



UNIVERSITY OF KELANIYA,SRILANKA

ANNUAL REPORT & ACCOUNTS

2011

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ANNUAL REPORT AND ACCOUNTS FOR 2011

01. Vision Statement

The vision of the University of Kelaniya is to be one of the leading universities in Asia, and create internationally competitive graduates, who promote the values of a sustainable society, and conduct outstanding research to improve the quality of life.

02. Mission Statement

The above vision is to be achieved by providing

- Students and staff with best possible resources in a conducive environment for teaching, learning and advancing knowledge through research
- Opportunities to students and staff to develop skills relevant to the 21st century
- Opportunities to develop human values, ethics and civic consciousness
- Opportunities to the staff for continuous professional development
- Best possible facilities and resources to collaborate with local, national and international communities
- A mutually supportive working environment for staff; valuing and rewarding their contribution.

03. Vice Chancellor's Review :

a. Brief Introduction

The academic activities of the academic year 2010/2011 commenced on 16th November, 2011. A total number of 1905 students were enrolled for the undergraduate degrees during this academic year. In 2011, inclusive of the existing students, the total number of students registered for Bachelors' degree programmes was 8281. The total number of Postgraduate students enrolled during 2011 was 1406. The external examinations division started registration in October 2011, and the registration process is still continuing. However, with the previous registrations, there are 26,431 candidates registered for the external degrees, to date. The international recognition of the university was enhanced by the enrolment of 138 international students to the university in 2011.

Convocations of the university were held in 05 sessions during the year 2011, where 3296 graduates were conferred degrees.

b. Achievements

Several staff members were rewarded for their excellent contribution to the university, as well as for winning national level and international level awards, at the 6th Vice Chancellor's Award Ceremony in 2011. The most outstanding researchers in the Faculties of Medicine, Social Sciences, Commerce and Management Studies and Science, were accorded recognition at this ceremony, and the award for the Most Outstanding Innovator in 2011 was also given by the Vice Chancellor.

Among the national and international awards, the Hiran Thilakaratne Research award for outstanding Postgraduate Research carried out during the period from 2007 to 2009 in the field of Medicine, 2011 IFFGD Research Award for Junior Investigator Pediatrics awarded by the International Foundation for Functional Gastrointestinal Disorders (IFFGD), Outstanding Singer in the Tele Drama "Yasa Isuru" (Theme Song) produced by National Television Sri Lanka and a Certificate of Merit Award for Outstanding Theme Song Melody of the Tele Drama "Yasa Isuru" at the 35th International Signis Salutation Festival (National Tele Drama and Film Award Festival), Dr. E.M. Wijerama Prize- Sri Lanka Medical Association, 2011, and Best Free Paper (Oral) at the 44th Annual Academic Session of the Ceylon College of Physicians (2011) were won by members of the academic staff of the University of Kelaniya.

Long service awards were also presented to the staff members who have rendered 35 years, 30 years and 25 years of continuous service to the university. Further, the members of the non-academic staff who had availed themselves of less than 5 days of

leave and who had done special service to the university were also awarded certificates at this ceremony.

The Annual Research Symposium conducted by the Faculty of Graduate Studies was held in November, 2011. It was organized with a difference, according to three thematic areas: Equity, Transformability, and Sustainability, instead of the usual categorization of papers according to disciplines. There were 184 paper presentations, and the novelty of poster presentations, which gave variety to the Annual Research Symposium in 2011.

Other events were the 2nd Library Science Symposium conducted with the theme of “Empowering Young Librarians” and the Drama Festival organized in June 2011. Amongst student initiated activities, the best speaker contest organized by the Gavel Club was one of the highlights of the year. The finals were conducted in Dharmaloka Hall, with the Vice Chancellor and the British High Commissioner as Guests of Honor.

At the Ragama campus of the university, a new Eye Clinic and Bio Gas Unit were opened in the Faculty of Medicine in May, 2011. The opening of a new building for the Faculty of Humanities were some other activities carried out in the year 2011.

On the spiritual front, a sapling of the “Jaya Sri Maha Bodhi” was ceremonially planted at the university premises on 12th June, 2011 to commemorate Sambuddhathwa Jayanthi 2600. This bodes well for the University of Kelaniya, with its monastic roots in pirivena education.

c. Future Plans

- Proposed six storey building complex for examinations and lecture halls. The approximate cost of being Rs.450 million
- Proposed five storey building complex for the Faculty of Humanities. Approximate cost being Rs. 90 million
- Proposed hostel complex for 100 males and 100 female students for the Faculty of Medicine. Approximate cost being Rs. 170 million.

Prof. Sarath Amunugama
Vice Chancellor

04. Details of Resources & Students

Faculty	Course	Total Students	Total Academic Staff	Total non Academic Staff
Faculty of Commerce & Management Studies	Commerce Management	705 1299	82	22
Faculty of Graduate Studies	Ph.D. M.Phil. M.A M. Sc. M.S.Sc.	} 1406	01	08
Faculty of Humanities	Bachelor of Arts	1914	92	37
Faculty of Medicine	MBBS BSc (SHS)	873 184	106	148
Faculty of Science	Physical Science Biological Science Mgt. & Information Technology Environmental Conservation & Mgt.	492 697 125 160	115	92
Faculty of Social Sciences	Social Science Peace & Conflict Resolution	1734 98	103	34
Total		9687	499	331

05. Details of Local Students (Internal)

Faculty	Course	Medium	Intake 2011	1st Year Students	2nd Year Students	3rd Year Students	4th Year Students	5th year Students	No. of Graduated
Faculty of Commerce & Management Studies	Commerce Management	English English	165 335	163 332	162 345	154 317	226 305	- -	182 299
Faculty of Graduate Studies	Ph.D M.Phil. MA M Sc MSSc	Sinhala/ English	13 62 } 424						} 1089
Faculty of Social Sciences	Peace & Conflict Resolution Bachelor of Arts	Sinhala Sinhala	35 }	34 }	33 593	31 591	550	- -	} 876
Faculty of Humanities	Humanities Social Sciences & Humanities (1 st year)	Sinhala/ English	} 650	919	413	423	159		} 876

Faculty	Course	Medium	Intake 2011	1st Year Students	2nd Year Students	3rd Year Students	4th Year Students	5th year Students	No. of Graduated
Faculty of Medicine	MBBS BSc (SHS)	English English	160 50	172 48	174 48	178 49	178 39	171 -	169 -
Faculty of Science	Physical Science	English	245	219	224	224	30	-	} 420
	Biological Science	English	165	144	150	155	43	-	
	Mgt. & Information Technology	English	50	35	35	45	10	-	
	Environmental Conservation & Mgt.	English	50	49	52	43	16	-	
Total			2404	2115	2229	2210	1556	171	3035

05.1 Details of Local Students (External Examination)

Faculty	Course	Medium	Intake 2011	1st Year Students	2nd Year Students	3rd Year Students	4th Year Students	No. of Graduated
Humanities/ Social Sciences	BA	Sinhala		26326	-	-	-	12
		English		92	-	-	-	-
Commerce & Mgt Studies	B.Com	Sinhala		12	34	39	121	88
		English		1	2	-	-	-
		Sinhala		-	-	-	-	139
Science	B.Sc	Sinhala		-	-	-	-	5
Total				26431	36	39	121	244

05.2 Hostel Facilities

Type	Location	Hostel Name	Capacity	For 2010/2011
Girls	Internal	Bandaranayake	512	526
Girls	Internal	E.W. Adikaram	153	183
Girls	Internal	Ediriweera Sarachchandra	108	141
Girls	Internal	Gunapala Mallalasekara	153	154
Girls	Internal	Hemachandra Rai	200	216
Girls	Internal	Sangamitta	212	237
Girls	Internal	Viharamahadevi	212	220
Girls	External	Soma-Guna-Mahal	222	288
Girls	External	Wewalduwa I & II	60	108
Total			1832	2073

Type	Location	Hostel Name	Capacity	For 2010/2011
Boys	Internal	Yakkaduwe Pragnnaarama	269	220
Boys	Internal	CWW Kannangara	738	323
Total			1007	543

Type	Location	Hostel Name	Capacity	For 2010/2011
Rev	Internal	Sri Prangnasara	128	115
Total			128	115

05.3 Department of Physical Education

Sports Facilities - Indoor 03

Outdoor 08

No. of Sports - 23

1. Badminton (Men & Women)
2. Baseball (Men)
3. Basketball (Men & Women)
4. Carom (Men & Women)
5. Chess (Men & Women)
6. Cricket (Men & Women)
7. Elle (Men & Women)
8. Football (Men)
9. Hockey (Men & Women)
10. Judo (Men & Women)
11. Karate (Men & Women)
12. Netball (Women)
13. Rugger (Men)
14. Scrabble (Men & Women)
15. Swimming (Men & Women)
16. Table Tennis (Men & Women)
17. Taekwondo (Men & Women)
18. Tennis (Men & Women)
19. Track & Field (Men & Women)
20. Volleyball (Men & Women)
21. Weightlifting (Men)
22. Wrestling (Men)
23. Yoga (Men & Women)

Total No. of teams (Men & Women)	-	38
Total No. of pool members	-	542
No. of students involved in competitive sports	-	960
Total No. of students involved at recreational level sports	-	1500

Sports Training Programmes & Events

Sport specific training for 23 sports disciplines for men & women (38 teams) 76 training sessions per week

Total number of training sessions conducted	-	2018
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(Nov.2010 – April 2011 & May – October 2011)

Events	No. of Students participated
Fresher's Sports Programme	1180
Orientation Programme for Medical Students	160
Workshop for Team Captains & Vice Captains	64
Inter Faculty Sports Programme	1960
Coaching Camps (17)	540
Sports Education Segment	420
Physical Fitness Test	635
No. of Friendly & Dual Matches 70 (Semester I)	(1310)
Annual Road Race (Men & Women)	937
No. of Friendly & Dual Matches and Tournaments 128 (Semester II)	(1430)
Annual Colors Award Ceremony	212

Other special events conducted by Department of Phy. Education in 2011

1. **FASTER 2011** (Open & Invitational University Badminton Championships) from 23rd-27th of June held at St. Thomas' College gymnasium.

No. of competitors participated - 480 (Men & Women)

2. **SEIG 2011** (Invitational University Table Tennis Championships) on 04th August held at gymnasium, University of Kelaniya.

No. of teams participated - 14 (Men & Women)

3. **KELANI 7s** (Invitational Rugby Championships) on 23rd June held at ground no. 1, University of Kelaniya.

No. of teams participated - 09 (Men & Women)

International Competition Participation in 2011

1. 26th World University Games – Shenzhen, China

Sri Lanka Universities Sports Association selected five students of University of Kelaniya to represent Sri Lanka at the 26th World University Games Shenzhen, China, held from 09th August to 22nd of August 2011

List of students of University of Kelaniya who represented Sri Lanka at the 26th World University Games

Mr. RSA Fernando Track & Field (Men)

Mr. WMAM Jayawardana Weightlifting (Men)

Mr. JPANM De Silva Badminton (Men)

Ms RMK Madushani Badminton (Women)

Ms. WR Chalani Swimming (Women)

Mr. HDSP Wijayagunaratne has participated as the team manager of the Table Tennis team.

2. Asian University Beach Volleyball Championship-2011 - China

Mr. SNMDS Bandara

3. Open Judo Championships - Bangkok , Thailand

Ms. HMKT Karunaratne 52 Kg (Women) event

4. Asian Invitational Netball Championships - 2011 -Pinang , Malaysia

Ms. RSDS Abeywickrama

Ms. HMBP Herath

5. 6th UiTM International Sports Fiesta 2011 – Kuala Lumpur, Malaysia

Rugby & Badminton teams (Men & Women) of University of Kelaniya participated for this championship on 21st -25th July 2011

Affiliated Sport Controlling Bodies in 2011

University of Kelaniya has affiliated to the following national & provincial level sports controlling bodies of Sri Lanka (with executive voting power) for the year 2011.

