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## 1. Vision Statement

To be the most globally recognised Knowledge Enterprise in Asia.

## 2. Mission Statement

To be the leading Knowledge Enterprise for technological and related disciplines in Asia by:

- Providing transformative education that nurtures the inquiring mind and develops skills for a diversity of challenges;
- Carrying out nationally relevant and high-impact research to expand the boundaries of knowledge;
- Promoting entrepreneurship and facilitating technology transfer;
- Providing expert services to the State, Industry and the Society as an Internationally positioned National University; and
- Contributing to sustainable, scientific, technological, social and economic development of Sri Lanka.

## 3. Goals

- Goal 1: Achieve international recognition as a centre of excellence in higher learning.
- Goal 2: Achieve excellence in research, innovation and creativity with national relevance and international recognition.
- Goal 3: Be a premier university in providing education responsive to the national needs and expectations of the industry.
- Goal 4: Create an intellectual, physical and social environment at the University to achieve excellence in its activities.
- Goal 5: Create a community of well accomplished, skilled and contented staff and students having desired attitudes to face the challenges of a vibrant university and changing society.
- Goal 6: Become the leading advisor and provider of advanced technology and other consultancy services.
- Goal 7: Be an advisor to the government in policy formulation and national development in all relevant disciplines and higher/professional education in Sri Lanka.
- Goal 8: Institutionalize mechanisms for quality assurance and efficient corporate governance.

#### **4. The Council**

##### **Ex-officio Members :**

Vice-Chancellor (Chairman)	Prof. KAMK Ranasinghe (Up to 27.11.2011) Prof. AKW Jayawardane (From 28.11.2011)
Deputy Vice-Chancellor	Prof. ND Gunawardena
Dean, Faculty of Architecture	Prof. PKS Mahanama
Dean, Faculty of Engineering	Prof. UGA Puswewala
Dean, Faculty of Information Technology	Prof. AS Karunananda

##### **Members appointed by the UGC :**

Mr. KU Pushpakumara  
Mr. LJK Hettiarachchi (Up to 30.06.2011)  
Mr. A Weerasinghe (Up to 30.06.2011)  
Mr. GK Amaratunga (Up to 30.06.2011)  
Mr. LUC Kuruppu (Up to 01.07.2011)  
Mr. Palitha Fernando (Up to 01.07.2011)  
Mr. S Swarnajothi (Up to 31.01.2011)  
Prof. (Mrs.) N de Silva (From 01.07.2011)  
Major General M Peiris (From 01.07.2011)  
Dr. RLW Koggalage (From 01.07.2011)  
Mr. J Kurukulasooriya (From 01.07.2011)  
Mr. BHM Rathnasiri (From 01.07.2011)  
Mrs. K Iddamalgoda (From 01.07.2011)  
Mr. Gratian A Peiris (From 01.07.2011)

##### **Members elected by the Senate :**

Prof. JR Lucas  
Prof. MS Manawadu

##### **Registrar (Secretary) :**

Mr. AL Joufer Sadique

##### **Bursar (On invitation) :**

Mr. EMRL Munaweera (Up to 31.08.2011)  
Mr. PA Gunathilaka (Acting Bursar: From 01.09.2011)

## 5. Vice Chancellor's Review

The University of Moratuwa (UOM), the successor to the Institute of Practical Technology, Katubedda set up in 1960 and the Ceylon College of Technology set up in 1966, commenced functioning as Katubedda Campus on 15<sup>th</sup> February 1972.

Under the provisions of Universities Act No 16 of 1978, the Katubedda Campus of University of Sri Lanka acquired the status of an independent University with its present corporate name "The University of Moratuwa, Sri Lanka". At present, the UOM consists of three Faculties namely, Architecture, Engineering and Information Technology and offers eleven (11) Bachelors degree programs to students selected by the University Grants Commission (UGC) and fifty six (56) postgraduate programs.

The University of Moratuwa is undisputedly the **overall best** University in Sri Lanka today. The short term mission of the UOM is to "produce world class graduates in technological fields – who can gain admission easily to any postgraduate program of a reputed world class University and perform as well as any graduate from an internationally reputed world class University both in higher studies and practice". This is to be done in an environment that provides a rewarding experience for our students and staff, and thereby become nationally relevant and internationally recognised university.

The goal of the UOM therefore, is to produce academically sound, self confident, flexible, highly employable, internationally recognized quality graduates who are readily employable from day one, and to train our students to become "job creators" and not "job seekers" when they graduate. What is not realized by most is that the UOM produces highly employable world class quality graduates in engineering, architecture, quantity surveying, design, town and country planning and information technology at **a cost of approximately US\$ 6000 per student**, which is less than the annual salary of most of our new graduates.

With this background, this review first looks at the achievements of the UOM and the recognitions achieved in 2011 for both staff and student activities. Thereafter it looks at the Corporate Planning aspects, the capital investments made by the GOSL and the University Industry interactions. The review concludes with a brief statement of the constraints faced by the University which hinders its strategic development.

### 5.1 Achievements and Recognitions

In 2000, the UOM established the Institute of Technology, University of Moratuwa (ITUM) to offer the National Diploma of Technology (NDT) program separately from the University. At that time, the University had two Faculties, Engineering and Architecture, with an undergraduate population of 2300 students. The NDT program had 1050 Diploma students. The Faculty of Engineering offered one degree program, B. Sc. Engineering in nine disciplines while the Faculty of Architecture offered two degree programs, B.Sc in Built Environment and B.Sc in Quantity Surveying.

By 2011, the UOM had three Faculties with an undergraduate student population of 6051 and 1050 NDT Diploma students of the ITUM, within the same premises. The Faculty of Engineering offers three degree programs, B. Sc. Engineering, B.Sc in Transport and Logistics Management and B Design in Fashion Design and Product Development – all four year honours degree programs. The Faculty of Architecture offers five degree programs, B. Architecture, B. Design, B.Sc in Quantity Surveying, B.Sc in Facilities Management, and B.Sc. in Town and Country Planning. The Faculty of Information Technology offers three degree programs, B.Sc in Information Technology, B.Sc. Hons. in Information Technology and B.Sc. Hons. in Information Technology and Management. In addition, the Faculty of Information Technology offers the Bachelor of Information Technology program as an externally delivered program with the assistance of partner institutions. B.Sc in Information Technology and Management program is a new program commenced in year 2011. The University admitted 1370 undergraduates in August 2011 becoming the first University to admit its full cohort of students.

It must be highlighted that the increase of over 163% of the undergraduate population during the last nine years, from 2300 to 6051 students, and 27% increase of the annual intake by the year 2011 from 2007, to meet the increasing demand for our degree programs in technological disciplines by students and their parents, is significant and noteworthy.

Despite increasing the annual intake between 2007 and 2011 by over 27% and more than doubling the student population over a short period of nine years and with limited facilities, the UOM is proud that it has improved the relevance and quality of all of its graduates. Tracer surveys done in 2011, on employment patterns of graduates, reported that 95% of all graduates and 99.6% of the engineering graduates were employed within three (03) months after their final examination, showing that the graduates of UOM are much sought after by the industry and its employers.

In 2011, 994 (89%) of 1116 students, who sat the final examinations graduated within the minimum stipulated time period to obtain the first degree. The number of degrees awarded, including postgraduate, at the General Convocations in the year 2011 was 1317 of which 1055 were bachelors degrees and 262 are postgraduate degrees.

The UOM launched its first external degree program in Open and Distance Learning (ODL) mode, the Bachelor of Information Technology (BIT) degree in 2006. The Master Plan for the UOM identifies ODL as a means by which the University could significantly increase access for large number of ‘A level’ qualified students, especially in the rural areas, to high quality education provided by the University. The first batch of students in the BIT degree program graduated in 2011.

UOM also considers research as an essential activity for all academic staff. Funding for research comes mainly from external funding agencies, both internationally and locally, and from the University through the Senate Research Committee (SRC). In 2011, the University received Rs. Rs. 9.2 million from external funding agencies. In addition, the University funded research projects of Academic Staff through the SRC. In 2011 the SRC disbursed Rs. 4.8 million among senior staff members for research activities.

Year 2011 was an excellent year for the UOM in terms of recognitions received through the performance of its staff and students in many areas worldwide.

At the **Google Summer of Code (GSoC)**, one of the most recognised global competitions to measure talent, creativity and performance of students, the UOM continued its dominance. With 27 awards, the UOM have won the highest number of awards in 2011 competition. Thereby the students of UOM won the highest number of awards at each of the annual competitions held from 2007 to date (i.e. 2007,2008,2009,2010 and 2011). Becoming the top university worldwide by winning 136 awards in total from 2005 to 2011, which is more than double the number of awards received by the second ranked university, the students of UOM have earned over US\$500,000 (over Rs. 50 million) for Sri Lanka.

In 2011, the University of Moratuwa two teams became first runner up and the 9th place in the IEEEExtreme global programming competition organized by the Institute of Electrical and Electronic Engineers (IEEE) of the USA which is considered to be the world's most extreme programming competition competing with 1515 teams from 65 countries. Moratuwa not only had 10 teams in the top 100, but an amazing 30 teams in the top 200 unmatched in any other university in the world. This is building on the success of 2009, where a student team from the University **emerged victorious** among 721 teams worldwide, from more than 40 countries that competed. It is a global 24-hour online contest where student teams of three representing student branches of IEEE around the world solve a challenging set of programming problems posed by the IEEE. This was the first time that a country from the Asia-Pacific IEEE has won this global competition. This victory in 2009 and performance in 2010 and 2011 were of huge significance as it brought glory and huge recognition to our country, the UOM and the programming industry of Sri Lanka.

In the area of robotics a student team from the University of Moratuwa won the 1<sup>st</sup> place at the Inexus International Robot Competition in 2011 continuing the successes achieved in 2007, 2008 and 2009.

In addition, student teams from UOM won the local and regional competitions at the World Student Star Packaging organised by the World Packaging Organisation, Certified Financial Analyst (CFA) competition conducted by the local chapter of CFA of the USA,

as well as the Global Business Challenge. Furthermore, continuing with the successes achieved in 2005, 2006, 2007 and 2008 the undergraduates of the Faculty of Information Technology have won the Microsoft Imagine Cup once again in 2011.

The external examiners from the Royal Institute of Chartered Surveyors of the UK have consistently rated the Quantity Surveying degree program as “one of the best degree programs in Quantity Surveying in the World”.

As a result of the disciplined academic activities at the UOM, its industry oriented research and interactions, and its achievements, a perception is created amongst the industry personnel, academic community and students in the University system that the UOM is “the Best University” in Sri Lanka.

This also appears to be the perception amongst new students entering the engineering study programmes. Every student who entered the Engineering Faculty in the recent past has requested UOM as their first choice. Continuing with the trend in 2011, over 98% of the top 10% of students on the merit list selected the Faculty of Engineering at UOM as their first choice for their undergraduate studies. This is a significant achievement as only the top 10% of the students on merit list at the ‘A level’ examination are guaranteed admission to the University of their choice by the UGC.

## **5.2 Master Plan and the Corporate Plan**

The Master Plan for the UOM has been developed for 2020 and 2030 by a team of staff members from the Faculty of Architecture. All the current development activities at the UOM are carried out in accordance with the Master Plan and the Corporate Plan 2010 - 2015 revised in October 2010. The Corporate Plan was developed after extensive discussions with all stakeholders which was approved by the University Council in October 2010.

The review of the Corporate Plan for 2010-2015 shows that UOM has achieved most of its goals and objectives where financial commitments to achieve them were not so significant and is well on the way to achieve the rest. In addition, Master Plans for 2020 and 2030, in line with the “Mahinda Chintana: Vision for a new Sri Lanka” concept, have been developed. Two year Action Plans based on the Corporate Plan are prepared each year to monitor the progress by identifying the key performance indicators (KPIs) and the responsible stakeholders. The Action Plan under review is for 2011.

### 5.3 Capital Investments

The UOM was fortunate to complete another 2 construction projects in 2011 out of the following projects that were on-going during the last five years.

<b>Project</b>	<b>Value</b>	<b>Status</b>
1. Faculty of Information Technology – Phase 1	Rs. 315 million	Completed in 2008
2. Mechanical Engineering Building	Rs. 130 million	Completed in 2010
3. Chemical Engineering Centre	Rs. 99 million	Completed in 2008
4. Extension to the Class room block – Stage I	Rs. 47 million	Completed in 2010
5. Extension to the Class room block – Stage II	Rs. 96 million	Completed in 2009
6. Civil Engineering Research Centre	Rs. 132 million	Completed in 2011
7. Faculty of Architecture – Phase I	Rs. 73 million	Completed in 2011
8. Transport & Logistics Management Bldg.	Rs.148.2 million	On-going
9. Madanjeet Singh Centre for South Asia Water Management (external funding)	Rs. 50 million	On-going
10. NE Extension to the Dept. of Textile & Clothing	Rs. 83 million	On-going
11. Administration Block	Rs. 282 million	On-going
12. Female Hostel	Rs. 194 million	On-going

The capital investment from funds received from the University Grants Commission (UGC) during 2011 was Rs.82.5 million for construction, Rs. 38 million for rehabilitation of capital assets and Rs.142 million for acquisition of fixed assets. The University completely utilized the allocation given by the UGC. In addition, the UOM invested Rs. 31 million of its generated income from other sources and those accumulated in the University Development Fund and Departmental Development Funds in accordance with Public Finance Circular 380 to purchase new capital equipment in 2011. Furthermore, the University received a donation of Rs.16.6 million for capital assets, Rs.12.6 million from the Ministry of Textile Industry Development for the North East Extension Building of the Department of Textile & Clothing Technology and Rs. 16 million from Madanjeet Singh Fund for Construction of South Asia Water Management Training Centre.

UOM was successful in obtaining funding from the World Bank funded Project Higher Education for the Twenty First Century (HETC) under the University Development Grants (UDG), External Degree Programmes (EDP) and the Quality and Innovations Grants (QIG) components, as well as scholarships for 8 academic staff members to obtain PhD and research based Master's qualifications in local and foreign Universities under the Human Resources Development component.

The University received Rs. 40 million under the Round 1 of the UDG, for carrying out proposed interventions under 4 activities: Enhancing ICT Skills; Improving English Language Skills; Strengthening Soft Skills; and Promoting Ethnic Cohesion. The project commenced in July 2011. University also received a grant of Rs. 9.0 million for purchase

of Books, Teaching Software and Electronic Resources under the HETC Project, which has been fully utilized.

In addition, Rs 70 million received from Ministry of Industrial development for the Building Project for north-east extension of the Department of Textile & Clothing. Rs. 50 million received from the Unesco Ambassador Madanjeet Singh to establish a Centre for South Asia Water Management by extending the existing Rock Mechanics Laboratory building as Madanjeet Singh Centre for South Asia Water Management.

#### **5.4 Producing Innovative and Entrepreneurial Graduates**

The UOM created the “NDB Bank Endowed Professor/Fellow in Entrepreneurship” in 2010, the first such chair in the university system with financial support from the National Development Bank with a commitment for three years. First Endowed Professor under this initiative was appointed in October 2010.

As one of the initiatives under this, the University facilitates students to create their own business ventures by following the same procedure of creating, running and liquidating a true to life company in a simulated environment while the students are following their usual studies. This programme is now facilitated by the Young Entrepreneurs Sri Lanka (YESL).

In addition, the UOM BSc Engineering curriculum has a basket of subjects which can be taken by students to obtain a minor specialisation on entrepreneurship so that the interested students can develop their knowledge and skills on entrepreneurship.

Another initiative to produce innovative graduates is the Massachusetts Institute of Technology – Accelerating Information Technology Innovation (MIT-AITI) Mobile Technologies Incubation and Entrepreneurship Program tested and implemented successfully in Africa for over 10 years. The objective of the programme is the infusion of entrepreneurial attitudes and skills among undergraduates through innovations in mobile technologies. The programme is delivered over a period of six weeks as a full time intensive course by three MIT assigned experts in mobile entrepreneurship at the University of Moratuwa. During the six week course, students undergo intensive training to build real start-ups and culminate in a Demo Day in which potential start-ups pitch their ventures to potential investors. In 2011 six such companies were launched.

#### **5.5 University Industry Interaction**

The UOM has significant interaction with the Industry and Society through Postgraduate courses, Short courses, Training and Continuous Professional Development (CPD) courses, Seminars, Workshops, Consultancy and Testing assignments, industry funded R & D Laboratories, Department Industry Consultative Boards, Faculty Industry Consultative Boards and Corporate Social Responsibility activities. The University strongly encourages these interactions with the Industry and Society as they bring benefit to the staff members, students and the institution alike.

