



POSTGRADUATE INSTITUTE OF ENGLISH
THE OPEN UNIVERSITY OF SRI LANKA

ANNUAL REPORT AND ACCOUNTS
2011

POSTGRADUATE INSTITUTE OF ENGLISH

AMENDED ANNUAL REPORT & ACCOUNTS

2011

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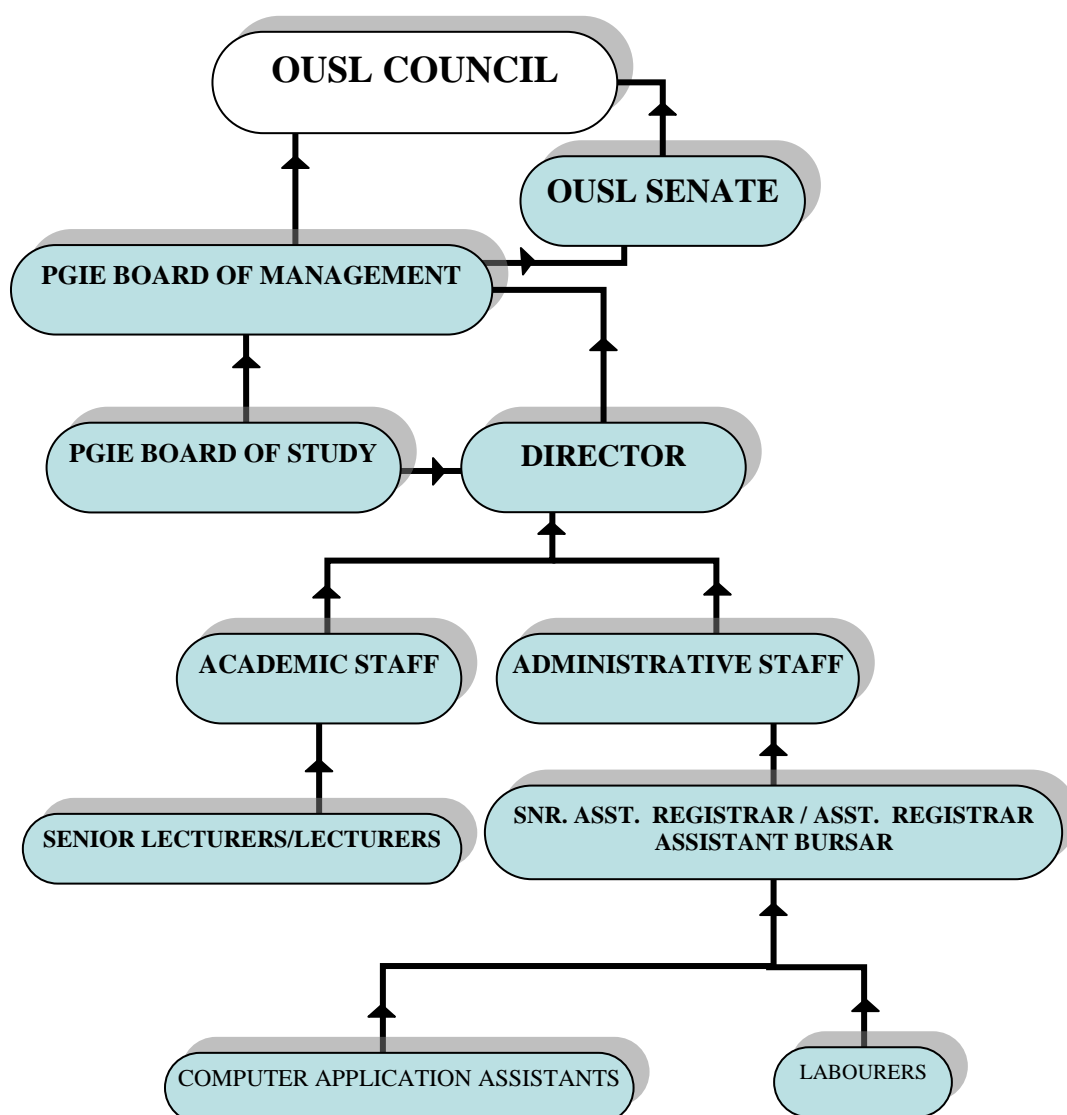
1. Vision

To be a leader, renowned for academic excellence and research in English Language Teaching and English Education, enhancing professional and pedagogical skills across the country to meet changing needs.

2. Mission

To provide opportunities for and support excellence in English Language Teaching and English Education at postgraduate level through scholarship and research; through influencing the development and implementation of national policy in English Language Teaching and English Education, and by providing new direction to English studies at national level.

3. Brief Profile of the Directors and Senior Management



(a) (i) Members of the PGIE Board of Management

	Name	Designation
1	Prof. M. Chandrasekera Prof. C. Fonseka	Chair, Standing Committee on English (from 14/06/2011) Chair, Standing Committee on English (up to 05/04/2011)
2	Dr. H.V.M. Ratwatte Prof. R. Raheem	Acting Director, PGIE (from 01/03/2011) Director, PGIE (up to 28/02/2011)
3	Dr. J. Manatunga	Head/ELTC, University of Moratuwa
4	Prof. G.D. Lekamage	Dean/Faculty of Education, OUSL (Representative OUSL Senate)
5	Prof. S. Walter Perera	Professor in English, Dept. of English, University of Peradeniya
6	Prof. Neluka Silva	Head/Dept. of English, University of Colombo
7	Dr. D. Mendis	Senior Lecturer in English, University of Colombo
8	Mr. V. Suntharesan	Head/English Language Teaching Unit, University of Jaffna
9	Dr. D. Devendra Dr. K. Warnapala	Head/Dept. of Language Studies, OUSL Acting Head/Dept. of Language Studies, OUSL
10	Dr. S.J. Nawaratne Mrs. S.P.M.K. Siriwardene	Secretary, Ministry of Higher Education (from 01/08/2010) Chief Accountant, MOHE (Representative for Secretary/MOHE) from 09/08/2011)
11	Prof. N.R. Arthenayake Mr. A. Ranaweera	Representative of OUSL Council (from 26/08/2011) Representative of OUSL Council (up to 14/06/2011)
12	Mr. C. de Silva	Senior Lecturer/Dept. of Statistics and Computer Science, University of Kelaniya

	Name	Designation
13	Dr. G. Kodithuwakku Mr. S. Atugoda	Actg. Asst. Director General, Faculty of Languages, Humanities & Social Sciences, NIE (from 26/07/2011) Director/Dept. of English, NIE (up to 20/06/2011)
14	Dr. H. Ratwatte	Representative of the BOS for TESL (from 01/01/2011)
15	Ms. Dilini Walisundara	Head/Dept. of English, University of Sri Jayawardenepura
16	Mrs. H.M.N.S. Gunawardene	Director General, Dept. of Legal Affairs [Representative of the Treasury]

(ii) Members of the PGIE Board of Study for Teaching English as a Second Language

	Name	Designation
1	Dr. H.V.M. Ratwatte Prof. R. Raheem	Chair, Acting Director/PGIE (from 01/03/2011) Chair, Director/PGIE (up to 28/02/2011)
2	Prof. M. Gunasekera	Professor of English, University of Kelaniya
3	Dr. Radhika de Silva	Senior Lecturer, Dept. of Language Studies, OUSL
4	Dr. V.V. Medawattegedera	Senior Lecturer, Dept. of Language Studies, OUSL
5	Dr. W.M. Seneviratne Ms. H. P. S. D. Gunasekara	Librarian, OUSL Acting Librarian, OUSL (from 21/04/2011 to 22/09/2011)
6	Ms. L. Cumarathunge	Visiting Academic, PGIE

	Name	Designation
7	Ms. P. Nagasundaram	Senior Lecturer (Retired), Department of English, University of Sri Jayawardenepura
8	Ms. H.D. Wijesekera Ms I. N. J. Bogamuwa	Student Representative (from 26/05/2011) Student Representative (up to 21/04/2011)
9	Mr. S. Krishnamoorthy Ms. S. R. Ilangakoon	Student Representative (from 26/05/2011) Student Representative (up to 21/04/2011)

(ii) Members of the PGIE Board of Study for Teaching English Literature

	Name	Designation
1	Dr. H.V.M. Ratwatte Prof. R. Raheem	Chair, Acting Director/PGIE (from 01/03/2011) Chair, Director/PGIE (up to 28/02/2011)
2	Prof. Neloufer de Mel	Professor in English, Dept. of English, University of Colombo
3	Prof. Neluka Silva	Head/Dept. of English University of Colombo
4	Dr. Maithree Wickremasinghe	Senior Lecturer/Dept. of English, University of Kelaniya
5	Dr. Dinali Devendra	Head/Dept. of Language Studies OUSL
6	Dr. K. Warnapala	Senior Lecturer/Dept. of Language Studies, OUSL
7	Dr. Lakshmi de Silva	Former Senior Lecturer, Dept. of English, University of Colombo
8	Dr. W.M. Seneviratne	Librarian/OUSL

4. Director's Review:

(a) Brief introduction

In 2011, a new Chairperson of the Board of Management (BOM) of the PGIE and two new BOM members were appointed by the UGC. One new member was nominated to the BOM by the Council of the Open University of Sri Lanka and one member was elected by the BOS TESL. Prof. Malkanthi Chandrasekera replaced Prof. Carlo Fonseka as Chairperson BOM and Prof. Ranjith Arthenayake replaced Mr. R.A.A. Ranaweera as the OUSL Council representative on the BOM.