National Associations

1. Sri Lanka Cricket
2. Sri Lanka Weightlifting Federation
3. Sri Lanka Wrestling Federation
4. Sri Lanka Table Tennis Association
5. Sri Lanka Chess Federation
6. Sri Lanka Judo Federation
7. National Aquatic Sports Union of Sri Lanka (NASU)

Provincial and District Associations

1. Western Province Rugby Football Union
2. Gampaha District Cricket Association
3. Gampaha District Netball Association
4. Western Province Badminton Association
5. Gampaha District Basketball Association

Other Associations

1. Sri Lanka Universities Sports Association
2. Colombo Hockey Association

Other Activities held at University of Kelaniya Sports Premises

Division III Cricket Competitions (D division) conducted by Gampaha District Cricket Association & Sri Lanka Cricket.

National Weightlifting Championships conducted by Sri Lanka Weightlifting Federation.

Junior National Weightlifting Championships conducted by Sri Lanka Weightlifting Federation.

Inter University Taekwondo Championships 2011.

Inter University Table Tennis Championships 2011.

Inter University Weightlifting Championships 2011.

Inter University Championship – 2011

Achievement of the University of Kelaniya at the Inter University Championships – 2011 as follows:

- Volleyball (women) - Champions
- Carom (women) - Champions
- Badminton (women) - Champions
- Taekwondo (women) - Champions
- Weightlifting - Champions
- Elle (women) - 1st runner-up
- Wrestling - 1st runner-up
- Badminton (men) - 2nd runner-up
- Taekwondo (men) - 2nd runner-up

06. Details of Foreign Students (Internal)

Faculty	Course	Medium	Intake 2011	1 st Year Students	2nd Year Students	3rd Year Students	4th Year Students	5th Year Students	No of Graduated
Faculty of Commerce & Management Studies	-	-	-	-	-	-	-	-	
Faculty of Graduate Studies	Ph D	English					-	-	
Faculty of Humanities	Bachelor of Arts	English	-	-	10	09	-	-	
Faculty of Medicine	MBBS B.Sc (SHS)	English -	12 -	12 -	16 -	15 -	08 -	04 -	02 -
Faculty of Science	-	-	-	-	-	-	-	-	-
Faculty of Social Sciences	-	-							
Total	-	-	12	12	26	24	08	04	02

06.1 Details of Foreign Students (External Examination)

Faculty	Course	Medium	Intake 2011	1st Year Students	2nd Year Students	3rd Year Students	4th Year Students	No of Graduated
Humanities & Social Sciences	B.A (General)	English	-	-	17	15	-	15

07. Details of Academic Staff

Faculty	Medium	Senior Prof./L	Professor/As. Prof./DL	Senior Lecturer/SAL	Lecturer	Lecturer Probationary/AL
Faculty of Commerce & Management Studies	S/E	-	02	36	21	23
Faculty of Humanities		02	36	30	07	18
Faculty of Medicine	E	02	19	54	10	21
Faculty of Science	S/E	06	22	55	04	28
Faculty of Social Sciences	S/E	03	27	36	10	27
Library		01	01	03	-	07
Total		14	107	214	52	124
Grand Total						511

07.1 Highest Qualifications of Academic Staff

Qualifications	Commerce & Mgt.	Humanities	Medicine	Science	Social Sciences	Library	Total
Ph.D	06	37	11	75	30	01	160
M.Phil	03	21	08	06	11	-	49
M.Sc	15	01	02	13	07	02	40
M.S.Sc	-	-	-	-	09	-	09
M.A	02	19	-	-	27	04	52
M.Com	13	-	-	-	-	-	13
M.B.A	21	-	-	01	-	-	22
M.D.	-	-	50	-	-	-	50
M.S.	-	-	08	-	-	-	08
B.A.	01	13	-	-	17	03	34
B.Sc	02	-	07	20	-	02	31
B.Com	03	-	-	-	-	-	03
B.B. Mgt.	16	-	-	-	-	-	16
M.B.B.S.	-	-	16	-	-	-	16
D.Phil	-	-	02	-	-	-	02
Post. Gr. Dip	-	-	-	-	02	-	02
B.Th	-	02	-	-	-	-	02
D.M.	-	-	02	-	-	-	02
Total	82	93	106	115	103	12	511

08. Details of Administrative Staff

	Approved	Filled	Vacancies
Senior Management	02	02	-
Middle Management	14	12	02
Junior Management	30	21	09
Total	46	35	11

08.1 Highest Qualifications of Administrative Staff

Designation	Qualifications				
	Post Graduate Degree	Post Graduate Diploma	Degree	Professional Qualification	Diploma
Registrar	1	1	1	1	
Bursar			1	1	
Deputy Registrar (01)	1	1	1	1	
Deputy Bursar (03)		1	3	3	
Senior Assistant Registrar (08)	1	5	7	2	1
Senior Assistant Bursar (01)	1		1	1	
Senior Assistant Internal Auditor (01)		1	1	1	

Designation	Qualifications				
	Post Graduate Degree	Post Graduate Diploma	Degree	Professional Qualification	Diploma
Assistant Internal Auditor (01)			1		
Project Manager (01)			1	1	
Works Engineer (01)			1	1	
Curator (01)					1
Medical Officer (02)			2		2
Dental Surgeon (01)			1		1

08.2 Details of Non-Academic Staff

Faculty/Branch	Most Senior	Senior Staff	Junior Staff	Minor Employees
Faculty of Commerce & Management Studies	01	-	15	06
Faculty of Graduate Studies	01	-	05	02
Faculty of Humanities	01	04	15	14
Faculty of Medicine	02	18	54	70
Faculty of Science	01	15	24	49
Faculty of Social Sciences	04	02	17	11
Academic Branch	02	01	04	02
Academic Establishment	01	02	07	05
Accounts Branch	03	03	04	02
Carrier Guidance Unit	-	-	01	01
Examination Branch	03	-	06	03
External Examination Branch	02	-	09	02
General Administration Division	-	01	08	05
Government Audit Branch	-	-	-	01
Internal Audit Branch	01	-	02	01
Landscape Division	-	-	02	09
Legal Office	-	-	-	01
Main Library	11	03	13	20
Medical Centre	01	-	09	07
Non Academic Establishment	03	02	05	01
Payment Branch	01	01	05	02
Physical Education	-	-	01	07
Project Manager Office	01	-	-	-
Registrar's Office	-	-	01	02
Research & Publication Division	01	01	01	01
Salaries & Loans Division	01	-	05	01
Security Services	-	-	03	16
Student Welfare	02	-	10	05
Supplies Division	04	01	07	03

Faculty/Branch	Most Senior	Senior Staff	Junior Staff	Minor Employees
Transport Services	-	-	-	18
VC's Office	-	-	01	02
Workers Department	01	-	07	37
Vacancies	-	-	55	82
Total	48	54	241	306
Grand Total				649

09. Details of Research, Innovation and Publications

Subject	Published	Commercialized	Presented
a. No of Research	148	09	193
b. No of Innovations	-	-	-
c. No of Journals	49	03	02
d. No of Books	102	-	05
e. No of Articles	345	06	15
f. Other	79	-	-
Total	723	18	215

10. Details of Programme, Seminars & Workshops

Subject	Attended	Completed	Presented
a. No of Postgraduate Degree Programme	170	52	11
b. No of Postgraduate Diploma Programme	44	10	7
c. No of Degree Programme	255	75	13
d. No of Diploma Programme	123	23	04
e. No of Certificate Programme	09	05	09
f. Other	39	02	17
Total	640	167	61

11. Details of Awards Received

Subject	No of Award	No of Academics	No of Students
a. Local Awards	16	13	03
b. National Awards	13	05	03
c. International Awards	08	04	02
d. Other	22	08	08
Total	59	30	16

11.1 Vice-Chancellor's Awards – 2011 Academic Staff

1) The Most Outstanding Researcher in the Faculty of Social Sciences in 2011

Prof. N. Malinga Amarasinha - Dept .of Archaeology

2) The Most Outstanding Researcher in the Faculty of Medicine in 2011

Prof. B.A.H.R. Premaratne - Dept. of Medicine

3) The Most Outstanding Researcher in the Faculty of Commerce and Management Studies

Dr.(Mrs.) R.P.C. Ranjani - Dean, Faculty of Commerce & Management

4) The Most Outstanding Young Researcher in the Faculty of Science in 2011

Dr. H.K.T.K. Wijayasiriwardhane - Dept. of Industrial Management

5) The Most Outstanding Innovator in 2011

Dr. C.A.H. Liyanage - Dept. of Surgery

11.2 National or International Awards - 2011

1) Hiran Thilakaratne Research Award for the Outstanding Postgraduate Research carried out during the period from 2007 to 2009 in the field of Medicine for Dr. (Mrs) N.M. Devanarayana , Dept. of Physiology, Faculty of Medicine.

2) 2011 IFFGD Research Award for Junior Investigator Pediatrics awarded by International Foundation for Functional Gastrointestinal Disorders (IFFGD) for Dr. E.G.D.S. Rajindrajith, Dept. of Paediatrics, Faculty of Medicine.

3) Awarded the Outstanding Singer in the Tele Drama “Yasa Isuru” (Theme Song) produced by National Television Sri Lanka and a Certificate of Merit Award for Outstanding Theme Song Melody of the Tele Drama “Yasa Isuru” at the 35th International Signis Salutation Festival (National Tele Drama and Film Award Festival) held at BMICH on October 2011 for Miss. G.I.Y. Ranganath Lecturer (Probationary), Dept. of Fine Arts (Performing Arts unit)

4) Dr. E.M. Wijerama Prize, Sri Lanka Medical Association, 2011 -Prof. Asita de Silva, Dept. of Pharmacology

5) Dr. E.M. Wijerama Award for the Best Free Paper (Oral) at the 44th Annual Academic Session of the Ceylon College of Physicians (2011) – Dr. Nirmala Wijekoon, Dept. of Pharmacology

12. Details of New Courses Started

Faculty	Course	Medium	Certificate	Diploma	Postgraduate Diploma	Master	M Phill	Phd	General Degree
Faculty of Commerce & Management Studies	-	-	-	-	-	-	-	-	-
Faculty of Humanities	Teaching English as a Second Language	English	-	-	-	-	-	-	✓
	Tamil as a Second Language	Sinhala	-	-	-	-	-	-	✓
	Christian Culture Studies	Sinhala	-	-	-	✓	-	-	-
	Translation & Interpretation	Sinhala/Tamil/English	-	✓	-	-	-	-	-
	Astrology	Sinhala	✓	-	-	-	-	-	-
	Intermediate Certificate Course In Chinese Language	English	✓	-	-	-	-	-	-
	Literary Criticism	Sinhala	-	-	-	-	✓	-	-
Faculty of Medicine	M.PH in Epidemiology	-	-	-	-	✓	-	-	-
Faculty of Science	Microbiology	-	-	-	-	✓	-	✓	-
Faculty of Social Science	-	-	-	-	-	-	-	-	-

13. Details of Recurrent Expenditure

Subject	2010 Rs	2011 Rs
a .Personal Emoluments	768,641,934.00	948,795,537.00
b. Travelling	7,053,483.00	2,615,030.00
c. Supplies	55,182,465.00	69,954,649.00
d. Maintenance	8,345,225.00	10,332,566.00
e. Contractual Services	155,081,276.00	174,103,223.00
f. Other	57,527,409.00	53,271,906.00
Total	1,051,831,792.00	1,259,072,911.00

13. 1 Details of Recurrent Expenditure (External Examination)

Subject	2010 Rs	2011 Rs
a .Personal Emoluments	12,499,885.00	13,018,433.00
b. Travelling	10,669.00	14,005.00,
c. Supplies	8,658,780.00	12,805,445.00
d. Maintenance	873,284.00	804,602.00
e. Contractual Services	11,065,234.00	9,194,016.00
f. Other	28,356,154.00	26,489,187.00
Total	61,464,006.00	62,325,688.00

14. Details of Capital Expenditure

Subject	2010 Rs	2011 Rs
a. Acquisition of Furniture & Office Equipments	42,222,396.00	68,282,111.00
b. Acquisition of Machineries	536,761.00	7,681,176.00
c. Acquisition of Building & Structures	103,905,711.00	126,864,075.00
d. Other	15,805,764.00	38,312,493.00
Total	162,470,632.00	241,139,855.00