The Dialog UOM Research Laboratory for Communications has been a very successful model for industry based research and product development in telecommunications. The success of the Dialog UOM Research Laboratory has led to the establishment of the “Microsoft Laboratory”, “Zone 24X7 UOM Research Laboratory” for electronics related new technologies and “Cargils UOM Research Laboratory” for food technology, “DSI-UOM laboratory” for product and process development of rubber and leather products. Similar research laboratories for other departments are under discussion.

The Bachelor of Design (Fashion Design and Product Development) degree program was set up at the UOM as a collaboration between the Ministry of Industrial Development, London College of Fashion and the UOM. Based on its success, the UOM and the Ministry of Industrial Development have entered into a number of collaborative projects that would benefit the Industrial sector of Sri Lanka. For example, a Rapid Prototyping machine worth Rs. 40 million to help the electronic and electrical manufacturing sector to produce and test their prototypes in Sri Lanka itself; a Die and Mould Center costing Rs. 100 million that has immensely benefited the Die and Mould manufacturers in Sri Lanka; conversion of 3 wheel vehicles to run on electricity; projects to upgrade the Coir manufacturing; further support for the Rapid Prototyping facility; have been undertaken through collaborative arrangements between the Ministry of Industrial Development, Industry Associations and UOM.

The staff members continue to undertake innovative research and consultancy projects on behalf of the Government, Donor Agencies, and Industry, contributing immensely to National Development as well as generating income for the University. The UOM is much sought after by many stakeholders to obtain such specialized services.

The UOM has established a self-financed University Industry Interaction Cell (UIIC) to facilitate this process internally. It has already proved its value in linking University academics and Industry leaders which has resulted in undertaking and successfully completing several projects of National interest. The UGC has used the highly successful UIIC model at UOM to request all Universities to set up University Industry Community Interaction Cells. In addition, the staff members of the UOM have set up Uni-Consultancy Services, a non-profit Association of the University Staff Members incorporated under the Registrar of Companies to act as the external arm of the University for Industry Interaction.

The policy of the University Council is to ensure that all staff members fulfil their defined academic work norms and academic loads for undergraduate activities to ensure that they are academically accountable for the grant given by the UGC from the Consolidated Fund of the Government, while engaging in University Industry Interaction activities. All of the other services provided by the University to the Industry and Society, such as courses offered for higher training and qualification upgrading of graduates; Training programmes, CPD courses, Research and Development projects, Seminars, Workshops and other academic assignments conducted to develop and transfer knowledge and technology; Consultancy and Testing assignments to Industry; and Corporate Social Responsibility

activities, are on **Cost Recovery** (self-financing) basis according to Public Finance Circular 380. Thereby, UOM fulfills its obligations to Society and Industry at **no cost** to the Government.

The UOM generated Rs. 261 million in 2011 through such **Cost Recovery** (self-financing) activities and industry initiatives for entrepreneurial activities. The generated income was utilized according to Public Finance Circular 380 on non-profit basis.

## **5.6 Quality Assurance**

The University Council has approved a Quality Assurance Policy for the UOM. Quality Assurance at UOM is a process embedded in University Management that efficiently and reliably validates, in a transparent manner, the standards of its teaching inputs, learning outcomes, performance assessment, and extra-curricular activities, to assure students, staff, employers and society-at-large of the quality of its services and products.

The Quality Assurance Strategy (QAS) ensures that the reality matches the rhetoric. Its starting point is the Vision and Mission set out in the University Corporate Plan. In operationalizing the Corporate Plan, the University Management establishes the systems and processes necessary for ensuring the quality of its services and products. Hence, Goals specified in the Corporate Plan have been converted to Quality Policies, which are distilled into ten Quality Objectives, each of which is broken down into prioritised Actions. The Officer/Stakeholder responsible for making progress in each Action has been identified.

The University requires its primary stakeholders, staff and students, to have a rewarding experience at Moratuwa and the QAS offers a definition of what that means. It also paints a clear picture of what constitutes excellent teaching and learning at a prestigious University. The QAS looks at the external and internal context in which teaching inputs and learning outcomes take place, and describes new mechanisms at Faculty level for improving standards.

Also, the QAS focuses on what staff and students from diverse backgrounds need if they are to be able to take advantage of the opportunities available, thrive academically and personally, and contribute to the success of the wider world. Part of this is about the quality of teaching and the value placed on it by the institution, and the QAS incorporates actions designed to ensure that the UOM remains synonymous with professional excellence in this regard.

Further the QAS treats teaching inputs, learning outcomes, performance assessment, research, scholarship and enterprise as complementary, and helps to establish a distinctive view of their interrelationship. In an increasingly competitive environment, with growing pressure to provide what individuals and societies need and to differentiate the institution

from its competitors, the QAS helps to reassert the different strands of the UoM's mission. It should render the University better able to deal with change without compromising on the values that have always sustained it.

The University holds a monthly "Pasuviparama" meeting chaired by the Vice-Chancellor between the University Officers and the representatives of all the Trade Unions since March 2006 to discuss ways and means of improving the productivity of the University and the staff to achieve the objectives of the University. In addition, a monthly liaison meeting is held between the Officials of the University and the Committee Members of all the Student Unions, chaired by the Vice-Chancellor to discuss important issues related to the student community that need to be addressed within the month. Further, all Faculties hold a monthly Staff Student Liaison meeting, chaired by the Dean of the Faculty to discuss and resolve all the student issues at Faculty level. All of these meetings are part of the annual calendar of the University.

## **5.7 Constraints**

Most of the objectives of Goals 1-8 of the Corporate Plan 2010-2015 have been significantly achieved. However, in areas where the UOM has to depend on the Government for funds, the goals and objectives are yet to be fully achieved. For example, the Corporate Plan 2010-2015 identifies that Construction of Administration Building should be done in 2011 and construction of female hostel for 400 students should commence in 2011 to meet the increased student intakes by the UOM. Similarly, there are several other buildings lagging behind considerably. The increase of student intakes were done as planned, but the limited allocation of funds for approved projects has created severe constraint in space. There are many examples where the UOM had fulfilled the part promised by the University, but due to the financial restrictions of the Government, the UGC had not been able to meet their obligations.

A University should be the place which is "more open than usual". Unfortunately, essential resources for students and staff such as the Library, Computer Centres and Laboratories are closed for more than 12 hours of the day. Thus, we are utilising only half of such resources and facilities due to the manpower regulatory controls that exist in the public sector such as the restriction on the overtime, which can only be granted to employees covering essential resources/ services and release of keys. While, ideally, we would like a 24 hour 7 day opened University, at least, one that can be kept open for 16 hours (two third of the day) of the day for 6 days per week, which would increase the utilisation of capital resources like computers and other equipment that get obsolete in a short period. The students, staff and the Government will benefit immensely if the

University is recognised as one place that is different from a typical Government office to which the current manpower regulatory controls may have been originally designed.

Only about 19% of the students are provided with hostel accommodation at the University at present. Even though this situation slightly improved when the new hostel project was completed in 2007, the UOM will continue to lag behind other established Universities as far as the hostel accommodation facilities are concerned. Thus, the University will have to continue to seek funding from the state to increase the residential facilities offered to the students of the UoM.

The University is situated in a 53 acre block of land at Katubedda, Moratuwa. With the expansions that have taken place over the years, the premises are reaching a point of saturation as far as land is concerned. The University has attempted the strategy of vertical expansion to overcome the space constraint. This strategy is not expected to provide a total solution to the problem in the context of the need to maintain an environment conducive for a University.

At present, the University accommodates the Institute of Technology, University of Moratuwa (ITUM) within the university premises pending its relocation at Diyagama, Homagama. A commercial agreement has already been signed between the Ministry of Higher Education and the China National Aero Technology Import and Export Corporation (CATIC) in January 2012 for a total project package of US\$ 89.5 million for complete relocation but there is a significant delay in signing the financial agreement between the Ministry of Finance and the Chinese funding source. This project will not only facilitate a peaceful environment at the University but also will facilitate rapid development of both the UOM and the ITUM.

The funds provided for capital expenditure during the recent past were not up to the desired levels, especially for equipment, thereby creating a substantial short fall. This shortcoming has even been identified by the international accreditation teams and it has become a challenge to retain or obtain international accreditation which is an essential requirement towards becoming a world class university. This has also resulted in delaying the progress of the University in comparison with the Corporate Plan. However, University appreciates the additional funding of Rs. 100 million provided in 2011 for gradual transformation of UOM to a truly international university.

In order to innovate, develop technologies, commercialise and promote start-ups as strategies for rapid economic growth the Universities should be able to establish incubators as in other international reputed universities. Incubators in the Universities are not legally permitted because they cannot take a loss. Incubation requires: Seed funds and support without a guarantee of success, Legal mechanism for ownership. Only the Sri

Lanka Inventors Commission can take risks. Similarly, the universities cannot be a partner to business ventures in terms of becoming a shareholder for its own commercialised technologies. What is possible is only to obtain a royalty for such discoveries or outright selling of technologies.

Universities are encouraged to carry out R & D work especially development oriented R & D work. There are many requests for such target oriented R & D solutions for industry problems. However, very often the universities are criticised for delays and sometimes such projects are not given to universities due to difficulties in delivering in time. One of the reasons is the need to follow through government procurement process which takes much time. Research procurement cannot be planned in advance and hence need quick procurement. Violating the usual guidelines results in many audit queries. Many countries have special routes for procurement for research work.

It is sincerely hoped that the Government and the UGC will take into account the significant achievements of UOM in the past several years and assist the University to achieve the goals and objectives of the Corporate Plan and realise its vision to become **“the most globally recognised knowledge enterprise in Asia”**.

Prof. Ananda Jayawardane

Vice-Chancellor

University of Moratuwa, Sri Lanka.

## 6. Details of Resources & Students

Faculty	Course	Total Students*		Total Academic Staff				Total Academic Support Staff**		Total Non Academic Staff***	
		2010	2011	Permanent		Contract		2010	2011	2010	2011
				2010	2011	2010	2011				
Faculty of Architecture	AT <sup>1</sup>	333	341	55	53	10	14	20	19	50	48
	AD <sup>2</sup>	226	240								
	QS <sup>3</sup>	333	430								
	TCP <sup>4</sup>	238	236								
	FM <sup>5</sup>	207	258								
<b>Total</b>		<b>1337</b>	<b>1505</b>	<b>55</b>	<b>53</b>	<b>10</b>	<b>14</b>	<b>20</b>	<b>19</b>	<b>50</b>	<b>48</b>
Faculty of Engineering	MPR <sup>6</sup>	2916	3004	200	207	30	35	112	111	217	226
	EM <sup>7</sup>	247	244								
	TM <sup>8</sup>	255	243								
	TLM <sup>9</sup>	257	254								
	FD <sup>10</sup>	156	198								
<b>Total</b>		<b>3831</b>	<b>3943</b>	<b>200</b>	<b>207</b>	<b>30</b>	<b>35</b>	<b>112</b>	<b>111</b>	<b>217</b>	<b>226</b>
Faculty of Information Technology	IT <sup>11</sup>	418	516	17	16	02	03	17	16	32	32
	ITM <sup>12</sup>	34	87								
<b>Total</b>		<b>452</b>	<b>603</b>	<b>17</b>	<b>16</b>	<b>02</b>	<b>03</b>	<b>17</b>	<b>16</b>	<b>32</b>	<b>32</b>
Others (Centre for Information Technology Enabled Services, Physical Education Division)		-	-	-	-	-	-	07	06	-	-
<b>Grand Total</b>		<b>5620</b>	<b>6051</b>	<b>272</b>	<b>276</b>	<b>42</b>	<b>52</b>	<b>156</b>	<b>152</b>	<b>299</b>	<b>306</b>

Notes-

<sup>1</sup> Architecture

<sup>4</sup> Town & Country Planning

<sup>7</sup> Engineering Earth Resources

<sup>10</sup> Fashion Design & Product Development

<sup>2</sup> Architecture Design

<sup>5</sup> Facilities Management

<sup>8</sup> Engineering Textile & Clothing Technology

<sup>11</sup> Information Technology

<sup>3</sup> Quantity Surveying

<sup>6</sup> Engineering (MPR)

<sup>9</sup> Transport & Logistics Management

<sup>12</sup> Information Technology and Management

\* Maximum No. of students at any given time within the year.

\*\* Permanent Academic Support Staff, Contract Academic Support Staff and Temporary Instructors.

\*\*\* Permanent Non Academic Staff, Contract & Temporary Non Academic Staff.

## 7. Details of Local Students

### (a) Bachelors Degrees

Faculty	Course	Medium	Intake (No. of Students)		1 <sup>st</sup> Year Students		2 <sup>nd</sup> Year Students		3 <sup>rd</sup> Year Students		4 <sup>th</sup> Year Students		5 <sup>th</sup> Year Students		6 <sup>th</sup> Year Students		Number Graduated	
			2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011
Faculty of Architecture	AT <sup>1</sup>	English	55	55	26	23	57	61	56	57	56	56	56	56	31	37	49	40
	AD <sup>2</sup>	English	50	50	21	21	50	49	49	50	41	49	18	20	-	-	29	01
	QS <sup>3</sup>	English	100	100	39	40	96	93	93	96	51	93	23	25	-	-	53	50
	TCP <sup>4</sup>	English	50	50	18	21	45	44	44	45	52	44	26	26	-	-	45	48
	FM <sup>5</sup>	English	50	50	21	21	48	49	49	48	61	49	53	30	-	-	-	94
<b>Total</b>			<b>305</b>	<b>305</b>	<b>125</b>	<b>126</b>	<b>296</b>	<b>296</b>	<b>291</b>	<b>296</b>	<b>261</b>	<b>291</b>	<b>176</b>	<b>157</b>	<b>31</b>	<b>37</b>	<b>176</b>	<b>233</b>
Faculty of Engineering	MPR <sup>6</sup>	English	650	675	260	244	596	624	563	595	567	561	565	564	-	-	477	549
	EM <sup>7</sup>	English	50	50	21	16	49	50	45	49	52	45	51	52	-	-	40	51
	TM <sup>8</sup>	English	50	50	18	16	45	43	50	45	56	50	61	56	-	-	50	48
	TLM <sup>9</sup>	English	50	50	25	21	51	50	48	51	56	48	52	56	-	-	-	50
	FD <sup>10</sup>	English	40	40	21	18	42	42	33	42	40	33	43	16	-	-	39	02
<b>Total</b>			<b>840</b>	<b>865</b>	<b>345</b>	<b>315</b>	<b>783</b>	<b>809</b>	<b>739</b>	<b>782</b>	<b>771</b>	<b>737</b>	<b>772</b>	<b>744</b>	-	-	<b>606</b>	<b>700</b>
Faculty of Information Technology	IT <sup>11</sup>	English	100	150	42	64	104	101	98	104	58	98	54	48	-	-	93	87
	ITM <sup>12</sup>	English	50	50	14	22	-	34	-	-	-	-	-	-	-	-	-	-
<b>Total</b>			<b>150</b>	<b>200</b>	<b>56</b>	<b>86</b>	<b>104</b>	<b>135</b>	<b>98</b>	<b>104</b>	<b>58</b>	<b>98</b>	<b>54</b>	<b>48</b>	-	-	<b>93</b>	<b>87</b>

Notes-

<sup>1</sup> Architecture

<sup>4</sup> Town & Country Planning

<sup>7</sup> Engineering Earth Resources

<sup>10</sup> Fashion Design & Product Development

<sup>2</sup> Architecture Design

<sup>5</sup> Facilities Management

<sup>8</sup> Engineering Textile & Clothing Technology

<sup>11</sup> Information Technology

<sup>3</sup> Quantity Surveying

<sup>6</sup> Engineering (MPR)

<sup>9</sup> Transport & Logistics Management

<sup>12</sup> Information Technology and Management

**(b) Postgraduate Degree (by Course)**

Faculty	Course Name	Medium	Intake (No. of Students)		No. Completed			
					M.Sc.		Postgraduate Diploma	
			2010	2011	2010	2011	2010	2011
Faculty of Architecture	MSc/PG Dip in Project Management	English	53	25	20	03	-	02
	Master of Architecture / MSc. in Architecture	English	-	-	04	03	-	-
	MSc/ PG Dip in Urban Design	English	12	10	-	-	01	-
	MSc/ PG Dip in Town & Country Planning	English	26	-	14	06	-	-
	MSc/PG Dip in ACOMAS	English	-	-	-	01	02	-
	MSc/ PG Dip in Landscape Design	English	-	-	-	06	-	-
Faculty of Engineering	MSc/ PG Dip in Computer Science	English	38	36	06	17	01	-
	MBA/PG Dip in Information Technology	English	32	27	15	10	-	12

