

Ministry of Indigenous Medicine

**Homoeopathic Medical
Council**

Annual Report

2014



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01. Summary

Annual Report - 2014 of the Homeopathy Medical Council is presented herewith and it is expected to present the full procedures followed in year 2014 by the Homeopathy Medical Council and an evaluation thereon by presentation of this report.

It must be stated that the objective of launching this Annual Report - 2014 is to receive guidance from H.E. the President, the Hon. Prime Minister, the Hon. Deputy Minister and the entirety of political Executive and Legislature on the objectives expected to be achieved, plans, strategies and the combined approaches taken during the year as generally done every year.

Functions of the Homeopathy Medical Council were operated by an Interim Council also during year 2014. It received instructions and assistance of a Technical Committee consisting of three Homeopathy Doctors in this year as in last year.

Having considered it essential to build up stability of the institution in order to establish services rendered by the Medical Council until a Homeopathy Medical Council is appointed by passing a new Homeopathy Act, the Homeopathy Interim Council gave priority to tasks of recruitment of staff for vacant posts, making requests for opening new clinics and setting up clinics in operation in permanent government buildings etc. Accordingly, as per powers granted by Homeopathy Act and on the instructions and directives of the Hon. Minister, action was taken to register 27 new Doctors under Section 27(1) C of the Act. Further, action was taken to register in the General Register 19 Homeopathy Temporary Doctors who have passed the examination held under Section 27(5) of the Act.

Prime objective of the Homeopathy Medical Council is to develop human and physical resources required for developing Homeopathy system of Medicine. Objective of the Ministry of Indigenous Medicine, which is the Line Ministry, was to introduce strategies required for improvement of the system of Indigenous Medicine. It was expected to open up an opportunity to achieve objectives of both these institutions by presenting this report.

02. Introduction

Homeopathy system of Medicine may be introduced as a system based on the principle “Like cures like”. Frederick Samuel Hahnemann, a German Scientist in 18th Century is the founder of this system of Medicine as well as a person who rendered an immense service in propagation of this system of medicine. Homeopathy system of Medicine is utilized today in many countries of the world as a recognized system of medicine. For example, the Government of India has attached the system of Homeopathy Medicine to its National Health Service and is providing Homeopathy treatments to the general public through Homeopathy Clinics and Hospitals spread out in the country.

Homeopathy Medical Council of Sri Lanka has been established as per Sub-section 1, Section 2 of Part 1 of the Act no. 07 of 1970.

Homeopathy Medical Council consists of seven members elected out of registered Homeopathy Doctors. (Homeopathy Medical Council stands dissolved by now and its functions are administered by an Interim Council). Registrar is the Secretary to the Homeopathy Medical Council.

Seven Government Homeopathy Clinics operated by this Council are established in seven locations of Dehiwala, Parakaduwa, Moneragala, Palamunei, Matale, Kurunegala and Tholangamuwa.

03. Homeopathy Medical Council

Vision

“To promote the system of Homeopathy Medicine upto a National Health Service”

Mission

“To formulate appropriate policies for development of human and physical resources for Homeopathy System of Medicine and propagate the same among the general public, to promote and upgrade it.”

Objectives

Qualitative development of professional education in the field of Homeopathy as per provisions in Homeopathy Act no. 07 of 1970, to restore health of patients through knowledgeable, skilled and experienced professionals and preserve nobility and quality of profession by conferring legal authority of the profession for conservation of health of healthy people.

04. Background

Homeopathy Medical Council is mainly a Board of Professionals. Members of the first Homeopathy Medical Council have been appointed by the Hon. Minister as per the Homeopathy Act. Members for subsequent Medical Councils are elected by an election conducted among registered Homeopathy Medical Practitioners. Duties and powers of the Homeopathy Medical Council should be put into practice as per recommendations of the Hon. Minister in charge of the subject and regulations proclaimed by the Hon. Minister. Homeopathy Medical Council is authorized to formulate regulations as per Homeopathy Act. Such regulations should be proclaimed by the Hon. Minister as per regulations of the Homeopathy Act.

Rules and Regulations

Although a period of some 40 years have passed since Homeopathy system of Medicine has become a state recognized system and over 30 years passed after establishment of Homeopathy Medical Council, unfortunately only a small number of required regulations have been formulated so far to enact Homeopathy Act. This has become a hampering factor to develop the system of Homeopathy Medicine while committing various types of frauds by superseding the Act. Further, this stands in the way of Medical Council in achieving its objectives also blocking proper authorization of the Council.

By-laws published so far

1. Laws of the Medical Council - 1981
2. Homeopathy Regulations - 1980
(regulations of medical practitioners and importation of Homeopathy Laws of Medicines)
3. Rules of Homeopathic Council - 1983
4. Homeopathy Medical Council
Electoral Regulations - 1998

Establishment of Homeopathy Medical Council

The first Homeopathy Medical Council has been established in 1979. The Hon. Minister has authorized Homeopathy Act by appointing members to Homeopathy Medical Council as per regulations in the Act. Members of subsequent Medical Councils were elected by an election conducted among Homeopathy Medical Professionals as per regulations in Homeopathy Act. Members of the third Homeopathy Medical Council have been dismissed from their offices as per regulations of Homeopathy Medical Council Act.

Members of Homeopathy Medical Council

- Members of the first Homeopathy Medical Council were appointed by the Hon. Minister as per regulations of the Act. (1979-1989).
- Thereafter, the Medical Council remained non-operational for failure to formulate regulations of Medical Council Election for about 10 years. (1989-1998).