14.1 Details of Capital Expenditure (External Examination)

Subject	2010 Rs	2011 Rs
e. Acquisition of Furniture, Teaching Equipment & Office Equipments	12,578,220.00	4,339,495.00
f. Acquisition of Machineries	-	-
g. Acquisition of Building & Structures	3,032,605.00	17,629,188.00
h. Other - Cloaks	-	1,031,380.00
Total	15,610,825.00	23,000,063.00

15. Details of Project Expenditure (Local/Foreign Funded) Faculty of Medicine

Name	TEC Rs.	Exp in 2010 Rs.	Exp in 2011 Rs.	Cumulative Exp as at 31.12.2011	% of Physical Progress
Cancer Registry	140,000.00	57,300.00	10,000.00	128,300.00	91.64
Chikungunya Australia	318,705.46	-	82,308.78	278,484.03	87.38
Chikungunya Singapore	1,091,954.30	169,278.11	353,527.58	1,077,012.89	98.63
Diabetics Self Management	2,790,934.44	991,692.80	507,715.00	1,499,407.80	53.72
Fonterra I	2,273,880.20	349,107.00	408,218.62	1,592,745.92	70.05
Fonterra II	2,334,150.00	342,459.68	1,021,117.50	1,478,153.38	63.33
ICGEB	5,390,506.91	1,716,729.78	1,026,199.90	4,163,929.97	77.25

Name	TEC Rs.	Exp in 2010 Rs.	Exp in 2011 Rs.	Cumulative Exp as at 31.12.2011	% of Physical Progress
Influenza Research (Dr Harsha)	1,378,210.34	80,850.96	469,948.87	723,368.28	52.49
NPP JAICA Project	14,494,430.78	4,102,880.31	679,136.00	14,494,430.78	100.00
Ragama Health Study II	3,211,860.90	219,773.30	555,439.38	3,211,860.90	100.00
WHO TDR Dengue II	9,144,909.96	3,626,929.20	1,708,498.08	9,144,909.96	100.00
Bally III Validation	442,443.51	168,159.00	-	384,868.25	86.99
Coronary Syndrome	1,409,340.75	319,440.00	533,558.00	1,410,922.00	100.11
ITREOH WS	5,709,806.65	2,164,782.16	517,134.00	3,865,609.31	67.70
CUPID Project	469,166.00	227,600.00	201,150.00	469,166.00	100.00
SPMC Project	375,975.00	-	274,515.45	274,515.45	73.01
Dengue Saliva Collection	215,067.06	-	100,000.00	100,000.00	46.50
Cockain WS	544,886.92	-	35,076.00	35,076.00	6.44
Solid Fuel Study	1,239,390.60	-	1,204,390.60	1,239,390.60	100.00
RG/2009/BT/01	618,000.00	-	285,661.29	285,661.29	46.22
Total	53,593,619.78	14,536,982.30	9,973,595.05	45,857,812.81	

16. Details of Financial Progress (Expenditure)

Subject	Provision in 2011 Rs.	Exp in 2011 Rs.	Savings/Excuss Rs.
a. Recurrent Except Project	1,150,121,000.00	1,508,543,458.00	(358,422,458.00)
b. Capital Except Project	386,000,000.00	224,004,086.00	161,995,914.00
c. Project - Local Funded	-	-	-
d. Project - Foreign Funded	-	-	-
Total	1,536,121,000.00	1,732,547,544.00	(196,426,544.00)

17. Details of Financial Progress (Generated Income)

Courses of Revenue	Provision in 2011 Rs.	Collection in 2011 Rs.	Deficit/Surplus Rs.
a. Undergraduate Studies	3,650,000.00	8,385,711.00	4,735,711.00
b. Postgraduate Studies	2,250,000.00	1,499,598.00	(750,402.00)
c. Consultancies	-	-	-
d. Other	128,791,000.00	268,860,544.00	140,069,544.00
Total	134,691,000.00	278,745,853.00	144,054,853.00

17.1 Details of Financial Progress (Generated Income) External Examination

Courses of Revenue	Provision in 2011 Rs.	Collection in 2011 Rs.	Deficit/Surplus Rs.
e. Undergraduate Studies	80,000,000.00	189,593,848.00	109,593,848.00
Total	80,000,000.00	189,593,848.00	109,593,848.00

18. Financial Performance Analysis

Subject	Formula	Exp. per Student
a. Recurrent Expenditure per Students (RE)	RE/ No of Student strength	182,588.00
b. Capital Expenditure per Student (CE)	CE/No of Student strength	27,112.00
Total		209,700.00

19. Details of Infrastructure Facilities Received in 2011

Infrastructure Details	Expenditure Rs.	Physical Progress
<u>Capital Construction Properties</u>		
Building for the Commerce And Management Studies	170,200,000.00	93%
New Library Building	70,800,000.00	43%

20. Financial Statements

University of Kelaniya

STATEMENT OF INCOME

FOR THE YEAR ENDED 31ST DECEMBER

		2011	2010
<u>INCOME</u>	<u>Note</u>	<u>Rs.</u>	<u>Rs.</u>
Government Grants			
Government Grants for Recurrent Expenditure	2	1,150,121,000	973,000,000
Government Grants for Rehabilitation & Improvement of Assets		17,030,527	11,910,348
Capital Grants Amortized		125,393,756	14,312,566
		1,292,545,283	999,222,914
Other Income			
Registration Fees (Undergraduate)		7,491,201	8,451,790
Registration Fees (Post graduate)		684,069	563,000
Tuition Fees (Undergraduate)		307,175	215,750
Tuition Fees (Post graduate)		614,754	513,955
Examination Fees (Undergraduate)		587,335	1,359,090
Examination Fees (Post graduate)		200,775	145,705
Interest from Investments		35,295,603	31,447,011
Interest from Loans		1,656,301	1,659,505
Sale of Publications		128,755	8,512
Rent from Properties		492,027	669,092
Library Fines		413,556	410,236
Medical fees		7,460	-
Ancillary Activities - Hostels		2,279,486	3,157,575
Sale of Old Stores		145,270	54,368
Miscellaneous Income	3	32,598,792	18,781,146
Income from External Examination	4	189,593,848	118,053,078
Income form Fee - levying Course/Special service		121,464,708	129,846,112
University Contribution Seminar fees		997,148	7,018,838
Total Income		1,687,503,546	1,321,577,677
<u>EXPENSES</u>			
Personal Emoluments	5	923,500,317	755,317,833
Travelling Expenses	6	2,615,030	7,053,483
Supplies	7	69,954,649	55,182,465
Maintenance Expenses	8	10,332,566	8,345,225
Contractual Services	9	174,103,223	155,081,276
Other Recurrent	10	53,271,906	57,527,407
Depreciation		261,661,121	260,525,083
Provision for Gratuity		25,295,220	13,324,101
Expenditure on Fee - levying Courses/Special services		76,802,246	111,172,441
Rehabilitation & Improvement Expenses		17,030,527	11,910,348
Total Expenses		1,614,566,804	1,435,439,662
Surplus /(Deficit) for the period		72,936,741	(113,861,985)

University of Kelaniya

STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER

		2011	2010
ASSETS	<u>Note</u>	<u>Rs.</u>	<u>Rs.</u>
Non - Current Assets			
Property Plant & Equipments	11	3,117,494,942	3,138,016,209
Work in Progress	12	437,069,274	361,177,657
Investments	13	767,247,815	628,849,622
Current Assets			
Inventories	14	28,149,620	21,465,997
Sundry Debtors	15	100,000	1,034,259
Deposits & Advances	16	50,281,864	53,528,555
Prepayments	17	1,127,031	612,683
Receivables	18	23,960,416	44,321,486
Cash & Cash Equivalents	19	174,412,997	147,630,935
		<u>278,031,928</u>	<u>268,593,915</u>
TOTAL ASSETS		<u>4,599,843,959</u>	<u>4,396,637,403</u>
EQUITY AND LIABILITIES			
Capital			
Deferred Capital Grants	20	2,531,594,632	2,362,934,458
Capital Grants Unspent	21	19,722,469	(15,219,443)
		<u>2,551,317,101</u>	<u>2,347,715,015</u>
Accumulated Fund			
Cabinet Approved Building Project Fund		62,165,273	80,909,035
Asset Revaluation Reserve		2,502,382,782	2,502,382,782
General Reserve		(1,388,348,420)	(1,172,021,820)
		<u>1,176,199,635</u>	<u>1,411,269,997</u>
Reserves & Restricted Funds			
Special Grants	23	136,040,964	84,135,345
Research Grants	24	87,485,966	65,661,587
Gifts & Donations	25	8,683,798	2,920,615
Other Reserves	26	34,476,643	27,774,841
Income Received in Advance	27	190,674,625	273,120,141
		<u>457,361,996</u>	<u>453,612,529</u>
Non Current Liabilities			
Provision for Retiring Gratuity	28	302,474,226	68,003,666
Provision for Contingent Liabilities	29	455,580	455,580
		<u>302,929,806</u>	<u>68,459,246</u>

Current Liabilities			
Accounts Payable	30	20,564,041	18,356,048
Accrued Expenses	31	57,166,920	59,184,773
Refundable Deposits	32	34,304,461	38,039,795
		112,035,421	115,580,616
		4,599,843,959	4,396,637,403

These financial statements are in compliance with the requirements of the Universities Act No 16 of 1978 and other statutory Provisions.

U T M I D Tennakoon
Bursar

The Council of the university is responsible for the preparation and presentation of these financial statements signed for and on behalf of the Council.

Prof. Sarath Amunugama
Vice-chancellor

W.M.Karunaratne
Registrar

The Accounting Policies and Notes on Pages 06 through 24 form an integral part of these Financial statements

Kelaniya.
May 30 ,2012

University of Kelaniya
STATEMENT OF CHANGES IN
FUNDS

For the Year ended 31st December 2011

	Deferred Capital Rs.	Unspent Capital Rs.	Building Project Rs.	Revaluation Reserve Rs.	General Reserve Rs.	Reserves & Restricted Funds Rs.	Total Rs.
Balance as at 1st January 2010	2,196,036,468	(13,398,542)	-	782,607,567	(817,732,204)	391,236,805	2,538,750,094
Surplus / (Deficit) for the Year	-	-	-	-	-	-	-
Transfers / Net movements	166,897,990	(1,820,901)	80,909,035	1,719,775,215	(354,289,616)	62,375,724	1,673,847,447
Balance as at 1st January 2011	2,362,934,458	(15,219,443)	80,909,035	2,502,382,782	(1,172,021,820)	453,612,529	4,212,597,541
Surplus / (Deficit) for the Year	-	-	-	-	-	-	-
Transfers / Net movements	168,660,174	34,941,912	(18,743,762)	-	72,936,741	(58,469,221)	199,325,845
Funds Transfer from the Fee levying Courses					(107,809,728)	107,809,728	-
Provision for Gratuity					(235,516,228)		(235,516,228)
Surplus from Fee levying Courses					45,591,040	(45,591,040)	-
Wireoff the Rehabilitation deposits					8,471,574		8,471,574
Balance as at 31st December 2011	2,531,594,632	19,722,469	62,165,273	2,502,382,782	(1,388,348,420)	457,361,996	4,184,878,732

University of Kelaniya
CASH FLOW STATEMENT

For the Year ended 31st December

	2011	2010
	<u>Rs.</u>	<u>Rs.</u>
Cash Flow From / (Used in) Operating Activities		
Surpluses for the year	72,936,741	(113,861,985)
Adjustments for		
Amortization of Government Grants	(125,393,756)	(14,312,566)
Depreciation	261,661,121	260,525,083
Provision for Gratuity	25,295,220	13,324,101
Provision for contingencies	-	455,580
Interest Income	(35,295,603)	(31,447,011)
Other Adjustment	(34,685,052)	(240,248,494)
Operating Surplus before changes in working Capital	<u>164,518,671</u>	<u>(125,565,292)</u>
Increase / (Decrease) in working capital		
Inventories	(6,683,623)	(6,556,609)
Debtors	934,259	
Deposits & Advances	3,246,691	
Prepayments & Deposits	(514,348)	
Accounts Receivable	20,361,070	(31,539,157)
Accounts Payable	2,207,993	
Accrued Expenses	(2,017,854)	
Refundable Deposits	(3,735,334)	122,680,958
Cash Generated from Operations	<u>178,317,525</u>	<u>(40,980,100)</u>
Gratuity Paid	(26,340,888)	(11,882,380)
Net Cash Flow from Operating Activities	<u>151,976,637</u>	<u>(52,862,480)</u>
Cash Flow From / (Used In) Investing Activities		
Acquisition of Property Plant & Equipment	(241,139,855)	(159,130,318)
Investments	(138,398,193)	(178,966,530)
Work in Progress	(75,891,617)	235,339,713
Interest Received	35,295,603	31,447,011
Net Cash used in investing Activities	<u>(420,134,062)</u>	<u>(71,310,124)</u>
Cash Flow From / (Used In) Financing Activities		
Government grant for Capital Expenditure	239,500,000	135,000,000
Cash flows from external sources	55,439,488	791,477
Net Cash Flow From / (Used In) Financing Activities	<u>294,939,488</u>	<u>135,791,477</u>
Net Increase / (Decrease) in cash & cash equivalents	26,782,064	11,618,873
Cash & Cash equivalents at the beginning of the year	147,630,934	136,012,061
Cash & Cash equivalents at the end of the year	<u>174,412,997</u>	<u>147,630,934</u>

Notes to the Financial Statements

1 Significant Accounting Policies

1.1 General Policies

1.1.1 Reporting Entity

University of Kelaniya was incorporated under the University Act No. 16 of 1978, and situated at Dalugama, Kelaniya.