Continued

Faculty	Course Name	Medium	Intake (No. of Students)		No. Completed			
					M.Sc.		Postgraduate Diploma	
			2010	2011	2010	2011	2010	2011
Faculty of Engineering	MBA/PG Dip in Management of Technology	English	46	43	30	37	-	-
	MSc/ PG Dip in Business Statistics	English	15	20	-	-	-	-
	MSc/ PG Dip in Materials Science	English	17	11	-	-	-	-
	MSc/PG Dip in Building Services Engineering	English	33	-	-	-	-	-
	Msc/PG Dip in Operational Research	English	13	-	05	-	01	-
	MEng/ PG Dip in Highway & Traffic Engineering	English	24	12	15	07	01	-
	MSc/PG Dip in Transportation	English	03	04	07	-	-	-
	MSc/ PG Dip in Textile & Clothing Technology	English	09	-	-	-	-	-

Continued

Faculty	Course Name	Medium	Intake (No. of Students)		No. Completed			
					M.Sc.		Postgraduate Diploma	
			2010	2011	2010	2011	2010	2011
Faculty of Engineering	MBA/ PG Dip in Project Management	English	21	-	19	-	-	-
	MSc/ PG Dip in Electrical Engineering	English	61	46	17	12	-	-
	MSc/ PG Dip in Electrical Installation	English	16	31	07	15	-	-
	MSc/ PG Dip in Industrial Automation	English	21	13	11	08	-	-
	MSc/PG Dip in Electronics & Automation	English	15	14	04	01	-	-
	MSc. /PG Dip in Environmental Engineering and Management	English	-	29	05	01	-	01
	MSc. /PG Dip in Environmental Management	English	-	04	01	01	-	-
	MBA /PG Dip in Infrastructure	English	-	-	04	-	01	-

Continued

Faculty	Course Name	Medium	Intake (No. of Students)		No. Completed			
					M.Sc.		Postgraduate Diploma	
			2010	2011	2010	2011	2010	2011
Faculty of Engineering	MEng./ PG Dip in Structural Engineering Design	English	-	39	05	05	-	12
	MSc. PG Dip in Construction Project Management	English	-	-	10	-	-	-
	MEng./ PG Dip in Energy Technology	English	-	14	01	01	-	-
	MSc/PG Dip in Financial Mathematics	English	21	21	01	03	-	-
	MEng. /PG Dip in Manufacturing System Engineering	English	-	21	12	01	-	-
	MSc. /PG Dip in Telecommunication	English	-	26	06	05	01	-
	MSc./ PG Dip in Polymer Technology	English	-	-	05	-	-	-
	MBA /PG Dip in e- Governance	English	-	-	06	-	-	-

Continued

Faculty	Course Name	Medium	Intake (No. of Students)		No. Completed			
					M.Sc.		Postgraduate Diploma	
			2010	2011	2010	2011	2010	2011
Faculty of Engineering	MSc. PG Dip in Electronics & Telecommunication	English	-	-	-	-	01	-
	MSc./PG Dip in Sustainable Process Development	English	-	22	-	07	-	01
	MSc/PG Dip in Construction Project Management	English	-	41	-	06	-	-
	Men/ PG Dip in Foundation Engineering & Earth Retaining System	English	-	26	-	-	-	-
Faculty of Information Technology	MSc/ PG Dip in Artificial Intelligence	English	11	14	09	05	-	-
	MSc/PG Dip in Information Technology	English	35	-	03	24	01	01
<b>Total</b>			<b>522</b>	<b>549</b>	<b>242</b>	<b>185</b>	<b>19</b>	<b>29</b>

**Note :** M.Sc. and Postgraduate Diploma courses have normal durations of two years and one year respectively

**(c) Postgraduate Degrees (by Research)**

Faculty	No. of Student Enrolled						No. of Students Graduated					
	M.Sc.		M.Phil.		PhD		M.Sc.		M.Phil.		PhD	
	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011
Faculty of Architecture	-	-	03	09	-	04	-	-	-	-	02	01
Faculty of Engineering	19	24	05	15	04	19	08	26	08	04	02	03
Faculty of Information Technology	-	-	-	01	-	02	-	-	-	01	-	-
<b>Total</b>	<b>19</b>	<b>24</b>	<b>08</b>	<b>25</b>	<b>04</b>	<b>25</b>	<b>08</b>	<b>26</b>	<b>08</b>	<b>05</b>	<b>04</b>	<b>04</b>

**8. Details of Foreign Students (including scholarship holders)**

Faculty		Course	Medium	Intake		1 <sup>st</sup> Year Students		2 <sup>nd</sup> Year Students		3 <sup>rd</sup> Year Students		4 <sup>th</sup> Year Students		No. of Graduated	
				2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011
Faculty of Engineering	Under 100 Scholarship Programme	B.Sc. Engineering	English	-	03	-	03	-	-	-	-	-	-	-	-
	Other Student with Foreign Qualification	B.Sc. Engineering (MPR)	English	01	-	01	-	02	01	03	02	02	03	-	-
<b>Total</b>				<b>01</b>	<b>03</b>	<b>01</b>	<b>03</b>	<b>02</b>	<b>01</b>	<b>03</b>	<b>02</b>	<b>02</b>	<b>03</b>	<b>-</b>	<b>-</b>

## 9. Details of Academic Staff

Faculty	Senior Professor		Professor		Associate Professor		Senior Lecturer		Lecturer (Transitional)		Lecturer (Probationary)		Contract Academic Staff		Instructors	
	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011
Architecture	-	01	05	04	02	02	32	32	02	-	14	14	10	14	12	12
Engineering	11	11	26	29	02	02	94	97	-	-	67	68	30	35	88	88
Information Technology	-	-	01	01	-	-	07	07	-	-	09	08	03	02	07	05
<b>Total</b>	<b>11</b>	<b>12</b>	<b>32</b>	<b>34</b>	<b>04</b>	<b>04</b>	<b>133</b>	<b>136</b>	<b>02</b>	<b>-</b>	<b>90</b>	<b>90</b>	<b>43</b>	<b>51</b>	<b>107</b>	<b>105</b>

Library	Librarian		Senior Assistant Librarian Grade II		Assistant Librarian Grade II	
	2010	2011	2010	2011	2010	2011
Library Staff*	01	01	03	03	03	03
<b>Total</b>	<b>01</b>	<b>01</b>	<b>03</b>	<b>03</b>	<b>03</b>	<b>03</b>

\* Considered under the Academic Staff Categories.

## 10. Details of Non Academic Staff

Faculty / Branch	Most Senior*		Senior Staff**		Junior Staff***		Minor Employees		Contract Staff ****	
	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011
Faculty of Architecture	-	-	03	05	31	30	14	12	02	01
Faculty of Engineering	-	-	41	46	91	100	84	76	01	04
Faculty of Information Technology	-	-	13	11	11	10	05	09	03	02
Capital Works & Services	-	-	-	-	04	04	01	02	01	01
Career Guidance Unit	-	-	-	-	01	01	-	-	-	-
Center for Information Technology Enabled Services	-	-	02	03	05	06	01	01	-	-
Electricity Supply	-	-	-	-	01	03	03	-	-	-
Examination Services	-	-	01	01	14	14	05	03	02	03
Financial Administration	01	01	03	03	23	26	03	01	02	02
General Administration	01	01	05	05	26	33	11	10	05	04
Health Services	-	-	03	03	04	04	08	11	-	-
Hostels	-	-	-	-	08	08	07	07	-	01
Internal Audit	-	-	01	01	03	02	01	01	-	-
Lands & Buildings	-	-	01	01	08	08	31	20	-	-

Continued

Faculty / Branch	Most Senior*		Senior Staff**		Junior Staff***		Minor Employees		Contract Staff ****	
	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011
Library Services	-	-	-	-	26	26	11	07	-	03
Physical Education	-	-	05	05	01	01	05	05	03	03
Security Services	-	-	01	01	02	02	06	06	13	13
Stores & Supply Services	-	-	01	01	10	10	02	02	-	-
Student & Staff Welfare	-	-	01	01	03	03	01	01	-	-
Transport Services	-	-	-	-	-	-	21	20	01	03
Water Supply	-	-	-	-	02	02	05	03	-	-
Workshop	-	-	-	-	01	01	36	34	-	-
<b>Total</b>	<b>02</b>	<b>02</b>	<b>81</b>	<b>87</b>	<b>275</b>	<b>294</b>	<b>261</b>	<b>231</b>	<b>33</b>	<b>40</b>

Note: Details of Non Academic Staff

\* Registrar and Bursar

\*\* Deputy Registrar/Bursar, Senior Assistant Registrar/Bursar, Assistant Registrar/Bursar and Allied Grades, Academic Support Staff/Medical Officers

\*\*\* Non Academic and Non Administrative Staff other than Minor Employees

\*\*\*\* Contract Staff of all categories of Non Academic Staff.

## 11. Details of Research, Innovation and Publications

Subject	Published (Printed Version available)		Commercialized		Presented *	
	2010	2011	2010	2011	2010	2011
a. No. of Research Projects	309	235	-	-	164	118
b. No. of Innovations	05	04	01	01	05	02
c. No. of Journal Publications	72	110	NA	NA	NA	NA
d. No. of Books Published	11	10	NA	NA	NA	NA
e. No. of Articles (Non refereed)	155	78	NA	NA	NA	NA
<b>Total</b>	<b>552</b>	<b>437</b>	<b>01</b>	<b>01</b>	<b>169</b>	<b>120</b>

NA = Not Applicable

\* In the case of innovations applied for patent.

## 12. Details of Programmes, Seminars & Workshops

### (a) Followed/ Attended by the Staff Members

Subject	Attended		Completed		Presented	
	2010	2011	2010	2011	2010	2011
a. No. of Postgraduate Degree Programmes	21	50	12	24	NA	NA
b. No. of Postgraduate Diploma Programmes	12	25	09	-	NA	NA
c. No. of Degree Programmes	04	03	01	01	NA	NA
d. No. of Diploma Programmes	01	01	02	01	NA	NA
e. No. of Certificate Programmes	13	09	12	10	NA	NA
f. Other (Seminars & Workshops)	61	98	-	-	30*	12*
<b>Total</b>	<b>112</b>	<b>186</b>	<b>36</b>	<b>36</b>	<b>30</b>	<b>12</b>

NA = Not Applicable

\* participated as resource persons.

**(b) Conducted by the University**

Description	Faculty of Architecture		Faculty of Engineering		Faculty of Information Technology	
	2010	2011	2010	2011	2010	2011
a. No. of Short Courses	-	-	06	23	-	01
b. No. of Seminars / Workshops/ Training programmes	01	01	38	26	01	01
c. No. of Conferences	01	01	01	08	02	02
<b>Total</b>	<b>02</b>	<b>02</b>	<b>45</b>	<b>57</b>	<b>03</b>	<b>04</b>

### 13. Details of Awards Received

Subject	No. of Awards		No. of Academics		No. of Students	
	2010	2011	2010	2011	2010	2011
a. Local Awards (University)	15	24	05	14	10	10
b. National Awards (SRC/ President/ CVCD)	38	38	06	30	32	08
c. International Awards	40	31	05	02	35	29
d. Other	-	03	-	03	-	-
<b>Total</b>	<b>93</b>	<b>96</b>	<b>16</b>	<b>49</b>	<b>77</b>	<b>47</b>

### 14. Details of New Courses Started

Faculty	Course		Medium	Certificate		Diploma		Postgraduate Diploma		Degree		Master		MPhil		PhD	
	2010	2011		2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011
Architecture	01	01	English	-	-	-	-	-	01	-	-	01	01	-	-	-	-
Engineering	22	08	English	15	02	-	-	01	-	-	-	10	13	-	08	04	05
Information Technology	01	-	English	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>24</b>	<b>09</b>		<b>15</b>	<b>02</b>	<b>-</b>	<b>-</b>	<b>01</b>	<b>01</b>	<b>-</b>	<b>-</b>	<b>11</b>	<b>14</b>	<b>-</b>	<b>08</b>	<b>04</b>	<b>05</b>

### 15. Details of Recurrent Expenditure

Subject	2010 Rs.	2011 Rs.
a. Personal Emoluments	531,797,087	632,651,043
b. Travelling	2,602,640	3,464,623
c. Supplies	65,176,665	60,218,044
d. Maintenance	19,530,833	23,135,643
e. Contractual Service	120,538,982	137,135,073
f. Other	70,979,931	52,686,092
<b>Total</b>	<b>810,625,738</b>	<b>909,290,518</b>

### 16. Details of Capital Expenditure

Subject	2010 Rs.	2011 Rs.
a. Acquisition of furniture & Office Equipment	38,724,873	51,927,850
b. Acquisition of Machineries (Lab & Teaching Equipment)	29,654,039	86,585,910
c. Acquisition of Building & Structures	93,050,987	121,442,284
d. Rehabilitation & Improvements	16,962,686	38,073,371
e. Other	5,566,936	49,619,881
<b>Total</b>	<b>183,959,521</b>	<b>347,649,296</b>

## 17. Details of Projects (Local / Foreign Funded)

Name & Detail	Loan / Grant	Funding Agency #	TCE Rs.	
			2010	2011
Hostel Programme *	Grant	GOSL	272,000,000	272,000,000
Mechanical Engineering Centre	Grant	GOSL	130,000,000	130,000,000
Faculty of Information Technology	Grant	GOSL	523,000,000	523,000,000
Chemical Engineering Centre	Grant	GOSL	99,000,000	99,000,000
Extension to Classroom Block Stage 1	Grant	GOSL	47,000,000	47,000,000
Extension to Classroom Block Stage 11	Grant	GOSL	96,000,000	96,000,000
Civil Engineering research Centre	Grant	GOSL	132,000,000	132,000,000
Faculty of Architecture **	Grant	GOSL	490,000,000	490,000,000
Extension to Administration Building	Grant	GOSL	171,000,000	171,000,000
Dept of Transport & Logistic Management – stage 1	Grant	GOSL	148,200,000	148,200,000
Hostel for 400 female students	Grant	GOSL	194,000,000	194,000,000
Extension to Rock Mechanic Laboratory	Grant	GOSL	30,000,000	30,000,000
North-East Extent onto the Textile Dept Building ***	Grant	GOSL	83,000,000	83,000,000
Madanjeet Centre for SAWM****	Donation	Madanjeet Fund	-	46,900,000
<b>Total</b>			<b>2,415,200,000</b>	<b>2,462,100,000</b>

#(GOSL/ADB/IDA/WB/ ...)

