

Ayurvedic Medical Council 2010

1. Financial Statements

1.1 Opinion

So far as appears from my examination and to the best of information and according to the explanations given to me, I am of opinion that the Ayurvedic Medical Council had maintained proper accounting records for the year ended 31 December 2010 and except for the effects on the Financial Statements of the matters referred to in paragraph 1.2. of this report, the financial statements have been prepared in accordance with Generally Accepted Accounting Principles, give a true and fair view of the Ayurvedic Medical Council as at 31 December 2010 and the financial results of its operations and cash flows for the year then ended.

1.2 Comments on Financial Statements

1.1.1 Accounting Deficiencies

The following accounting deficiencies were observed.

- (a) Provision for gratuity in the year under review had been overstated by Rs.114,019.
- (b) Compute networking expenditure of Rs.7,146 had been omitted from accounts.
- (c) Prior adjustments of Rs.64,674 had been adjusted to the Reserve Account instead of being shown separately in the financial statements.

1.2.1 Non-compliance with Laws, Rules, Regulations etc.

Instances of following non-compliance were observed in audit.

Reference to Laws, Rules, Regulations etc.	Non-compliance
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(a) Section 2 (1) of Part 3 of the Ayurvedic Act No. 31 of 1961	Three members selected from the registered Ayurvedic Doctors had not been included in the composition of the Council.
(b) Financial Regulations of the Government FR 756 (1) and 757 (2) (b)	A Boards of Survey had not been appointed for the verification of inventories of the Council in the year under review. Action in terms of Financial Regulations had not been taken in respect of 38 units of various goods identified as shortages and losses at the Boards of Survey for the year 2009.

2. Financial and Operating Review

2.1 Financial Results

The operation of the council for the year under review had resulted in a surplus of Rs.982,615 as against a deficit of Rs.1,315,473 for the preceding year thus showing an improvement of Rs.2,298,088 in the financial results for the year under review. Increase in receiving government grants had been the reason for this improvement.

2.2 Performance

The following observations are made.

- (a) 475 doctors had been registered with the Ayurvedic Medical Council during the year under review and the preceding year and the total registered doctors as at 31 December 2010 amounted to 20,004.
- (b) Although sub-committees had been established to facilitate Ayurvedic Medical Council and the functions to be performed by those committees had been separately stated, most of the assigned functions had not been performed during the years 2008, 2009 and up to 2010.

Examples :-

- (i) Preparation of manuals for registered Ayurvedic Doctors.
 - (ii) Professional development programme in respect of Indigenous fractures treatment.
 - (iii) Committee on the establishment of the database relating to the Indigenous traditional knowledge.
- (c) As significant functions stated in the Action Plan for the year 2010 had not been performed, it was observed that the Action Plan had not been used as an effective operational instrument. Examples
- (i) Taking action to plan and implement the enforcements of legal framework through the Ayurvedic Medical Council and legal provisions stated in the Ayurvedic Act.
 - (ii) Improving the delegation of Professional authority process.
 - (iii) Implementation of ethics and standards in order to maintain the professional behavior of the Ayurvedic Professionals Properly.

2.3 Uneconomic Transactions

- (a) Annual provisions made for gratuities had been credited to a savings account in the National Savings Bank. It was observed that had this money been invested in a fixed deposit with a proper authority more interest could have been earned. The investment balance as at the end of the year under review amounted to Rs.1,034,608.
- (b) As the functions of the Council planned for the year under review had not been performed, a sum of Rs.1,900,595 received as government provisions had been saved in the current account.

2.4 Internal Audit

An internal audit had not been carried out.

3. Systems and Controls

Special attention is drawn in respect of the following weaknesses in system and controls.

- (a) Registration of Traditional Ayurvedic Doctors.
- (b) Issue of medical certificate books.
- (c) Investigations.