1.1.2 Principal activities and nature of operations

This is a national university mainly operates on government funds.

The university primarily caters to local students in the fields of Humanities, Social Sciences, Sciences, Medicine, Commerce & Management.

The university is promoting higher studies and research.

1.1.3 Basis of preparation

(a) Statement of compliance

The financial statements comprise the balance sheet, income statement, statements of changes in funds & reserves, cash flow statement and notes to the financial statements. These statements have been prepared in accordance with the Sri Lanka Accounting Standards (SLAS) issued by the Institute of Chartered Accountants of Sri Lanka. The accounting policies adopted are consistent with those used in the previous financial year except the Revenue recognition and Employee benefit described in 1.4.1 and 1.3.2 respectively.

(b) Basis of measurement

Financial statements have been prepared on historical costs basis and do not take into account changes in money values, except where it is stated. Cost is based on the fair value of the consideration given in exchange for assets.

(c) Functional and presentation currency

The financial statements are presented in Sri Lankan Rupees, which is the University's functional and presentation currency.

(d) Use of estimates and judgments

The preparation and presentation of financial statements in conformity with SLASs requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates and judgmental decisions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects on that period or in the period of the revision and future periods if the revision affects both current and future periods.

1.2 Assets and the bases of their valuation

1.2.1 Property, Plant & Equipment

(a) Recognition and Measurement

Properties, Plant & Equipment are recorded at cost less accumulated depreciation. The cost of Property, Plant & Equipment is the cost of purchase or construction together with any incidental expenses thereon.

(b) Cost

The cost of property, plant & equipment comprises its purchase or construction cost and any directly contributable cost of bringing the asset to working condition for its intended use.

(c) Depreciation

Depreciation is charged to the income statement on the straight line basis at the following rates per annum in order to write off the cost of such assets over their estimated useful lives.

Buildings	5%
Furniture & Equipment	10%
Lab & Teaching Equipment	20%
Motor Vehicles	20%
Water & Electricity Supply	10%
Fiber Glass Boat	10%
Library Books & Periodicals	20%
Cloaks	20%
Machinery	20%
Others	20%

Depreciation is provided on pro rata basis on the assets purchased/constructed/disposed of during the year.

(d) Revaluation of the Property, Plant & Equipments

The Lands, Buildings and Motor Vehicles of the University have been revalued and recognized to the accounts with effect from 01st January 2008.

1.2.2 Inventories

Inventories are valued at cost based on FIFO basis.

1.2.3 Receivables

Receivables are stated at the amounts they are estimated to realize.

1.2.4 Short term investments

(a) Investment in government securities

Investments in treasury bills, treasury bonds and repurchase agreements are stated at cost.

(b) Investment in fixed deposits

Investments in fixed deposits are stated at cost.

1.2.5 Cash & Cash Equivalents

Cash & cash equivalents comprise cash in hand and deposits at Bank.

1.3 Liabilities & Provisions

All known liabilities as at the balance sheet date are included in the Financial Statements and adequate provisions are made for liabilities which are known to exist but the amount of which cannot be determined accurately.

Obligations payable on demand or within one year of the balance sheet date are treated as current liabilities in the balance sheet. Liabilities payable after one year from the balance sheet date are treated as non-current liabilities in the balance sheet.

1.3.1 Accounting for grants

Grants that compensate the University for Expenses incurred are recognized as revenue in the income statement in the same period in which the expenses are recognized. Grants that compensate the University for the Cost of an asset are recognized in the income statement on a systematic basis over the useful life of the related asset.

1.3.2 Employee Benefit

(a) Provision for retiring gratuity

The university has adopted the benefit plan as required under the payment of Gratuity Act No. 12 of 1983 for all eligible employees.

Defined benefit plans define an amount of benefit that an employee will receive on retirement usually dependent on one or more factors such as age, years of service and compensation.

The liability recognized in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the balance sheet date together with adjustment for unrecognized past service cost.

(b) Defined contribution plan

Obligations for contribution to a defined contribution plans are recognized as an expense in the income statement as incurred

1.3.3 Taxation

The university is exempt from Income Tax under Section 7(b) of the Inland Revenue Act No. 10 of 2006.

1.3.4 Deferred Taxation

Provision has not been made for deferred tax as the university is exempted from Income Tax under Section 7(b) of the Inland Revenue Act No. 10 of 2006.

1.3.5 Capital commitments and contingent liabilities

All material commitments and contingent liabilities are considered and where necessary adjustments or disclosures are made in these Financial Statements.

1.4 Income Statement

1.4.1 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the university and that it can be reliably measured.

- (a) Enrolment fees from students are recognized as revenue on receipt.
- (b) Fees on examinations, seminars, courses and other educational and activities are recognized as revenue on completion of such activity.
- (c) The fees on fee-levying courses recognized to the income statement based on the stage of completion of each course as at the year end. Lecture fees and payments that relate to future periods are shown in the balance sheet as Income Received in Advance under the Reserve & Restricted Funds.
- (d) Interest income is recognized on accrual basis.
- (e) Revenue from grants is recognized when control of the contribution or right to receive the contribution is confirmed.
- (f) Sponsorship related activities are recognized on receipt.
- (g) Other income is recognized on accrual basis.

1.4.2 Expenditure

- (a) Expenses are recognized in the income statement on the basis of direct association between cost incurred and the earning of specific items of the income. All expenditure incurred in the running of the university and in maintaining the capital assets in a state of efficiency has been charged to revenue in arriving at the surplus/deficit for the year.
- (b) Expenses on examinations, seminars, courses and other educational activities is recognized in the income statement on completion of such activity.

1.5 Comparative Information

The Comparative figures have been re-arranged where necessary to conform to the current year's presentation.

1.6 Events after the balance sheet date

The materiality of events occurring after the balance sheet date has been considered and appropriate adjustments, wherever necessary, have been made in the accounts.

Notes to the financial statements
FOR THE YEAR ENDED 31 ST DECEMBER

	<u>Note</u>	<u>2011</u> <u>Rs.</u>	<u>2010</u> <u>Rs.</u>
<u>Government Grants for Recurrent</u>			
<u>Expenditure</u>			
Personal Emoluments	2	965,121,000	770,000,000
Other Recurrent		185,000,000	203,000,000
		<u>1,150,121,000</u>	<u>973,000,000</u>
<u>Miscellaneous Income</u>			
Certificate Fee	3	1,246,145	1,045,625
Fines for Cloaks		-	1,000
Photo Copying Charges		29,042	75,836
Cloaks Hiring		672,000	987,750
Hire of Vehicles		207,993	196,712
Registration Fee Suppliers		292,800	252,450
Conversation Fee		10,453,500	5,398,300
Postgraduate Library Income		339,500	68,250
Application & Other Fee		2,317,507	1,953,460
Provident Fund Charges		3,659,306	2,277,170
Fine from Contractors		1,839,640	499,837
Library cards & Identity Cards		27,625	15,330
Dental Clinic Charges		31,550	21,800
Other miscellaneous Income		11,482,184	5,987,626
		<u>32,598,792</u>	<u>18,781,146</u>
<u>Income from External Examinations</u>			
Registration fees	4	16,770,544	30,064,022
Examination fees		102,041,107	72,145,747
Registration Application fees		33,926,470	5,820,880
Syllabus fees		3,795	3,556,150
Past papers fees		395,180	615,790
Certificate fees		312,825	404,890
Postage fees		62,685	76,020
Conversation income		5,868,000	1,934,000
Seminar income		28,452,135	-
BA Degree (Overseas)Singapore		1,743,773	-
Certificate Confirmation fees		-	1,298,390
ID Charges		3,200	1,962,050
Sundry income		14,134	175,139
		<u>189,593,848</u>	<u>118,053,078</u>
<u>Personal Emoluments</u>			
(a) Academic			
Salaries & Wages	5	299,363,060	290,622,890
Provident Fund		45,972,883	40,357,516
Pension		13,006,717	10,007,024
E.T.F.		11,795,925	10,072,738
Acting Pay		165,465	193,994

Academic Allowance		110,515,289	58,859,428
Other Allowances		73,097,056	9,433,990
Visiting Lecturers Fees		10,389,055	7,209,431
Cost of Living Allowance		47,092,645	44,243,927
		611,398,095	471,000,938
(b) Non-Academic			
Salaries & Wages		179,153,143	180,985,170
Provident Fund		27,366,748	19,722,137
Pension		10,558,494	6,829,524
E.T.F.		7,581,831	5,310,814
Acting Pay		593,706	280,251
Over Time		26,917,922	23,134,266
Holiday Payments		551,914	436,155
Other Allowances		9,125,751	469,037
Language Proficiency Allowance		911,640	948,725
Cost of Living Allowance		49,341,074	46,200,816
		312,102,223	284,316,895
		923,500,317	755,317,833
<u>Travelling Expenses</u>			
	6		
Domestic		818,679	776,026
Foreign		1,796,351	6,277,457
		2,615,030	7,053,483
<u>Supplies</u>			
	7		
Stationery & Office Requisites		36,721,169	30,704,502
Fuel & Lubricants		10,787,037	8,904,992
Uniform & Tailoring Charges		1,542,103	1,023,542
Mechanical & Electrical Goods		974,508	1,086,810
Other Supplies		19,929,832	13,462,619
		69,954,649	55,182,465
<u>Maintenance Expenses</u>			
	8		
Vehicles		3,052,008	3,117,843
Plant ,Machinery & Office Equipments		7,174,064	5,139,145
Building & Structures		5,967	16,150
Furniture		45,730	58,100
Other		54,797	13,987
		10,332,566	8,345,225

Contractual Services**9**

Transport	77,474	19,580
Telecommunication	18,759,938	13,384,019
Postal Charges	4,149,635	4,686,619
Electricity	70,847,262	62,809,335
Security Services	23,240,967	19,555,824
Water	24,985,590	21,907,582
Cleaning Services	13,153,781	12,337,416
Rent & Hire Charges	3,082,549	2,399,754
Rates and taxes to local authorities	1,209,583	7,159,978
Printing, Advertising etc.	6,227,536	5,438,724
Others	8,368,908	5,382,445
	<u>174,103,223</u>	<u>155,081,276</u>

Other recurrent**10**

Travel Grants to University Teachers	234,782	568
Special Services - Council & Committees	1,544,223	582,045
Special Services - Professional & Other Fee	-	55,247
Workshops, Seminars	5,074,291	56,971
Academic Research	1,928,670	2,926,566
Staff Development	2,471,649	4,394,876
Grants to other organization	411,161	2,058,170
Holiday Warrants Season Tickets	1,637,199	2,151,447
Entertainment Expenses	1,359,352	1,256,011
Bank Charges	3,266	724,578
Awards & Indemnities	277,500	57,730
Contribution & Membership Fee	1,256,679	669,641
Convocation	5,347,290	3,615,822
Examination	25,310,582	34,502,293
Other - Newspapers, Magazines Etc	6,415,262	4,475,442
	<u>53,271,906</u>	<u>57,527,407</u>