Notes \*Hostel Programme includes

\*\* Faculty of Architecture includes

Stage 1 Stage 2 Stage 3 Stage 4

Phase 1 Phase 2 Phase 3 Phase 4

\*\*\*Funds received from Ministry of Industry & Commerce for North-East Extension to the Textile Dept Building

\*\*\*\*Funds received from Madanjeet Fund for Madanjeet Centre for SAWM Building

### 18. Details of Project Expenditure (Local / Foreign Funded)

Name	TCE Rs.		Exp in Rs.		Cumulative Exp as at		% of Physical Progress	
	2010	2011	2010	2011	31.12.2010	31.12.2011	2010	2011
Hostel Program – Stage 1	272,000,000	272,000,000	1,049,092	-	91,450,000	91,450,000	100	100
Mechanical Engineering Hub	130,000,000	130,000,000	9,969,934	716,376	116,640,000	117,356,376	100	100
Faculty of Information Technology-Stage 1	523,000,000	523,000,000	2,963,472	3,622,745	308,010,000	311,632,745	100	100
Chemical Engineering Centre	99,000,000	99,000,000	191,472	-	98,890,000	98,890,000	100	100
Extension to Classroom Block Stage 1	47,000,000	47,000,000	6,081,184	1,022,584	46,010,000	47,032,584	100	100
Extension to Classroom Block Stage 11	96,000,000	96,000,000	7,169,309	1,974,143	91,750,000	93,724,143	100	100
Civil Engineering research Centre	132,000,000	132,000,000	5,493,149	53,703,758	41,290,000	100,550,067	56	100
Faculty of Architecture – Phase 1	490,000,000	73,000,000	44,616,945	18,677,936	36,080,000	55,209,575	95	100
Faculty of Architecture – Phase 11	-	110,000,000	-	-	-	-	0	0

Continued

Name	TCE Rs.		Exp in Rs.		Cumulative Exp as at		% of Physical Progress	
	2010	2011	2010	2011	31.12.2010	31.12.2011	2010	2011
Faculty of Architecture – Phase 111	-	110,000,000	-	-	-	-	0	0
Extension to Administration Building	171,000,000	171,000,000	1,274,790	1,903,131	2,361,948	4,265,079	0	0
Department of Transport & Logistic Management – stage 1	148,200,000	148,200,000	1,331,450	965,692	2,455,992	3,421,684	0	0
Hostel for 400 female students	194,000,000	194,000,000	-	-	-	-	0	0
Extension to Rock Mechanic Laboratory	30,000,000	30,000,000	-	-	-	-	0	0
North-East Extent onto the Textile Department Building	83,000,000	83,000,000	12,910,190	22,699,557	29,310,000	52,008,759	31	55
Madanjeet Centre for SAWM	-	46,900,000	-	16,156,362	-	16,156,362	-	35
<b>Total</b>	<b>2,415,200,000</b>	<b>2,415,200,000</b>	<b>93,050,987</b>	<b>121,442,284</b>	<b>864,247,940</b>	<b>991,697,374</b>		

### 19. Details of Financial Progress (Expenditure)

Subject	Provision Rs.		Expenditure Rs.		Savings / Excess Rs.	
	2010	2011	2010	2011	2010	2011
a. Recurrent except Project	802,376,042	900,084,800	810,625,738	909,290,518	(8,249,696)	(9,205,718)
b. Capital except Project	76,000,000	225,000,000	90,908,534	226,207,012	(14,908,534)	(1,207,012)
c. Project - Local funded	122,500,000	150,000,000	93,050,987	105,285,922	29,449,013	44,714,678
d. Project - Foreign funded	-	16,156,362	-	16,156,362	-	-
<b>Total</b>	<b>1,000,876,042</b>	<b>1,291,241,162</b>	<b>994,585,259</b>	<b>1,256,939,814</b>	<b>6,290,783</b>	<b>34,301,948</b>

### 20. Details of Financial Progress (Generated Income)

Source of Revenue	Provision Rs.		Collection Rs.		Deficit / Surplus Rs.	
	2010	2011	2010	2011	2010	2011
a. Undergraduate Studies	1,225,000	2,095,000	2,618,081	2,201,073	1,393,081	106,073
b. Postgraduate Studies (Research)	890,000	1,425,000	1,496,500	1,400,117	606,500	(24,883)
c. Postgraduate Courses (Cost Recovery Basis)	50,000,000	50,000,000	98,702,674	110,269,481	48,702,674	60,269,481
d. Consultancies/ Training Programs	75,000,000	75,000,000	144,598,112	150,745,252	69,598,112	75,745,252
e. Other	6,345,000	3,509,350	7,097,107	14,619,349	752,107	11,109,999
<b>Total</b>	<b>133,460,000</b>	<b>132,029,350</b>	<b>254,512,474</b>	<b>279,235,272</b>	<b>121,052,474</b>	<b>147,205,922</b>

## 21. Financial Performance Analysis

Subject	Formula	Exp. Per Student Rs.	
		2010	2011
a. Recurrent Expenditure per Student (RE)	RE/No. of Student strength	147,279	191,631
b. Capital Expenditure per Student (CE)	CE/No. of Student strength	33,423	73,266
<b>Total</b>		<b>180,702</b>	<b>264,898</b>

## 22. Details of Infrastructure Facilities

Infrastructure Details	Expenditure Rs. (Mn.)		Physical Progress	
	2010	2011	2010	2011
Hostel Programme (Stage 11)	3.39	-	100%	-
Faculty of Information Technology (phase 1)	9.37	3.50	100%	100%
Design & Construction of Mechanical Engineering Centre	5.43	0.72	100%	100%
Design & Construction of Chemical Engineering Centre	0.015		100%	
Civil Engineering Research Centre	0.06	53.72	56%	100%
Extension to Classroom Block (Stage 11)	9.46	1.97	100%	100%
Faculty of Architecture – Department of Building Economics (Phase 1)	24.16	18.67	95%	100%
Department of Transport & Logistics Management (Stage 1)	-	-	0%	0%
Administration Building	1.27	1.90	0%	0%
Hostel for 400 female students	-	-	0%	0%
Extension to Classroom Block (Stage 1)	5.12	1.02	100%	100%
Extension to Rock Mechanics Laboratory (Madanjeet Singh Center for South Asia Water Management)	-	16.16	0%	20%

## 23. Financial Accounts & Report of the Auditor General 2011

### 23.1 Statement of Financial Position as at 31<sup>st</sup> December 2011

	Note	2011 Rs	2011 Rs	2010 Rs
<b>Assets</b>				
<b>Non Current Assets</b>				
Property, Plant & Equi.	1		1,840,526,518	1,562,897,453
Investments (LT)	2		343,018,110	143,288,627
Work in Progress	3		236,848,324	358,058,202
			<b>2,420,392,952</b>	<b>2,064,244,282</b>
<b>Current Assets</b>				
Stocks	4	26,873,747		21,605,069
Loans & Advances to staff	5	68,847,918		63,863,365
Receivables	6	29,539,461		33,163,531
Pre Payments		15,562,934		2,792,259
Cash at Bank	7	123,979,511		73,897,259
Cash in Hand	8	1,446		4,469
			<b>264,805,017</b>	<b>195,325,952</b>
<b>Total Assets</b>			<b>2,685,197,969</b>	<b>2,259,570,234</b>
<b>Less – Current Liabilities</b>				
Deposit Payable	9	20,356,327		13,642,118
Research Grants	10	7,673,862		10,874,392
Payables	11	103,894,720		85,611,741
Accrued Expenses	-	33,029,184		26,979,872
Differed Income	12	174,655,187		153,396,519
Provision for Gratuity		75,197,238		76,094,415
Receipt from Disposal Items		-		2,391,311
			<b>414,806,519</b>	<b>368,990,368</b>
<b>Net Assets/Equity</b>			<b>2,270,391,450</b>	<b>1,890,579,866</b>
<b>Net Assets /Equity</b>				
Capital Grant - Spent	13		1,703,468,606	1,578,212,309
Capital Grant -Unspent	14		58,357,307	-
Generated Funds Capital	15		257,668,318	226,719,100
Donation	16		972,337,916	917,857,581
			<b>2,991,832,147</b>	<b>2,722,788,990</b>
<b>Reserves</b>				
Revaluation Reserve		88,861,613		88,861,613
Sport Dev. Reserve		837,992		808,020
General Reserve		(1,161,260,133)		(1,162,052,338)
			<b>(1,071,560,528)</b>	<b>(1,072,382,705)</b>
<b>Funds</b>				
Restricted Funds	17	334,605,987	334,605,987	226,215,866
Endowment Fund	18		15,513,844	13,957,715
<b>Net Assets/Equity</b>			<b>2,270,391,450</b>	<b>1,890,579,866</b>

Sgd. Prof. AKW Jayawardane  
Vice Chancellor  
Accounting Officer

Sgd. AL Joufer Sadique  
Registrar  
Assistant Accounting Officer

Sgd. PA Gunatilake  
Acting Bursar

## 23.2 Statement of Financial Performance as at 31<sup>st</sup> December 2011

	Note	2011	2011	2010
<b>Income</b>				<b>Rs.</b>
Government Grant		874,066,000		773,200,000
Bursary		4,945,300		10,121,900
Mahapola		10,310,400		7,539,100
Endowment Scholarship		113,100		110,200
Receipts from TIL Grant		1,814,842		-
Receipts from Cost Reovery Activities		231,306,961		-
Interest received	19	9,200,542		2,566,231
Income from students	20	3,601,190		4,114,581
Other Income	21	5,197,091		4,540,876
Receipt of Grants for Research		9,245,253		1,469,500
Amortization		134,417,701		134,130,854
Surplus of the Hostels		221,716		183,154
<b>Less</b>				
Research Grant Transferred to Project Accounts		(9,245,253)		(1,469,500)
<b>Total Income</b>			<b>1,275,194,843</b>	<b>936,506,896</b>
<b>Expenditure</b>				
Personnel Emoluments	22	617,003,730		531,797,087
Traveling and Subsistence	23	3,464,624		2,602,240
Welfare services	24	19,560,449		17,361,145
Other Operating Expenses	25	24,210,353		22,467,363
Financial Assistance to Students	26	15,368,800		17,442,500
			<b>679,607,956</b>	<b>591,670,335</b>
Contractual Services	27	137,135,072		120,538,982
Supplies and Consumables	28	58,227,523		65,176,665
IRQUE Project		-		1,250,465
Academic Research		10,312,166		10,681,775
Maintenance	29	23,135,643		19,530,833
Expenditure of TIL Grant (Fellowships)		1,814,842		-
Expenditure on Cost Reovery Activities		231,306,961		-
Depreciation		164,895,387		165,316,362
			<b>626,827,594</b>	<b>382,495,082</b>
			<b>1,306,435,550</b>	<b>974,165,417</b>
<b>Surplus/ (Deficit) from Operating Activities</b>			<b>(31,240,707)</b>	<b>(37,658,521)</b>
Finance Cost	30	-	(872,158)	(1,776,683)
<b>Net Surplus/ (Deficit) for the period</b>			<b>(32,112,865)</b>	<b>(39,435,204)</b>

Sgd. Prof. AKW Jayawardane  
Vice Chancellor  
Accounting Officer

Sgd. AL Joufer Sadique  
Registrar  
Assistant Accounting Officer

Sgd. PA Gunatilake  
Acting Bursar

### 23.3 Statement of Changes in Net Assets for the year ended 31st December 2011

	General Reserve	Sport Dev. Reserve	Revaluation Reserve	Endowment Fund	Restricted Funds	Capital			
						Donations	Generated Funds	Capital Grant Spent	Capital Grant Unspent
<b>Balance as at 01-01-2010</b>	<b>(1,033,861,834)</b>	<b>736,120</b>	<b>88,861,613</b>	<b>12,339,684</b>	<b>181,905,303</b>	<b>898,803,845</b>	<b>211,148,602</b>	<b>1,556,844,331</b>	<b>-</b>
Deficit for the Year	(39,435,204)								
Amortization for the Year								(134,130,854)	
Transfer to Sports Reserve		71,900							
Credit Adjustments (sch 9+10)	876,972,129								
Debit Adjustments (sch 11+12)	(965,804,001)								
Bad Debtors (sch. Q)									
Receipts	-			1,564,965	223,964,037	6,143,546	15,570,498		155,350,358
Interest Receipts	-			1,706,266					
Amortization adjustment	-					-	-		
Adjustment								75,358,036	(75,209,562)
Acquisition of Assets	-					12,910,190		80,140,796	(80,140,796)
Expenditure on Projects	-								
Utilization of Fund	-								
Payments	-			(1,653,200)	(179,653,474)				
Write - off (Schedule - Q)									
<b>Balance as at 01-01-2011</b>	<b>(1,122,693,707)</b>	<b>808,020</b>	<b>88,861,613</b>	<b>13,957,715</b>	<b>226,215,866</b>	<b>917,857,581</b>	<b>226,719,100</b>	<b>1,578,212,309</b>	<b>-</b>
Deficit for the Year	(32,112,865)								
Amortization for the Year								(134,417,701)	
Transfer to Sports Reserve		29,972							
Credit Adjustments (sch 9+10)	35,472,926								
Debit Adjustments (sch 11+12)	(41,926,487)								
Receipts				1,733,160	338,592,022	15,624,416	30,847,745		320,678,523
Interest Receipts	-			2,005,690					
Amortization adjustment									
Adjustment						-	101,473	(2,647,218)	
Acquisition of Assets	-					38,855,920		179,734,851	(179,734,851)
Expenditure on Projects	-							82,586,365	(82,586,365)
Utilization of Fund	-								
Payments	-			(2,182,720)	(230,201,901)				
<b>Balance as at 31-12-2011</b>	<b>(1,161,260,133)</b>	<b>837,992</b>	<b>88,861,613</b>	<b>15,513,844</b>	<b>334,605,987</b>	<b>972,337,916</b>	<b>257,668,318</b>	<b>1,703,468,606</b>	<b>58,357,307</b>

## 23.4 Cash Flow Statement for the Year Ended 31<sup>st</sup> December 2011

	Note	2011 Rs.	2011 Rs.	2010 Rs.	2010 Rs.
<b>Cash flows from Operating Activities</b>					
Surplus/(deficit) from the Ordinary Activities		(32,112,865)		(39,435,204)	
Decrease in Deficits in Cost recovery Courses	-	-	<b>(32,112,865)</b>	-	<b>(39,435,204)</b>
<b>Adjustments</b>					
Credit Adjust (Sch9+10)		35,472,926		6,338,320	
Debit Adjust (Sch 11+12)		(41,926,487)		(1,311,656)	
Sport Activities	17	(29,972)		(71,000)	
Interest received	19	(9,200,542)		(2,566,231)	
Adjustment to Assets		(11,007,487)		-	
Adjustment to Depreciation		8,303,563		(300)	
Gratuity Paid	25				
Bank Charges	30	872,158	<b>(17,515,841)</b>	1,776,683	<b>4,165,816</b>
<b>Non Cash Movements</b>					
Bad Debtors	17	-		-	
Depreciation	1	164,895,387		165,316,362	
Provision for gratuity		15,647,313		15,478,056	
Other Bad Debtors		-		-	
Amortization	1	(134,417,701)	<b>46,124,999</b>	(134,130,854)	<b>46,663,564</b>
<b>Net Surplus/(deficit) from the ordinary activities</b>			<b>(3,503,707)</b>		<b>11,394,176</b>
<b>Increase /Decrease in Working Capital</b>					
Increase in current assets		(69,923,258)			
Increase in Current Liabilities		43,120,494	26,802,764	50,262,175	
Gratuity Paid	25				
Interest from Loans & Advances to Staff	19	2,721,011	<b>29,523,775</b>	2,147,614	<b>52,409,789</b>
<b>Net Cash flows from Operating activities</b>			<b>26,020,068</b>		<b>63,803,965</b>
<b>Cash flows from Investment Activities</b>					
Purchase of Plant and Equipments	1	(226,207,012)		(97,092,670)	
Payments for Constructions	3	(82,586,365)		(93,050,986)	
Payments from Restricted funds	17	-		-	
Bank Interest Received for Endowment fund	18	2,005,690		1,706,266	
Interest from Investments	19	6,479,531	<b>(300,308,156)</b>	418,617	<b>(188,018,773)</b>
<b>Net Cash flows from Investing Activities</b>			<b>(274,288,088)</b>		<b>(124,214,808)</b>
<b>Cash flows from Financing Activities</b>					
Grant from Treasury	14	154,569,784		155,498,832	
Q I Grant from UGC	14	25,000,000		-	
Grant for Transformation to International Universities	14	100,000,000		-	
Other Capital Receipts	14	20,438,642		-	
Receipt for Vehicles	14	21,650,000		-	
National Science Foundation	14	9,245,253		1,469,500	
Generated Income	15	30,949,218		15,591,088	
Donations Received	16	54,480,336		19,053,736	
Proceeds from Sale of old Stock		695,163		1,063,775	
Payments of Awards from Endowments fund	18	(2,182,720)		(1,653,200)	
Proceeds to Endowment fund	18	1,733,160		1,564,965	
Increase in Restricted fund		108,390,122		44,310,563	
Bank Charges Paid	30	(872,158)		(1,776,683)	
<b>Net Cash flows from Financing Activities</b>			<b>524,096,800</b>		<b>235,122,576</b>
Net Increase/(Decrease) in cash and cash equivalent			249,808,711		110,907,768
Cash and Cash equivalent at the beginning of Period	31		<b>217,190,356</b>		<b>106,282,588</b>
Cash and Cash equivalent at the end of Period	31		<b>466,999,067</b>		<b>217,190,356</b>

