

## Homeopathy Medical Council - 2018

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The audit of the operations of the Homeopathy Medical Council for the year ended 31 December 2018 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 provisions of the National Audit Act No. 19 of 2018 and the Finance Act No. 38 of 1971. My comments and observations which I consider should be presented to the Parliament appear in this report.

### 1.1 Responsibilities of Management and Those Charged with Governance for the Financial Statements

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As per Section 16(1) of the National Audit Act No. 19 of 2018, every auditee entity shall maintain proper books and records of all its income, expenditure, assets and liabilities, to enable annual and periodic financial statements to be prepared in respect of such entity. According to the Section 16 (2) of the said Act, the annual financial statements in respect of every other auditee entity shall be submitted by the Chief Accounting Officer to the Auditor-General along with the annual performance reports, within such period as may be provided by rules. According to the Section 38 (1) (d) of the said Act, it should be ensured the timely preparation and submission of annual reports and other financial statements and in addition the Chief Accounting Officer should be required to submit annual reports to Parliament pertaining to the auditee entity.

### 1.2 Non Compliance with Laws, Rules Regulations and Management Decisions

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Reference to laws, rules and regulations etc.	Non Compliance	Management comment	Recommendation
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(a) Homeopathy Medical Council Act No.10 of 2016			
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(i) Section 28 (6)	Register of registration of Homeopathic Medical Officers had not been maintained up to date as to be able to identify the medical officers who had paid for renewal of registration and who had unpaid separately, the outstanding fee and to verify that the registration is renewed annually.	According to the Homeopathy Act, Regulations for registration of medical officers had been passed by the Council and presented to the Legal Draftsman, it had not yet been passed in Parliament and published in the Gazette and as a result, this register cannot be kept up to date.	Medical officers should be registered in accordance with the existing regulations until the new regulations are adopted and published in the Gazette. Accordingly, the register of registration of Medical officers should be kept up to date.

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| (ii) Sections 51 and 51(2)   | (1) The term of the Interim Medical Council appointed by the Minister to perform the functions of the Council until the new Medical Council was appointed had expired on 19 October 2018. However the new Medical Council had not been appointed as per the provisions of the Act, even up to 10 September 2019. | Although the regulations for the appointment of the Medical Council were submitted to the Legal Draftsman, the reason for the situation is work was not completed and the issue arisen through the judgment of the Court of Appeal relating to the registration of Medical officers who can vote in the election of the Medical Council. | As per the provisions of the Act, the appointment of the new Medical Council should be expedited. |
| (b) Financial Regulation 133 of the Financial Regulations of the Democratic Socialist Republic of Sri Lanka. | An internal audit section had not been established for the council and internal audit had not been carried out even by the Internal Audit Division of the Ministry of Health, Nutrition and Indigenous Medicine for the year under review.   | The Internal Audit Division of the Ministry of Health, Nutrition and Indigenous Medicine will conduct an internal audit from 2019 onwards.   | An internal audit should be carried out as per the financial regulations.                         |
| (c) Section 16.1 of Chapter II of the Establishments Code of the Democratic Socialist Republic of Sri Lanka. | Efficiency Bar Examinations for 7 Drug Combinations and 7 Medical Officers recruited in 2014 and 2015 had not been held by 10 September 2019.  | Due to the difficulty of identifying syllabus and shortage of staff, the holding of Efficiency Bar Examinations was delayed, syllabus and specimen question papers had been prepared and sent to the Ministry to be conducted by the Examinations Division of the Ministry of Health, Nutrition and Indigenous Medicine.                 | Efficiency Bar Examinations should be expedited.  |
| (d) Public Enterprises Circular No. PED 25 (2) dated 13 August 2014  | According to the provisions of the circular, money should be deposited in an account maintained in a state bank. However the course fees charged in 2009 had been deposited in a savings account of a private bank. The balance of the said account as at 31 December 2018 was Rs.1,787,552.                     | Approval has been sought from the Ministry to deposit the money which was deposited in a private bank savings account, in a fixed deposit account in a state bank.   | Action should be taken as per Public Enterprises Circular.  |

## 2. Operational Review

### 2.1 Management Inefficiencies

Audit Issue	Management Comment	Recommendation
(a) During the year under review, it had been planned to train, evaluate and issuing certificate to homeopathic pharmaceutical combiners and to publish regulations on the import, sale and preparation of homeopathic medicines and cosmetics. However, such activities had not been carried out during the year under review. Progress of the said activities was not to be seen even up to 10 September 2019.	This situation is arisen even though it had been worked with relevant institutions to prepare a National Vocational Qualification Course for the post of Drug Combination, it was unable to achieve the task even up to the end of the year 2018.	The Homeopathic Medical Council Act must be prepared and implemented to meet the objectives.
(b) According to the section 30 (1) of the Homeopathy Act, medical officers who had practiced the Homeopathy Medicine more than a period of 5 years should be registered as homeopathy medical officers after they had passed the examination held by the Medical Council. Applications had been called for the examination during the year under review and 189 applications had been received. Actions could not be taken to hold the examination and to register the medical officers due to the fact that compilation of regulations for conducting examination not being completed and there is a suit proceeding in the Supreme Court.	Activities relating to pass the regulations are being carried out; it could not be proceeded until the judgement of the supreme court which was filed against to the judgement declared by the Appeal Court will be received. Instructions were requested from the Attorney General for the steps to be followed at the time.	Actions should be taken as per the instructions of the Attorney General.
(c) Plastic dips and paper bags which uses for medicine containers had been distributed to Homeopathy clinics without identifying the requirement compared with the number of patients who comes for the clinics. As at 31 December 2018, 373,752 small and medium size dips and 392,389 bags valued at Rs.1,070,487 had been remained in the Medical Council office and clinics and there was a risk of destroying or expiring of those items. Ledger accounts also had not been maintained regarding the said stocks.	There are 07 homeopathy clinics throughout the country. Medicine container bags and dips were supplied to clinics considering the estimates obtained from medical officers instead of issuing from time to time. Even though bags and dips were remained at the council office and clinics, those were used in the year 2019.	Ledger accounts should be maintained in connection with such plastic dips and bags. Proper stock control should be maintained.