Property Plant & Equipment

	11			
	Balance	Additions	Disposals	Balance
	As at			As at
	01/01/11			31/12/11
<u>Cost</u>	<u>Rs.</u>	<u>Rs.</u>	<u>Rs.</u>	<u>Rs.</u>
Lands, Buildings & Improvements	3,192,963,074	126,864,075	-	3,319,827,149
Furniture & Equipments	545,556,799	68,282,111	-	613,838,910
Lab & Teaching Equipments	199,546,789	6,383,379		205,930,168
Motor Vehicles	57,328,508	17,500,000		74,828,508
Water & Electricity Supply Scheme	40,486,327	997,621	-	41,483,948
Library Books & Periodicals	221,576,155	3,222,258		224,798,413
Cloaks	5,082,926	1,031,380		6,114,306
Machinery	17,009,191	7,681,176	-	24,690,367
Others	74,936,043	9,177,855	-	84,113,898
	<u>4,354,485,812</u>	<u>241,139,855</u>	<u>-</u>	<u>4,595,625,667</u>
	Balance	Charge for the	Disposals	Balance
	As at	Year		As at
	01/01/11			31/12/11
<u>Depreciation</u>	<u>Rs.</u>	<u>Rs.</u>	<u>Rs.</u>	<u>Rs.</u>
Lands, Buildings & Improvements	406,290,564	130,550,234	-	536,840,798
Furniture & Equipments	359,591,342	53,419,351	-	413,010,694
Lab & Teaching Equipments	180,415,146	8,883,162		189,298,308
Motor Vehicles	35,603,065	10,833,988		46,437,053
Water & Electricity Supply Scheme	34,517,657	1,815,954		36,333,611
Library Books & Periodicals	125,278,494	44,556,737		169,835,231
Cloaks	1,853,019	1,003,221		2,856,241
Machinery	16,089,302	3,653,879		19,743,181
Others	56,831,014	6,944,594		63,775,608
	<u>1,216,469,603</u>	<u>261,661,120</u>	<u>-</u>	<u>1,478,130,725</u>
Written Down Value	<u>3,138,016,209</u>			<u>3,117,494,942</u>

<u>Work in Progress</u>	12		
Hettiyawaththa Hostel		149,210,261	142,545,901
Faculty of Commerce & Management Building		188,270,387	146,695,306
CODL Building			2,530,659
OLA Script Library Building			7,852,045
Modern Cafeteria Building		16,769,924	15,492,138
New Library Building		78,992,491	26,801,654
Pre-cast Building - Humanities			18,709,248
Six Stories Exam Building		3,826,211	550,706
		437,069,274	361,177,657
<u>Investments</u>	13		
Staff Security Deposits		54,467	49,693
Bonds & Agreement Violations		37,151,412	36,275,423
Scholarship Fund		9,231,547	8,878,648
External Examination		479,796,534	389,946,811
Retentions Fund		236,993,273	189,873,648
Special Grants		4,020,582	3,825,399
		767,247,815	628,849,622
<u>Inventories</u>	14		
Stationary		19,724,096	14,810,334
Maintenance		5,816,263	4,479,880
Others		2,609,261	2,175,783
		28,149,620	21,465,997
<u>Sundry Debtors</u>	15		
Sri Lanka Insurance Corporation		-	773,954
BMICH Hall charges		-	49,028
IRUEQ Project Expenses		-	61,277
BMICH Security Deposit		100,000	150,000
		100,000	1,034,259
<u>Deposits & Advances</u>	16		
(a) Staff Loans & Advances			
Distress Loans		42,490,936	36,961,693
Staff Loans		749,509	680,123
Transport Loans		1,048,547	1,131,800
Computer Loans		891,600	485,800
Special Distress Loans		214,402	524,123
Festival Advances		1,097,935	1,122,550
Special Advances		42,389	55,185
Vice chancellor's fund Loan		1,838,469	-
		48,373,787	40,961,274
(b) Loans & Advances to Students			
Mahapola & Bursary Scholarship Advances		(1,350,164)	8,181,136
		(1,350,164)	8,181,136

(c) Advances for Supplies & Services

Research Advance	1,925,572	1,933,309
International Conference Advance	46,178	46,178
Miscellaneous Advance	116,313	908,187
Statutory Boards & Local Authorities	205,639	205,639
	2,293,702	3,093,313

(d) Other Advances & Deposits

Fuel Deposit	10,000	10,000
Advance for Stamps	7,370	7,370
External Research Advance	73,111	98,390
Disability Project Advance	363,782	363,782.00
MSc Fisheries Advance	41,327	41,327
Generated Fund Advance	279,402	303,968
Confucius Institute Advance	79,547	130,615
Career Fair Advance	110,000	337,380
	964,539	1,292,832

50,281,864**53,528,555****Prepayments****17**

Service Agreements	453,977	606,123
Vehicles License & Insurance	670,554	2,606
Others	2,500	3,954
	1,127,031	612,683

Receivables**18**

Interest	3,711,622	3,925,944
Reimbursements	602,480	463,925
Paper Corporation	29,860	-
Industrial Development Board	24,467	-
Treasury fund	-	10,000,000
M.B.B.S. Grant	14,584,900	29,715,041
Others	5,007,088	216,576
	23,960,416	44,321,486

Cash & Cash Equivalents**19****(a) Petty Cash Imprest**

Faculty Of Medicine	6,062	4,893
External Examination	1,757	1,757
	7,819	6,650

(b) Treasury Funds

P/B Kelaniya (1515) - 055-1-001-1-0667549	52,860,318	25,075,552
P/B Kelaniya (2721) - 055-1-001-8-0667616	5,497,334	200,290
P/B Int Divi (150333) - 004-1-001-3-0210871	1,182,048	1,858,493
P/B Ragama (308) - 316-1-001-2-4564262	510,153	1,548,848
	60,049,853	28,683,183

(c) Non Treasury Funds

P/B Kelaniya (4844) - 055-1-001-8-0668084	5,879,518	12,869,753
P/B Kelaniya (1517) - 055-1-001-5-0667552	4,765,204	2,664,348
P/B Kelaniya (3300) - 055-1-001-6-0667716	24,594,078	3,846,122
P/B Kelaniya (7782) - 055-1-001-8-0669229	38,340,788	80,623,503
P/B Ragama (309) DSU Project - 316-1-001-0-4564263	2,457,919	1,005,424
P/B.Ragama (2735) - 316-1-001-9-4564819	26,304,360	3,466,454
P/B NRFC	4,053,828	3,963,431
P/B.Keleniya- Confucius 055-1-002-2-0015067	7,733,988	10,501,425
Student Society Bank A/C	642	642
Cash in Transist	225,000	

114,355,325**118,941,102****174,412,997****147,630,935****Deferred Capital Grants****20**

Capital Grant Account	2,177,727,627	2,060,574,416
Capital Contribution from Other Sources	325,453,698	274,325,823
Non Monetary Donations	28,413,307	28,034,219

2,531,594,632**2,362,934,458****Capital Grants Unspent****21**

Acquisition of Fixed Assets	(21,341,481)	(31,545,457)
Rehabilitation & Improvements	34,334,346	11,707,507
Construction Projects	6,729,604	4,618,507

19,722,469**(15,219,443)****Special Grants****23**

Vice Chancellor's Fund	820,913	1,508,997
Gift Fund (Botany)	5,000	5,000
Medha Sri Ariyavansa Fund	2,500	2,500
Sports Development Fund	25,001	25,001
Students Relief Fund	943,516	888,176
P.P. Jyawardena Scholarship Fund	27,352	25,198
Peter Silva Memorial Scholarship Fund	5,000	5,000
P.A.P.A.Chandrasekara Scholarship Fund	231,638	213,942
Development of Wallarawa Fund	43,373	43,373
Science Faculty Development Fund	1,343,949	3,216,723
Prof.F.R.Jayasooriya Memorial Fund	87,252	87,252
M.A.P.Mamthirratne Scholarship Fund	30,041	27,435
P.D.Kannangara Memorial Fund	31,941	30,391
Dept of Industrial Mgt Scholarship Fund	259,646	255,479
Chithra Fernando Scholarship Fund	912,087	838,885
Bond & Agreements Violation Fund	37,065,670	33,901,500
Prof.D.J.Wijeratne Foundation Fund	495,536	465,453
Hawanpola Sri Rathanasara Scholarship Fund	193,826	184,417

Research & Devt Fund	41,543	41,543
Liens Silva Scholarship Fund	10,000	10,000
Agnes Peduru Scholarship Fund	132,063	132,063
Medical Faculty Devt Fund	3,486,269	2,554,742
Rev.Pandith Mudukatuwe Sri GanaramaFund	50,000	50,000
Rev.Dr.K. Anurudda Fund	50,000	50,000
Mary's Friend Foundation	100,000	100,000
Prof. Derik De Souza Scholarship Fund	36,000	36,000
Rev.K.Wangeesa Scholarship Fund	10,000	10,000
United Field Security Fund	76,012	73,536
Rathnakara Scholarship Fund	100,000	100,000
B.Galappaththi Scholarship Fund	10,000	10,000
Rev Sik Wing Sung Scholarship Fund	100,000	100,000
Job Fair Fund	54,950	54,950
Faculty of Humanities Devt Fund	5,106,131	3,528,191
Society of Botany Scholarship Fund	60,000	60,000
Faculty of Social Science Devt Fund	289,962	5,819,672
Prof .H.H.Costha Memorial Fund	200,000	200,000
S.Jayawardena Scholarship Fund	200,000	200,000
Liens Silva/Agnus Peduru	41,308	35,320
Wellarawa Land Fund	2,650,000	2,650,000
Science Faculty Exhibition Fund 2004	37,087	37,087
Prof A S. Dissanayake Prize Fund	437,854	383,649
Prof Carlo Fonseka Prize Fund	139,541	137,975
Faculty of Commerce & Mgt Devt Fund	596,939	4,283,679
University Devt Fund	12,505,340	20,142,583
ETSMEN KODAK Scholarship Fund	50,000	50,000
Prof. SBP Wickramasooriya Memorial Fund	75,000	75,000
Prof. Shelton Gunaratne Memorial Fund	1,130,970	1,103,385
Rajamanthre Scholarship Fund	150,000	150,000
Family Medicine Prize Fund	230,500	231,250
Faculty of Graduate Studies Devt Fund	581,873	
Department Development Fund	64,777,384	
	136,040,964	84,135,345

Research Grants

24

RG/2010/AG/3 Grant (DR.DMM De Silva)	330,867	503,770
Disability Project (Grant)	1,489,450	1,493,450
Calgary Link Programme	2,906	2,906
Other External Research Fund	99,776	106,516
Grant - H.S.R.Pro.DR.Wijewardena	(9,182)	(9,182)
Medical Faculty External Research Fund	(536,644)	(536,644)
SRL - 809-G12M Grant	189,360	-
Research Fund W.H.O.Medicine	3,752,026	4,079,874
Prof. Wicramasinghe (MF) HQ/04/893126	413,272	413,272
ACIR Project	158,450	244,490
UNESCO. (DR.B.D.Nandadeva)	(36,910)	(36,910)
RG/07/HS/14.(Dr.DL. Amarasinghe)	311,021	327,921