## 23.5 Notes to the Statement of Financial Position

### Note - 1 (Schedule A)

	2011 Govt.Grant Rs	2011 Generated Funds And Donation Rs	2010 Govt.Grant Rs	2010 Generated Funds And Donation Rs
<b><u>Property, Plants and Equipment</u></b>				
Opening Balance	2,343,702,817	1,131,377,361	2,268,344,781	1,109,663,318
Add /Less Adjustment to previous years	(11,007,489)			
Additions to Assets	179,734,851	30,847,745	75,358,036	15,570,497
Adjustment of Assets				
Donations (Notes 15)	-	15,624,416	-	6,143,546
W.I.P (Note 3)	219,021,367			
<b>Total Assets</b>	<b>2,731,451,546</b>	<b>1,177,849,522</b>	<b>2,343,702,817</b>	<b>1,131,377,361</b>
Add /Less - Adjustment to previous years		-		300
Accumulated Depreciation	(921,853,154)	(990,329,572)	(787,722,300)	(959,144,364)
Adjustment of Depreciation	8,303,563			
Depreciation for the Year	(134,417,701)	(30,477,686)	(134,130,854)	(31,185,508)
<b>W.D.Value</b>	<b>1,683,484,254</b>	<b>157,042,264</b>	<b>1,421,849,663</b>	<b>141,047,789</b>
	1,840,526,518			1,562,897,452

### Note - 02 (Schedule J)

	2011 Rs	2010 Rs
<b>Investments (LT)</b>		
Opening Balance - University	143,251,529	69,981,106
Opening Balance - Hostel	37,098	37,098
Interest Received	2,029,483	1,778,782
Add - Investments	197,700,000	71,491,641
Withdrawals	-	-
	<b>343,018,110</b>	<b>143,288,627</b>

### Note - 03

	2011	2010
<b><u>Work in Progress (Schedule I)</u></b>		
Opening Balance	358,058,202	265,007,216
Add /Less Adjustment to previous years	(23,630,795)	-
Capital Grant spent (Note 13)	82,586,365	80,140,796
Donations - (Note 16)	38,855,920	12,910,190
	455,869,691	358,058,202
Capitalized to Building (Note 1)	(219,021,367)	-
<b>Closing Balance</b>	<b>236,848,324</b>	<b>358,058,202</b>

### Note - 4

	Schedule	2011	2010
<b><u>Stocks</u></b>			
Stores	K	26,316,233	20,531,519
Stamps	T	37,085	183,817
Drugs	T	93,789	121,783
Stock in Hand -Workshop	T	426,640	767,950
<b>Total</b>		<b>26,873,747</b>	<b>21,605,069</b>

**Note – 5**

<b><u>Loans &amp; Advances to staff (Schedule M)</u></b>		<b>2011</b>	<b>2010</b>
		<b>Rs</b>	<b>Rs</b>
Festival Advance		333,400	343,500
Special Advance		14,500	9,750
Salary Advance		3,944	15,944
Distress Loan	M-VIII	62,362,779	56,970,777
Vehicle Loan	M-VI	2,269,373	2,466,658
Staff Loan	M-VIII	960,042	1,075,422
Computer Loan	M-IX	2,798,000	2,315,500
Traveling Advance		-	66,500
Vice Chancellor's Special Loan Scheme	M-XI	105,204	598,638
Festival Advance - Hostels		676	-
Staff Loan - Hostels		-	676
<b>Total</b>		<b>68,847,918</b>	<b>63,863,365</b>

**Note 6**

<b><u>Receivables</u></b>	<b>Schedule</b>	<b>2011</b>	<b>2010</b>
		<b>Rs</b>	<b>Rs</b>
Advance for Supplies	O	5,991,215	329,318
Misce Advance	P	238,125	1,716,903
Money Due from Ministry of Sports	Q	4,435,700	4,435,700
Money Due from Treasury (Capital Grant Recievable)	Q	834,939	11,430,216
Cheque returned	R	-	3,700
Deposits Receivable	T	880,581	880,581
Mahapola Receivable	T	1,909,600	-
Bursary Receivable	T	1,322,100	2,350
Endowed Schlorship Receivable	T	9,700	-
Bursary Advance	T	2,109,000	-
Income Receivable	T	11,772,773	14,125,829
Sundry Debtors	L	34,240	237,445
Debtor – Hostel	T	1,488	1,489
<b>Total</b>		<b>29,539,461</b>	<b>33,163,531</b>

**Note - 7**

<b><u>Cash at Bank</u></b>	<b>2011</b>	<b>2010</b>	
		<b>Rs</b>	<b>Rs</b>
Bank of Ceylon - A/C No 0000306836	308,329	137,804	
Bank of Ceylon - A/C No 0000307829	47,155,960	24,289,080	
Bank of Ceylon - A/C No 0000307453	44,664,925	464,015	
Bank of Ceylon - A/C No 0000307164	900,270	808,020	
Bank of Ceylon - A/C No 0000307353	281,935	292,435	
Bank of Ceylon - A/C No 0005342685	-	-	
Bank of Ceylon - A/C No 7099353	29,339,287	36,149,250	
Bank of Ceylon - Hostel A/C No 306795	519,194	478,963	
Bank of Ceylon - A/C No 71579813	30,410	-	
Foreign RFD/KAT/US\$40	779,201	11,277,692	
<b>Total</b>	<b>123,979,511</b>	<b>73,897,259</b>	

**Note – 8**

<b><u>Cash In Hand</u></b>	<b>2011</b>	<b>2010</b>
	<b>Rs</b>	<b>Rs</b>
<b>Petty Cash imprest</b>		
Maintenance Division	433	2,474
Workshop	178	-
Management of Tehnology	835	-
Dean's Office	-	964
Electronic & Telecommunication	-	1,031
<b>Total</b>	<b>1,446</b>	<b>4,469</b>

**Note – 9**

<b><u>Deposits Payable (Schedule U)</u></b>	<b>2011</b>	<b>2010</b>
	<b>Rs</b>	<b>Rs</b>
Tender	808,254	648,754
Sundry	4,423,056	2,952,249
Fidelity Guarantee	17,500	17,500
Canteen	251,800	234,000
Laboratory & Library	12,879,200	7,744,400
Security	1,150,860	1,218,009
Bid Bond	297,716	351,266
Internet	497,000	445,000
Deposit - Hostel	30,941	30,940
<b>Total</b>	<b>20,356,327</b>	<b>13,642,118</b>

**Note 10**

<b><u>Research Grants</u></b>	<b>Schedule</b>	<b>2011</b>	<b>2010</b>
		<b>Rs</b>	<b>Rs</b>
Nantional Science Foundation	W	2,893,143	2,848,716
International Funded Research Projects	W	3,250,873	4,834,036
Other Research Grants	W	1,529,846	3,191,640
		<b>7,673,862</b>	<b>10,874,392</b>

**Note – 11**

<b><u>Payables</u></b>	<b>Schedule</b>	<b>2011</b>	<b>2010</b>
		<b>Rs</b>	<b>Rs</b>
U G C Scholarship Fund - Payable	Y	-	1,628,300
Mahapola Scholarship Fund	Y	7,359,150	7,909,350
Unpaid Bursary	Y	812,600	-
Unpaid Mahapola	Y	271,950	-
Bursaries	Y	-	1,127,900
Impress for Mahapola	Y	-	2,000,000
Other Liabilities	Y	8,906,104	10,585,779
Receipts for Capital Activities	Y	44,453,850	18,235,543
Sundry Creditors	V	40,691,840	43,734,972
Unpaid Wages	-	193,068	374,894
Nation Building Tax	Y	967,769	-
Creditors – Hostel		13,593	13,593
Accrued Expenses – Hostel		221,716	
Unrealised cheques – Hostel		3,080	1,410
<b>Total</b>		<b>103,894,720</b>	<b>85,611,741</b>

**Note – 12 (Schedule – Z)**

<b><u>Differed Income</u></b>	<b>2011 Rs</b>	<b>2010 Rs</b>
Postgraduate courses	151,440,934	129,693,247
Part Time Courses	1,861,742	1,658,014
Training Programmes	10,918,187	14,633,995
Other Programmes	4,266,116	3,572,004
Workshops	-	515,063
Projects	6,168,208	3,324,196
<b>Total</b>	<b>174,655,187</b>	<b>153,396,519</b>

**Note – 13**

<b><u>Capital Grant Spent</u></b>	<b>2011 Rs</b>	<b>2010 Rs</b>
Opening Balance	1,578,212,309	1,556,844,331
Adjustments	(2,647,218)	-
Acquisition of assets	179,734,851	75,358,036
Expenditure on Projects (Note 3)	82,586,365	80,140,796
Amortization – for the Year	(134,417,701)	(134,130,854)
<b>Balance</b>	<b>1,703,468,606</b>	<b>1,578,212,309</b>

**Note – 14**

<b><u>Capital Grant – Unspent</u></b>	<b>2011 Rs</b>	<b>2010 Rs</b>
Opening Balance	-	-
Grant from the Treasury	154,569,784	144,068,616
Grant Receivable from Treasury	834,939	11,281,742
Grant for Transformation to International Level of Universities - (Ref: page 28)	98,185,158	-
Quality Innovation Grant for Library- (Ref: page 28)	25,000,000	-
Other Capital Receipts	20,438,642	-
Receipts of Vehicles	21,650,000	-
Acquisition of Assets	(179,734,851)	(75,209,562)
Ex.On W.I.P	(82,586,365)	(80,140,796)
<b>Total</b>	<b>58,357,307</b>	<b>-</b>

**Note – 15**

<b><u>Generated Funds – Capital</u></b>	<b>2011 Rs</b>	<b>2010 Rs</b>
Opening Balance	226,429,971	210,859,473
Adjustments	101,473	-
Department Funds	-	49,107
Vice Chancellor's Fund & Other Dept Funds	30,847,745	15,521,391
	257,379,189	226,429,971
Capital – Hostels	289,129	289,129
<b>Total</b>	<b>257,668,318</b>	<b>226,719,100</b>

**Note – 16**

<b><u>Donations - Capital</u></b>	<b>2011 Rs</b>	<b>2009 Rs</b>
Opening Balance	917,857,581	898,803,845
Ex.On W.I.P	38,855,920	12,910,190
Receipts	15,624,416	6,143,546
<b>Total</b>	<b>972,337,916</b>	<b>917,857,581</b>

**Note 17****Restricted Funds**

	<b>2011</b>	<b>2011</b>	<b>2010</b>	<b>2010</b>
	<b>Rs</b>		<b>Rs</b>	
Generated Funds	<b>100,983,101</b>		<b>82,037,644</b>	
Add - Receipts	201,839,191		183,795,787	
Less - Payments	(150,871,433)		(164,850,330)	
	<b>151,950,859</b>		<b>100,983,101</b>	
Add - Department A/C & Course Dev Funds	48,144,688		30,538,010	
	<b>200,095,548</b>		<b>131,521,111</b>	
Closing Balance		<b>200,095,548</b>		<b>131,521,111</b>
Donated Funds	<b>14,356,774</b>		<b>2,096,151</b>	
Add - Receipts	98,252,163		12,598,367	
Less - Payments	(67,963,859)	<b>44,645,079</b>	(337,744)	<b>14,356,774</b>
Research Grants Funds	<b>1,496,314</b>		<b>1,268,889</b>	
Add - Receipts	192,862		227,425	
Less - Payments	(15,004)	<b>1,674,171</b>	-	<b>1,496,314</b>
Bonds & Agreements Fund	<b>64,517,743</b>		<b>60,191,313</b>	
Add - Receipts	13,914,603		5,802,001	
Less - Payments	(2,266,339)	<b>76,166,008</b>	(1,475,570)	<b>64,517,743</b>
Other Funds	<b>14,323,923</b>		<b>10,738,231</b>	
Add - Receipts	155,760		3,600,691	
Less - Payments	(2,454,500)	<b>12,025,183</b>	(15,000)	<b>14,323,923</b>
		<b>334,605,987</b>		<b>226,215,865</b>

**Note – 18****Endowment funds**

	<b>2011</b>	<b>2010</b>
	<b>Rs</b>	<b>Rs</b>
Opening Balance	13,957,715	12,339,684
Receipts	1,733,160	1,564,965
Interest receipts	2,005,690	1,706,266
Payments	(2,182,720)	(1,653,200)
<b>Total</b>	<b>15,513,844</b>	<b>13,957,715</b>

## 23.6 Notes to the Statement of Financial Performance

### Note 19

<b><u>Interest Received</u></b>	<b>2011</b>	<b>2010</b>
Interest from investments	6,479,531	418,617
Interest from Loans & Advances	2,721,011	2,147,614
	<b>9,200,542</b>	<b>2,566,231</b>

### Note 20

<b><u>Income from Students</u></b>	<b>2011</b>	<b>2010</b>
Registration - Undergraduate	771,570	671,010
Postgraduate	1,247,900	1,332,300
Tuition Fees - Undergraduate	1,316,743	1,851,951
- Postgraduate	17,667	16,500
Examination Fees - Undergraduate	112,760	95,120
- Postgraduate	134,550	147,700
	<b>3,601,190</b>	<b>4,114,581</b>

### Note 21

<b><u>Other Income</u></b>	<b>2011</b>	<b>2010</b>
Rent from Properties	423,124	336,672
Reimbursements	187,685	131,818
Miscellaneous Receipts	3,329,967	3,200,808
Library Fines	345,724	500,051
Medical Fees	215,428	188,373
Sale of Old Stores	695,163	-
Anicillary Activities	-	183,154
	<b>5,197,091</b>	<b>4,540,876</b>

### Note 22

<b><u>Personal Emoluments</u></b>	<b>2011</b>	<b>2010</b>
<b>Academic</b>		
Salaries and Wages	182,964,871	177,319,232
Allowances	88,987,882	31,070,198
Cost of Living Allowances	24,050,204	22,634,638
UPF	23,341,831	21,478,654
Pension	8,738,511	7,275,015
E.T.F.	6,447,112	5,751,005
Acting Payments	-	-
Visiting Lectures Fees	7,473,164	9,018,373
	-	-
<b>Non Academic</b>		
Salaries and Wages	162,494,135	164,684,338
Allowances	8,129,247	548,516
Cost of Living Allowances	42,028,380	39,268,376
Language Proficiency Allowance	909,504	950,656
UPF	24,211,367	18,008,961
Pension	8,380,058	5,531,485
ETF	6,460,514	4,708,089
Acting Payments	263,793	14,868
Over time	21,935,186	23,254,016
Holiday Payments	187,971	280,667
	<b>617,003,730</b>	<b>531,797,087</b>

**Note 23****Traveling and Subsistence**

	<b>2011</b>	<b>2010</b>
Domestic	853,769	1,039,039
Foreign	2,610,855	1,563,201
	<b>3,464,624</b>	<b>2,602,240</b>

**Note 24****Welfare Services**

	<b>2011</b>	<b>2010</b>
Uniforms and Tailoring Charges	1,660,668	1,765,574
Medical Supplies	329,853	378,111
Workshops and Seminars	394,047	421,178
Staff Development	2,123,586	1,722,059
Holiday Warrants and Season tickets	793,425	1,019,680
Awards and Indemnities	199,600	798,479
Postgraduate Research & Scholarship	101,665	-
Course Materials for students & Learning Quality	200,621	
Industry Internship & Career Guidance	4,992	-
Student developments	79,812	-
University Sport Activities	1,255,127	875,250
Student Welfare,Employee Wefare,Student Council	231,130	
Corporate Planning,Governance & Outreach	224,593	
Contributions and Membership fees	902,818	1,203,120
Other -Newspapers, Magazines etc	11,058,512	9,177,694
	<b>19,560,449</b>	<b>17,361,145</b>

**Note 25****Other Operating Expenses**

	<b>2011</b>	<b>2010</b>
Council and Committee Service	474,994	196,015
Professional and Other fees	2,499,036	2,322,425
Entertainment Expenses	2,980,298	1,602,318
Convocation	442,080	676,275
Examination Expenses	2,166,632	2,192,274
Gratuity Provisions	15,647,313	15,478,056
	<b>24,210,353</b>	<b>22,467,363</b>

**Note 26****Financial Assist to Students**

	<b>2011</b>	<b>2010</b>
Mahapola Scholarships	10,310,400	7,939,600
Bursary	4,945,300	9,392,700
Endowment Scholarships	113,100	110,200
	<b>15,368,800</b>	<b>17,442,500</b>

**Note 27**

<b><u>Contractual Service</u></b>	<b>2011</b>	<b>2010</b>
Transport	1,548,631	486,392
Telecommunication	19,133,787	14,763,605
Postal Charges	1,198,143	1,469,573
Electricity	79,666,874	73,589,333
Security Services	11,538,217	9,349,416
Water	5,914,621	4,943,351
Cleaning Services	12,850,614	10,533,478
Rental and Hire Charges	312,252	1,825,615
Rates and Taxes	535,646	326,355
Printing and Advertising	3,098,272	1,900,667
Others	1,338,015	1,351,197
	<b>137,135,072</b>	<b>120,538,982</b>

**Note 28**

<b><u>Supplies and Consumables</u></b>	<b>2011</b>	<b>2010</b>
Stationary	16,698,376	21,136,563
Fuel and Lubricants	8,303,125	7,800,662
Mechanical and Electrical Goods	2,228,955	2,703,050
Chemicals and Glassware	1,637,494	1,268,255
Other Supplies	29,359,573	32,268,135
	<b>58,227,523</b>	<b>65,176,665</b>

**Note 29**

<b><u>Maintenance</u></b>	<b>2011</b>	<b>2010</b>
Vehicles	7,862,192	5,697,999
Plant, Machinery and Equipment	13,896,089	13,286,923
Building and Structures	1,258,495	98,214
Furniture	32,578	88,850
Others	86,289	358,847
	<b>23,135,643</b>	<b>19,530,833</b>

**Note 30**

<b><u>Finance Cost</u></b>	<b>2011</b>	<b>2010</b>
Bank Charges	872,158	1,776,683

**Notes to the cash flow Statement****Note 31**

<b><u>Cash and Cash Equivalent</u></b>	<b>2011</b>	<b>2010</b>
Investment (LT)	342,981,012	143,251,530
Investment -Hostel	37,098	37,098
Cash at Bank	123,979,511	73,897,259
Cash in Hand	1,446	4,469
Cash and Cash Equivalent	<b>466,999,067</b>	<b>217,190,356</b>

## **23.7 Report of the Auditor General & Comments of the Financial Statement**

CE/D/UM/FS/2011

05 July 2012

Vice Chancellor,  
University of Moratuwa.