- The Medical Council was elected in September, 1998 for a period of 5 years by an election. (1998-2003)
- Medical Council remained out of operation again for a period of about 03 years due to change of the Ministry in charge of the subject and other legal implications. (2003 -2006)
- The third Medical Council was elected by an election in year 2006, which remained upto the month of July, 2009. The Hon. Minister ousted members of the Medical Council from their offices in October, 2009 and appointed new members for those posts.
- The Hon. Minister appointed a Medical Council for the remaining two years of the Medical Council dissolved by a Special Gazette Notification no. 1625 of 29-10-2009. With expiry of the term of office, the said Medical Council ceased to exist on 30th January, 2011.
- No Medical Council was in operation thereafter upto 16th June, 2011.
- The Hon. Minister in charge of the subject, under approval of the Cabinet of Ministers and instructions of the Hon. Attorney General, appointed a Homeopathy Interim Committee on 16th June, 2011 for continuation of functions of the Medical Council. From then on up-to-date, functions of the Medical Council are operated by the Interim Council.

05. Goals of the Medical Council

Objectives of the Homeopathy Medical Council are as follows.

1. Registration and suspension of registration of Homeopathy Doctors.
2. Preservation of rules and professional ethics of the system of Homeopathy Medicine.
3. Propagation and encouragement of Homeopathy system of Medicine as well as development of education of Homeopathy Medicine.
4. Establishment of Homeopathy Medical Colleges and Institutions and their legal recognition.
5. Manufacture, importation, sale, control and regulation of Homeopathy Medicines and cosmetics.
6. Publication of books and magazines to raise awareness on the system of Homeopathy Medicine and Public Health.
7. Proclamation of laws and ethics in keeping with Homeopathy Act.
8. Enlightening the Hon. Minister on responsibility of Homeopathy professionals and members as a board of professionals, in keeping with regulations of Homeopathy Act.

06. Powers of the Medical Council

Powers of the Medical Council, as per regulation 23 of Homeopathy Act, are as follows.

1. Registration of Professionals of Homeopathy Medicine.
2. Approval and recognition or rejection of Homeopathy Medical Colleges as required.
3. Regulation of syllabi for courses in recognized medical colleges and syllabi for revised courses.
4. Conducting examinations and conferring degrees and diplomas for students studying in recognized Medical Colleges.
5. Regulating fees as examination fees and entrance fees and charging them.
6. Examination of quality and qualitative progress in recognized medical colleges, observation and confirmation on the levels of education.
7. Appointment of Doctors registered in the general registry as well as external examiners to conduct examinations announced by the Medical Council.
8. Prohibition or suspension of recognition of medical colleges not adhering to provisions in the Act and its anticipated recommendations and criteria. (An opportunity must be given to the Council to rectify and make necessary revisions in such institutions before putting this rule into practice).
9. Establishment of Homeopathy Research Institutes, organizing Postgraduate Courses and taking action for manufacture of Homeopathy Medicines.

10. Publication of a Homeopathy Magazine.
11. Utilization of funds of the Homeopathy Fund to achieve purposes in the Act and meet objectives of the Medical Council.
12. Fulfillment of anticipations of the Medical Council pertaining to promotion of objectives of the Act and the system of Homeopathy Medicine.
13. Formulation of regulations required for methodical performance of functions of the Medical Council and enacting provisions of the Act, getting required regulations approved in Parliament through the Hon. Minister and publication of them in the gazette.

07. Membership and term of office of the Medical Council

The Homeopathy Medical Council consists of 07 Homeopathy Doctors including its Chairman. Members of the Homeopathy Medical Council are elected out of the vote of Homeopathy Medical Practitioners registered in the general register of the Medical Council. Secretary/Registrar of the Medical Council is appointed by the Medical Council. Chairman of the Medical Council is appointed by the Hon. Minister from among members elected for the Medical Council.

As per Homeopathy Act no. 07 of 1970, the Medical Council becomes legally effective after its publication in gazette by the Hon. Minister. The Medical Council is elected for a period 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

Fax :- 011-2958175

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

Position of the Corporate Body: - Homeopathy Medical Council has been established as per powers and objectives of Sections 22 and 23 of the Homeopathy Act no. 07 of 1970.

Administrative Structure :- Secretary/Registrar
Doctors in Charge
Management Assistant
Dispenser
Office Assistant

Banker :- Bank of Ceylon - Taprobane Branch,
Colombo.
Commercial Bank - Ja-ela Branch

09. Action Plan - 2014

Summary

Objective 01

- Giving a proper recognition to Homeopathy system of Medicine.

Strategies

- Building up public trust through treatments.
- Building trust on the system of medicine among adults and children.
- Making officers of the Ministry and all institutions aware.
- Giving a propagation of the system of Homeopathy Medicine through media.
- Promotion of friendship among Homeopathy Doctors.
- Change of name of the Ministry (to include the word "Homeopathy").

Objective 02

- Introduction of a recognized particular administrative procedure for Homeopathy Medical Council.

Strategies

- Formulation of regulations on administrative policies of the Homeopathy Medical Council.

Objective 03

- Re-establishment of a Homeopathy Public Service

Strategies

- Getting revisions of recruitment approved.
- Salaries and cadre.
- Receiving approval of the Commission.

Objective 04

- Creating Professionals of Homeopathy Medicine, generating Supplementary Medical Practitioners and developing their knowledge and skills.

Strategies

- Formulation of by-laws, their recognition and establishment of Homeopathy Medical College.