In the year 2011, the PGIE was managed entirely by part-time acting staff from the Open University. Members of academic and administrative staff from OUSL carried out the work at the PGIE while fulfilling their duties in their permanent posts at the university. The lack of full time administrative officers and academic staff seriously hampered the implementation of the planned actions.

In terms of academic staff, one Senior Lecturer, Grade II assumed duties in November.

Due to the lack of permanent staff the PGIE was able to commence only one new programme – the Postgraduate Diploma in Teaching English as a Second Language. Academic work in the MA in Teaching English as a Second Language continued.

The proposal for a building for the PGIE, sent in 2011, was rejected by the UGC on the basis that all three key posts – that of Director, SAR and AB were managed by part-time acting staff.

(b) Achievements:

In the year 2011, 06 students completed their Masters Degree in Teaching English as a Second Language and went up for the convocation in December, 2011. The quality of the research carried out by these students was commended by several external examiners of theses.

The PGIE commenced the Post-Graduate Diploma (PG Dip) in Teaching English as a Second Language in 2011. The PG Dip in TESL and the Masters

Degree Teaching English as a Second Language were advertised in May 2011. 94 of the 100 available applications were sold, and 42 of these applicants qualified to enroll through the entry test. A total of 25 new students were registered. 37 students re-registered for the MA in Teaching English as a Second Language.

During the year 05 students who had commenced their research in 2011 continued with work on their dissertations. By the end of the year 08 more students who had completed all courses began work on the research courses. 03 students who had enrolled for the MA in the years 2005/2006, 2006/2007 and had halted studies due to personal reasons, re-registered for the MA, thus fulfilling the goals of Open Distance Learning of 'studying at their own pace and own time'.

With the entry of new students for the PG diploma and MA programmes, the revenue prospects for the institute improved.

The PGIE conceptualized and prepared the draft proposal for the proposed new Masters and Post-graduate Diploma in Teaching Literature in Second Language Context during the latter half of the year.

The UGC converted the Assistant Registrar Post of the PGIE to that of Senior Assistant Registrar taking into consideration the responsibilities and the workload the sole Administrative officer of the institute has to bear.

In November 2011, the first permanent academic staff member of the PGIE, a Senior Lecturer Grade II assumed duties. The other Senior Lecturer Grade II post was advertised and a candidate was selected in August, 2011. The Institute is awaiting UGC approval to make the appointment.

(c) Failure & Justification:

In 2011 due to the lack of two permanent key administrative Officers – SAR and AB the administration of the institute was seriously held back. Preparation of the corporate plan for the next five years and other administration matters could not be completed on schedule due to lack of continuity. (The PGIE had 03 consecutive part-time acting SAR's with 02 others acting for the acting AB). The uncertainty with regard to the filling of the vacancy of the post of Director/PGIE was a further difficulty the PGIE faced during the year under review.

Given the plethora of difficulties encountered by the Institute since inception in 2006, due to factors beyond its control in filling vacancies, obtaining cadre positions, in administration and in terms of office space, the Council of the Open University appointed a subcommittee comprising two Council members – Prof. I. Siriweera and Prof. H.P.M. Gunasena to look into the problems of the PGIE and submit a report. The Report is annexed (page nos. 19 and 20)

The report was submitted to the OUSL Council on 24/06/2011. Having considered the findings, the Council forwarded it to the BOM of the PGIE which endorsed the document (at its 40th meeting held on 09/08/2011) and forwarded it to the UGC for urgent action as they were of the opinion that unless these issues are addressed, the PGIE cannot grow academically nor reach its full potential.

The proposal for a building for the PGIE, sent up to the University Grants Commission in August, 2011. This was rejected by the UGC on the basis that all key posts – Director, SAR and AB were managed by Part time Acting Staff.

(d) Future Plan

1. Obtaining approval from the relevant bodies (BOS, BOM, Senate, Council and the UGC standing committees on English and the Standing Committee of Post-Graduate Studies and Research) for the PG Diploma in Teaching Literature in a Second Language Context.
2. Obtaining approval from the relevant bodies (BOS, BOM, Senate, Council and the UGC standing committees on English and the Standing Committee of Post-Graduate Studies and Research) for the Master of Arts in Teaching Literature in a Second Language Context.
3. Preparing and obtaining approval for the Rules and Regulations for the above programmes from the relevant bodies.
4. Appointment of Academic Staff
5. Preparation of Instructional materials (print/audio/video/online) for the PG Diploma and Masters in Teaching Literature in a Second Language Context.
6. Offering short courses on Critical Reading and Basic Concepts in Literature

(e) Details of Resources & Students:

Institute	Programme	Total Students	Total Academic Staff	Total non Academic Staff
Postgraduate Institute of English (PGIE)	Master of Arts in Teaching English as a Second Language (MA in TESL)	37	01 (1 Senior Lecturer assumed duties since 01.11.2011)	03
	Postgraduate Diploma/Master of Arts in Teaching English as a Second Language (PG Dip./MA in TESL)	25		
Total	02	62	01	03

(f) Details of Local Students:

Institute	Course	Medium	Intake 2011	1 st Year Students (Part I)	2 nd Year Students (Part II)	No. Graduated
PGIE	MA in TESL	English	-	21	16	06
	PG Dip./MA in TESL	English	25	-	-	-
Total			25	21	16	06

(g) Details of Academic Staff:

Institute	Subject	Medium	Senior Prof	Professor	Senior Lecturer	Lecturer	Asst. Lecturer	Instructors
PGIE		English	-	-	01	-	-	-
Total			-	-	01	-	-	-

(h) Details of Non-Academic Staff:

Institute	Most Senior	Senior Staff	Junior Staff	Minor Employees
PGIE	-	-	02	01
Total	-	-	02	01

(i) Details of Research, Innovation and Publications:

Subject	Published	Commercialized	Presented
a. No. of Research			01
b. No. of Innovations			
c. No. of Journals			
d. No. of Books	04		
e. No. of Articles	01		
f. Other			
Total	05	-	01

(j) Details of Programme, Seminars & Workshops:

Subject	Attended	Completed	Conducted
a. No. of Postgraduate Degree Programme			01
b. No. of Postgraduate Diploma Programme			01
c. No. of Degree Programme			
d. No. of Diploma Programme			
e. No. of Certificate Programme			
f. Other			
Total	-	-	02

(k) Details of New Courses Started:

Institute	Course	Medium	Certificate	Diploma	Postgraduate Diploma	Master	M Phil	PhD
PGIE	PG Dip. in Teaching English as a Second Language	English	-	-	Postgraduate Diploma	-	-	-
Total	01							

(I) Any Other Details/Performance Relevant to this Report:

The PG Diploma was established in October, 2011 and 25 students were enrolled for the programme. The final evaluation mechanism for the Postgraduate Diploma in TESL – The Teaching Portfolio, was designed and approved by the relevant Boards. The syllabi and content of the two research courses for the MA in TESL ELP2101 and ELP2102 were revised and material updated to reflect contemporary modes of research in English Language Teaching and Social Science and Humanities.

The Board of Management of the PGIE requested the University Grants Commission to revise the PGIE Ordinance No. 4 of 2005, which established the PGIE. The BOM, in 2010, had decided to revise the Ordinance as the PGIE had encountered problems in administration stemming from the legal provisions set out in the Ordinance. Since these issues impacted on the academic growth of the institute, a BOM sub committee, comprising BOM members Mr. R.A.A. Ranaweera (Representative of the OUSL Council), Dr. Dushyanthi Mendis (UGC Nominee) and Professor R. Raheem (Director/PGIE) suggested amendments which would bring about greater efficiency in achieving the objectives of the Institute and fulfilling its mandate.

Subsequent to obtaining the observations of the Senior Assistant Registrar/Legal & Documentation of the OUSL and, Council approval, the proposed amendments were sent to the UGC in August, 2011. The UGC informed the PGIE that it had appointed a Committee to look into revisions and amendments of Ordinances of several Institutes and Universities. No further formal communication has been received from the UGC regarding this matter as at 31/12/2011.