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

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The audit of financial statements of the University of Moratuwa 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 notes 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 and Sub sections (3),(4) and (7) of Section 13 of the Finance Act, No. 38 of 1971 and Sections 108(1) and 111 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 in terms of Section 13(7)(a) of the Finance Act, and Section 108 (2) of the Universities Act appear in this report.

#### **1.2 Management's Responsibility for the Financial Statements**

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The Management is responsible for the preparation and fair presentation of these financial statements in accordance with Generally Accepted Accounting Principles and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatements whether due to fraud or error.

### 1.3 Auditor's Responsibility

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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 University's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of 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

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My opinion is qualified based on the matters described in paragraph 2.2 of this report.

## 2. Financial statements

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### 2.1 Qualified Opinion

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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 Moratuwa as at 31 December 2011 and its financial performance and cash flows for the year then ended in accordance with Generally Accepted Accounting Principles.

### 2.2 Comments on Financial Statements

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#### 2.2.1 Noncompliance with Best Accounting Practices

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The comparative figures should again be revised even when the submissions of items in the financial statements or classification is revised. The comparative figures relating to receipts from Cost Recovery Activities and payments had not been disclosed in the accounts.

#### 2.2.2 Accounting Deficiencies

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The following observations were made.

- (a) Even though the surplus of Rs.5,822,421 arisen at the end of 17 short term courses, 5 projects and 10 other courses should have been brought to account as income of each year, it had been shown in the financial statements as deferred income.
- (b) The surplus of postgraduate courses relating to 3 years and 2 years the academic activities of which had ended resulting in a 4 years surplus of Rs.2,373,162 as at 31 December 2011 should have been brought to accounts as income. However, it had been accounted under deferred income.

- (c) The book value of assets costing Rs.9,957,738 as at 31 December 2011 was zero. But, it continued to be used and action had not been taken to revalue it and show it in the financial statements.
- (d) The interest due from 2 fixed deposits for the year 2011 amounting to Rs.1,608,082 had not been accounted for. As such, income from investments had been understated by a similar amount.
- (e) Provision for accrued expenses had been made in excess during the previous years. As a result, a sum of Rs.18,217,538 had to be transferred from that account to the General Reserve Account at end of the year under review.
- (f) While making provision for gratuity to employees, liabilities should be computed on the basis of the officers' total period of service and the last salary drawn. However, the University had not taken the total period of services of the staff into consideration. Instead, the provision for liabilities of Rs.75,197,238 relating to each year from 2006 to 2011 alone had been made. As a result, lesser provision had been made in the Gratuity to Employees' Account.
- (g) Direct debits of Rs.49,465 and direct credits of Rs.146,282 made by the bank and shown in the bank reconciliation statements as at 31 December 2011 with regard to 2 current accounts maintained in a state bank by the University of Moratuwa had not been identified and adjusted in the accounts of the year under review.
- (h) Expenditure of Rs.198,991 payable for cleaning services for the month of December 2011 had not been accounted for.
- (i) The balance of the Consultancy Services Reserve Fund Account amounted Rs.52,979,548. However, the corresponding Investment Account of Rs.6,115,630 and the Bank Current Account of Rs.47,155,960 maintained aggregated Rs.53,271,590. Thus a difference of Rs.292,042 was observed between the Reserve Account and the Investments Accounts.

- (j) An unidentified debit balance of Rs.1,350,000 which continues to be brought forward in the financial statements for many years had been accounted as Audit Fees Receivable during the year under review.
- (k) A sum of Rs.3,543,500 had been paid to the students as Mahapola Scholarship Aid for the academic year 2009/2010. While receiving the reimbursements from the Mahapola Scholarship Fund in this regard, the General Reserve Account had been credited instead of crediting the Mahapola Advance Receivable Income Account.
- (l) According to the cash flow statements furnished for the year ended 31 December 2011, a difference of Rs.510,527 was observed between the increase in current assets and current liabilities of the year under review and the increase in current assets and current liabilities shown in the balance sheet, as compared with those of the year 2010.
- (m) The sum of Rs.695,163 obtained by sale of old stock had been shown as other income of the year under review in the Income and Expenditure Account. In spite of this, it had been shown as cash flows from financial activities in the cash flow statement.

### 2.2.3 Accounts Receivable

-----

The following observations are made.

- (a) Loan balances amounting to Rs.500,685 due from 7 officers who had left the services and exceeding a period of 5 years without installments being recovered had not been recovered even by the month of December 2011.
- (b) A sum of Rs,20,716 remained recoverable from 2010 from officers who had gone on transfer to the Open University. Action had not been taken to recover this till end of the under review.

- (c) Loan balances of Rs.94,590 exceeding 4 years were due from 21 employees. This had not been recovered even by the month of December 2011.
- (d) (i) The sum of Rs.4,435,700 due from the Department of Sports Development 5 years ago on behalf of the construction of an indoor sports ground at the University of Moratuwa had not been recovered.
- (ii) Work in progress amounting to Rs.1,000,000 with regard to the indoor sports ground complex continued to be brought forward from 2005.
- (e) Recovery of agreed bonds  
-----  
A sum of Rs.32,525,793 was recoverable as at 31 December 2011 from 25 officers who had breached agreements and bonds.
- The following matters were observed in this connection.
- (i) The above 3 officers concerned had consented for the recovery of Rs.502,544 from the University Provident Fund. However, the amount concerned had not been recovered even as at 31 December 2011.
- (ii) The amount due as compensation for breach of agreements and bonds for over 10 years from 14 officers amounted to Rs.10,188,920. This had not been recovered upto now.
- (iii) So far, legal action had not been initiated against 7 officers for breach of agreements and bonds from whom a sum of Rs.7,439,692 was recoverable.
- (f) Library fines amounting to Rs.139,461 which continued to be brought forward for many years had not been recovered even as at end of the year under review.

#### 2.2.4 Accounts Payable

-----  
The following observations are made.

- (a) A sum of Rs.111,236 had been received with regard to the research named “Investigation of Perf. of coral reefs in Coast Protection” sponsored by the National Science Foundation. This continued to be brought forward for 6 years and action had not been taken to settle it.
- (b) Action had not been taken to settle the sum of Rs.814,608 received on behalf of 4 researches sponsored by other institutions which continued to be brought forward for over 4 years.

#### 2.2.5 Non-compliance with Laws, Rules, Regulations and Management Decisions

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The following instances of non compliance were observed.

Reference to Laws, Rules, Regulations and Management Decisions	Non-compliance
-----	-----
(a) Establishments Code for Higher Educational Institutions	
-----	
(i) Chapter X Section 23	A leave register relating to the leave granted to lecturers had not been maintained in terms of Section 23 of Chapter X of the Establishments Code for the University Grants Commission and Higher Educational Institutions.

(ii) Paragraphs 6.3 and 6.4 of the Circular No.856 of the University Grants Commission dated 31 January 2005. It has been instructed that the University should appoint a Committee and monthly performance reports should be sent to the University Grants Commission with regard to the Mahapola and Bursary payments in terms Paragraphs 6.3 and 6.4 of the Circular No.856 dated 31 January 2005 issued by the University Grants Commission. However, action had not been taken accordingly.

(b) Financial Regulations

(i) F.R.396 Action had not been taken in terms of Financial Regulation 396 with regard to 31 cheques valued at Rs.705,322 which had been issued from 2 bank accounts maintained by the University of Moratuwa and remaining unpresented to the bank for over 6 months.

(ii) F.R 570 and 571 Action had not been taken in terms of the Financial Regulation with regard to the tender deposits valued at Rs.472,954 received during the period 2005 to 2009.

2.2.6 Transactions not supported by Adequate Authority

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The following instances were observed.

(a) The Director General of Budget had informed by his letter No.BD/INS/CLUS – A/078 dated 18 July 2003 that academic allowances should not be taken into consideration for payment of contributions to the Universities Provident Fund and Employees Trust Fund. In spite of this, contributions had been paid for those allowances too contravening the letter. As a result, overpayments amounting to Rs.943,746 had been made to the University Employees’ Trust Fund and contributions to pensions during the year 2011 and the overpayments made to the Employees’ Trust Fund amounted to Rs.188,749

- (b) Payment of language allowances is not relevant to State Corporations and Statutory Boards as per letter No.PE/1/174/11/(b) dated of 10 March 1998 of the Director General of Public Enterprises. But, in contrary, a sum of Rs.908,816 had been paid to the employees as language allowances during the year 2011.
- (c) Approval of the Treasury should obtained for payments of allowances as per letter No.PE1/174/1-2003 dated 29 January 2003 of the Secretary to the Ministry of Finance. But, in deviation, a sum of Rs.2,483, 421, from the income from postgraduate courses and a sum of Rs.5,403,139 from the short term courses had been paid as allowances to employees who had not directly contributed to those activities during the year 2011 by utilizing the Public Finance Circular No.380. In this connection, it was pointed out that the Public Finance Circular No.380 only applies to services falling outside the normal activities of the University, as per letter No.PF/FS/18 dated 4 October 2000 of the Director General of the Department of Public Finance and the provisions in Circular No.380 was not applicable for income from postgraduate courses.

### 3. Financial and Operating Review

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#### 3.1 Financial Results

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According to the financial statements presented, the operation of the University, for the year under review had resulted in a deficit of Rs.906,178,865 before taking into account the government grant for recurrent expenditure as compared with the deficit of Rs.812,635,204 of the preceding year. The deficit for the year under review had decreased to Rs.32,112,865 after taking into account the government grant of Rs.874,066,000 received for recurrent expenditure. The deficit for the preceding year had decreased to Rs.39,435,204 after the receipt of government grant amounting to Rs.773,200,000 for recurrent expenditure.

### 3.2 Financial Management Inefficiencies

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The sum of Rs.24,289,080 in the Consultancy Services Reserve Account had been lying in a current account. Attention had not been paid to invest that amount and earn an interest income.

## 4. Operating Review

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### 4.1 Performance

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(a) Particulars of students in the year under review are given below.

	Faculty of Engineering	Faculty of Information Technology	Faculty of Architecture
	-----	-----	-----
Number of undergraduates enrolled	842	208	305
Number of graduates passed out	703	76	216
Number of students retained	3170	515	1,244

(i) The number of permanent lecturers who were in service during the year under review was 224 and the average student per lecturer was 22.

(ii) The recurrent expenditure of the year under review amounted to Rs.1,075,128,589 and the cost per student amounted to Rs.218,123.

(iii) During the year, hostel facilities had been granted to 861 male undergraduates and 247 female undergraduates.

(b) During the year under review, a sum of Rs.10,310,400 had been paid to 2,484 students as Mahapola Scholarship Aid and the bursaries paid to 805 students amounted to Rs.4,945,300.

- (c) Results of the internal examinations of the University should be released within 3 months of holding the examination as per circular No.636 dated 14 July 1995 of the University Grants Commission. However, delays ranging from 4 to 8 months were observed in 10 instances in releasing the results of the examinations held in 2010 and 2011.
- (d) The time spent in releasing the results of the 1<sup>st</sup> Semester of the degree course had got delayed till the date following the holding of the 2<sup>nd</sup> semester examination of the students following the same courses.

#### 4.2 Management Inefficiencies

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- (a) Vehicle No.52 – 1943 belonging to the University of Moratuwa had met with an accident on 29 April 2010. The vehicle remained parked at the University premises even as at 8 May 2012. So far, action had not been taken to get the loss occurred to the University as a result of the accident caused to the vehicle from the respective insurance institution.
- (b) Instances were observed where the Senate Research Committee had approved new researches before completion of researches undertaken by certain lecturers whose date of completion of the research had lapsed.
- (c) The period of completion of 88 researches for which a sum of Rs.26,379,050 had been recommended by the Senate Research Committee had lapsed. However, the researches concerned had not been completed up to now.
- (d) Action should be taken to register the ownership of a property by informing the Local Authority within 8 weeks of change of ownership. However, without doing so, rates and taxes had been paid for properties on behalf of the previous owners.
- (e) Consultancy service fees of Rs.1,273,329 had been paid in 2005 to a private organization as consultancy fees of the Proposed Multipurpose Auditorium Project. This expenditure had been accounted as work in progress. The activities relating to the project had not commenced yet.

#### 4.3 Under Utilization of Funds

-----

The following matters were observed.

- (a) The balance of Rs.1,330,165 relating to 9 Fund Accounts remained dormant in 2011.
- (b) The balance of Rs.938,701 relating to the Asian Development Bank Scholarship Account remained dormant from 2007.

#### 4.4 Idle and under Utilized Assets

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An expenditure of Rs.1,481,400 had been incurred in installing an underground fuel tank with a capacity of 12500 liters to supply fuel through a pipeline to the tank of the diesel generator installed in the Information Technology Faculty building of the University of Moratuwa. Although nearly 3 years had lapsed since the installation of this fuel tank, it had not been utilized so far.

### 5. Accountability and Good Governance

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#### 5.1 Corporate Plan

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Action had not been taken to conduct 3 postgraduate courses expected to commence in 2011 according to the Corporate Plan 2010 –2015.

#### 5.2 Tabling of Annual reports

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The annual report of 2010 had not been tabled in Parliament even as at 31 May 2012.

### 5.3 Budgetary Control

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There were significant variances between the budgeted income and expenditure and the actual income and expenditure. Thus it was observed that the budget had not been utilized as an effective instrument of management control. Although a sum of Rs.4,000,000 had been estimated in the annual budget on behalf of 2 projects, expenditure had not been incurred on these 2 projects during the year under review.

### 6. Systems and Controls

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

- (a) Income from Postgraduate Courses
- (b) Recovery of Loans
- (c) Breach of Agreements
- (d) Researches
- (e) Financial Control
- (f) Maintenance of Ledgers
- (g) Journal Entries
- (h) Subsidiary Registers

H.A.S. Samaraweera  
Auditor General.