Objective 05

- Ensuring common market availability of Homeopathy Medicines and Products

Strategies

- Formulation of by-laws
- Raising funds for establishment of Homeopathy Medical Stores and Pharmacies

10. Performance of Homeopathy Medical Council From January to December, 2014

10-1 clinical management and operation

- Operation of 07 Government Homeopathy Medical Clinics set up in 07 districts under the Medical Council.
- Salaries and allowances provided for these clinics running under supervision of the Medical Council.
- Action taken to provide basic requirements for running clinics.
- All these clinics have been taken by now to government buildings.

Performance of Clinics

50,353 patients have taken treatments out of the 7 clinics supervised by the Medical Council under mentioned.

Clinic	no. of patients
1. Dehiwala	7965
2. Moneragala	5736
3. Palamunei	8753
4. Matale	6461
5. Kurunegala	8313
6. Parakaduwa	7854
7. Tholangamuwa	5271
Total	50353

10 -2 Interim Council

An interim committee consisting of 5 members was appointed to be effective from 01st January, 2014. Its members are,

1. Dr. Newton Peiris of the Ministry of Indigenous Medicine - Chairman
2. Prof. K.K.D.S.Ranaweera, Director of the Bandaranaike Ayurveda Research Institute - Member
3. Mrs. M.T.R.C.Chitralatha, Chief Accountant of the Ministry of Indigenous Medicine - Member
4. Dr. M.F.Fayaz – Member
5. Dr. (Mrs.) E.M.Supun Minimekhala - Member.

Changes in the Interim Committee

However, Mrs. Chitralatha resigned from her post in March. Further, the Hon. Minister appointed three new members for this Interim Council in May where Mrs. M.T.R.C.Chitralatha was re-appointed. Accordingly, the newly appointed members are,

1. Mrs. Vijitha Seneviratne, Additional Secretary (Administration) of the Ministry of Indigenous Medicine - Member
2. Mrs. M.T.R.C.Chitralatha, Chief Accountant of the Ministry of Indigenous Medicine – Member
3. Mr. E.M.Parackrama Ekanayake, Attorney-at-Law - Member.

Number of members in the Committee rose upto 07 with appointment of the above named persons to the Interim Committee.

Dr. M.F.Fayaz Ahamed and Dr. (Mrs.) E.M.Supun Minimekhala resigned in November to apply for the post of Medical Officer in Homeopathy Medical Council.

Interim Committee Meetings

01. 08.01.2014	-	22 nd Meeting
02. 18.01.2014	-	Special Meeting
03. 27.03.2014	-	23 rd Meeting
04. 28-04-2014	-	24 th Meeting
05. 08.05.2014	-	Special Meeting I
06. 16.05.2014	-	Special Meeting II
07. 27.05.2014	-	25 th Meeting
08. 24.06.2014	-	26 th Meeting
09. 21.07.2014	-	27 th Meeting
10. 14.10.2014	-	28 th Meeting
11. 31.12.2014	-	29 th Meeting

Only 11 Meetings of the Interim Committee, including 03 Special Meetings, could be held during the year.

10 -3 Changes and new recruitments in the staff of Homeopathy Medical Council

Post	number	
01. Registrar	01	
02. Medical Professional	07	(service of the Homeopathy Medical Practitioners recruited on Contract Basis terminated on 31.12.2014)
03. Management Assistant	01	(Miss N.P.G.J.P.Palliyaguru who served in office of the Homeopathy Medical Council resigned from service on 16.06.2014)
04. Dispenser	07	
05. Office Assistant	<u>02</u>	(two persons recruited on 01.08.2014 as Office Assistants to Office of the Homeopathy Medical Council)

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10 -4 Scheme of Recruitment and Staff Changes

- ❖ Mr. M.P.Prasanna Sujith Kumara who served as a Casual Office Assistant on day's pay basis in office of the Homeopathy Medical Council resigned on 02.01.2014 and Mr. A.H.Sampath Algama another Office Assistant served on the same basis resigned on 22.01.2014.

- ❖ Miss. N.P.G.J.P.Palliyaguru who served in office of the Homeopathy Medical Council resigned from service on 16.06.2014.

- ❖ Mr. S.A.Ravi Nishan Kumara and R.H.A.Thilina Madhusanka were recruited into service as Office Assistants in Office of the Homeopathy Medical Council with effect from 01.08.2014.

- ❖ Miss L.W.Samadhi Sulochana Perera was recruited into service on 21.11.2014 for employment as an Apprentice Officer.

- ❖ Service of Homeopathy Medical Practitioners recruited under Contract Basis terminated on 31.12.2014. New recruitments were made for the vacancies as per Scheme of Recruitment.

- ❖ Arrangements are being made in collaboration with National Apprentice and Industrial Training Authority to commence a course capable of issuing NVQ Level II Certificates which have been specified as a mandatory requirement in recruitment of Dispensers for Homeopathy Clinics

10 -5 Data and Timely Information

- Register of Doctors registered upto year 2014

category	graduate	Diploma holders	general	Total no. of registered doctors	Requiring confirmation of registration
27-1-a	04	39		43	02
27-1-b	04			04	
27-1-c			19	19	
27-2			43	43	
27-5			43	43	
Total	08	39	105	152	02

Summary

	Registered doctors	Not formally registered	Registration updated for year 2013	Registration not updated for year 2013	No. of the deceased
Total	197	02	113	39	43

- Granting registration for new doctors
- Arrangements were made for registration of Homeopathy Doctors under Section 27 (1) C of Homeopathy Act as per instructions issued by the Hon. Minister under powers vested by Homeopathy Act no. 07 of 1970. Action was taken to register in General Register 47 out of 92 doctors presented themselves for the Interview held by a Special Committee.
- Actions taken to register 19 persons who got through the examination conducted for registration of Temporary Doctors as per Section 27 (5) of the Act.