The PGIE worked out a mechanism with the OUSL to obtain affiliated membership of the OUSL library, in 2011. Membership was obtained with effect from 01/01/2012.

5. Director's Report

Academic progress

The first permanent academic staff member of the PGIE – a Senior Lecturer Grade II, assumed duties in November, 2011.

The posts of Director, SAR and AB were managed by part-time acting staff in 2011. As the staff situation was bleak – the PGIE was able to accomplish only the following during this year

- a) Prepare and obtain approvals for the Rules and Regulations of the PG Dip in TESL from the BOS TESL and BOM of the PGIE, Senate and Council of the Open University.
- b) Commence the PG Dip in TESL - In May 2011 the programme was advertised. The response was satisfactory with 94 of the 100 applications sold. As with the previous years however, the performance of candidates at the entry test was unsatisfactory with large number of candidates, despite holding first degrees from universities in Sri Lanka, displaying poor competence in English language. 42 students qualified to enroll for the PG Diploma and 25 registered.
- c) Update and revise material for the MA in Teaching English as a Second Language.
- d) Continue academic work, i.e. teaching, conducting Continuous assessments and final examinations for all nine courses in the Masters Degree in Teaching English as a Second Language.
- e) Supervise, examine and send 06 students for the convocation – MA in TESL
- f) Supervise the research of 16 other MA in TESL students.
- g) Conceptualize and develop draft proposal for the proposed Masters Degree and PG Diploma in Teaching Literature in a Second Language – the development of the draft proposal commenced in December, 2011.

Student Performance – 2010/2011

Table 1 – Student Performance at Final Evaluation 2010/2011

	ELM 1301	ELM 1201	ELM 1202	ELM 1203	ELM 1101	ELM 1102	ELM 1104	ELM 2101	ELM 2102
Total Sat	13	12	13	09	09	07	17	06	07
Pass	10	12	13	09	09	07	17	06	07
Fail	03 (23%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)

Research

The annual PGIE research forum was held in February 2011, where research students presented their research. Due to the lack of permanent staff the PGIE did not undertake any institutional research.

Six students completed their research for the Master's Degree. The quality of the research and its contribution to the field of English Language Teaching in Sri Lanka and the wider field of Applied Linguistics were especially commented on by the external examiners who are eminent academics from the other national universities in Sri Lanka.

New Programmes and Courses

The Final Evaluation of the PG Diploma - The Teaching Portfolio ELP1302 was established.

The syllabi, course content and material for ELP2101 and ELP2102 were revised and updated. Students found the on-line component useful. One student, who had migrated in 2010, followed the course on-line.

Staff

In the year 2011, all the key posts of the PGIE - Director, SAR and AB were managed on a part-time acting basis by members of academic and administrative staff of the Open University of Sri Lanka, while fulfilling their duties in their permanent posts at the university.

Prof. R. Raheem, Professor of English functioned as the permanent Director till 28th February, 2011. On her retirement, pending the appointment and the assumption duties by a new permanent Director, Dr. Hemamala Ratwatte, Senior Lecturer in English, at the Open University of Sri Lanka was appointed as Acting Director (part-time) from 01st March, 2011. The post of permanent Director/PGIE could not be filled in the year 2011, as the selected candidate requested several extensions to assume duties. The post was re-advertised in July, 2011.

Mrs. G.S. Amaratunga who functioned as the permanent Assistant Registrar till 31st December, 2010 was promoted to the Open University of Sri Lanka as a Senior Assistant Registrar. Thus the post of Assistant Registrar fell vacant on 01st of January, 2011 and 03 administrative officers from the OUSL acted on a part-time basis at the PGIE with two further Assistant Registrars from OUSL stepping in to act for the Acting AR when required. Mr. M.I.M. Zubair functioned as the acting Assistant Registrar from 18th January, 2011 to 01st April, 2011. Ms. D.D.G.P.S. Daniels (AR Capital Works, OUSL) functioned as the part-time Assistant Registrar from 01st April, 2011 to 25th November, 2011. Mrs. S.S. Samarathunga (AR/Faculty of Education) functioned as the part-time Senior Assistant Registrar with effect from 01st December, 2011. During this period, on one occasion each Ms. Rasika Dissanayake (Assistant Registrar/Faculty of Humanities and Social Sciences) and Ms. Priyantha Weerasiri (Assistant Registrar/Faculty of Natural Sciences) acted for the Acting SAR of the PGIE.

Two officers from the finance division of the OUSL consecutively functioned as the Acting Assistant Bursar. Ms. K.K. Chetiyamali who was the permanent Assistant Bursar/PGIE was promoted to the Open University of Sri Lanka as a Senior Assistant Bursar on 28th February, 2011. Mr. A.W.P.S. Dayananda (AB/OUSL Press) functioned as the part-time Acting Assistant Bursar from 01st March, 2011 to 16th September, 2011. Ms. K.K. Chetiyamali, Senior Assistant Bursar OUSL was released full time to the PGIE from 19th September, 2011.

The two administrative posts, that of Assistant Registrar and Assistant Bursar, were not filled by the UGC as the University Grants Commission was in the process of conducting examinations and interviews to recruit persons to fill all of the vacant posts in the university system.

The Institute was able to appoint its first permanent academic staff member in the last quarter of 2011. Dr. H.S. Rambukwella was assumed duties as a Senior Lecturer Gr. II with effect from 01.11.2011.

The other Senior Lecturer Post was advertised in January, 2011 and a candidate selected. After obtaining the relevant approvals from the BOM, OUSL Senate and Council, the documents of the selected candidate were sent to the UGC for approval, as required by the PGIE Ordinance, on 13/12/2011. The PGIE is awaiting UGC approval to make the appointment.

Learner Support

The OUSL Library continued to provide valuable support for the MA in TESL and is the repository for PGIE academic resources. The Librarian of the OUSL functions as a member of the Board of Study for TESL.

Activities of Members of Staff

Professor R Raheem, Director

Member, Executive Committee, Asia TEFL Organization, Seoul, South Korea.

Chair, Mithuruwela-the Cancer Support Network, Colombo.

Examiner, Dept of English, University of Colombo.

Visiting Academic and Examiner, Department of Language Studies, OUSL.

Dr. Hemamala Ratwatte, Acting Director

Editor - in-Chief – Vistas Journal, Faculty of Humanities and Social Sciences

Member – Open University Quality Assurance Committee

Chairperson – Faculty Quality Assurance and Instructional Design Committee

Member – Editorial Advisory Board – Asia TEFL Journal, Seoul, Korea

Reviewer – Journal of Multilingual Matters

Reviewer Academic – Resource material for Bilingual Teachers, National Institute of Education, Sri Lanka

Visiting Academic and Examiner – PGIE

Visiting Academic and Examiner – University of Peradeniya (MA in English)

Postgraduate Examiner – Faculty of Education/OUSL

Resource Person (Former Chairperson) – SLELTA (Sri Lanka English Language Teachers' Association)

Collaboration and partnerships

The institute provided academic support for programmes conducted for OUSL staff by the Staff Development Centre of the Open University.

Academic staff of the Department of Language Studies and the OUSL continue to readily assist the PGIE in all aspects of its work. The supervision of research at Masters Degree level would not have been possible without this support.

Throughout 2011, assistance for the PGIE was provided by many at OUSL including the Vice Chancellor, Members of the OUSL Council, the Deputy Vice-Chancellor, the Registrar, Deans of the Faculties of Education, HSS, Engineering Technology and Natural Sciences, the Bursar, the Librarian, Acting Librarian, the Assistant Registrars of all four Faculties, Staff of the Educational Technology Division and the staff of the Vice-Chancellor's office.

Support for individual courses in the MA programme was provided by Ms. B.K.P. Abeysooriya, Dr. Radhika de Silva, Dr. V.V. Medawattegedera, Dr. Dinali Devendra, and Dr. Hemamala Ratwatte of the Dept of Language Studies/OUSL. Ms. L.K. Cumararatunge, Former Director/Higher Institute of English Education, National Institute of Education, Dr. D. Mendis, Senior Lecturer in English, University of Colombo, Dr. M.K.S. Iyer, Senior Lecturer in ELT, ELTC, Faculty of Arts, University of Jaffna and Mr. L.D.I. Wijetunge/Dept. of Social Studies, OUSL, Mrs. N.A.L. Waidyasekara, Former NIE Consultant, Ms. Dinali Fernando, Mrs. N. Tillekeratne also supported the PGIE as Visiting Lecturers. Ms. V. Yatawatte, Former Director, NIE, Prof. Siromi Fernando – Emeritus Professor of English, University of Colombo, Prof. Marie Perera – Dean Faculty of Graduate Studies, Prof. Manique Gunasekera, Dean/Faculty of Graduate Studies, University of Kelaniya, Dr. C.D.S. Wettewe, Head/ELTU, University of Kelaniya supported the Institute by serving as External theses examiners.