N.S.F.Grant (Medical Faculty)	1,378,134	3,334,250
UGC.Grant Prof. N.De Silva (M/F)	(81,479)	(81,479)
UGC.Grant Prof.H.I Thabbrow (M/F)	(20,143)	(20,143)
NACA Grant -Prof.F.U.S.Amarasinghe	1,224,429	911,142
RG/2011/EQ/02 Fund (Prof.L.N.K. De Silva)	144,655	-
RG/2011/SPR/01 Fund	532,500	-
Tropical Medicine (PROJ) Grant	118,839	170,519
RG/07/EB/03-Dr.S.Dias	37,242	37,242
RG/2011/AG/03 Fund (Prof.N.Deshapriya)	985,000	-
RG/2007/EQ/12 Grant	-	23,648
Matale Des..Reg.of Archeological Monument	19,199	19,199
Clinical Trial Unit (CTU) Grant	3,805,139	3,996,287
Other Research (2735) Grant	9,826,440	9,248,223
Generated Fund - Faculty of Medicine	2,076,597	2,076,597
Ragama Health Stusies Grant	(182,343)	475,881
Other Research Fund- Faculty of Medicine	2,716,498	2,349,494
"UNIDO" Fund (DR.DPW.Jayawardena)	52,210	52,210
RG/2007/EQ/12 Grant	-	54,321
Regional Workshop-(Dr.P.Paranagama)Grant	833,000	-
Gastroenterology Fund (M/F)	491,269	428,107
Reproductive Research Fund	7,719,080	6,762,855
I.T.Project 2007	39,917	1,018,027
Research for Social Sciences (RCSS)	6,575,410	4,228,849
RG/2004/BM/2 Dr.BTSDP Knnangara	592,973	592,973
RG/2004/FS,3/Prof S.Wimalasena	-	85,056
DR Paranagama I.F.S.Grant	112,286	441,179
RG/2005/HS/9 Dr. A A L.Rathnatilake	-	22,919
International Conference - Faculty of Social	(285,211)	(285,211)
RG/2006/AG/03 Dr. Bimali Jayawardena	103,723	114,575
RG/2005/DMM/07 Dr. MD Amarasinghe	168,945	168,945
IFS/E/3652-1 Dr. K.Senevirathne Grant	397,140	397,140
Dr.U P K Epa	108,860	108,860
RG/2006/EB/07 Prof. A Pathir	40,410	77,041
RG/2006/AG/09 DR.Bimal Jay	150,077	150,077
Community Interaction Cells	2,428,403	2,175,584
RG/2007/FR/04 - DR.J.Liyanage	262,353	513,060
RG/2008/BS/02 - P.A.Parangama Grant	505,986	406,889
RG/2008/BT/01 - Dr. A A L Rathnatilake Grant	279,184	722,613
RG/2010/BT/03 - Dr. A A L Rathnatilake Grant	652,577	675,000
Research Fund - Humanities	4,485,160	4,185,160
Research Fund - Medicine	2,174,825	1,725,264
Research Fund - Science	2,432,634	3,118,867
Research Fund - Social Science	3,324,441	3,315,442
Research Fund - Commerce & Mgt	4,807,860	4,570,260
Research Fund - Graduate Studies	287,358	705,203
UGC Special Allocation(QIG)Grant	20,000,000	-
	87,485,966	65,661,587

<u>Gifts & Donations</u>	25		
Prizes Awarding Scholarship Funds		71,287	70,587
Donations for Scholarships		3,185,043	2,842,628
Special Donations		5,423,868	-
Other Funds		3,600	7,400
		8,683,798	2,920,615
<u>Other Reserves</u>	26		
Art Association		7,430	7,430
Accounting professional sec(APS)		239,788.79	142,780
Golden Jubilee - 2009		1,563,413	1,563,413
Staff development fund - UGC		5,000,000	-
Chemistry Conference - 2006		73,000	73,000
IRQUE project deposit		144,681	120,281
"Dharmaloka" hall deposit		1,500	-
Presidency Exhibition fund		44,299	44,299
IRQUE workshop-faculty of Science		3,750	3,750
Exchange prog.with uni.of Beijing		240,000	240,000
Carrere Guidance Unit deposit		168,330	549,569
GIS workshop (Geography)		336,272	586,472
9th University Games Deposit		2,367,635	2,367,635
Glass blowing unit deposit		333,718	329,168
ASAIHL Conference A/C		236,842	236,842
ICT centre deposit A/C		284,500.00	284,500
National teachers training programme.		118,890.00	118,890.00
South Asian archaeology conference		283,146	283,146
National media conference		-	50,000
International Conference Business & Information		475,318	-
Practical training Botany Department.		6,000	5,000
Interest of Bonds & Agreement Violations		11,350,425	9,401,701
Library deposit for Main Library		4,518,390	5,283,476
Library deposit for Faculty Libraries		5,485,447	5,027,822
Requests of Microbiology		763,194	644,994
Requests of Botany		53,549	53,549
Requests of Mathematics		91,865	91,865
Requests of Chemistry		53,859	33,859
Science deposit		147,987	147,987
Geography deposit		31,743	31,743
Furniture & Equipment deposit		21,673	21,673
Deposit for supplying Equipments		30,000	30,000
		34,476,643	27,774,841

<u>Income Received in Advance</u>	27		
Fee - Levying Courses - Diploma		20,621,067	22,276,919
Fee - Levying Courses - Postgraduate		97,900,253	163,632,698
Fee - Levying Courses - Medicine		4,994,154	1,312,687
Fee - Levying Courses -Others		1,104,746	(4,306,195)
Other Internal Programmers		10,641,799	13,823,107
External Examination - Examination Fee		21,539,000	38,449,450
External Examination - Seminar Fee		33,873,605	37,931,476
		190,674,625	273,120,141
<u>Provision for Retiring Gratuity</u>	28		
Balance as at 1st January		68,003,666	66,561,945
Charge for the year		260,811,448	13,324,101
		328,815,114	79,886,046
Payments made during the Year		26,340,888	11,882,380
Balance as at 31st December		302,474,226	68,003,666

Contingent Liabilities

29

Provision amounted to Rs. 455,580 has been made for the Labour Tribunal case filed by an ex-employee on termination of employment as it is probable that an outflow of economic benefits will be required to settle the obligations.

The final outcome of the following legal cases cannot currently be determined. However, the University believes that eventual liability, if any may have a material effect on the Universities' financial position.

- I. There is one appeal pending in the Supreme Court, filed by a party who claim to be an employee of the University, against an order of the High Court given in favour of the University in respect of an application to the Labour Tribunal made by the said party.
- II. Two Cases are pending in the Court of Appeal; Case No. C.A. (Writ) 516/09 filed against the University by a former professor, seeking to enforce the order of the University Services Appeals Board made in his favour and Case No.C.A. (Writ) 106110 filed by the University seeking to quash the same order of the University Services Appeals Board.
- III. Case No. C.A. (Writ) 623/09 is filed by an employee of the University in order to have the decision made by the University to interdict him invalidated and for other reliefs and the said case is pending in the Court of Appeal. this case is withdraws.
- IV. An application for writs filed by Inter University Sub Wardens Union and several others against the University Grants Commission and several others where the University is also made a party; Case No. C.A. (Writ) 422/2010, is pending in the Court of Appeal.

- V. Action was filed in the District Court by the University in Case No. DMR-00572-08 to recover a sum of Rs. 900,377.69, being the value of the bond executed in favour of the University by a former teacher, who had violated the terms of the agreement entered into by her with the University and other money due from to the University. The action is still pending.
- VI. Action filed in District Court by the University in Case No. DMR-03250-08 to recover a sum of Rs.822, 442.69 arising out of violation of an agreement by a former teacher, is pending.
- VII. Action was filed in the District Court by the University in Case No. DMR-05959-09 to recover a sum of Rs. 1, 113, 600.00, being the value of the bond executed in favour of the University by a former teacher, who had violated the terms of the agreement entered into by him with the University.
- VIII. A party has filed action in the District Court seeking a declaration that he is the owner of a property belonging to the University situated in Dummaladeniya in the District of Chilaw and the said action is pending.
- IX. Legal proceedings initiated by several parties against the University claiming ownership to state land given on long-terms lease to the University, where the Faculty of Medicine is situated, is also pending.
- X. There is an appeal pending before the University Services Appeals Board, filed by an ex-employee against her dismissal by the University.
- XI. There is an appeal pending before the University Service Appeals Board filed by on ex - employee against non extension of the service.

<u>Accounts Payable</u>	30		
Tharuna Aruna programme		2,651,024	2,651,024
GELT Programme		2,434,233	2,434,233
Staff development programme		590,208	411,679
Sundry Deposits		11,168,192	9,652,510
Stamp Deposits		64,200	64,200
Tax Payable		2,117,402	2,239,125
Cancel cheques		1,018,865	16,970
Staff security deposits		58,806	53,795
Other payable		456,255	827,656
Others		4,855	4,855
		<u>20,564,041</u>	<u>18,356,048</u>

<u>Accrued Expenses</u>	31		
Audit Fee		1,564,298	970,400
Personal Emoluments		9,559,433	10,002,766
Travelling Expenses		76,077	45,918
Supplies Expenses		6,050,443	1,993,059
Stores Supplies		3,438,945	262,149
Maintenance Expenses		2,671,437	1,823,117
Contractual Services		20,952,328	9,403,523
Other Recurrent Expenses		12,681,096	13,282,886
Research Payments		2,968	-
Mega Heaters PVT Ltd.		39,200	-
Library Books & Periodicals		128,395	576,345
Furniture & Office Equipments		-	15,114,821
Rehabilitation Works		-	5,687,732
Registration Fee		2,300	-
Fee-Levying Course		-	22,057
		<u>57,166,920</u>	<u>59,184,773</u>
<u>Refundable Deposits</u>	32		
Tender Deposits		1,012,596	523,434
Security Deposits		33,014,365	28,994,787
Library Deposits		277,500	50,000
Rehabilitation Deposits		-	8,471,574
		<u>34,304,461</u>	<u>38,039,795</u>

Statement of Responsibilities in respect of the Financial Statements

The council of the university is responsible for preparing the financial statements in accordance with applicable laws and regulations. The council must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the university and its performance for that period. The council is required to:

- Select suitable accounting policies and apply them consistently;
- Make judgments and estimates that are reasonable and prudent;

The council is responsible for keeping adequate accounting records that are sufficient to show and explain the performance of the university and disclose with reasonable accuracy at any time and the financial position of the university.

Council's Responsibility Statement

The members confirm to the best of their knowledge, that:-

The financial statements prepared in accordance with the applicable laws, give a true and fair view of the financial position and performance of the university.

On behalf of the Council of the
University of Kelaniya

Prof. Sarath Amunugama
Vice-chancellor

May 30, 2012

21. Report of the Auditor General

Report of the Auditor General on the Financial Statements of the University of Kelaniya for the year ended 31 December 2011 in terms of Section 108 of the Universities Act, No. 16 of 1978.

The audit of financial statements of the University of Kelaniya 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 Section 107(5) of the Universities Act, No. 16 of 1978 .My comments and observations which I consider should be published with the Annual Report of the University of Kelaniya in terms of Section 108(1) of the Universities Act appear in this report. A detailed Report in terms of Section 108(2) and 111 of the Universities Act, No. 16 of 1978, was furnished to the Vice Chancellor of the University on 10 May 2012.

1:2 Management's Responsibility for Financial Statements

The management is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Accounting Standards 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.

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 judgments, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 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 financial statements. Sub - sections (3 and 4) of Section 13 of the Finance Act, No. 38 of 1971 give discretionary power to the Auditor General to determine the scope and the extent of the audit.

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

2.2 Comments on Financial Statements

2.2.1 Presentation of Financial Statements

A draft report showing the accounting deficiencies totaling Rs.214, 369,787 revealed at the audit test check, had been referred to the Vice Chancellor of the University on 10 May 2012. Of these, accounting deficiencies totaling Rs.203,765,950 had been rectified and the revised financial statements had been presented to audit on 30 May 2012.

2.2.2 Accounting Deficiencies

Non-refundable Library Deposits amounting to Rs. 10,603,837 had been shown as refundable deposits without being brought to account as income.

2.2.3 Payable Accounts

Explanations on the debit balance of Rs.333,187 in two payable accounts, had not been furnished for audit, while action had not been taken to settle the credit balance of Rs.6,582,289 older than 1-6 years in ten payable accounts. The Vice Chancellor had informed that it was difficult to prepare the required documents to ascertain the accurate information and the relevant officers were informed to furnish the accurate information in the presentation of accounts for the year 2012.

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

The following non-compliances were observed.