10 - 6 Issue of Licenses for Medical Professionals for Importation of Medicines

- Approval granted for 15 requests submitted for importation of medicines from January to 30th December, 2014.
- Their total value is,

US \$	36857.13
INDIAN Rs.	137113.00

10 -7 Judicial Affairs

Supreme Court

1. Cases no. FR / SC / 891 / 2009 & FR / SC / 965 / 2009.

This case filed on the Human Rights case filed against ousting of members of the Medical Council in office by year 2009 requesting for an order for immediate re-appointment of the said Medical Council is being heard.

2. Case no. FR / 187 / 2013

Determination of the case no. 187/2013 (F/R) filed in the Supreme Court pleading for an order to Homeopathy Interim Committee for registration of Homeopathy Doctors who received temporary registration in December, 2008 in the general register was given on 13.06.2013. By allowing the request of the Plaintiffs, the determination had ordered to take action to conduct the relevant examination within 06 months and make registrations within 06 months and also to extend their temporary registration upto 06 months to come from 30.11.2013 which was the due date for termination of their registration.

3. Case no. FR / SC / 129/ 2014

The case filed requesting to cancel registration of 47 Doctors registered by the Homeopathy Interim Committee in January, 2014, to disallow Homeopathy Interim Committee to conduct examination to register Homeopathy Temporary Doctors in the General Register and to issue an order to nullify Homeopathy Interim Committee is being heard.

4. Hearing of the case filed in Supreme Court by three Homeopathy Doctors requesting postponement of conducting the Examination for Homeopathy Temporary Doctors till election of a Homeopathy Medical Council has been terminated.

Court of Appeal

1. Case no. 87/2013

This case no. 87/2013 of the Court of Appeal filed requesting for an order to halt registration by Homeopathy Interim Committee of Homeopathy Graduate Doctors in Homeopathy Medical Council has not come to a termination.

2. Case no. 146/2014

In consideration of the appeal made for an order to extend registration of Homeopathy Temporary Doctors and to accept appeals of doctors who submitted appeals for re-registration after failing the interview held for the purpose under Section 27 (1) C of Homeopathy Act no. 07 of 1970, the Court of Appeal has given its order to conduct the relevant examination for registration and to extend their registration in 06 months for that purpose and to accept appeals of those who have submitted them.

3. Case no. CA/185/14

The case filed requesting for an order to call applications under this Section from Doctors who were unable to get registered under Section 27(1) of Homeopathy Act and to conduct an examination for doctors qualified to be registered in the general register under Section 27(5) of the Homeopathy Act was taken up for hearing.

District Court

1. Case no. 31/52/2010

This is the case filed against dismissal from service of Mr. E.M.R.D.Saram who served as the Office Assistant in the Office of the Medical Council making Medical Council the respondent.

The case filed in the Labour Tribunal has been suspended till completion of the case filed by the same complainant in District Court, Negombo on the same cause of action of "Termination of Service", making Homeopathy Medical Council, Secretary to the Ministry of Indigenous Medicine and others respondents.

11. Audit Report

Since the Homeopathy Medical Council had not been established even by year 2014, its functions were administered even during this year by a Homeopathy Interim Committee. Ministry of Indigenous Medicine administered financial affairs. Statement of Financial Position, Statement of Financial Performance, Statement of Joint Cash Flow and Balance check prepared for year 2014 are attached herewith.

An Action Plan was prepared for year 2014. The Homeopathy Interim Committee took action in this year to improve human resources required for promotion of the system of Homeopathy Medicine by preparing necessary background for recruitments into the staff of Homeopathy Medical Council and taking action to make such recruitments and also by taking steps necessary to register Doctors.

The Homeopathy Interim Committee which was expecting to appoint a Homeopathy Medical Council as soon as possible by passing in Parliament the new Homeopathy Act drafted by the Ministry was inclined to shoulder performance required for continuation of its affairs till such a new Council is elected.

Dr. Newton A. Peiris,
Chairman,
Homeopathy Interim Committee.

Felicitations



The Hon. Minister of Indigenous Medicine

The Hon. Deputy Minister

Members of the Medical Council

Secretary and Additional Secretaries

Chairperson of the Homeopathy Interim Committee

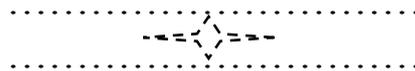
Members of the Interim Committee

Attorney General's Department

Auditor General's Department

Registrar and

Staff of the Homeopathy Medical Council



Homeopathy Medical Council
Statement of Financial Position as at 31-12-2014

		2014	2013
Assets	Note		
Mobile Assets	1		
Cash and Cash equivalents		2,124,884.00	1,828,095.00
Noncurrent assets			
Plant and Equipment	2	1,295,606.00	874,955.00
Renovation of buildings		953,828.00	953,828.00
Other equipment		1,450.00	
		2,250,884.00	1,828,783.00
		4,375,768.00	3,656,878.00
Total assets			
Liabilities			
Current liabilities			
Payables	3	526,036.00	235,284.00
Noncurrent liabilities			-
Total liabilities		526,036.00	235,284.00
Net assets		3,849,732.00	3,421,594.00
		4,375,768.00	3,656,878.00
Net assets/mass			
Capital		2,562,144.00	2,562,144.00
Government capital allocation		1,572,047.00	973,273.00
Aggregate deficiency		(311,918.00)	(141,282.00)
Last year adjustment account		27,459.00	27,459.00
Net assets/mass		3,849,732.00	3,421,594.00

We certify that the Homeopathy Interim Council is responsible for preparation and submission of these Financial Statements.