Comment: The PGIE acknowledges with gratitude the support provided to the institute by academic and other staff from the OUSL and other national universities. The institute would not have been able to function if not for this assistance.

This support also ensures that national and international standards are maintained in post-graduate level studies.

6. Amended Financial Statements (According to the new format)

(a) Details of Recurrent Expenditure

Subject	2010 Rs	2011 Rs
a. Personal emoluments	2,603,399.41	2,070,596.24
b. Traveling	35,600.00	41,511.00
c. Supplies	160,186.37	369,530.57
d. Maintenance	67,952.00	116,194.40
e. Contractual Services	337,752.72	535,419.90
f. Other	322,779.98	657,143.63
Total	3,527,670.48	3,790,395.74

(b) Details of Capital Expenditure

Subject	2010 Rs.	2011 Rs.
a. Acquisition of Furniture & Office Equipment	30,374.40	140,292.60
b. Acquisition of Machineries	-	-
c. Acquisition of Building & Structures	-	-
d. Other	118,897.12	828,016.75
Total	149,271.52	968,309.35

(c) Details of Financial Progress (Expenditure):

Subject	Provision in 2011 Rs.	Exp in 2011 Rs.	Savings / Excess Rs.
a. Recurrent except Project	6,155,000.00	3,790,395.74	2,364,604.26
b. Capital except Project	1,250,000.00	968,309.35	281,690.65
c. Project – Local funded	-	-	-
d. Project – Foreign funded	-	-	-
Total	7,405,000.00	4,758,705.09	2,646,294.91

(d) Details of Financial Progress (Generated Income):

Source of Revenue	Provision in 2011 Rs.	Collection in 2011	Deficit / Surplus Rs.
a. Undergraduate studies	-	-	-
b. Postgraduate Studies	1,206,000.00	1,452,660.00	246,660.00
c. Consultancies			
d. Other	150,000.00	363,354.01	213,354.01
Total	1,356,000.00	1,816,014.01	460,014.01

(e) Financial Performance Analysis – 2011:

Subject	Formula	Exp. Per Student Rs.
a. Recurrent Expenditure per Student (RE)	RE/ No of Student strength	61,135.41
b. Capital Expenditure per Student (CE)	CE/ No of Student strength	15,617.89
Total		76,753.30

**REPORT OF THE SUB-COMMITTEE APPOINTED BY THE COUNCIL TO
LOOK INTO THE PROBLEMS OF THE POST GRADUATE INSTITUTE OF
ENGLISH (PGIE)**

Background

The Post Graduate Institute of English (PGIE) was established in December 2005 at the Open University of Sri Lanka (OUSL) to provide for the development of English Education in Sri Lanka. The major task set before the PGIE was to provide postgraduate qualifications in the field of English Language Teaching (ELT), particularly for English teachers in the university system who had limited opportunities for academic advancement. There was also an urgent need to provide such qualifications, not only for tertiary level academic staff, but also for trainers at national colleges, administrators and senior English teachers in the secondary system. The MA in Teaching English as a Second Language (TESL) which had commenced in October 2005 at the OUSL was therefore transferred to the PGIE, and this programme became the PGIE's first academic responsibility.

The PGIE has conducted this MA for the past six years amidst major constraints. This MA which had been designed in conjunction with the Centre for Applied Language Studies of the University of Reading conforms to international MA in ELT standards, and is a comprehensive degree programme which comprises a taught component (7 academic courses and 2 research courses) and a research component, (submission of a dissertation).

Since inception, one of the most serious problems besetting this programme has been the lack of academic staff qualified to teach ELT related courses at Master's level. Another problem was the lack of appropriate support staff to help conduct the MA through the Distance Education mode adopted by the OUSL.

In the five years since it was established, the PGIE had also come to recognize another significant problem affecting postgraduate study- the academic inadequacy of the target population. Although all entrants to the PGIE are Lecturers in English or English teachers, their performance indicates that their knowledge of and capability in English is not up to the required standard. This has affected completion rates of courses and given rise to serious questions as to whether the PGIE needed to re-think offering qualifications only at MA level. As a result of this, the PGIE decided, in 2009, to offer a Postgraduate Diploma in TESL, as a first step towards the MA. The Postgraduate Diploma (PG-Dip) is a less demanding postgraduate qualification which would be more appropriate for the majority of Sri Lankan English teachers. The UGC granted approval to the programme in 2010 and it shall be offered from the first time in 2011.

Major Problems of the PGIE

1. Shortage of staff:

- a) **Post of Director** -The applicant who was selected to fill the post of Director from 14th March 2011 has not assumed duties as yet. It is unlikely that he will accept this position soon. An Acting Director, a Senior Lecturer of the Department of Language Studies who has various departmental responsibilities has been appointed to overlook the affairs of the PGIE. On long term this arrangement is unsatisfactory.
- b) The posts of Assistant Registrar and Assistant Bursar are vacant, and there is no guarantee that these posts will be filled in the near future. The matter is of great concern as the work load requires the services of full time Administrative Officers. At present the routine work is being carried out by an Acting AB who also works as AB at the OUSL Press and an Actg. AR who has much work in the Capital Works Department of the OUSL.
- c) The institute has two vacancies for academic staff ; one post will be filled in September 2011, application were called for the other post and interviews were scheduled to be held by end of May 2011 so that the new academic will be in place for the commencement of the new PG Dip and MA in TESL. However, the current situation in the university has resulted in delays in conducting interviews.
- d) The PGIE requires a Computer Applications Assistant and a Book Keeper. A request has been made to the UGC, but no response has been received yet.
- e) In summary, the PGIE is highly under staffed. It is necessary to identify the cadre requirement on long term basis and make a request to the UGC

2. Inadequate space

- a) At present the PGIE is housed in a small section (03 rooms) of a OUSL building and this inadequate even to perform routine activities. PGIE needs more space as it has plans to increase the number of courses and admissions in the future.

3. Amendments to the PGIE Ordinance

There are several legal issues that constraint the progress of the PGIE. Memo No: VV/362/11 presented at the 362nd meeting of the Council held on 27th May 2011 details these constraints (pages 28-30). An outstanding issue is that the Board of Management is chaired by the Chairman of the Standing Committee on English, whereas it should be the Director of the PGIE similar to the other PGIs.

Prof. H.P.M.Gunasena

Prof. W.I.Siriweera

Council members

7. Audit Committee Report

Internal Audit Report

The Internal Audit Division carried out its auditing functions in purposeful areas of the OUSL and PGIE during the year under review, covering a significant area of engagement as follows.

1 Pre- Audits

- Releasing of UPF
- Payment of Gratuity
- Final payments on Contracts and release of retention.

2 Verifications

- Annual stock verification at main stores as at 31.12.2011.

3 Audit Queries issued on findings

- Academic Performance 2010
- Fixed Assets register
- Annual verification Fixed Assets.

4 The Audit Committee

The Audit Committee of OUSL meets regularly at least once in two months to review activities of OUSL and PGIE. The Committee considers the Audit Reports and Queries sent by the Auditor General and Internal Audit and the responses of OUSL and PGIE to those queries. The Committee makes recommendations and directives for corrective actions. Follow-up on corrective action is also monitored.

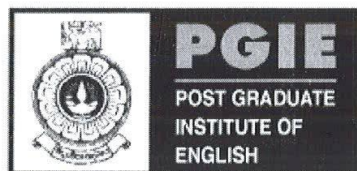
The Audit Committee met on six occasions during the year under review.

5 The Staff

The Internal Audit Division comprises the following staff.

