

## **Homeopathy Medical Council - 2011**

### **1. Financial Statements**

#### **1.1 Qualified Opinion**

In my Opinion except for the effects of the matters described in paragraph 1.2 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 2011 and its financial performance and its cash flows for the year then ended in accordance with Generally Accepted Accounting Principles.

#### **1.2 Comments on Financial Statements**

##### **1.2.1 Accounting Deficiencies**

The following accounting deficiencies were observed.

- (a) In transferring a sum of Rs.505,000 temporary received from a bank savings account to a current account in another bank, it had been credited to the miscellaneous income account instead of crediting it to that bank account and as such the surplus of the year had been overstated by a similar amount.
- (b) Even though salaries had been paid to seven Medical Officers and Pharmacists who engaged in clinical services since number of years, provision for gratuity for those officers had not been made.

##### **1.2.2 Unidentified Balance**

An unidentified balance of Rs.7,100 had been brought forward continuously for since 2009 in the bank reconciliations. Action had not been taken to identify it and to take suitable action even in the year under review.

##### **1.2.3 Lack of Evidence for Audit**

Receipts for a sum of Rs. 39,990 shown in the financial statements under miscellaneous income were not made available for audit.

1.2.4 **Non-compliance with Laws, Rules, Regulations and Management Decisions**

A Board of survey in terms of F.R. 756 had not been carried out for the year 2011.

2. **Financial Review**

2.1 **Financial results**

According to the financial statements presented to audit the operation of the Council for the year under review had resulted in a surplus of Rs.74,938 as against the deficit of Rs.382,792 in the preceding year.

The related expenditure for the period of first 7 months of the preceding year had been incurred by the Ministry and the expenditure for the balance period of 5 months only had been incurred by the Council and as such the 5 months result could not be compared with the position of 01 year.

3. **Operating Review**

3.1 **Performance**

The following matters were observed.

- (a) Due to Non-availability of a leagal Medical Council the following objectives stated in Section 22 of the Homeopathy Act No. 07 of 1970 could not be achieved during the year under review as well.
- i. Strengthening research and studies relating to Homeopathy medical system
  - ii. Formulating statutes on manufacture, imports, selling and distribution of Homeopathy drugs.
  - iii. Although a building had been constructed in the year 2008 for the commencement of a Homeopathy Medical College and provided even furniture in the year 2009, action had not been taken to formulate the leagal framework to start the studies in the Medical College even up to the date of audit on 31 July 2012.

(b) Out of 7 Homeopathy clinics operated in 7 areas, the patient's participation had been at a lower range of 4% to 20% in the 4 clinics. However the patient's participation at Dehiwala clinic had increased by 55%.

(c) **Registration of Doctors**

(i) Hundred and ninety one Doctors had been registered up to 31 January 2011 and particulars are as follows.

Relevant Section in the Act. Relation to Registration	Particulars	No. of Doctors Registered
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27 (1) (a)	Followed a course on Homeopathy medicine not less than 4 years	54
27 (1) (c)	Medical Practitioners who are practicing for not less than 10 years recognised by the Council	35
27 (2)	Doctors who are practicing for not less than 3 years and those who are eligible to sit for a written examination to be conducted by the Council.	50
27 (5)	Doctors whose names appear in the temporary list and given permanancy after a written test.	52
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		191
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- (ii) As there was no Medical Council since January 2011 only 5 doctors had been registered under Section 27 (1) (a) by 31 January 2011.

3.2 **Idle Assets**

Fixed assests valued at Rs.1,199,254 purchased in the year 2009 for the Homeopathy Medical College had been idle even at the date of audit on 31 July 2012.

4. **Accountability and Good Governance**

4.1 **Presentation of Financial Statements**

In terms of Section 6 of the Treasury Circular No. 01/2004 dated 24 February 2004, the financial statements should be submitted to the Auditor General within 60 days after the closure of the financial year. Nevertheless the financial statements of the Medical Council had been presented on 17 July 2012 after a delay of 04 months. Grants only for the month of January 2011 had been released to the Council and all other expenses for the other months had been met from the Head of the Ministry of Indigenous Medicine. Thus the financial statements had been prepared by considering the provision given to the Medical Council which was equivalent to total expenditure incurred by the Ministry on behalf of the Council.

4.2 **Corporate Plan**

Eventhough a Corporate Plan had been prepared for the period 2011-2015 a review of previous 3 years operating results had not been carried at therein.

4.3 **Action Plan**

Even though an Action Plan had been prepared for the year 2011 targets stated therein could not be achieved due to circumstances under non appointment of a new Medical Council after the completion of the term of office of the Council.

4.4 **Budgetary Control**

An Annual Budget had not been prepared for the year 2011 in terms of Paragraph 5.2.4 of the Public Enterprises Circular No. PED/12 OF 02 June 2003.

4.5 **Tabling the Annual Report in Parliament**

Annual reports up to the year 2010 had not been tabled in Parliament from the inception by the Homeopathy Medical Council.

5. **Systems and Control**

Weaknesses in systems and controls observed in audit were brought to the attention of the Chairman from time to time, Special attention is needed in respect of the following areas of control.

- (a) Maintenance of books of accounts
- (b) Up dating medical registration fees registers