.....
Registrar	Chairman	Committee Member	Prepared by
Homeopathy	Homeopathy	Homeopathy	Accountant
Medical Council	Medical Council	Medical Council	Ministry of Indigenous Medicine

Note 1	2014	2013
Cash and Cash Equivalents		
Commercial Bank	1,483,419.00	1,405,167.00
Bank of Ceylon	445,565.00	422,928.00
Bank of Ceylon, Rajagiriya	195,900.00	-
	2,124,884.00	1,828,095.00
Note 2		
Plant and Equipment		
Plant and equipment (purchased price)	2,323,316.00	1,725,992.00
Less:		
Total depreciations	1,027,710.00	851,037.00
Net value	1,295,606.00	874,955.00
Note 3		
Payables		
EPF payable		17,550.00
ETF payable		2,633.00
Dispensary fees payable	25,200.00	16,200.00
Medical Council Meeting Charges payable	16,000.00	20,000.00
Audit charges payable	125,616.00	85,616.00
Telephone fees payable	7,245.00	3,937.00
Electricity charges payable	624.00	1,240.00
Travelling expenses payable	4,001.00	2,053.00
Water bills payable	1,607.00	10,156.00
Staff salaries and allowances payable	11,324.00	59,155.00
Office equipment repair charges payable		16,744.00
Entertainment expenses payable	796.00	
Translation fees payable	22,213.00	
Stationery fees payable	780.00	
Homeopathy examination expenses payable	310,630.00	
	526,036.00	235,284.00

Note 4

Presentation of accounts

As per Sri Lanka State Accounting Standards (2009) no-1.

Note 5

Every fixed asset has been depreciated based on diminishing balance.

Rate of depreciation 12%.

Asset will be depreciated for the whole year in question irrespective of its date of purchase in the year.

Asset will not be depreciated for the whole year in question irrespective of its date of disposal in the year.

Homeopathy Medical Council
Statement of Financial Performance
For the year ended on 31st December, 2014

		2014	2013
Revenue	Note		
Government recurrent provisions		6,228,080.00	5,806,790.00
Other revenue	1	218,537.00	34,220.00
Bank interest		85,056.00	112,419.00
Total revenue		6,531,673.00	5,953,429.00
Expenditure			
Salaries, wages and employee benefits	2	5,153,573.00	4,866,152.00
Supplies and consumables	3	81,029.00	26,696.00
Depreciations and amortizations		176,673.00	119,312.00
Other expenses	4	1,284,230.00	902,252.00
Legal charges			142,000.00
Financial cost (Bank charges)		6,804.00	8,994.00
Total expenditure		6,702,309.00	6,065,406.00
Deficiency for the period		(170,636.00)	(111,977.00)

We certify that the Homeopathy Interim Council is responsible for preparation and submission of these Financial Statements.

.....
 Registrar
 Homeopathy
 Medical Council

.....
 Chairman
 Homeopathy
 Medical Council

.....
 Committee Member
 Homeopathy
 Medical Council

.....
 Prepared by
 Accountant
 Ministry of Indigenous Medicine

Note 1	2014	2013
Other revenue		
Annual fees	9,137.00	6,300.00
Miscellaneous receipts	13,500.00	27,920.00
Homeopathy examination fees	195,900.00	-
	218,537.00	34,220.00
Note 2		
Salaries, wages and employee benefits		
Staff salaries and allowances	4,127,805.00	4,015,142.00
EPF	890,125.00	741,022.00
ETF	135,643.00	109,988.00
	5,153,573.00	4,866,152.00
Note 3		
Supplies and Consumables		
Stationery expenses	24,581.00	15,389.00
Entertainment expenses	56,448.00	11,307.00
	81,029.00	26,696.00
Note 4		
Other expenses		
Miscellaneous expenses	50,131.00	117,509.00
Travelling expenses	24,815.00	36,807.00
Dispensary charges	151,020.00	153,650.00
Postal charges	6,050.00	7,240.00
Medical Council Meeting fees	116,000.00	116,000.00
Audit charges	40,000.00	45,616.00
Water bills	48,582.00	43,175.00
Electricity charges	11,310.00	13,721.00
Telephone charges	66,368.00	50,396.00
Printing charges	-	45,000.00
Advertisement charges	-	141,208.00
Reparations to office equipments	5,556.00	97,023.00
Deyata Kirula expenses	-	20,306.00
Translation fees	46,381.00	14,601.00
Medical clinic equipments	34,000.00	-
Spending on Homeopathy Examination	684,017.00	-
	1,284,230.00	902,252.00

Note 5

Presentation of accounts is as per Sri Lanka State Accounting Standards (2009) no-1. Further, it has been submitted in "displaying classification of expenditure on nature" form.

Homeopathy Medical Council
Joint Statement of Cash Flow
For the year ended on 31st December, 2014

Cash flow from operational activities		2014	2013
	Note		
Receipts			
Government recurrent provisions		6,228,080.00	5,806,790.00
Bank interest		85,056.00	112,419.00
Other receipts	1	218,537.00	34,220.00
Payments		6,531,673.00	5,953,429.00
Employee expenses	2	5,221,587.00	4,828,814.00
Bank interest (bank charges)		6,804.00	8,994.00
Other payments	3	1,006,493.00	977,976.00
		6,234,884.00	5,815,784.00
Net cash flow from operational activities		296,789.00	137,645.00
Cash flows from investment activities			
Capital grant received from the Government		597,324.00	973,273.00
Purchase of plant and equipment	4	597,324.00	973,273.00
Net increase in cash and cash equivalents		296,789.00	137,645.00
Cash and cash equivalents at the beginning of the period	6	1,828,095.00	1,690,450.00
Cash and cash equivalents at the end of the period	7	2,124,884.00	1,828,095.00

We certify that the Homeopathy Interim Council is responsible for preparation and submission of these Financial Statements.