- An Assistant Internal Auditor (Vacant)
- An Audit Assistant
- A Clerk
- A Computer Application Assistant
- A Casual Labourer

8. Audited Financial Statements



THE POSTGRADUATE INSTITUTE OF ENGLISH

THE OPEN UNIVERSITY OF SRI LANKA

AUDITED FINANCIAL STATEMENTS

2011

**POSTGRADUATE INSTITUTE OF ENGLISH
BALANCE SHEET AS AT 31.12.2011**

31.12.2010 (Rs.)		Note No	31.12.2011 (Rs.)
	<u>Assets</u>		
	<u>NON CURRENT ASSETS</u>		
2,073,892.71	Property, Plant & Equipments	14	2,526,860.26
	<u>Current Assets</u>		
4,496,832.82	Short Term Investments	15	5,826,360.32
140,634.42	Inventories		94,960.23
232,084.00	Loans & Advances to Staff	16	173,915.00
118,897.12	Advances for Suppliers & Services		-
-	Miscellaneous Advances		-
37,842.81	Sundry Debtors		71,276.40
1,162,556.78	Cash at Bank	17	1,179,231.60
8,262,740.66			7,345,743.55
	<u>Equity & Liabilities</u>		9,872,603.81
	<u>Capital & Reserves</u>		
	<u>Capital</u>		
2,192,789.83	Capital Grant Spent		2,526,860.26
100,707.90	Capital Grant Unspent	18	321,742.02
-	IT Grant		
	<u>Reserves</u>		
571,142.00	PGIE Fund		2,281,162.77
2,864,639.73			5,129,765.05
	<u>Non Current Liabilities</u>		
	<u>Specific Funds</u>		
4,007,085.60	PGIE Development Fund		3,959,285.43
754,003.00	Provision for Gratuity		256,600.50
	<u>Current Liabilities</u>		4,215,885.93
375,202.66	Accrued Expenditure	19	477,059.04
261,809.67	Payable to OUSL		33,117.14
-	Sundry creditors		16,776.65
8,262,740.66			526,952.83
			9,872,603.81

Prepared by Senior Assistant Bursar : *Chaffanah*
16/04/2012

For and on behalf of the Board of Management

[Signature]
Director

[Signature]
16/04/2012
Senior Assistant Registrar

POSTGRADUATE INSTITUTE OF ENGLISH
INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31.12.2011

2010 (Rs.)	Note No.	2011 (Rs.)
INCOME		
2,748,000.00	Government Grant for Recurrent Expenditure	3,187,000.00
6,638.00	Government Grant for Rehabilitation Recurrent	60,656.53
-	Contribution for rehabilitation expenditure	47,800.17
40,100.00	Registration Fees	35,810.00
963,980.00	Tuition Fees	1,043,440.00
73,500.00	Examination Fees	81,000.00
304,705.50	Interest Income	319,294.01
93,000.00	Sale of Application	97,000.00
3,050.00	Miscellaneous Receipt	44,060.00
15,420.00	Supplementary Fee	12,540.00
163,470.00	Dissertation Fee	182,870.00
512,304.36	Amortization of Capital Grant	634,238.92
4,924,167.86	Total Income	5,745,709.63
EXPENDITURE		
3,527,670.48	General Administration & Academic Services	20 3,790,395.74
6,638.00	Expenditure - Rehabilitation Recurrent	108,456.70
512,304.36	Provision for Depreciation	634,238.92
51,100.00	Provision for Gratuity	(497,402.50)
4,097,712.84	Total expenditure	4,035,688.86
826,455.02	Excess of Income over Expenditure	1,710,020.77
(447,689.23)	Balance B/F	571,142.00
192,376.21	Adjustments in respect of previous Year	-
571,142.00	Balance C/F	2,281,162.77

Notes to accounts

1. **Reporting Entity**

The Postgraduate Institute of English has been incorporated under the Postgraduate Institute of English Ordinance No 04 of 2005. It launched its operations on 1st October 2006.

2. **Statement of Compliance**

The Financial statements of the PGIE have been prepared in conformity with generally accepted accounting principles and the Sri Lanka Accounting Standards, the requirements of the Universities Act No 16 of 1978 and the PF/PE 21 Public Finance Circular of 2002.

3. **Basis of Measurement**

The financial statements have been prepared on the historical cost basis.

4. **Government Grant**

The total government grant received for the year was Rs. 4,437,000.00. The recurrent grant of Rs. 3,187,000.00 has been recognized as revenue in the income statement. Capital Grant received has been accounted under Capital Grant unspent and amounts spent were transferred to capital account.

The details are as follows.

	Amount Received in 2011 Rs.	Amount Unspent Rs.
Recurrent Grant	3,187,000.00	
Capital Grant		
Rehabilitation Building & Structures	0.00	0.00
Furniture and Office Equipment	400,000.00	263,164.67
Books and Periodicals	850,000.00	23,577.35
Total	<u>4,437,000.00</u>	<u>286,742.02</u>

5. **Amortization of Capital grant**

The capital grant received was capitalized and amortized as revenue over the useful life time of the related assets. The policy of amortization is not to amortize in the year of purchase whilst full year's amount is amortized in the last year.

6. **Recognition of Income**

The Government Grant, Grants from U.G.C are recognized in the period in which they are received. Student Fees and other earnings are recognized as revenue only on the receipts.

7. **Expenditure Recognition**

The expenditure has been analyzed and classified according to the different expenditure headings based on the guidelines set out by the University Grants Commission.

8. **Taxation**
The profits and income other than the profits and income from dividends or interest of The Postgraduate Institute of English are exempt from Income tax under the Inland Revenue Act.
9. **Retirement Benefits to Employees.**
Provision for retirement gratuity has been calculated, for all employees, who have completed one year continuous service. However, only employees who have completed five years continuous service in the university system, are entitled to gratuity payment on retirement.
10. **Liabilities**
All known liabilities have been accounted for in preparing the financial statements.
11. The Books and periodicals purchased for the PGIE have been handed over to OUSL Main Library for the use of PGIE students.
12. Three computers and three uninterrupted power supply units were handed over to OUSL Main Library for the use of PGIE corner maintained by the Library.
13. **Cash Flow Statement**
Cash Flow Statement has been prepared using the “Indirect Method”
14. **Property Plant and Equipment**
- (a) Property plants and equipment have to be depreciated on straight line basis as per UGC circular No 649 of 05.10.1995. The policy of depreciation is that depreciation is not charged in the year of purchase whilst a full year’s depreciation is charged in the year of disposal.
- (b) The accepted annual rates of depreciation are as follows.
- | | |
|-----------------------------|-----|
| • Furniture and Fittings | 10% |
| • Office Equipment | 20% |
| • Computers and accessories | 20% |
| • Library Books | 20% |
- (c) Fixed assets are shown at cost less accumulated depreciation.
- (d) Depreciation is recognized in the Income Statement on a straight-line basis over the estimated useful lifetime of fixed assets.

(e) Details of Non Current Assets

Cost	Furniture & Fittings	Office Equipment	Library Books & Periodicals	Computers & Accessories	Total
Balance as at 01/01/2011	478,258.01	1,144,657.00	479,508.78	1,093,627.72	3,196,051.51
Add : Purchases during the year	41,592.60	39,000.00	946,913.87	59,700.00	1,087,206.47
Balance as at 31/12/2011	519,850.61	1,183,657.00	1,426,422.65	1,153,327.72	4,283,257.98
Depreciation					
Balance as at 01/01/2011	74,637.20	323,911.80	422,968.72	300,641.08	1,122,158.80
Add : Depreciation for the year	47,825.80	228,931.40	138,756.18	218,725.54	634,238.92
Balance as at 31/12/2011	122,463.00	552,843.20	561,724.90	519,366.62	1,756,397.72
Net book value as at 01/01/2011	403,620.81	820,745.20	56,540.06	792,986.64	2,073,892.71
Net book value as at 31/12/2011	397,387.61	630,813.80	864,697.75	633,961.10	2,526,860.26

(f) Disclosure of the breakdown of the PGIE Fund (General Reserve) of the institute is not necessary as the cumulative depreciation is equal to amortization of government grant (Vide UGC circular No 649 of 05.10.1995)

15. **Short Term investments**

The Money not required for immediate expenses were invested in short term fixed deposits in Peoples Bank. The carrying values of the investments were calculated including the accrued interest.

A/C No	Amount as at 01/01/2011	New Investment	Accrued Interest 2011	Balance as at 31/12/2011
174-60-01-00005984-5	657,591.73	-	40,352.16	697,943.89
174-60-01-00007239-4	330,621.18	-	19,373.96	349,995.14
174-60-01-00007243-8	1,108,034.27	-	67,992.91	1,176,027.18
174-60-01-00007242-9	1,108,034.27	-	67,992.91	1,176,027.18
174-60-01-00007506-0	215,425.23	-	13,219.26	228,644.49
174-60-01-00007507-9	538,563.07	-	33,048.15	571,611.22
174-60-01-00007505-1	538,563.07	-	33,048.15	571,611.22
174-60-01-00009637-8	-	300,000.00	4,500.00	304,500.00
174-60-01-00010042-5	-	250,000.00	-	250,000.00
174-60-01-00010043-4	-	250,000.00	-	250,000.00
174-60-01-00010044-3	-	250,000.00	-	250,000.00
Total				5,826,360.32

16. **Loan and Advances to Staff**

Staff Loan		3,060.00
Mr. M.H.P.H Jayewardana	3,060.00	
Distress Loan		163,505.00
Mr. M.H.P.H Jayewardana	163,505.00	
Vehicle Loan		5,100.00
Mr. M.H.P.H Jayewardana	5,100.00	
Special Advance		250.00
Mr. M.H.P.H Jayewardana	250.00	
Festival Advance		2,000.00
Ms. G.S Amarathunga	1,000.00	
Mr. M.H.P.H Jayewardana	1,000.00	
Total		173,915.00

