

Transaction Report of the Homoeopathy Medical Council - for the period from 01 January 2023 ended 31 December 2024

The audit of the operational activities of the Homoeopathy Medical Council for the period from 01 January 2023 ended 31 December 2024 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. My comments and observations which I consider should be tabled in Parliament appear in this report in terms of Article 154(6) of the Constitution of the Democratic Socialist Republic of Sri Lanka.

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

Each audited entity shall maintain proper books and records of its income, expenditure, assets and liabilities so as to enable it to prepare annual and periodical financial statements in respect of that entity in terms of Section 16(1) of the National Audit Act, No. 19 of 2018. The annual financial statements in respect of each audited entity shall be submitted to the Auditor General by the Chief Accounting Officer of that entity together with the annual performance reports within such period as may be prescribed by the rules in terms of Section 16(2) of the said Act. It should be ensured that annual reports and other financial statements are prepared within the required time in terms of Section 38(1)(d) of the said Act and in addition, the Chief Accounting Officer is required to ensure that the annual reports relating to the entity being audited are tabled in Parliament.

2. Financial Statements

2.1 Submission of Financial Statements

Audit Issue	Comments of the Management	Recommendation
Although the financial statements and draft annual reports should be submitted to the Auditor General within 60 days of the end of the accounting year in accordance with Section 6.6 of the Operations Manual for State Enterprises issued by the State Enterprise Circular No. 01/2021 dated 16 November 2021, the financial statements and draft annual reports approved by the Board of Governors for the accounting years 2023 and 2024 had not been submitted to the Auditor General by 24 October 2025.	It is stated that there is no accountant in the approved staff of the Homoeopathic Medical Council and no approved staff for the accounts department and that all accounting work is done by the Indigenous Medicine Section. Since the final accounts were not prepared by that department, they took a lot of time to prepare the final accounts through an external party, which led to the delay in preparing the accounts. It is also stated that the term of the Medical Council ended on 8 September 2023, which has led to the delay in taking the necessary decisions for preparing the accounts until a new Medical Council is established.	Actions should be taken to submit Financial statements and draft annual reports for audit on the due date.

2.2 Assets, Liabilities, Income and Expenditure Status as at 31 December 2022

The details of assets, liabilities, income and expenses as shown in the financial statements as at 31 December 2022 last prepared by the Council are shown below.

Financial statement item	Value Rs.
Non-Current Assets	11,265,459
Current Assets	3,835,065
Total Assets	15,100,524
Equity	11,400,430
Non-Current Liabilities	-
Current Liabilities	3,700,094
Total Equity and Liabilities	15,100,524
Total Revenue	38,130,740
Total Expenditure	37,229,961
Surplus	900,779

2.3 Non-Submission of Payment Vouchers

Audit Observation	Comments of the Management	Recommendation
Since the payment vouchers of the Homoeopathic Medical Council from August to December 2023 were not submitted to the audit, the audit was unable to obtain confirmation regarding the classification, accuracy, completeness and approval of the related transactions.	Since the Homoeopathic Medical Council does not have an accountant, all accounting activities of the Council are carried out through the Accounting Division of the Indigenous Medicine Section and although all vouchers were in the Indigenous Medicine Section, and the Council requested that these vouchers be submitted to the audit, this is due to the fact that the Accounting Division of the Indigenous Medicine Section did not submit the vouchers.	Arrangements should be made to submit payment vouchers for the period to the Audit Office in accordance with financial regulations.

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

Reference to Laws, Rules, Regulations and Management Decisions	Non-Compliance	Comments of the Management	Recommendation
(a) Section 16 of the Employees' Trust Fund Act, No. 46 of 1980	A surcharge of Rs.13,565 had been paid in 2024 due to non-payment of employees' trust funds for the year 2023 on the due date.	This was due to the prevailing situation in the country at that time and the difficulty in providing transportation facilities.	Employees' trust funds should be paid on the due date as per the circular.
(b) Homoeopathy Act No. 10 of 2016	Although the selection and appointment of members should have been carried out at least three months before the expiry of the term of the Council, the new members for the previous Council, whose term ended on 08 September 2023, had been appointed on 05 July 2024, 10 months after the expiry of the term of the Council.	All activities such as holding elections to appoint members to the Homoeopathic Medical Council and appointing members are carried out by the Ministry of Health, the Minister in charge of the subject and the Secretary to the Ministry of Health and there have been no decisions or interventions by the Medical Council to cause the delay.	The election and appointment of members shall be carried out before the expiry of the term of the Council in accordance with the Act.
(i) Sub-Section (4) of Section 9	The minimum standards for the regulation of homoeopathic institutions providing treatment using the homoeopathic medical system have not been determined and the necessary actions had not been taken to regulate and control those institutions accordingly.	Although this was due to the lack of allocation of funds for the establishment of homoeopathic institutions in accordance with the prevailing situation in the country at that time, the establishment of independent medical institutions providing	The Council should determine minimum standards for the regulation of homoeopathic institutions and take the necessary actions to regulate and control those institutions accordingly.
(ii) Sub-Section (e) of Section 15			

homoeopathic treatment was carried out even with minimal facilities and the registration of homoeopathic medical centers providing private treatment has begun and their regulation is already being carried out .