.....
 Registrar
 Homeopathy
 Medical Council

.....
 Chairman
 Homeopathy
 Medical Council

.....
 Committee Member
 Homeopathy
 Medical Council

.....
 Prepared by
 Accountant
 Ministry of Indigenous Medicine

	2014	2013
Note 1 - other receipts		
Miscellaneous income	9,137.00	22,370.00
Annual fees	13,500.00	11,850.00
Fees for Homeopathy Examination	195,900.00	
	218,537.00	34,220.00
Note 2 - cost on employees		
salaries and allowances of employees	4,175,636.00	3,997,987.00
EPF	907,675.00	723,472.00
ETF	138,276.00	107,355.00
	5,221,587.00	4,828,814.00
Note 3 - other payments		
Miscellaneous expenses	50,131.00	117,509.00
Stationery	23,801.00	15,389.00
Travelling expenses	22,867.00	34,754.00
Dispensary charges	142,020.00	151,850.00
Postal charges	6,050.00	7,240.00
Medical Council Meeting fees	120,000.00	96,000.00
Entertainment expenses	55,652.00	11,307.00
Water charges	57,131.00	33,587.00
Electricity charges	11,926.00	13,208.00
Telephone charges	63,060.00	53,738.00
Printing charges	-	45,000.00
Advertisement charges	-	141,208.00
Office equipment repairs	22,300.00	80,279.00
Deyata Kirula expenses	-	20,306.00
Translation fees	24,168.00	14,601.00
Legal charges	-	142,000.00
Expenses on Homeopathy Examination	373,387.00	-
Equipments for Medical Clinics	34,000.00	-
	1,006,493.00	977,976.00
Note 4 - purchase of plants and equipments		
Purchase of a bicycle		10,845.00
Purchase of a water filter		8,600.00
Building renovation expenses		953,828.00
Computer (hp)	119,900.00	
Ear, Nose and Throat (ENT) testing equipments	140,000.00	

Weighing Scales	4,000.00	
Ceiling Fans	24,430.00	
Fans (Pedestal)	33,250.00	
Chairs (revolving)	37,632.00	
Armed chairs (Fabric Cushion)	159,712.00	
Steel cupboards	43,680.00	
Arm chairs (plastic)	15,120.00	
Teak table 5x3 ft. (two lockers)	19,600.00	
	597,324.00	973,273.00
Note 5 - net increase in cash & cash equivalents		
Year end cash balance	2,124,884.00	1,828,095.00
Cash balance at the beginning of year	1,828,095.00	1,690,450.00
	296,789.00	137,645.00
Note 6 - cash & cash equivalents at the beginning of the period		
Commercial Bank	1,405,167.00	1,301,742.00
Bank of Ceylon	422,928.00	388,708.00
	1,828,095.00	1,690,450.00
Note 7 - Cash & Cash equivalents at the end of the period		
Commercial Bank	1,483,419.00	1,405,167.00
Bank of Ceylon	445,565.00	422,928.00
Bank of Ceylon, Rajagiriya	195,900.00	
	2,124,884.00	1,828,095.00
	296,789.00	137,645.00
Note 8 - comparison of the net excess/deficiency from general activities with net cash flow from operational activities		
Net excess/deficiency from general activities	(170,636.00)	(111,977.00)
Non-cash changes		
Depreciations	176,673.00	119,312.00
Increase of the expenditure payable (note 9)	290,752.00	130,310.00
Annual difference of the last year Reconciliation Account		
Net cash flow from operational activities	296,789.00	137,645.00

Note 9 - The increase payable

	Comparison between years 2013 & 2014		
	Annual decrease	Annual increase	Net difference (+)/(-)
EPF payable	17,550.00		
ETF payable	2,633.00		
Dispensary fees payable		9,000.00	
Medical Council Meeting Charges payable	4,000.00		
Audit charges payable		40,000.00	
Telephone fees payable		3,308.00	
Electricity payable	616.00		
Travelling allowances payable		1,948.00	
Water bills payable	8,549.00		
Staff salaries and allowances payable	47,831.00		
Office equipment repairs payable	16,744.00		
Entertainment expenses payable		796.00	
Translation fees payable		22,213.00	
Stationery fees payable		780.00	
Homeopathy examination expenses payable		310,630.00	
	97,923.00	388,675.00	290,752.00

Revelation and rectification of previous defects

Journal		
	debit	credit
Deficiencies Account	52,119.00	
Last year reconciliation account		52,116.00
Depreciation allocation account		3.00
	52,119.00	52,119.00
Remarks: (Correction of accounting defects taken place with reference to year 2013 as revealed in preparing final accounts of the Homeopathy Medical Council for year 2014)		