17. **Cash at Bank**

Peoples Bank Current A/c No. 174100156838310	Rs. 286,500.14
Peoples Bank Current A/c No. 174100246838310	Rs. 323,451.19
Peoples Bank Current A/c No. 174100336838310	Rs. 569,280.27
	Rs. 1,179,231.60

18. **Capital Grant Unspent**

Rehabilitation Building & Structures	-
Rehabilitation Machinery & Equipment	35,000.00
Furniture & Office Equipment	263,164.67
Books & Periodicals	23,577.35
Total	321,742.02

19. **Accrued Expenses**

Audit fee for the year 2009 (including 15% VAT)	131,040.00
Audit fee for the year 2010 (including 15% VAT)	144,144.00
Audit fee for the year 2011 (including 15% VAT)	158,558.40
Examination payment for entry test - 2010	7,100.00
Telecommunication expenses	4,457.62
Examination payment for entry Test -2011	8,300.00
Overtime	3,271.52
Acting payment	20,187.50
Total	477,059.04

20. **Recurrent Expenditure**

Personal Emoluments		2,070,596.24
Personal Emoluments - Academic		572,150.40
Salaries and Wages - Academic	327,667.26	
Salaries and Wages	197,510.00	
Universities Provident Fund	29,004.38	
University Pension	6,960.00	
Employees Trust Fund 3%	7,192.88	
Visiting Lecturer Fees	87,000.00	
Other Allowances - Academic	244,483.14	
Academic Allowance	86,382.63	
Research Allowance	18,825.00	
Cost of Living Allowance	22,200.00	
Special Allowance	9,875.50	
Acting Pay	107,200.01	
Personal Emoluments - Non Academic		1,498,445.84
Salaries and Wages - Non-Academic	1,127,046.38	
Salaries and Wages	847,200.32	
Universities Provident Fund	106,138.36	
University Pension	44,634.19	
Employees Trust Fund 3%	30,154.50	
Acting Pay	98,919.01	
Other Allowances - Non-Academic	301,532.08	
Language Proficiency Allowance	7,326.29	
Cost of Living Allowance	251,859.68	
Special Allowance	42,346.11	
06-07-1002 Overtime and Holiday Payments	69,867.38	
Over Time	69,867.38	
Recurrent Expenditure - Other than personal emoluments		1,719,799.50
Travelling Expenses		41,511.00
06-07-1101 Domestic	41,511.00	
06-07-1102 Foreign	-	
Supplies		369,530.57
06-07-1201 Stationery & Office Requisites	345,385.45	
06-07-1205 Other	24,145.12	
Uniforms	3,752.89	
Other Supplies	20,392.23	

	Maintenance Expenditure		116,194.40
06-07-1302	Maintenance - Plant, Machinery & Equipment	116,194.40	
	Services		535,419.90
06-07-1402	Postal & Communication	107,012.86	
	Telecommunication	55,869.86	
	Postal Charges	51,143.00	
06-07-1405	Other	428,407.04	
	Printing Advertising etc.,	248,407.04	
	Electricity	152,943.60	
	Rental & Hire Charges	27,056.40	
	Other Recurrent Expenditure		657,143.63
	Holiday Warrants Season Tickets	4,500.00	
	Entertainment Expenses	61663.00	
	Bank Charges	8,088.92	
	Work Shops and Seminars	14237.00	
	Special Services-Council & Committees	247,400.00	
	Examination Fees	79,890.00	
	Special Services-Professional & Other Fees	166,354.63	
	Other Recurrent Expenses	75,010.08	
	Total Recurrent Expenditure		<u>3,790,395.74</u>

POSTGRADUATE INSTITUTE OF ENGLISH
CASH FLOW STATEMENT FOR THE YEAR ENDED 31.12/2011

2010		2011
(Rs.)		(Rs.)
CASH FLOWS FROM OPERATING ACTIVITIES		
826,455.02	Surplus / (Deficit) from ordinary activities	1,710,020.77
Non Cash Movements		
512,304.36	Depreciation	634,238.92
51,100.00	Provision for Gratuity	(497,402.50)
192,376.21	Prior year Adjustments	-
512,304.36	Amortization of Capital grant	634,238.92
1,069,931.23	Operating Profit before working capital changes	1,212,618.27
(140,634.42)	(Increase) / Decrease in Inventories	45,674.19
(351,073.66)	(Increase)/Decrease in trade & other receivables	143,632.53
152,208.81	Increase/(Decrease) in payables	(110,059.50)
730,431.96	Net Cash Flows from operating Activities	1,291,865.49
CASH FLOW FROM INVESTING ACTIVITIES		
(30,374.40)	Purchase of Property, Plant & equipments	(1,087,206.47)
(668,375.00)	Funds received for Specific Purposes	(47,800.17)
-	Donations Received	
255,276.18	Increase in Investments	(1,329,527.50)
-	Payment of Gratuity	
(6,638.00)	Expenditure Rehabilitation Recurrent	(60,656.53)
(450,111.22)	Net Cash Flows from Investing Activities	(2,525,190.67)
CASH FLOWS FROM FINANCING ACTIVITIES		
300,000.00	Capital Grants	1,250,000.00
-	It Grant	
-	Donations	
300,000.00	Net Cash Flows from Financing Activities	1,250,000.00
582,320.74	Net Increase / (Decrease) in Cash & Cash Equivalents	16,674.82
582,236.04	Cash & Cash Equivalents at the beginning of the period	1,162,556.78
1,162,556.78	Cash & Cash Equivalents at the end of the period	1,179,231.60

POSTGRADUATE INSTITUTE OF ENGLISH
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31.12.2011

	PGIE Fund (General Reserve)	Other Funds	Capital Grant Spent	Capital Grant Unspent	(Rs.) Total
Balance as at 31st December 2009	(447,689)	4,675,461	2,514,504	(2,064)	6,740,211
Adjustment in respect of previous year	192,376		41,319	(41,319)	192,376
Capital Grant Spent during the year	6,638		149,272	(155,910)	-
Funds Received/(spend) During the year		(668,375)		300,000	(368,375)
Donations Received During the Year					-
Amortization of Capital grant			(512,304)		(512,304)
Rehabilitation recurrent expenditure	(6,638)				(6,638)
Surplus / (deficit) for the period	826,455				826,455
Balance as at 31st December 2010	571,142	4,007,086	2,192,790	100,708	6,871,725
Adjustment in respect of previous year					-
Capital Grant Spent during the year	(108,457)		968,309	(1,028,966)	(169,114)
Funds Received/(spend) During the year		(47,800)		1,250,000	1,202,200
Donations Received During the Year					-
Amortization of Capital grant			(634,239)		(634,239)
Rehabilitation recurrent expenditure	108,457				108,457
Surplus / (deficit) for the period	1,710,021				1,710,021
Balance as at 31st December 2011	2,281,163	3,959,286	2,526,860	321,742	9,089,050

POSTGRADUATE INSTITUTE OF ENGLISH
TRIAL BALANCE AS AT 31st December 2011

	Debit	Credit
Closing Cash Book Balance	1,179,231.60	-
Festival Advance	2,000.00	-
Accrued Expenditure	-	477,059.04
Stores Advance	94,960.23	-
Registration Fees (Post Graduate)	-	35,810.00
Tuition Fees (Post Graduate)	-	1,043,440.00
Examination Fees (Post Graduate)	-	81,000.00
Interest from Loans & Advances	-	6,332.92
Interest Income	-	312,961.09
Sale of Application	-	97,000.00
Miscellaneous Receipts	-	44,060.00
Supplementary Fee	-	12,540.00
Dissertation Fee	-	182,870.00
Amortization of Capital Grant	-	634,238.92
Government Grant For Recurrent Expenses	-	3,187,000.00
Contribution for rehabilitation expenditure	-	47,800.17
Provision for Gratuity	-	256,600.50
Capital Account	-	2,526,860.26
Unspent Capital Grant - Rehabilitation Machinery & Equipment		35,000.00
Unspent Capital Grant - Furniture & Office Equipment		263,164.67
Unspent Capital Grant - Books & Periodicals		23,577.35
PGIE Development Fund	-	3,959,285.43
Salaries and Wages - Academic	197,510.00	-
Salaries and Wages - Non Academic	847,200.32	-
Language Proficiency Allowance	7,326.29	-
Visiting Lecturer Fees	87,000.00	-
Over Time	69,867.38	-
Special Allowance - Academic	9,875.50	-
Special Allowance - Non Academic	42,346.11	-
Research Allowance	18,825.00	-
Universities Provident Fund - Academic	29,004.38	-
Universities Provident Fund - Non Academic	106,138.36	-
University Pension - Academic	6,960.00	-
University Pension - Non Academic	44,634.19	-
Employees Trust Fund 3% - Academic	7,192.88	-
Employees Trust Fund 3% - Non Academic	30,154.50	-
Acting Pay	206,119.02	-
Academic Allowance	86,382.63	-
Cost of Living Allowance - Academic	22,200.00	-
Cost of Living Allowance - Non Academic	251,859.68	-
Traveling Domestic	41,511.00	-
Stationery & Office Requisites	345,385.45	-
Uniforms	3,752.89	-
Other Supplies	20,392.23	-