**Auditor General's Report, in terms of Section 108 (2) of the Universities Act No. 16 of 1978 and Section 13 (7) (A) of Finance Act No. 38 of 1971, with regard to the Financial Statements of the University of Moratuwa, for the year ended 31<sup>st</sup> December, 2011.**

<b>Matters pointed out by the Auditor General</b>	<b>Replies and Observations referred to the Auditor General</b>
<b>2. Financial Statements</b>	
<b>2.1 Qualified Opinion</b>	
<p>In my opinion, except for the effects of the matters described in paragraph 2.2 of this report, the financial statement give a true and fair view of the financial position of the University of Moratuwa as at 31<sup>st</sup> December 2011 and its financial performance and cash flows for the year then ended in accordance with Generally Accepted Accounting Principles.</p>	
<b>2.2 Comments on Financial Statements</b>	
<b>2.2.1 Noncompliance with Best Accounting Practices</b>	
<p>The comparative figures should again be revised even when the submissions of items in the financial statements or classification is revised. The comparative figures relating to receipts from Cost Recovery Activities and payments had not been disclosed in the accounts.</p>	<p>Since the disclosure of receipts and payments of self financing courses was started with the final accounts of the year 2011, the comparative figures for 2010 had not been shown. Except for the particular aspect, the comparative figures had been shown in respect of all other entries.</p>

2.2.2. Accounting Deficiencies	
<p>The following observations were made.</p> <p>(a) Even though the surplus of Rs.5,822,421 arisen at the end of 17 short term courses 5 projects and 10 other courses should have been brought to account as income of each year, it had been shown in the financial statement as deferred income.</p>	<p>(a)</p> <p><b>Short Term Courses</b> -Except in short courses such as annual/by annual/current affairs courses, conducted by the university, which are not concluded within a term, action had been taken, in respect of other courses to close accounts after completion of relevant courses. Further the accounts so maintained, if remained dormant for a period of three years, action is taken to close such accounts after obtaining the observations of course coordinators. Relevant action had been taken in the year 2011, to close the balances, at the end of each year.</p> <p><b>Project Accounts-</b> Action was taken to close accounts in respect of projects conducted by the university, on completion of such projects. Further the accounts so maintained if remained dormant for a period of three years, action will be taken to close such accounts after obtaining the observations of the course coordinators. Relevant action has been taken in the year 2011 to obtain observations of the course coordinators and to close relevant balances. In future this will be done at the end of each year.</p> <p><b>Other courses</b></p> <ol style="list-style-type: none"> <li>1. Relevant funds were used to OA-ZI-97 south Asian games-2006- Rowing Event – account and action taken to purchase the necessary equipment for this sports event.</li> <li>2. The balance in the OA-ZI-46 Aptitude Test for Archi/QS &amp; BD Account is a retained account for the payment of official duties carried out in connection with the Aptitude test, since payment vouchers were not received as yet.</li> <li>3. OA-ZI-94 – Mentoring Programme/Civil Engineering, OA-ZK-15 -Mentoring Programme/Earth Resources Engineering, OA-ZK-18 –Career Mentoring Programme/IT Faculty OA-ZK-21-Mentoring Programme/Chemical &amp; Process Engineering, The above four courses are maintained, as they relate to Student Mentoring Programmes conducted on behalf of the students and since the Mentoring Programmes are conducted annually, the balances in the accounts are being brought forward.</li> <li>4. OA-ZI-11 –ITRU Symposium Since this ITRU Symposium is conducted annually required, the balances are being brought forward.</li> <li>5. OA-TD-08 Survival Craft Course, OA-ZE-15 Intermediate Pro. for Pattern Makers, OA-ZH-01 Painting Conservation Fellowships. The accounts in respect of three other courses referred above, conducted by the university,</li> </ol>

	could not be closed as the observations of the course coordinators were not received so far. However on receipt of the observations of the course coordinators, action will be taken to close the balances shown in each account and in future to close the accounts annually.
(b) The surplus of postgraduate courses relating to 3 years and 2 years the academic activities of which had ended resulting in a 4 years surplus of Rs.2,373,162 as at 31 <sup>st</sup> December 2011 should have been brought to accounts as income. However, it had been accounted under deferred income.	<p><b>Postgraduate Courses</b></p> <p>(b) The 04 accounts relevant to these postgraduate courses are those maintained in respect of each department conducting postgraduate research courses. These balances have to be maintained to meet the requirements that may arise in future and hence balances shown cannot be credited to revenue.</p>
(c) The book value of assets costing Rs.9,957,738 as at 31 <sup>st</sup> December 2011 was zero. But, it continued to be used and action had not been taken to revalue it and show it in the financial statements.	(c) The revaluation of assets of the university was done for the first time in 1991, and no revaluation of assets was done thereafter. However, action will be taken in future to re-value all assets including the assets shown by you in the schedule.
(d) The interest due from 2 fixed deposits for the year 2011 amounting to Rs.1,608,082 had not been accounted for. As such, income from investments had been understand by a similar amount.	(d) Interest on investments as shown for the year 2011 was received by the university and such interest had been credited to revenue by receipt Nos.133811 and 133812 dated 03.01.2012 by an oversight. But action was taken to make Necessary Adjustments through journal entry No: 341 of 2012 to rectify this situation.
(e) Provision for accrued expenses had been made in excess during the previous year. As a result, a sum of Rs.18,217,538 had to be transferred from that account to the General Reserve Account at end of the year under review.	(e) Actions had been taken to inform the relevant divisions to minimize making provision in future for accrued expenses.

<p>(f) While making provision for gratuity to employees, liabilities should be computed on the basis of the officers' total period of service and the last salary drawn. However, the University had not taken the total period of services of the staff into consideration. Instead, the provision for liabilities of Rs.75,197,238 relating to each year from 2006 to 2011 alone had been made. As a result, lesser provision had been made in the Gratuity to Employees' Account.</p>	<p>(f) Provision for payment of retiring gratuity payable to the university staff, at the time of their retirement commenced in the year 2006 and thereafter provision necessary for the past ten years had been computed and accounted for. However, because of the inadequacy of grants to make provision for all the staff based on their impending period of service and the present drawn salary, annual provisions made are taken in to account. Nevertheless, action will be taken in future to make necessary adjustments after computing the provisions to be made in accordance with the new methodology. The statement to indicate the provision for liabilities of Rs.75, 197,238 relating to each year from 2006 to 2011 alone had been made'' does not appear to be correct.</p>
<p>(g) Direct debits of Rs.49,465 and direct credits of Rs.146,282 made by the bank and shown in the bank reconciliation statements as at 31 December 2011 with regard to 2 current accounts maintained in a state bank by the University of Moratuwa had not been identified and adjusted in the accounts of the year under review.</p>	<p>(g) Relating to the two bank current accounts Rs.41, 865.00 from direct debits and Rs.39,955.00 from direct credits had now been identified and accounted for. The other direct debits of Rs. 8,800.00 and direct credits of Rs. 106,327.50 will be transferred to the correct accounts on receipt of relevant details from the bank. When considering the large number of bank transactions of all bank branches of the island through these bank accounts, the bank transactions and their value will only be 0.01 %</p>
<p>(h) Expenditure of Rs.198,991 payable for cleaning services for the month of December 2011 had not been accounted for.</p>	<p>(h) Until such time a suitable person is appointed to the vacant post of Works Engineer who is on leave prior to retirement, an officer was appointed on temporary basis. This delay had occurred since this officer had not received the relevant information. Staff members had been advised to take necessary action to prevent such instances.</p>
<p>(i) The balance of the Consultancy Services Reserve Fund Account amounted Rs.52,979,548. However, the corresponding Investment Account of Rs.6,115,630 and the Bank Current Account of Rs.47,155,960 maintained aggregated Rs.53,271,590. Thus a difference of Rs.292,042 was observed between the Reserve Account and the Investment Accounts.</p>	<p>(i) Action taken to correct this by Journal entry no J/310 of 2012.</p>

<p>(j) An unidentified debit balance of Rs.1,350,000 which continues to be brought forward in the financial statements for many years had been accounted as Audit Fess Receivable during the year under review.</p>	<p>(j) This is a balance that is being brought forward for the last so many years and would be corrected after classifying the relevant accounts.</p>
<p>(k) A sum of Rs.3,543,500 had been paid to the students as Mahapola Scholarship Aid for the academic year 2009/2010. While receiving the reimbursements from the Mahapola Scholarship Fund in this regard, the General Reserve Account had been credited instead or crediting the Mahapola Advance Receivable Income Account.</p>	<p>(k) This had been corrected by Journal entry no. J 219 of 2012.</p>
<p>(l) According to the cash flow statements furnished for the year ended 31<sup>st</sup> December 2011, a difference of Rs.510,527 was observed between the increase in current assets and current liabilities of the year under review and the increase in current assets and current liabilities shown in the balance sheet, as compared with those of the year 2010.</p>	<p>Action taken to correct this matter.</p>
<p>(m) The sum Rs.695,163 obtained by sale of old stock had been shown as other income of the year under review in the Income and Expenditure Account. In spite of this, it had been shown as cash flows from financial activities in the cash follow statement.</p>	<p>This matter has since been corrected.</p>

<p><b>2.2.3 Accounts Receivable</b></p>	
<p>The following observations are made.</p> <p>(a) Loan balances amounting to Rs.500,685 due from 7 officers who had left the services &amp; exceeding a period of 5 years without installments being recovered had not been recovered even by the month of December 2011.</p>	<p>(a) It has been noted to recover Rs. 479,079.00 when releasing the provident fund balances of relevant employees. Rs. 890.00 cannot be recovered from the relevant employees until legal action is completed. Action taken to recover Rs. 37,270.00 from the provident fund.</p>
<p>(b) A sum of Rs.20,716 remained recoverable from 2010 from officers who had gone on transfer to the Open University. Action had not been taken to recover this till end of the under review.</p>	<p>(b) Open University had been informed to reimburse the sum of 20,716.00</p>
<p>(c) Loan balances of Rs.94,590 exceeding 4 years were due from 21 employees. This had not been recovered even by the month of December 2011.</p>	<p>(c) This amount is recoverable from other Universities and such Universities have been informed to reimburse such amounts.</p>
<p>(d) (i) The sum of Rs.4,435,700 due from the Department of Sports Development 5 years ago on behalf of the construction of an indoor sports ground at the University of Moratuwa had not been recovered.</p> <p>(ii) Work in progress amounting to Rs.1,000,000 with regard to the indoor sports ground complex continued to be brought forward from 2005.</p>	<p>(d) (i) Sports development department had been reminded on several occasions to reimburse this amount. However no positive response had been received from the department. A further attempt is being made to recover this amount and a request has been made to the secretary of the ministry to discuss this matter with him to take a final decision in accordance with a decision made by the University Audit and Management Committee.</p> <p>(ii) Since the transactions in respect of this project are still incomplete as indicated in (d) i above the accounts are not closed. However action will be taken to close these accounts in the year 2012.</p>

<p>(e) <u>Recovery of agreed bonds</u></p>	
<p>A sum of Rs.32,525,793 was recoverable as at 31 December 2011 from 25 officers who had breached agreements and bond.</p> <p>The following matters were observed in this connection.</p> <p>(i) The above 3 officers concerned had consented for the recovery of Rs.502,544 from the University Provident Fund. However, the amount concerned had not been recovered even as at 31<sup>st</sup> December 2011.</p> <p>(ii) The amount due as compensation for breach of agreements and bonds for over 10 years from 14 officers amounted to Rs.10, 188,920. This had not been recovered upto now.</p> <p>(iii) So far, legal action had not been initiated against 7 officers for breach of agreements and bonds from whom a sum of Rs.7,439,692 was recoverable.</p>	<p>Rs. 7,043,377.13 had been recovered during the year 2011, from 17 lecturers who have violated bonds and agreements. This was a successful achievement of an effective course of action taken by the university to recover the dues. Further the action taken with regard to the lecturers shown in the schedule, from whom value of bonds and agreements have to be recovered, are shown below.</p> <p>(i) Action had been taken to recover Rs. 1,984,963.00 recoverable from 4 persons from their provident fund.</p> <p>(ii) Legal action was taken to recover Rs. 12,670,816 recoverable from 10 persons and the university is constantly mindful of the recovery.</p> <p>(iii) U.G.C. has informed that Rs. 82,384.00 recoverable from a person cannot be recovered as he has not given the consent for the recovery from his provident fund.</p> <p>(iv) The Attorney General's Department had informed that legal action cannot be taken against a person as he is residing in Australia. Action was taken to recover the dues through the Australian High Commission Office. The total amount recoverable is Rs. 1,927,200.00</p> <p>(v) Rs. 539,829.69 had been recovered out of Rs. 827,824.00 recoverable from two persons and further action was taken to recover the balance amount of Rs. 287,994.31 from the persons concerned.</p> <p>(vi) One person is paying in installments the amount of Rs. 1,203,733.00 due from him and he had paid Rs.420, 000.00 during the year 2011.</p> <p>(vii) Rs.1, 177,940.00 recoverable from a person could not be recovered so far, as he has instituted legal action against the recovery.</p> <p>(viii) The amount of Rs. 118,905.00 recoverable from a person is delayed due to the inability of submitting his letter of consent.</p>

	<p>(ix) U.G.C. had been informed to recover Rs. 140,370.00 recoverable from a person.</p> <p>(x) Action was taken to obtain correct recent information about the person concerned or his sureties in order to institute legal action to recover Rs. 3,180.812.00 from the person concerned.</p> <p>(xi) Attorney General's Department had informed that legal action cannot be instituted to recover the dues from an employee amounting to Rs.8,823,812.00 as no information what so ever could be traced.</p> <p>In view of the above it is to be informed that the University has taken the maximum possible effort to recover the dues on violation of bonds and agreements.</p>
<p>(f) Library fines amounting to Rs.139,461 which continued to be brought forward for many years had not been recovered even as at end of the year under review.</p>	<p>(f) Action will be taken to compute the amount of library fines collected, from library fines to be charged and credit same to account.</p>
<p><b>2.2.4 Accounts Payable</b></p>	
<p>The following observations are made.  (a) A sum of Rs.111,236 had been received with regard to the research named "Investigation of Perf. of coral reefs in Coast Protection" sponsored by the National Science Foundation. This continued to be brought forward for 6 years and action had not been taken to settle it.</p>	<p>(a) Accounts could not be closed as reports regarding completion of project work had not been received from the project coordinator. Action will be taken to close accounts on receipt of relevant reports.</p>

<p>(b) Action had not been taken to settle the sum of Rs.814,608 received on behalf of 4 researches sponsored by other institutions which continued to be brought forward for over 4 years.</p>	<p>(b) Project coordinators have so far not informed that the work of 4 projects sponsored by other institutions, have been completed. As such accounts cannot be closed until such time conformations are received. Necessary action to close the accounts will be taken on receipt of relevant reports.</p>
<p><b>2.2.5 Non-compliance with Laws, Rules, Regulations and Management Decisions</b></p>	
<p>The following instances of non-compliance were observed.</p>	
<p><b>Reference to Laws, Rules, Regulations and Management Decisions.</b>  <b>Non-compliance</b>  <b>(a) Establishments Code for Higher Educational Institutions</b>  <b>(i) Section 23 of Chapter x</b></p> <p>A leave registers relating to the leave granted to lecturers had not been maintained in terms of Section 23 of Chapter X of the Establishments Code for the University Grants Commission and Higher Educational Institutions.</p>	<p>(i) Leave obtained by academic staff members are not recorded in a separate register, but are recorded in the personal files and relevant leave registers (eg:- Medical leave, maternity leave, Etc) with regard to details of study leave and sabbatical leave a computerized record is maintained with facilities to update the details the monthly. These records are submitted to the monthly Leave and Awards Committee.</p>
<p><b>(ii) Section 6.3 and 6.4 of the Circular No.856 of the University Grants Commission dated 31<sup>st</sup> December 2005.</b></p>	

<p>It has been instructed that the University should appoint a Committee and monthly performance reports should be sent to the Mahapola and Bursary payments in terms Paragraphs 6.3 and 6.4 of the Circular No.856 dated 31<sup>st</sup> January 2005 issued by the University Grants Commission. However, action had not been taken accordingly.</p>	<p>(ii) This committee is now functioning and action is being taken in accordance with UGC Circular No.856</p>
<p><b>(b) <u>Financial Regulations</u></b></p>	
<p><b>(i) F.R. 396</b> Action had not been taken in terms of Financial Regulation 396 with regard to 31 cheques valued at Rs.705,322 which had been issued from 2 bank accounts maintained by the University of Moratuwa and remaining unrepresented to the bank for over 6 months.</p>	<p>(i) Since the validity period of the cheques have been extended action was not taken to cancel such cheques and credit the value to revenue. However, in future, if cheques are not presented to the bank, action will be taken to cancel them and credit the value to revenue.</p>
<p><b>(i) F.R. 570 and 571</b> Action had not been taken in terms of the Financial Regulation with regard to the tender deposits valued at Rs.472, 954 received during the period 2005 to 2009.</p>	<p>(ii) The tender depositors have not requested for the release of tender deposits balances relating to the previous years. Action will be taken to credit the revenue after reporting the matter to the finance committee.</p>
<p><b>2.2.6 Transactions not supported by Adequate Authority</b></p>	
<p>The following instances were observed.</p>	