## 2.2 Operational Inefficiencies

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### Audit issue

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Although total participation of patients was increased by 10 per cent compared with the previous year in 6 clinics out of 7 maintained by the Council, participation of patients in one clinic had been decreased by 10 per cent in the year 2017 compared with the year 2016. This decrease had been increased up to 29 per cent during the year under review.

### Management comment

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There was a thugs attack to the Palamunei Homeopathy Clinic in the year 2017 and damaged to the instruments severely. Hence patients were discouraged to participate.

### Recommendation

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Actions should be taken to increase the participation of patients.

## 2.3 Idle or Underutilized property plant and equipment

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### Audit Issue

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A building had been constructed in the year 2008 in order to commence a Homeopathy Medical School and furniture and fittings had been supplied in the year 2009. Academic activities had not been commenced even up to 10 September 2019 due to the relevant legal framework not being prepared. The fixed assets purchased at the cost of Rs.1,199,254 and the building had remained idle over a period more than 09 years.

### Management comment

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Initial steps were taken relating to legal activities and physical constructions for the commencement of the Homeopathy Medical School.

### Recommendation

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Actions should be taken to compilation of laws and regulations before construction of building and supply of equipment. Immediate actions should be taken to utilize the building constructed and furniture and equipment purchased for the intended purpose.

## 2.4 Human resources Management

### Audit Issue

According to the section 20 (2) of the Homeopathy Act No. 07 of 1970 and section 18(1)(a) of the New Homeopathy Act No.10 of 2016, even though the post of registrar is a temporary post, an officer had been recruited to the said post in permanent basis on 16 October 2012. The scheme of recruitment which had been prepared considering the post as a permanent post had been approved by the Department of Management Services. However actions had not been taken to prepare the scheme of recruitment as comply with the terms of the Act and get approved or to revise the Act as per the requirement. Further according to the approved scheme of recruitment the officer should pass the first efficiency bar examination within 3 years since the date of appointment. The said examination had not been held even up to 10 September 2019 and the probation period should be extended. However actions had not been taken accordingly. Although the officer had not passed the efficiency bar examination, 4 salary increments had been given to the officer for the period from the year 2013 to the year 2016.

### Management comment

The Homeopathy Act No 07 of 1970 does not prevent conversion of the post of registrar in to permanent post, the Department of Management Services had approved the staff of the homeopathy medical council including the registrar as a permanent cadre, even though the post of registrar was mentioned as a temporary post in the section 18 (1) of the Homeopathy Act No 10 of 2016, according to the section 50 (2)(e) of the Act, the temporary status of the registrars post does not effect to the officer serving in the present post, actions were taken for necessary amendment of the Act and the interim medical council had decided to extend the probation period of present registrar until he pass the efficiency bar examination.

### Recommendation

Actions should be taken as per the section 18(1)(a) of the Homeopathy Act No. 10 of 2016. New scheme of recruitment should be prepared as comply with the provisions of the Homeopathy Act. If not, actions should be taken to revise the Act.

## 3. Accountability and Good Governness

### 3.1 Presentation of Financial Statements

#### Audit Issue

According to the section 6.5.1 of the Public Enterprises Circular No. PED / 12 dated 02 June 2003 and the Treasury Circular No.01/2004 dated 24 February 2004 annual financial statements of the Statutory Boards should be presented to the auditor General within 60 days after the close of the financial year. However financial statements for the year 2018 had not been presented even up to the date of this report.

#### Management comment

Not commented

#### Recommendation

Annual financial statements should be presented on due date as per the instructions of the Public Enterprises Circular.

### 3.2 Annual Action Plan

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#### Audit Issue

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Plans for achieving main objectives such as Promotion, regulation and monitoring of homeopathy medical practice, promotion of research on homeopathy medicine, manufacturing of medicine and other preparing, monitoring and controlling of sale and distribution had not been included into the action plan prepared for the year under review. Further estimated cost for the activities included in the action plan had not been disclosed.

#### Management comment

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Human and financial resources were not sufficient for implementation of all plans in order to promote homeopathy medicine and homeopathy medicine practice according to the action plan for the year 2018, it was decided to implement the programme in coming years.

#### Recommendation

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A realistic action plan should be prepared and implement including estimated cost for each activity as to be achieved the main objectives of the Homeopathy Medical Council.