Maintenance - Plant, Machinery & Equipment	116,194.40	-
Printing Advertising etc.,	248,407.04	-
Telecommunication	55,869.86	-
Postal Charges	51,143.00	-
Electricity	152,943.60	-
Water & occupation the building	27,056.40	-
Holiday Warrants Season Tickets	4,500.00	-
Entertainment Expenses	61,663.00	-
Bank Charges	8,088.92	-
Special Services-Council & Committees	247,400.00	-
Examination Fees	79,890.00	-
Other Recurrent Expenses	75,010.08	-
Special Services-Professional & Other Fees	166,354.63	-
Workshops & Seminars	14,237.00	-
PGIE Fund (General Reserve)	-	571,142.00
Furniture And Fittings	519,850.61	-
Library Books & Periodicals	1,426,422.65	-
Office Equipment	1,183,657.00	-
Computers and Accessories	1,153,327.72	-
Provision for Depreciation - Furniture & Fittings	-	122,463.00
Provision for Depreciation - Library Books	-	561,724.90
Provision for Depreciation - Office Equipment	-	552,843.20
Provision for Depreciation - Computer & Accessories	-	519,366.62
Short term Investments	5,826,360.32	-
Sundry Debtors	-	50.00
Interest Receivable A/C	71,326.40	-
Staff Loan	3,060.00	-
Distress Loan	163,505.00	-
Vehicle Loan	5,100.00	-
Special Advance	250.00	-
Bid Bond Account	-	7,500.00
Refundable Deposit	-	4,500.00
Open University of Sri Lanka	-	33,117.14
Retention on contract	-	4,776.65
Depreciation A/C	634,238.92	-
Gratuity	-	497,402.50
Government Grant Rehabilitation Recurrent	-	60,656.53
101-2601-Buildng (Recurrent)	108,456.70	-
Total	16,162,142.89	16,162,142.89

11. Report of the Auditor General



විගණකාධිපති දෙපාර්තමේන්තුව
கணக்காய்வாளர் தலைமை அறிபுதி திணைக்களம்
AUDITOR GENERAL'S DEPARTMENT



මගේ අංකය
எனது இல
My No

CE/H/PGIE/FA/11

ඔබේ අංකය
உமது இல
Your No

දිනය
திகதி
Date

10 July 2012

Director,
Postgraduate Institute of English

Report of the Auditor General on the Financial Statements of the Post Graduate Institute of English for the year ended 31 December 2011 in terms of Section 108(2) of the Universities Act No. 16 of 1978 and Section 13(7)(a) of the Finance Act No. 38 of 1971.

The audit of financial statements of the Postgraduate Institute of English for the year ended 31 December 2011 comprising the balance sheet as at 31 December 2011 and the income statement, 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 the Postgraduate Institute of English Ordinance No. 04 of 2005 and Sections 108(1) and 111 of the Universities Act, No. 16 of 1978 and Sub-sections (3),(4) and (7) of Section 13 of the Finance Act, No. 38 of 1971. This report is furnished in terms of Section 108(2) of the Universities Act and Section 13(7)(a) of the Finance Act.

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 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,
වත්තරමුල්ල, ශ්‍රී ලංකාව

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தொலைபேசி
Telephone } 2887028 - 34

இல. 306/72, பொல்துவ வீதி,
புத்தரமுல்லை இலங்கை

ෆැක්ස් අංකය
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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. 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Institution'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 Institution'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 the 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 extent of the Audit.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified 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 for 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 Postgraduate Institute of English as at 31 December 2011 and its financial performance and cash flow for the year then ended in accordance with Sri Lanka Accounting Standards.

2.2 Comments on Financial Statements

2.2.1 Accounting Deficiencies

The following observations are made.

- (a) Even though the total investment income for the year under review amounted to Rs.295,352 it had been overstated by a sum Rs.17,609 and shown as Rs.312,961 in the accounts of the Institute. Thus the surplus for the year had also been overstated by the same amount.
- (b) Even though the interest income receivable as at 31 December 2011 amounted to Rs.53,718 it had been overstated by a sum of Rs.17,558 and shown as Rs.71,276 in the accounts. Thus the current assets has been overstated by the same amount.

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

Instances of non-compliance observed during the course of audit are given below.

Reference to Laws, Rules, Regulations and Management Decisions	Non-compliance
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(a) Postgraduate Institute of English Ordinance No. 4 of 2005 Section 6	Even though the post of Director remained vacant since 1 st March 2011, a new Director had not been recruited even up to the end of the year under review.

(b) Circular No. 720 dated 17 October 1997 issued by the University Grants Commission Paragraph 3.1

Even though the maximum period of acting appointment was limited to 06 months the duties of non - academic post of Director, the Senior Assistant Registrar and the Assistant Bursar of the Institute had been performed through acting appointments for the period exceeding 06 months.

3 Financial Review

3.1 Financial Results

According to the financial statements presented, the working of the Institute during the year under review had resulted in a deficit of Rs.1,538,650 before taking into account the Government Grant as compared with the corresponding deficit of Rs.1,928,183 for the preceding year. The deficit for the year under review had been converted to a surplus of Rs.1,709,606 after taking into account the Government Grant of Rs. 3,187,000 received for recurrent expenditure and the Grant of Rs.60,656 received for recurrent rehabilitation, similarly the deficit for the preceding year had been converted to a surplus of Rs.826.488 after taking into account the Government Grant of Rs.2,748,000 received for recurrent expenditure and a grant of Rs.6,635 received for the recurrent rehabilitation for that year.

3.2 Analytical Financial Review

A sum of Rs. 3,247,656 had been received as Government Recurrent Grant and the Government Recurrent Rehabilitation Grant while the total recurrent expenditure incurred by the Institute in the year under review amounted to Rs.4,035,444.

4. Operating Review

4.1 Performance

The total number of students registered for the Master Degree from the year 2006 to 2011 had been 100 and the number of students who had completed the degree by the end of the year 2011 had been 07 only. The number of students continuing the course by the end of the year 2011 had been 37. Therefore 56 students, had abandoned the course.

4.2 Utilization of Provisions

A provision of Rs.35,000 made in the year 2008 for the rehabilitation of machinery and equipment had not been utilized up to the end of the year under review.

4.3 Staff Administration

Two vacant posts out of the 03 Academic Staff of the Institute had not been filled even during the year under review.

5. Accountability and Good Governance

5.1 Corporate Plan

The Corporate Plan for the period 2009 to 2012 had not been reviewed and updated on a timely basis.

5.2 Action Plan

- (a) The Action Plan for the year 2011 did not concur with the Corporate Plan. The Postgraduate Certificate Course on Teaching of English scheduled for commencement in the year 2011 had not been included in the Action Plan.
- (b) According to the Action Plan, 04 activities had not been carried out within the scheduled periods out of the activities scheduled to be carried out during the year under review.

5.3 Internal Audit

Even though the Internal Audit Programme indicated that 100 per cent of the activities of the Institute during the year under review should be examined, no internal audit examination of the Institute had been carried out in the year.

5.4 Budgetary Control

Significant variances were observed between the budget and the actual amounts thus indicating that the budget had not been made use of as an effective instrument of management control.


5.5 Tabling Annual Reports in Parliament

The Annual Report of the Institute for the year 2010 had not been tabled in Parliament up to 31 March 2012 in terms of Section 110 of the Universities Act, No. 16 of 1978.

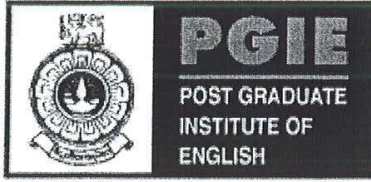
6. Systems and Controls

Special attention is needed in respect of the following areas of control.

- (a) Recruitment of Staff
- (b) Budget


H.A.S. Samaraweera
Auditor General

12. Reply to the Report of the Auditor General



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03rd August, 2012

Mr. H.A.S. Samaraweera,
Auditor General,
Auditor General's Department,
No. 306/72, Polduwa Road,
Battaramulla.

Dear Sir.

Report of the Auditor General on the Financial Statements of the Postgraduate Institute of English for the year ended 31st December, 2011 in terms of Section 108(2) Universities Act No. 16 of 1978 and Section 13(7)(a) of the Finance Act, No. 38 of 1971

This is with reference to your letter dated 10th July, 2012 on the above subject.