Homeopathy Medical Council

Description	Balance check as at 31.12.2014		Balance check after correction of accounts as at 31.12.2013	
	Debit Rs.	Credit Rs.	Debit Rs.	Credit Rs.
Postal fees	6,050.00		7,240.00	
Medical Council Meeting charges	116,000.00		116,000.00	
Printing charges			45,000.00	
Staff salaries and allowances	4,127,805.00		4,015,142.00	
Accumulated Staff salaries and allowances		11,324.00		59,155.00
EPF	890,125.00		741,022.00	
Accumulated EPF				17,550.00
ETF	135,643.00		109,988.00	
Accumulated ETF				2,633.00
Telephone charges	66,368.00		50,396.00	
Accumulated telephone charges		7,245.00		3,937.00
Miscellaneous expenses	50,131.00		117,509.00	
Travelling expenses	24,815.00		36,807.00	
Accumulated travelling expenses		4,001.00		2,053.00
Office equipments	1,450.00			
Clinical equipments	34,000.00			
Office equipment repairs	5,556.00		97,023.00	
Water bills	45,582.00		43,175.00	
Accumulated water bills		1,607.00		10,156.00
Electricity charges	11,310.00		13,721.00	

	Balance check as at 31.12.2014	Balance check after correction of accounts as at 31.12.2013		
Accumulated electricity charges		624.00		1,240.00
Audit charges	40,000.00		45,616.00	
Allocation of audit charges		125,616.00		85,616.00
Bank charges	6,804.00		8,994.00	
Government provisions – recurrent		6,228,080.00		5,806,790.00
Government provisions – capital		1,572,047.00		973,273.00
Dispensary charges	151,020.00		153,650.00	
Accumulated dispensary charges		25,200.00		16,200.00
Annual depreciations	176,673.00		119,312.00	
Depreciation account		1,027,710.00		851,037.00
Allocated Funds Account				
Annual fees		13,500.00		11,850.00
Bank interest income charges		85,056.00		112,419.00
Miscellaneous income		9,137.00		22,370.00
Last year reconciliation account		27,459.00		27,459.00
Cash balance - Commercial Bank	1,483,419.00		1,405,167.00	
Cash balance - Bank of Ceylon	445,565.00		422,928.00	
Petty cash				
Entertainment expenses Accumulated entertainment expenses	56,448.00	796.00	11,307.00	
Stationery expenses	24,581.00		15,389.00	
Accumulated stationery expenses		789.00		
Accumulated Medical Council Meeting charges		16,000.00		20,000.00

	Balance check as at 31.12.2014	Balance check after correction of accounts as at 31.12.2013		
Homeopathy examination fees	684,017.00			
Accumulated Homeopathy examination fees		310,630.00		
Advertisement charges			141,208.00	
Translation fees	46,381.00		14,601.00	
Accumulated translation fees		22,213.00		
Accumulated office equipment repairs				16,744.00
Legal charges			142,000.00	
Deyata Kirula expenses			20,306.00	
Property, Plant & Equipments	2,323,316.00		1,725,992.00	
Building renovation expenses	953,828.00		953,828.00	
Capital account		2,562,144.00		2,562,144.00
Balance of deficiency account by 31-12-2013	141,282.00		29,305.00	
Total	12,051,169.00	12,051,169.00	10,602,626.0	10,602,626.00

We certify that the Homeopathy Interim Council is responsible for preparation and submission of these Financial Statements.

.....
Registrar
Homeopathy
Medical Council

.....
Chairman
Homeopathy
Medical Council

.....
Committee Member
Homeopathy
Medical Council

.....
Prepared by
Accountant
Ministry of Indigenous Medicine

Changes in the mass	Reserves (Rs.)
Initial balance (as at 01.01.2014)	2,562,144.00
Government capital provision	1,572,047.00
Last year adjustments	27,459.00
Aggregate deficiency/surplus	(311,918.00)
Year end balance (as at 31.12.2014)	3,849,732.00



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கணக்காய்வாளர் தலைமை அபிபதி திணைக்களம்
AUDITOR GENERAL'S DEPARTMENT



මගේ අංකය
எனது இல.
My No.

}HM/B/HMC/1/14/02

මගේ අංකය
உமது இல.
Your No.

}

දිනය
திகதி
Date

} 12 October 2015

The Chairman,
Homeopathy Medical Council

Report of the Auditor General on the Financial Statements of the Homeopathy Medical Council for the year ended 31 December 2014 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 2014 comprising the statement of financial position as at 31 December 2014 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. My comments and observations which I consider should be published with the Annual Report of the Board 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 11 August 2015.

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.

අංක 306/72, පොල්දූව පාර, බත්තරමුල්ල, ශ්‍රී ලංකාව. - இல. 306/72, பொல்தூவ வீதி, பத்தரமுல்லை, இலங்கை. - No. 306/72, Polduwa Road, Battaramulla, Sri Lanka

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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 risks assessments, the auditor considers internal control relevant to the Board'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 Board'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 2014 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 Policies

A policy on amortization had not been identified whereas the assets purchased from the Government Capital Grants had been depreciated. The net value of the assets purchased from the Capital Grants of Rs. 1,572,047 at the end of the year under review amounted to Rs.1,494,531 .

2.2.2 Accounting Deficiencies

Instead of accounting the cost of medical equipment amounting to Rs.34,000 under the fixed assets, it had been brought to accounts under recurrent expenditure and as such the deficit and the plant and equipment had been overstated and under stated respectively by that amount.

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

The following non-compliances were observed.

Reference to Laws, Rules, Regulations, etc.	Non-compliance
(a) Section 14 of the Finance Act, No. 38 of 1971	A Drafted Annual Report had not been prepared.
(b) Financial Regulations of the Democratic Socialist Republic of Sri Lanka	
(i) Financial Regulation 395(d)	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.
(ii) Financial Regulation 756	A Board of Survey for the year under review had not been conducted.

