolling the subject oriented staff for the Homeopathy Medicine as per the approved Scheme of Recruitment and regulations.

H.M. Gamini Wijesinghe

Auditor General