- 1.2 **Management's Responsibility for the Financial Statements**
- 1.3 **Auditor's Responsibility**
- 1.4 **Basis for Qualified Opinion**
2. **Financial Statements**
 - 2.1 **Qualified Opinion**
 - 2.2 **Comments on Financial Statements**
 - 2.2.1 **Accounting Deficiencies**

(a) & (b) Interest receivable for the year 2011 had been calculated incorrectly. When preparing financial statement for the year 2012 necessary action will be taken to correct this mistake.

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

Reference to Laws, Rules,
Regulations and Management
Decisions

- (a) Postgraduate Institute of English Ordinance No. 4 of 2005 Section 6

The post of Director, Postgraduate Institute of English (PGIE) became vacant on 01st March, 2011 and not on 14th March, 2011. On a decision of the Board of Management of the PGIE, applications were invited for the post of Director on 17th October 2010. The Council of the Open University of Sri Lanka (OUSL) with the concurrence of the University Grants Commission (UGC) appointed Prof. Arjuna Parakrama as the Director of the PGIE with effect from 14th March 2011. The letter of appointment was issued to him under the signature of the Vice-Chancellor of the OUSL on 08th March 2011. Since Prof. Parakrama did not assume duties in the post, the Vice-Chancellor had sent a reminder on 13th May 2011 inquiring whether he was taking up the post. In reply to the letter of the Vice-Chancellor, Prof. Parakrama had sent a reply on 23rd May 2011 requesting an additional period of time (until October, 2011) to assume duties.

Having considered his request, the Council of the OUSL at its 362nd meeting held on 27th May 2011 decided to grant him additional time till 14th June 2011 to assume duties and it was conveyed by the Vice-Chancellor in his letter dated 03rd June 2011 to Prof. Arjuna Parakrama. In reply, Prof. Parakrama requested a further period of three months by his letter dated 14th June 2011. Council at its 363rd meeting held

on 24th June 2011 decided to re-advertise the post as the Institute is in need of the services of a permanent Director.

Consequently, action was taken to re-advertise the post and an advertisement was published on 17th July 2011. Application were closed on 26th August 2011 and the names of the selected candidates were sent up to the OUSL Council.

It was decided by the OUSL Council in concurrence with UGC, that if Prof. Parakrama, who was selected for the post, did not take up his appointment within one month, the next candidate be appointed.

Since Prof. Parakrama, in response to the letter of appointment sent by Vice-Chancellor on 03rd January 2012 requested more time to take up the appointment, (letter on 20th January 2012) in accordance with the previous decision taken by the Council and UGC Dr. H.V.M. Ratwatte was appointed as Director of the PGIE with effect from 01st March 2012.

- (b) Circular No. 720 date of 17 October 1997 of the University Grants Commission Paragraph 3.1

The appointments of Senior Assistant Registrar, Assistant Bursar is beyond the scope of the PGIE. These appointments are made by the UGC. PGIE informed the UGC several times of the necessity of filling the above vacancies.

Appointment of the Director

Action taken for the Director appointment is given in detail in the answer to 2.2.3. (a)

3 Financial Review

3.1 Financial Results

A request has been sent to the Auditors/OUSL asking for clarifications on how the deficit of Rs. 1,538,650 was calculated.

3.2 Analytical Financial Reviews

4. Operating Review

4.1 Performance

The distance education system practiced in the OUSL is followed by the PGIE too. Within the Distance Education system students can study at their own pace. Hence, no students can be considered as dropouts (i.e. as having abandoned their studies) from the PGIE academic programmes. Students who had registered in 2006/2007 can renew the registration again in 2011/2012 by paying the required dues. (Renewal of registration in 2007/2008, 2008/2009, 2009/2010 and 2010/2011 can be disregarded). Accordingly, except one student who died, all other 56 students who have been pinpointed in this Audit Query cannot be considered as dropouts. Many of these students have informed us of their current inability to follow the programme due to ill health, change in family circumstances, transfers etc., but that they intend to continue.

4.2 Underutilization of Provisions

In this regard, directions have been asked from the General Treasury about the mechanism of returning the said unutilized funds.

4.3 Staff Administration

PGIE had taken measures to fill the two vacancies existing in the academic cadre from the beginning of the year 2011. Accordingly, the news paper advertisement was published on 30th January 2011. Further, a selection committee was appointed as per the UGC Circular No. 233 by the Board of Management of the PGIE.

As per the paragraph of the UGC Circular 233 (i), one member on the selection panel should be nominated by the UGC. Accordingly, the UGC nominated a member by its letter dated 07th April 2011.

The proposed date for the interviews had to be postponed due to Trade Union action by the University Academic Staff. Accordingly, two new members had to be appointed. Subsequently the OUSL Council was dissolved and as a

result, the BOM representation on the selection panel had to be re-nominated by the new BOM. The Selection Committee took place in August 2011. The decision of the committee was that only one of the applicants who had faced the interview was qualified.

That decision was forwarded to the OUSL Council through the BOM of the PGIE in October, 2011. In accordance with the letter issued by the Registrar and dated 01st November 2011, the above applicant's name had been recommended by the Council of the OUSL for the post of Senior Lecturer. Accordingly, the aforesaid recommendations had been forwarded to the UGC for its approval.

The measures for filling the vacancies of the academic staff cadre had been initiated by the PGIE at the beginning of the year. The reasons for the delay were the Trade Union action by the University academic staff and change of BOM members due to changes in the OUSL Council.

5. Accountability and Good Governance

5.1 Corporate Plan

The Corporate Plan was updated to the year 2011/2012 and Board of Management approval was obtained accordingly. (A copy was submitted with Query No. CE/H/PGIE/11/A.Q.04)

5.2 Action Plan

- (a) It was decided not to offer the Postgraduate Certificated in Teaching English Literature but to update and revise the programme to suit the current context and the needs of the country and offer a Postgraduate Diploma/Master of Arts in Teaching English Literature in a Second Language Context instead and PGIE is in the process of obtaining the necessary approvals from the relevant Boards. The proposals for the above programme was approved by the Board of Study for Teaching Literature in March, 2012.
- (b) The activities referred to pertain to the following:
 - (i) Appointment of the Director
This is beyond the control of the PGIE. Detailed report is given with the query No. CE/H/PGIE/11/A.Q.03 under answer No. 01.
 - (ii) Appointment of Senior Lecturers
This is beyond the control of the PGIE. Detailed report is given with the query No. CE/H/PGIE/11/A.Q.03 under answer No. 03.

(iii) Getting the approval for the posts of Computer Application Assistants and Book Keeper

For the above two posts, letters had been sent to the UGC for its approval on 30th October 2009 and 27th October 2010 respectively.

Further, the reminders for the same has been sent to the Chairman, UGC for the above two posts respectively on 20th January 2012 and 08th March 2012.

(iv) Appointment of the Senior Assistant Registrar

This is beyond the control of the PGIE. Detailed report is given with the query No. CE/H/PGIE/11/A.Q.03 under answer No. 02.

5.3 Internal Audit

The Internal Auditing of the PGIE is conducted by the OUSL Internal audit Division. Since the post of the Internal Auditor fell vacant on 01st April 2011 and the work had been carried out by a temporary Assistant Internal Auditor, and therefore the Internal Audit Division had been unable to carry out a comprehensive audit.

5.4 Budgetary Control

A variance occurred between the estimated budget and the actual amounts due to circumstances beyond the control of the PGIE such as the filling of vacancies and unexpected increases in the honorarium paid to BOM Members from September, 2011.

In 2012, the budget can be used as an effective instrument of management control.

5.5 Tabling Annual Reports in Parliament

The PGIE had taken measures in the year 2010 to present the Annual Report and Accounts in time to the Auditor General's Department and other relevant institutions (Ministry of Higher Education, University Grants Commission, Department of Public Enterprises)

As per the letter dated 10th June 2011 sent by the Secretary of the Ministry of Higher Education a new format had been introduced to prepare the Annual Report and Accounts.

Since the work in the three administrative posts were carried out by part-time acting staff throughout the year concerned, there was a delay in submitting the aforesaid Annual Report and Accounts in the revised format.

Later on, action was taken to present the Annual Report and Accounts to the relevant institutions, according to the new format with the approval of the Board of Management of the PGIE on 26th March, 2012. Action will be taken to table these reports in Parliament, after receiving the approval from the Ministry of Higher Education.

6. Systems and Controls

- (a) Recruitment of Staff
- (b) Budget

Action will be taken to pay special attention to Budgetary Control, and the recruitment of academic staff.



Dr. H.V.M. Ratwatte

Director/PGIE

Dr.H.V.M.Ratwatte

PhD (Edin,UK), Msc (Edin), BA Hons (Pdn,SL)

Director

Postgraduate Institute of English

The Open University of Sri Lanka

Nawala, Nugegoda.