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.170,636 as compared with the corresponding deficit of Rs.111,977 for the preceding year, thus indicating a further deterioration of the financial results by a sum of Rs.58,659, as compared with the preceding year.

3.2 Legal actions against the Council

A case had been filed in the Courts clamming compensation of Rs.3,000,000 by an officer employed in the Medical Council who was dismissal from service and 06 cases had been filed by the Council relevant to various activities.

4. Operating review

4.1 Performance

The following observations are made

- (a) It had not been possible to achieve the following objectives in the year under review as well stated in Section 22 of the Homeopathy Act, No. 7 of 1970.
 - (i) Encouragement of researches and studies for the Homeopathy Medical System.
 - (ii) Formulation of regulations for the production, import, sale and distribution of Homeopathy drugs.

- (b) Out of 07 Homeopathy clinics operated in 07 areas in the Island, the patients' participation had decreased by 31 per cent to 1.5 per cent. Replies given by the Chairman of the Interim Board stated that the reason for this condition was the protest made by the doctors against the decision of the termination of service of the doctors who had been recruited on contract basis since 31 December 2014 .

4.2 **Management Inefficiencies**

The following observations are made.

- (a) A case had been filed in the Supreme Court by 212 doctors who had been published in the Gazette as Homeopathy temporary doctors asking to register them in the general register by conducting an examination in terms of Section 27(5) of Homeopathy Act. A sum of Rs.155,680 as the newspaper advertisement fees for the written examination published in terms of Court decision and the expenditure of Rs.684,017 had been incurred for the conducting the examination. The following observations are made in this connection.
- (i) According to the paper advertisement ,only 38 doctors had applied for the examination out of 212 doctors and only 19 had passed the examination.
 - (ii) Accordingly, it was disputed in audit whether the opportunity to apply the examination had been lost for the doctors as they had not been informed through their personal addresses.
- (b) The following activities decided by the Interim Committee had not been carried out even by 31 December in the year under review.
- (i) The decision taken for the formulation of a set of General Orders for seven Medical Clinics at the meeting of the Interim Committee held on 05 January 2012 .
 - (ii) The decision taken to obtain the approval of the posts for 14 clinics, and to gazette the rules and requirements on Homeopathy Education Institute at the meeting held on 29 August 2013.



- (iii) The decision taken to formulate adequate laws and regulations for further expansion of the Homeopathy Orders of 1981 in respect of production , import and distribution of Homeopathy drugs at the meeting held on 08 January 2014.

4.3 **Idle Assets**

Fixed assets valued at Rs.1,199,254 purchased in the year 2009 for the Homeopathy Medical College and relevant buildings and fixed assets valued at Rs.173,506 purchased for the clinics during the year under review had been lying idle in the Council even by 20 July 2015.

4.4 **Personnel Administration**

A deficiency of a post of Management Assistant had been existed as the approved cadre of the Council was 19 whereas the actual cadre was 18 as at 31 December in the year under review.

5. **Accountability and Good Governance**

5.1 **Presentation of Financial Statements**

The Homeopathy Medical Council had functioned in the year under review under the Interim Committee as well 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 provision given to the Medical Council.



The progress on the achievement of the objectives of the Action Plan as at 31 December 2014 was as follows.

- (a) Even though it was planned to follow the strategies given below to provide proper recognition to the Homeopathy Medical System, the progress of those is as follows.
- (i) Even though the conduct of 21 mobile clinics for the buildup of the public confidence through providing treatments had been planned, only 12 clinics had been conducted.
- (ii) Even though it was proposed to conduct 03 school programmes and 03 discussions and seminars with a view to promoting confidence in the adults and children on the Medical System, only one school programme had been conducted whereas discussions and seminars had not been conducted.
- (iii) Even though it was planned to conduct seminars with a view to providing basic introduction on Homeopathy Medical system for the awareness of the officers in the Ministry and all institutions, no any such seminar had been conducted.
- (iv) Even though it was planned to organize 05 Rupavahini and Radio discussions with a view to providing propaganda on Homeopathy Medical system through media and launching a Web Home Page, no any such task had been carried out.
- (v) Even though it was planned to organize 02 workshops on appreciation of the service and experiences of the Homeopathy doctors to improve the friendship among the doctors, only one programme had been conducted.



- (b) Even though it was planned as at December in the year under review for the publication in the Gazette by appointing a committee for the formulation of regulations on the administrative procedure of the Council, approving the Committee Draft, and preparing the final draft and adopting the regulations by the Minister for introducing a recognized specific administrative procedure for the Homeopathy Council. However, action had not been taken to implement it even as at 20 July 2015, the date of audit.
- (c) Even though the setting up of the Homeopathy Public Health Service had been planned, it had also not been done.
- (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 had also not been achieved.
- (e) Even though the formulation of by-laws for ensuing the market availability for Homeopathy drugs and products and for buildup of funds for the establishment of Homeopathy Medical Stores and Pharmacies should be done within the year under review, those activities had not been carried out.
- (f) Even though it had been planned to import and distribute of stock of drugs by the month of July, action had not been taken accordingly.



5.3 **Budgetary Control**

As significant variances were observed ranging from 74 per cent to 100 per cent when comparing budget expenditure with actual expenditure, the budget had not been made use of as an effective instrument of management control.

5.4 **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 situation. But those regulations had not been updated even by 31 December of the year under review as the Medical Council had not been appointed, at present.

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) Annual Registration Fees
- (b) Bank Reconciliations

W.P.C Wickramaratne,
Acting Auditor General