Reference to Laws, Rules and Regulations -----	Non-compliance -----
(a) Chapter XIX(5) of the Establishments Code of the Democratic Socialist Republic of Sri Lanka	The House Rent should be determined as per the provisions of the Establishments Code of the Democratic Socialist Republic of Sri Lanka. Nevertheless, the House Rent had been determined by the Housing Committee without being taken action according to the above provisions.
(b) Financial Regulations of the Democratic Socialist Republic of Sri Lanka	
(i) F.R. 104 (3) (4)	In case of an accident, inquiries concerned should be carried out and reported to the Auditor General. Nevertheless, a report on the damages caused to the three wheeler met with an accident and the fogging machine valued at Rs.150,000 which was transported therein had not been submitted.
(ii) F.R. 135 (1)	Functions should be delegated as to ensure an adequate internal check in the system. Nevertheless, instances where all or certain functions such as the approval, recommendation and certification of attendance in regard to the payment vouchers were discharged by one officer stood at 13.

- (iii) F.R. 371 (2) (c) Advances should be settled immediately after the completion of the purpose for which it is granted. Nevertheless, sundry advances amounting to Rs.1,283,788 obtained in 47 instances and advances amounting to Rs.1,579,778 obtained for field educational trips in 11 instances during the year had been settled after a delay of period ranging from 15 to 126 days.
- (iv) F.R. 395 (c) Bank Reconciliation Statement on the transactions as at the end of each month should be prepared before the 15th of following month. Nevertheless, Bank Reconciliation Statements relating to the Students Collection Account (Hostel Fees) had not been prepared during the year under review.
- (v) F.R.R.570(c), 571(1) and F.R.571 (2) (3) Action in terms of Financial Regulations had not been taken on tenders and security deposits amounting to Rs.17,105,350 older than 1- 6 years as at 31 December 2011. Even though a list of lapsed deposits should be prepared as at the close of each half year , it had not been done so.
- (c) National Procurement Guidelines of 01 March 2006
- (i) Section 6.3.3 Opened bids should be resealed and handed over to the Chairman of the Technical Evaluation Committee. Nevertheless, recommendation had been obtained from an officer before the Technical Evaluation Committee Meeting.
- (ii) Section 8.13.4 The approval of the Secretary to the Ministry of Higher Education should be obtained in respect of the price changes over 10 per cent of the estimated contract value. Nevertheless, such approval had not been obtained for price changes in two contracts.

- (d) CircularNo.PAYE/Tax/01/2011 of 18 April 2011 of Inland Revenue Department
- PAYE tax should be recovered when exceeding the Profits from Employment totaling Rs.50,000. Nevertheless, PAYE tax had not been recovered in the payment of allowances to the officers in staff whose Profits from Employment were over Rs.50,000. Sample test check relating to three months had revealed that the PAYE tax not recovered amounted to Rs.98,700.
- (e) Public Administration Circular No.41/90 of 10 October 1990 Paragraph 2.11
- Even though the fuel consumption should be tested once in six months , fuel consumption of six vehicles in running condition which belonging to the Faculty of Medicine, Ragama had not been tested.
- (f) Circular No.95(2) of 14 June 1994 of Public Enterprises Department Paragraph 2
- The benefits stipulated by the Cabinet of Ministers, Ministry of Public Administration or the Treasury should only be paid to the employees. In contrary, it was observed in sample test check that, out of the income from fee levying courses, allowances of Rs. 252,959 had been paid to seven officers without the approval of the Treasury.
- (g) Public Enterprises Circular No.PED/12 of 02 June 2003
- (i) Paragraph 5.2.1
- A budget according to the format on which the annual accounts are presented, had not been prepared before the commencement of the year in view of the achievement of objectives.
- (ii) Paragraph 9.3.1(i)
- A temporary staff had been recruited for the paid courses without the treasury approval. Further, it was observed in a test check that monthly allowances ranging from Rs.10,000 up to Rs.21,000 totalling Rs.85,000 had been paid to seven officers.

- (h) Circular No.438 of 13 November 2009 of Public Finance Department Sub Section 2(a) Thirty non- moving, obsolete and scrap items were observed in the stores of the Faculty of Medicine, Ragama. Nevertheless, action had not been taken in this connection according to the circular instructions.
- (i) Management Services Circular No.45 of 02 April 2011
 (i) Sub section 3(i) Research allowances should be paid only to the lecturers and superior posts in the permanent staff of the University. Nevertheless, the above allowance had been paid to probationary lecturers who were not fully qualified and to other officers as well.
- (ii) Sub section 4(a) The officers entitled for the Research Allowance during the period from 01 January 2011 up to 31 December should submit a Research Plan to the Committee for Research Management and obtained the approval thereon. Nevertheless, a sum of Rs. 53,619,991 had been paid as research allowances to 434 lecturers in the university staff without obtaining such approval contrary to the circular instructions.

3. Financial Review

3.1 Financial Results

According to the financial statements presented, the operations of the University for the year ended 31 December 2011 had resulted in a deficit of Rs. 1,094,214,786 before taking into account the Government Grant for recurrent expenditure and the corresponding deficit for the preceding year was Rs.1,098,772,333. The surplus for the year under review amounted to Rs.72,936,741 due to the Government Grant of Rs. 1,167,151,527 received for recurrent expenditure during the year under review. The deficit for the preceding year had reduced to Rs. 113,861,985 due to the Government Grant of Rs. 984,910,348 received for recurrent expenditure for that year. Increase of the

income from external examinations and government grants by Rs.248,661,770 had contributed to the increase of the financial results by Rs. 186,798,726 in the year under review as compared with the preceding year.

4. Operating Review

4.1 Management Inefficiencies

The following observations were made.

- a. The Audio Visual System purchased at a cost of Rs.23,383,000 in August 2009 without a Feasibility Study, had been lying idle without being used for the intended purpose ,despite a lapse of two and half years as at the end of the year under review.
- b. The required electricity consumption of the University had not been determined by a qualified Electrical Engineer while internal electricity extensions were done despite the non-availability of such recommendations. Therefore, power failures had been observed from time to time for a long period.

4.2 Underutilization of Funds

The following observations were made.

- (a) A provision of Rs.1,129,425 had been made in respect of six researches during the period from the year 2007 up to December 2011. Out of this, a sum of Rs. 601,219 had been spent, thus the savings in accounts amounted to Rs.528,206.
- (b) A sum of Rs. 115 million in eight Current and Collection Accounts had been in excess during the year. If such amount had been in a savings account on an annual interest of 6 per cent or a short term investment, an income of Rs.4, 599,473 could have been earned.

4.3 Identified Losses

In the stock verification, a shortage relating to 78 items valued at Rs.448,175 had been observed in the main and maintenance stores at premises in Kelaniya and Ragama while the reasons for the shortage had not been revealed. Further, the officers responsible had not been identified and action also had not been taken to recover the loss.

4.4 Weaknesses in the Contract Administration

4.4.1 Contract Administration

According to the agreement, the cost in respect of six contracts for construction amounted to Rs.258,184,732. Nevertheless, a sum of Rs.418,875,992 had been paid as at 31 December 2011, thus a sum of Rs. 160,691,260 had been paid exceeding the contract value. Delays of in the completion of one and two contracts of the above by one and one and half years respectively were observed. In terms of Paragraph 49(1) of the contract agreement, delay charges amounting to Rs.14,034,750 had not been recovered.

4.4.2 Procurement of Services from External Parties

The following observations were made.

- a. According to the Paragraph 8 of tender conditions of the university, securities should be deposited before signing the agreement. Nevertheless, two instances where the securities amounting to Rs. 30,000 were deposited even after a lapse of 6 months of the duration of the agreement were observed.
- b. Even though the agreements with the service suppliers should be entered into before the commencement of service period , lapses ranging from 3 to 9 months when entering into the agreements with 14 suppliers were observed.
- c. According to the agreement, the stipulated monthly rental should be paid before the 5th of every month, while surcharge should be recovered for each month not paid as mentioned above. Nevertheless, surcharges amounting to Rs.4,275 from 8 suppliers and due rental of Rs.46,750 had not been recovered .

4.5 Library Administration

The following observations were made.

- a. The last book survey regarding the main library had been conducted in the year 2002, since then no survey had been conducted up to the date despite a lapse of 8 years .
- b. The books lent but not returned by 76 lecturers during the years 2000-2005 stood at 211 while the value of those books amounted to Rs.360,267. Three books valued at Rs.29,487 and two books valued at Rs.30,462 of which only an one copy was available in the library but not returned by an one lecturer and two lecturers respectively had been among the above books.

- c. The Closed Circuit Television (CCTV) installed in the main library had been malfunctioned since September 2010. Action had not been taken to repair it as yet, thus it could not be satisfied with the safety of books in the library.
- d. Action had not been taken as at the end of the year under review to take back 9 books valued at Rs.35,832 despite a lapse of 1-5 years being lent from the library of Faculty of Medicine, Ragama or to recover the loss thereof.

5. Accountability and Good Governance

5.1 Budgetary Control

The actual expenditure of three items in the budget prepared for the year under review had exceeded the budgeted expenditure by 10 per cent whereas the actual expenditure of one item had been reduced than the budgeted expenditure by 40 per cent. Further, the expenditure for rehabilitation and improvements had not been estimated, while the actual expenditure amounted to Rs.17,030,527.

6. Systems and Controls

Deficiencies in systems and controls observed during the course of audit were brought to the notice of the Vice Chancellor of the University from time to time. Special attention is needed in respect of the following areas of control.

- (a) Accounting
- (b) Sundry Advances
- (c) Library Administration
- (d) Contract Administration
- (e) Hostel Administration
- (f) Vehicle Utilization
- (g) Idle and Underutilized Assets
- (h) Control over Fixed Assets
- (i) Control over Government Quarters

H.A.S. Samaraweera
Auditor General

22. AUDIT COMMITTEE REPORT -2011

COMPOSITION OF THE AUDIT COMMITTEE

The Audit Committee of the University is formally constituted as a sub-committee of the council, to which it is accountable and it is wholly consisted of three Non-Executive Council members. The following Council members functioned in the Audit Committee during 2011.

Member	Attendance at meetings in 2011 (Attended/Eligible to attend)
1. Mr. Harischandra Wasalathanthri (Chairman)	4/4
2. Dr. R.B.Ekanayake	4/4
3. Mr. L.J. Patrick Alexis Silva	4/4

In addition to the above members, members of the Auditor General's Department were invited to attend as observers.

MEETINGS

As per the Public Enterprise circular No PED/31, the committee is required to meet at least 4 times a year. During the year under review, the committee met 4 times and reports of internal and external auditor's were discussed at these meetings. The minutes of the committee were made available to the Governing Council of the University for information and necessary action.

MAIN RESPONSIBILITIES

The main objective of the Audit committee is to assist the Governing Council to effectively carry out its responsibilities relating to financial and other connected affairs of the university. The main responsibilities include –

- (i) Reviewing and monitoring the integrity of the financial statements, financial reporting and audit process.
- (ii) Examining any matter relating to financial and other connected affairs of the university.
- (iii) Monitor internal audit plan & programmes.

- (iv) Review and take action on internal and external audit reports and follow-up on the recommendations.
- (v) Review and monitor the effective operation of internal control systems.
- (vi) Approving the annual internal audit plans and programmes.

ACTIVITIES DURING THE YEAR

The Committee carried out the following activities during the year under review.

1) Approving & Monitoring Internal Audit Plan and Programme.

The committee approved the Internal audit plan and the internal audit programme for the year 2011 and monitored its status throughout the year. The committee reviewed and monitored the effectiveness of the Internal Audit and inspection functions and the performance of the Internal Audit Division.

2) Compliance with Laws and Regulations

The Audit Committee reviewed the reports submitted by the External Auditors and Internal Auditors on the state of compliance with applicable laws and regulations and settlement of statutory payments such as Gratuity payments, Release of Provident Fund Balances, etc.

The committee continuously reviewed the system of releasing provident fund balances of staff members in order to ascertain the progress of delayed provident fund balances.

3) Continuous Review and Monitoring of Bond Violated cases

The Committee continuously reviewed and monitored the status of the recovering process due from the Bond Violated Staff members. Due to this process the university was able to recover full Bond value from four Bond violators. Further three Bond violators paid the balance after giving their consent to deduct the sum lying in their provident fund. So that all dues will be settled when the university received the provident fund balance. Another four Bond violators are paying in installment and legal action has been taken against four violators to receive the dues.

4) Review and strengthening internal control systems

The committee also reviewed the effectiveness of the University's internal controls over financial reporting and other related core areas such as vehicle administration of the university (more emphasis was paid to the Faculty of Medicine), contract administration, maintenance of university canteens and shops, purchasing of capital goods, lending of library books, conducting annual stores verification/ Inventory verification, recovery of unsettled advances and made necessary recommendations to strengthen the internal control system.