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| (iii) Section 16(a) | Although homoeopathic pharmacists and nurses should be registered with the Homoeopathic Medical Council, a proper procedure had not been implemented to register those pharmacists and nurses up to now. | Since no qualified homoeopathic pharmacists and homoeopathic nurses have applied for registration though a registration register has been prepared for the registration of homoeopathic pharmacists and nurses, it has not been possible to carry out the registration. | Actions should be taken to implement a proper system for registering homoeopathic pharmacists and nurses with the council and take actions to register them. |
| (iv) Section 16(n) | Actions had been taken to establish a College of Homeopathy in accordance with the Universities Act No. 16 of 1978. | Since the funds allocated to the Homoeopathic Medical Council for the establishment of a Homeopathic Medical College are insufficient, discussions are carried out to establish a Homoeopathic Medical College in association with a University Grants Commission approved university. | Action should be taken to establish a Homoeopathic Medical College in accordance with the Act. |

- (v) Section 30(4) Although a written examination to test proficiency for registration as a homoeopathic practitioner was required to be conducted on only 03 occasions within a period of 03 years from the prescribed date, the examination had been conducted on only 02 occasions within a period of 08 years. Even though the examination was conducted on two occasions by the previous Medical Council, the term of office of the Council ended before the third examination could be held and all arrangements have been made to hold the examination under the new Medical Council. The necessary examinations should be conducted within the prescribed time frame to register as a homoeopathic practitioner.
- (vi) Sub-section 31 (1) Although a register of homoeopathic pharmacists should be maintained for the registration of homoeopathic pharmacists, as regulations for the implementation of these provisions had not been formulated, no such register had been maintained even by 10 October 2025. Although the preparation of the regulations is almost complete, this register remains inactive due to the lack of qualified pharmacists coming forward for registration. Actions should be taken to formulate the regulations in order to register pharmacists.
- (c) Chapter II of the Establishment Code of the Democratic Socialist Republic of Sri Lanka
- (i) Section 10.1 Although the Head of Institution should direct an officer to complete Form 169 and submit to a medical examination to obtain the relevant medical report when an officer has been selected for a position in the public service, the medical reports of 05 medical officers, a It has been stated that due to the delay in the permanent appointment of these employees, medical examinations had not been conducted and these examinations will be conducted expeditiously. Actions should be taken to act as per the provisions of the Establishments Code .

management assistant, a pharmaceutical compounder and 04 office assistants who have received permanent appointments had not been included in the relevant personal files..

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| (ii) Section 10.6 | The oath or affirmation, which an officer appointed to a position in the public service should take within one month of assuming such position, in accordance with the provisions of Schedule 7 to the Constitution, was not included in the personal files of 04 medical officers, a management assistant and a pharmaceutical compounder who received permanent appointments and the oath taken from 05 medical officers, 04 pharmaceutical compounders and 03 office assistants had not come into effect due to the fact that the oath had not been completed and signed by the person who took it. | The Registrar has been instructed to immediately include those documents in the personal file. | Actions should be taken to act as per the provisions of the Establishments Code. |
| (iii)Section 16.1 | Although the Head of the Departments should ensure that examinations for confirmation, promotion and promotion from efficiency bars are to be held on the scheduled dates, it was not possible to make the service of those officers permanent as efficiency bar examinations had not been held for 11 officers in | The Medical Council has approved the Efficiency Bar Examination to be conducted by the Examination Division of the Department of Ayurveda and all relevant arrangements have been made. Even though the examination | Actions should be taken to act as per the provisions of the Establishments Code. |

relation to 02 posts recruited from 2015 to 2022 by the audited date of 10 October 2025.

applications have been completed, since the payment of the Medical Council is made by the Local Medicine Division, the payment required to conduct the examination has not yet been approved, which is why the examination has been delayed.

- (d) Section 6.6 of the Operations Manual for State Enterprises promulgated by State Enterprise Circular No. 01/2021 dated 16 November 2021
- Although the annual report including the financial statements and the Auditor General's report, should be tabled in Parliament within 5 months of the end of the accounting year, the annual report for the year 2022 had not been tabled even by 26 September 2025.
- Since the Homoeopathic Medical Council does not have an accountant on its approved cadre, they have taken up a lot of time by having the final accounts prepared by an external party.
- Action should be taken to act as per the circular.

3. Operational Review
3.1 Management Inefficiencies

	Audit Observation	Comments of the Management	Recommendation
(a)	Although it was decided to initiate NVQ courses for the recruitment of homoeopathic compounders at the council meeting held on 18 February 2022, it had not been implemented up to date.	The syllabus for these courses has been prepared and approved by the National Vocational Qualifications Institute and three external institutions have been selected to conduct the course and discussions are currently in the final stages.	Necessary actions should be taken to implement the tasks which were decided upon.
(b)	The registration fee charged as a homoeopath in Sri Lanka was Rs. 150 and the annual fee was Rs. 50, and attention had not been paid to	Regulations for those amendments have been prepared and forwarded to	The fees charged should be revised periodically.

revising it to suit the current times.

the Local Medical Division
for gazette process.

- (c) Although it was decided to install a CCTV system to monitor clinics in 2022, it has not been installed to date. Though it has been impossible to implement these decisions due to lack of sufficient provisions, this decision will be implemented as soon as sufficient provisions are received. Necessary actions should be taken to implement the tasks which were decided upon.

3.2 Human Resource Management

Audit Observation	Comments of the Management	Recommendation
(a) There are 14 government homeopathic clinics run by the Medical Council in Sri Lanka and due to the lack of essential medical officers at the three clinics in Ingiriya, Batticaloa and Rathgama, medical officers from other clinics had to perform duties at those clinics as well.	This is due to the delay in approving the re-employment of vacant medical officer positions in clinics.	Recruitment for vacant Medical Officer posts should be carried out without delay.
(b) Though the approved cadre of the Council was 48as at 31 December 2024, the actual staff was 31. The post of Registrar has been vacant since 2021, while 03 posts of Medical Officer and 09 posts of Drug Compounder have been vacant since 2022.	Even though this recruitment has been submitted for approval, delays have occurred due to the non-grant of approval.	Actions should be taken to immediately recruit for essential positions and to review and update the approved staff.