5) Meetings of Audit Committee

Four Audit Committee meetings were held during the year ended 31st December 2011. A representative of the Auditor General's Department was also present at all audit committee meetings as an observer on invitation. The other staff members of the university were invited to attend the meetings when the committee requires their presence. Senior Assistant Internal Auditor functions as the secretary to the committee in fulfilling its role.

CONCLUSION

The Audit Committee is satisfied that the effectiveness of the internal controls under review of the university and the follow up actions taken on the recommendations given by the committee on outstanding matters during the year 2011.

Chairman
Audit Committee
University of Kelaniya

23. Observation of the Council of the University of Kelaniya on the Audit

Report of the Auditor General on the Financial Statements of the University of Kelaniya for the year ending 31st December 2011 in terms of the section 108 of the University Act No16 of 1978.

It was decided to forward you the following observations as considered by the 396th Council of 16. 10. 2012 in terms of section 108 (3) of the University Act regarding the report in terms of the Section 108 (2) on accounts pertaining to the year ending 31st December 2011 which was forwarded with the even numbered letter of 20. 08. 2011.

1.2 Management's Responsibility over the Financial Statements

1.3 Responsibility of the Auditor

1.4 Basis for Qualified Audit Opinion

2. Financial Statements

2.1 Qualified Opinion

2.2 Comments on financial statements

2.2.1 Presentation of financial statements

2.2.2 Accounting Standards

Library deposits

The library deposit of Rs. 10,603,837/- charged from the students with the course fees as per the course criteria approved by the 374th Council on 09. 11. 2010, has been utilized for the development activities of the Faculty libraries and the main library and as it has been decided to allocate such amount for such purposes it had not been taken into accounts as a university revenue and has been shown as a deposit of a separate account. However, it is expected to bring this matter to the notice of the Council.

2.2.3. Accounts payable

- i. Debit balances of Rs. 333,187/- in two payable accounts will be re-examined and steps will be taken to correct the accounts after necessary adjustments.
- ii. Balances of 10 payable accounts have been examined.
 - (a) Payable cheque deposits- Medical Faculty- Rs. 668,897/-. Steps have been taken to transfer the other balances to the revenue in the year 2012 except the balances which have been identified as payable.
 - (b) Staff deposits- Medical faculty- Rs. 111,621/-. Information is not available on this balance which has been in existence for more than five years and steps have been taken to examine more and make adjustments to the revenue of the year 2012.
 - (c) Withholding Tax (External Examinations) Rs. 115,229/-. The balance has been brought forward since 2010 and relevant adjustments will be done in the year 2012.
 - (d) Deposits as expenditure from the external examinations- Rs. 515,213/-. Steps have been taken to make adjustments of this balance to the revenue in the year 2012.
 - (e) Reimbursement of Medical insurances- Rs. 60,345/-. Steps have been taken to transfer this balance to the revenue in the year 2012.
 - (f) Payable balances in the Provident Fund, Employees Trust Fund, pensions, and Security Fund were examined and necessary corrections will be incorporated.
 - (g) Tharuna Aruna Project- Rs. 2,651,024/-
 - (h) GELT Project – Rs. 2,434,233/-
- (i) Other – Rs. 4,855/- Steps are taken to transfer to the revenue.

} }	Have been retained as this amount is received for a special project
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2.2.4. Non compliance to Rules, Regulations and Management Decisions

Non compliance to Rules and Regulations

(a)	Section 135 of the University Act, No. 16 of 1978 and Paragraph XIX (5) of the Establishment Code of the Democratic Socialist Republic of Sri Lanka.	The Housing Committee had made decisions on the rent of the houses in accordance with the approval obtained by the Council as per Section 5:2:4 of the Establishment Code on state housing.
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(b)	FR 104 (3) (4) of the Financial Regulations of the Democratic Socialist Republic of Sri Lanka.	Police had filed a suit in the Gampaha court on the three-wheeler of the Medical faculty which met with an accident and two sessions have already completed. Officers from the National Insurance Trust Fund have provided an estimate after and the three-wheeler is under repairs. The matter on obtaining compensation for the university officers who were travelling in the vehicle and for the transported fogging machine will be settled after the completion of litigation. Steps will be taken in future to report this accident to the Auditor General.
(c)	F.R. 135 (i)	Though this kind of incidents can take place at essential instances, officers have been instructed to minimize such lapses.
(d)	F.R. 371 (2) (c)	Compared to the previous years, settling advances in this year has been efficient. Steps have been taken to minimize the lapses in future.
(e)	F.R. 395 (c)	The relevant bank reconciliation statement has already been provided for auditing purposes. Current reconciliation statements are prepared on due dates.
(f)	F.R. 570 (c), F.R. 571 (1), F.R. 571 (2), (3)	As it has been informed to retain deposits worth Rs.17,105,350.82/- according to the inquiries made from the relevant divisions on 19. 08. 2011, before the settlement of accounts by 31. 12. 2011, steps have been taken to transfer the other deposits, except the above, to the revenue. Currently a list of overdue deposits is prepared in every 6 months.
(g)	National Procurement Guidelines dated 01 st March 2006 i. Section 6.3.3	In some instances, recommendation from some experts has been obtained on such goods before the Technical Committee. Eg. Chemicals, scientific equipments, computers etc. The matter is referred to the Technical Committee

		after it had been referred to the Technical Officer.
	ii. Section 8:13:4	<p>Details on the mentioned two contracts are as follows.</p> <p>1. <u>Hettiyawatta students hostel building</u></p> <p>The estimate of the above contract was revised from 75 million to 160 million at the Cabinet Meeting held on 30.04.2008. As the approval has been granted, it is hereby shown that the estimated value had not been exceeded.</p> <p>2. <u>The new canteen building</u></p> <p>As the final bills have not been provided as yet, it is not possible to take a decision on exceeding the estimated amount.</p>
(h)	Department of Inland Revenue Circular Payee/Tax/01/2011 dated 18 th April 2011.	Tax arrears are calculated at present and steps will be taken to transfer the relevant tax arrears to the Department of Inland Revenue.
(i)	Public Administration Circular No. 41/90 and the Circular dated 10 th October 1990- Para. 2.11	Fuel inspection reports have been obtained on the vehicles NA-5949, PB-5195, NB-2585, 61-5088, 61-5671 and 50-5173 and vehicles 202-0892, 63-2954, 30-9624 are under repair at present and a fuel consumption report of those vehicles will also be taken after the completion of repairs.
(j)	Department of Public Enterprises Circular No. 95 92) dated 14 th June 1994. Paragraph 2	The fee-levying courses have a higher contribution for the development activities of the university. The existing staff also performs duties for these courses. This allowance is paid on the approval of the University Finance Committee and the Council as such courses are out of the scope of their duties, they have to provide an extra service and such allowance would act as an incentive for the service rendered by them. And the payment has

		enabled the regular functioning of the external courses.
(k)	Public Enterprises Circular No. PED/12, dated 20 th June 2003. i. Paragraph 5.2.1	Budget documents have been prepared and approved according to the Financial Circulars and formats issued every year by the UGC on the annual budget documents. The However, steps have been taken to forward the budge document according the format of annual accounts before 01. 11. 2012.
	ii. Paragraph 9.3.1 (i)	The service of these officers have been obtained for the clerical work when it is difficult to employ the permanent cadre for the busy work in the external courses, based on the approved budget of the Finance Committee and the Council to make payments from the income of the courses. Their payments are decided upon the income and function of each course.
(l)	Public Finance Department Circular No. 438, dated 13 th November 2009 Sub-section 2 (a)	Steps are taken to remove the idling and obsolete damaged items at the stores of the Ragama Medical Faculty from stock of 2012.
(m)	Subsection of the Management Services Circular No. 45, dated 02 nd April 2011. i. Sub-section 3 (i)	This allowance was paid as per the Institutional Circular No. 11/2011, dated 11. 07. 2011 by the UGC and the letter dated 12. 05. 2011 by the Ministry of Higher Education.
	ii. Sub-section 4 (a)	This payment was made to all the academic staff after the research work submitted by every Lecturer at each Faculty was assessed by Committees appointed by the Faculty as per the Management Services Circular No. 45 of 02 nd April 2011.

3. Financial Review

3.1 Financial Results

4. Operational Review

4.1 Management Inefficiencies

- (a) Necessary actions have already been taken to install the equipments of the multimedia networking system at every Faculty and broadcast the relevant seminars and lectures using such equipments to suit the regularization of academic affairs of the undergraduates who are registered for external degrees.

- (b) A report on the capacity and electric circuits of new buildings at the University is acquired from a qualified engineer. But this can occur when new electric equipments are installed at existing old buildings. However steps are been taken to obtain the service of an electric engineer from the University of Moratuwa to conduct an assessment on the electric capacity of the university.

4.2 Under-utilized Funds

- (a) Rs. 1,128,750/- has been approved for the 6 researches mentioned in the paragraphs and a sum of Rs. 623, 699.30 had been utilized for research projects by 18. 09. 2012.

Four out of the above six research projects have been completed and their reports are submitted. It is expected that the remaining two researchers would complete their research activity by utilizing the amount granted to them.

- (b) Excess amounts in the current accounts have been invested in short-term deposits from time to time. Steps will be taken to analyses and invest the specified excess amounts in the current accounts in future.

4.3 Identified Losses

Defects in the software system and incorrect issuing of similar items have led to this issue. The Computer Division has provided a new software system in the year 2012 to correct this deficit. Stores are instructed to work attentively to avoid any change of goods at the instance of issuing them.

4.4 Contract Administration Deficiencies

4.4.1 Contract Administration

Three out of six contracts mentioned as at 31st December 2011 had exceeded their contractual value and that sum amounted to Rs. 2,639,556/-. Steps have been taken to deduct a sum of Rs. 12,931,956/- from final bills as surcharge for each delayed contract. The other contract is delayed for around two months and 15 days and the surcharge for such delay will be deducted after the final bills are received.

4.4.2 Outsourcing

- (a) Those contractors have entered into the relevant contracts and the security deposits and monthly rental arrears have been paid to the university.
- (b) The contractors who had not deposited security were informed by the letter dated 01. 04. 2011 to deposit security, pay their monthly rental arrears and come to sign the contracts on 08.04.2011 and all such contractors have entered into contracts at present.
- (c) The contractors who had not paid monthly rentals on due dates have been informed of such matters by sending reminders and steps have been taken to recover the relevant arrears with the surcharge when the security deposit is released at the end of the tender period.

4.5 Library Administration

- (a) 95% of the computerizing process of the library books has been completed by now. Book survey activities have been commenced from the second week of September 2012.
- (b) Steps have been taken to recover the value of these books from the salary of the relevant lecturers from July 2012.
- (c) It has been planned by the Technical Committee held on 05. 09. 2012 to install a new CCTV system covering the new building after removing the existed system from use as it was observed in the inquiry that it was not practical to repair the CCTV camera system or operate it with new equipments installed by the technical suppliers that operate in Sri Lanka.

(d) One out of nine of these books have already been returned to the library. The value of two books will be recovered from the Provident Fund. According to the University policy on such matters, steps have been taken to recover the value of three books that have been borrowed for more than 5 years from the salary by the end of the year and the value of the remaining three books will be recovered from the salary after the completion of three years. Reminders will be sent to such lecturers on such matters.

5. Accounts Procedure and Good Governance

5.1 Budgetary Control

The staff allowances approved after the commencement of the year are not included in the budget estimates of the relevant year. The 5% special allowance and 25% academic allowance approved in the year 2011 are such examples. And it is unavoidable to exceed the approved limits for the expenditure of the compulsory services.

The specified expenditure is capital expenditure in the nature of recurrent and such provisions and provisions for maintenance expenditure are included in the Capital expenditure. A reduction in the expected expenditure is observed as it was not possible to commence the fee-levying courses on due dates and some other courses were not commenced within the year under review.

Officers have been instructed to maintain a good budgetary control.

6. Systems and Control

Attention is paid to correct the pointed out deficiencies in systems and control.

Prof. Sarath Amunugama

Vice Chancellor