<p>(a) The Director General of Budget had informed by his letter No. BD/INS/CLUS-A/078 dated 18<sup>th</sup> July 2003 that academic allowances should not be taken into consideration for payment of contributions to the Universities Provident Fund and Employees Trust Fund. In spite of this, contributions had been paid for those allowance too contravening the letter. As a result, overpayments amounting to Rs.943,746 had been made to the University Employees' Trust Fund and contributions to pensions during the year 2011 and the overpayments made to the Employees' Trust Fund amounted to Rs.188,749.</p>	<p>(a) According to UGC Circular No. 955 of 28.04.2011 contributions to the provident fund and employees trust fund, on the academic allowances has been terminated. Payments made to university staff members, suspensions, terminations are done in accordance with UGC Circulars. The university is bond to implement circular instructions issued by the UGC.</p>
<p>(b) Payment of language allowances is not relevant to State Corporations and Statutory Boards as per letter No.PE/1/174/11/(b) dated of 10 March 1998 of the Director General of Public Enterprises. But, in contrary, a sum of Rs.908,816 had been paid to the employees as language allowances during the year 2011.</p>	<p>(b) Language proficiency allowance was paid to university staff members in accordance with Establishment Circular Letters Nos. 39/90, 34/91, 6/97, and 10/2001, 14/1996, 24/97, later in terms of the UGC circular no 06/2003 of 05.06.2010 issued after considering the clarification made by Treasury Public Enterprises Department, National Budget Department, and the Auditor General. This allowance is paid to staff members who were in service prior to 01.01.2003 and such payment is a legal payment made in terms of circular instructions. All payments, suspensions, or terminations to university staff members are in terms of UGC circulars and the universities are bound to implement the contents of such circulars.</p>

<p>(c) Approval of the Treasury should obtain for payments of allowances as per letter No.PE1/174/1-2003 dated 29<sup>th</sup> January 2003 of the Secretary to the Ministry of Finance. But, in deviation, a sum of Rs.2, 483,421, from the income from postgraduate courses and a sum of Rs.5, 403,139 from the short term courses had been paid as allowances to employees who had not directly contributed to those activities during the year 2011 by utilizing the Public Finance Circular No.380. In this connection, it was pointed out that the Public Finance Circular No.380 only applies to services falling outside the normal activities of the University, as per letter No.PF/FS/18 dated 4<sup>th</sup> October 2000 of the Director General of the Department of Public Finance and the provisions in Circular No.380 was not applicable for income from postgraduate courses.</p>	<p>(c) The manner in which postgraduate degree courses should be conducted in a university is decided by the university in terms of powers vested under Clause No : 29 (d) of the Universities Act No. 16 of 1978. Accordingly the council of the University of Moratuwa has approved a course of action and a methodology regarding the conduct, levying of fees, and basis of revenue and expenditure of postgraduate courses, short term courses considering the practical issues of conducting such courses. It is not based on 380 Circular but according to the guidelines of the UGC. Accordingly the university staff members also were paid based on such approved methodology. Further the grants receivable from the postgraduate courses and short term courses conducted in accordance with the approved methodology are considered as funds of the university and such funds were used for the department of University Faculties / Departments/ Courses. Since it is difficult to purchase necessary equipment for Undergraduate courses from Government Grants, these funds are used to purchase such equipment, over the last five years about 257 million from this income had been used to meet capital expenditure and for other development works.</p>
<p><b>3. Financial and Operating Review</b></p>	
<p><b>3.1 Financial Results</b></p>	

<p>According to the financial statements presented, the operation of the University, for the year under review had resulted in a deficit of Rs.906,178,865 before taking into account the government grant for recurrent expenditure as compared with the deficit of Rs.812,635,204 of the preceding year. The deficit for the year under review had decreased to Rs.32,112,865 after taking into account the government grant of Rs.874,066,000 received for recurrent expenditure. The deficit for the preceding year had decreased to Rs.39,435,204 after the receipt of government grant amounting to Rs.773,200,000 for recurrent expenditure.</p>	<p>After accounting for all expenses (including depreciation &amp; amortization) the deficit of the year 2011 when compared with the year 2010 has been reduced by about 7 million. Before making adjustments for depreciation and amortization, the Government Grants and other income relating to the year 2011 the operational result along with expenditure is as shown below.</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 80%;"></th> <th style="text-align: right; width: 20%;">Rs.</th> </tr> </thead> <tbody> <tr> <td>Government grant and other income prior to adjustment for amortization</td> <td style="text-align: right;">1,140,777,142</td> </tr> <tr> <td><u>Add-</u> Interest income unaccounted for the year</td> <td style="text-align: right;"><u>1,608,082</u></td> </tr> <tr> <td>Adjusted income for the year 2011</td> <td style="text-align: right;"><u>1,142,385,224</u></td> </tr> <tr> <td>Expenditure prior to adjustment of depreciation</td> <td style="text-align: right;">1,142,412,321</td> </tr> <tr> <td><u>Add-</u> Expenditure not accounted for the year 2011</td> <td style="text-align: right;"><u>198,991</u></td> </tr> <tr> <td>Adjusted income for the year 2011</td> <td style="text-align: right;">1,142,611,312</td> </tr> <tr> <td>Operational result adjusted for the year 2011</td> <td style="text-align: right;">(226,088)</td> </tr> <tr> <td>As a percentage of the income</td> <td style="text-align: right;">0.02 %</td> </tr> </tbody> </table>		Rs.	Government grant and other income prior to adjustment for amortization	1,140,777,142	<u>Add-</u> Interest income unaccounted for the year	<u>1,608,082</u>	Adjusted income for the year 2011	<u>1,142,385,224</u>	Expenditure prior to adjustment of depreciation	1,142,412,321	<u>Add-</u> Expenditure not accounted for the year 2011	<u>198,991</u>	Adjusted income for the year 2011	1,142,611,312	Operational result adjusted for the year 2011	(226,088)	As a percentage of the income	0.02 %
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<p><b>3.2 Financial Management Inefficiencies</b></p>																			
<p>The sum of Rs.24,289,080 in the Consultancy Services Reserve Account had been lying in a current account. Attention had not been paid to invest that amount and earn an interest income.</p>	<p>After retaining sufficient funds for about two months for the conduct of day to day work without any delays, the balance had been invested in fixed deposits and savings deposits. However, in future, the balance in accounts could be kept at a minimum level and action taken to invest the balance.</p>																		
<p><b>4. Operating Review</b></p>																			
<p><b>4.1 Performance</b></p>																			

<p>(a) Particulars of students in the year under review are given below.</p> <table border="1" data-bbox="161 311 949 750"> <thead> <tr> <th></th> <th>Faculty of Engineering</th> <th>Faculty of Information Technology</th> <th>Faculty of Architect.</th> </tr> </thead> <tbody> <tr> <td>Number of Undergraduates enrolled</td> <td>842</td> <td>208</td> <td>305</td> </tr> <tr> <td>Number of graduates passed out</td> <td>703</td> <td>76</td> <td>216</td> </tr> <tr> <td>Number of students remained</td> <td>3170</td> <td>515</td> <td>1244</td> </tr> </tbody> </table>		Faculty of Engineering	Faculty of Information Technology	Faculty of Architect.	Number of Undergraduates enrolled	842	208	305	Number of graduates passed out	703	76	216	Number of students remained	3170	515	1244	
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Number of graduates passed out	703	76	216														
Number of students remained	3170	515	1244														
<p>(i) The number of permanent lecturers who were in service during the year under review was 224 and the average student per lecturer was 22.</p>	<p>(i) The number of students and lecturers attached to the respective faculties of the University tend to change and cannot be considered as a common ratio. Generally the student lecturer ratio should be 10:1. The present ratio is 22:1 because of the shortage of lecturers.</p>																
<p>(ii) The recurrent expenditure of the year under review amount to Rs.1,075,128,589 and the cost per student amounted to Rs.218,123.</p>	<p>(ii) The increase in personnel emoluments of academic staff members based on the increase in allowances and also in various contractual services (eg: Electricity, Communication, Security services, Cleaning services) had resulted in the increase of cost per student.</p>																
<p>(iii) During the year, hostel facilities had been granted to 861 male undergraduates and 247 female undergraduates.</p>	<p>(iii) Hostel facilities had been provided to all students to whom such facilities could be provided.</p>																

<p>(b) During the year under review, a sum of Rs.10,310,400 had been paid to 2,484 students as Mahapola Scholarship Aid and the bursaries paid to 805 students amounted to Rs.4,945,300.</p>	<p>(b) Bursary and Mahapola payments are made to all eligible students.</p>
<p>(c) Results of the internal examinations of the University should be released within 3 months of holding the examination as per Circular No.636 dated 14<sup>th</sup> July 1995 of the University Grants Commission. However, delays ranging from 4 to 8 months were observed in 10 instances in releasing the results of the examinations held in 2010 and 2011.</p>	<p>(c) Eighty six University Internal examinations were conducted relating to the year 2010/2011. Ten out of such examinations relating to three faculties were delayed due to unexpected and unforeseen circumstances. Further the UGC Circular No. 636 has not made it compulsory for the release of results within three months. The release of results within three months during 2010/2011 was about 90%. However instructions have been issued to release the results of all examinations within three months and necessary actions also have been taken in this regard.</p>
<p>(d) The time spent in releasing the results of the 1<sup>st</sup> Semester of the degree course had got delayed till the date following the holding of the 2<sup>nd</sup> semester examination of the students following the same courses.</p>	<p>(d) The results of the degree course indicated, was delayed due to unexpected circumstances. Instructions have been issued to avoid such delays and necessary actions also have been taken in this regard.</p>
<p><b>4.2 Management Inefficiencies</b></p>	
<p>(a) Vehicle No.52-1943 belonging to the University of Moratuwa had met with an accident on 29<sup>th</sup> April 2010. The vehicle remained parked at the University premises even as at 8<sup>th</sup> May 2012. So far, action had not been taken to get the loss occurred to the University as a result of the accident caused to the vehicle from the respective insurance institution.</p>	<p>(a) Vehicle No. 52-1943 belonging to the University, met with an accident and thereafter the matter was reported to the insurance company. However even after calling for quotations, the vehicle was retained without effecting repairs until legal action was completed. Since legal action is completed, it has been decided to take action in the following manner, after considering the alternative actions that are possible.</p> <ol style="list-style-type: none"> <li>1. Call for fresh quotations for the repairs to vehicle.</li> <li>2. A valuation report to be obtained from the Government Valuer.</li> <li>3. Decided on the maximum compensation from the insurance company with regard to damages.</li> <li>4. Take action to obtain the maximum benefit to the University after considering the above alternatives.</li> </ol>

	Accordingly the above work is now being done and it is planned to finalize these matters at the earliest.
(b) Instances were observed where the Senate Research Committee had approved new researches before completion of researches undertaken by certain lecturers whose date of completion of the research had lapsed.	(b) If a lecturer makes a request for an extension of time to complete an approved project, the required extension is granted by the Senate Research Committee after an assessment of the matter. New research projects are assessed separately when granting approval, but Senate Research Committee considers the ongoing research projects of the lecturer before granting approval. Other than their official teaching duties the lecturers do other work connected with the university with national importance and also research work which is considered an important aspect. It is not compulsory to complete the ongoing research project prior to commencing a new research project and considering the difficulties in doing research work, approval for research is generally granted.
(c) The period of completion of 88 researches for which a sum of Rs.26,379,050 had been recommended by the Senate Research Committee had lapsed. However, the researches concerned had not been completed up to now.	(c) Progress relating to senate research committee work and its present status as at 02.08.2012 is shown below: <ul style="list-style-type: none"> <li>1. Research work completed and final reports Submitted. 22</li> <li>2. Research work completed but final report is yet to be submitted 01</li> <li>3. Final reports to be received 53</li> <li>4. Extension of the granted for research work 12</li> </ul> Accordingly action had been taken to obtain final research reports early, receivable from 53 lecturers.
(d) Action should be taken to register the ownership of a property by informing the Local Authority within 8 weeks of change of ownership. However, without doing so, rates and taxes had been paid for properties on behalf of the previous owners.	(d) In order to vest with the university, the ownership of the land with buildings, without any encumbrances, discussion was held with the Moratuwa Municipal Council and the Provincial Secretary's Office. Further necessary actions were taken to obtain the services of a private consultant with a special knowledge, to ensure that the ownership of the lands is free of encumbrances.
(e) Consultancy services fees of Rs.1,273,329 had been paid in 2005 to a private organization as consultancy fees of the	(e) The expenses incurred for the preliminary work of the constructions of this building had been accounted for under work in progress. Construction work had been delayed due to

<p>Proposed Multipurpose Auditorium Project. This expenditure had been accounted as work in progress. The activities relating to the project had not commenced yet.</p>	<p>non-receipt of required monetary provisions on a priority basis. Until the construction work starts in future the current expenses have to be charged to the Work- in Progress account.</p>
<p><b>4.3 Under Utilization of Funds</b></p>	
<p>The following matters were observed.</p>	
<p>(a) The balance of Rs.1,330,165 relating to 9 Fund Accounts remained dormant in 2011.</p>	<p>(a) The fund account balances are those earned from generated income and specific development tasks for Specific Works / Department/ Course Development work. Such balances have to be brought forward until they are used for specified development works. Although these accounts were not operative in the year 2011, they have to be retained to be utilized for future year's requirements. Hence these funds cannot be considered as dormant funds.</p>
<p>(b) The balance of Rs.938,701 relating to the Asian Development Bank Scholarship Account remained dormant from 2007.</p>	<p>(b) The Asian Development Bank Scholarship Fund is maintained to account for scholarship fund receipts. Since the scholarships are not awarded at present, the account remains dormant. These funds are necessary to be used for future requirements. Hence there is no possibility of this fund being credited to revenue.</p>
<p><b>4.4 Idle and under Utilized Assets</b></p>	
<p>An expenditure of Rs.1,481,400 had been incurred in installing and underground fuel tank with a capacity of 12500 liters to supply fuel through pipeline to the tank of the diesel generator installed in the Information Technology Faculty of building of the University of Moratuwa. Although nearly 3 years had lapsed since the installation of this fuel tank, it had not been utilized so far.</p>	<p>The Faculty of Information Technology building consists of three phases and as at present, work in relation to phase one only has been completed. Since the fuel tank is identified in phase one, it has been constructed. However until all phases are completed there is no possibility of the fuel tank being used in full. Further electricity is generated from fuel, only in instances of electricity disconnections and cuts and therefore this has been constructed on a long term plan and not for daily use.</p>

<p><b>5. Accountability and Good Governance</b></p>	
<p><b>5.1 Corporate Plan</b></p>	
<p>Action had not been taken to conduct 3 postgraduate courses expected to commence in 2011 according to the Corporate Plan 2010-2015.</p>	<p>Because of the difficulties in providing the required resources due to shortage of teaching staff, non completion of the Water Resources Management Centre, to commence these courses together with the presently internal degree courses and other postgraduate courses now being conducted, the three postgraduate courses could not be started in the year 2011.</p>
<p><b>5.2 Tabling of Annual reports</b></p>	
<p>The annual report of 2010 had not been tabled in Parliament even as at 31<sup>st</sup> May 2012.</p>	<p>The format for the preparation of the annual report was amended by the Ministry of Higher Education and the annual report had to be prepared again accordingly. The work now been completed and the approval of Council of the University also obtained and action has taken to table the report in Parliament.</p>
<p><b>5.3 Budgetary Control</b></p> <p>There were significant variances between the budgeted income and expenditure and the actual income and expenditure. Thus it was observed that the budget had not been utilized as a effective instrument of management control. Although a sum of Rs.4,000,000 had been estimated in the annual budget on behalf of 2 projects, expenditure had not been incurred on these 2 projects during the year under review.</p>	<p>(i) Extension to Rock Mechanic Lab This grant was not required since (Madanjeet Singh Fund) grants were received through external awards.</p> <p>(ii) Female Hostel for 400 students – Although grants were allocated for the above project no expenses were incurred, as there were other prioritized projects to be constructed with the limited capital grant received.</p>

<p><b>6. Systems and Controls</b></p>	
<p>Deficiencies in systems and controls observed in audit were brought to the notice of the Vice Chancellor from time to time. Special attention is needed in respect of following areas of control.</p> <ul style="list-style-type: none"> <li>(a) Income from Postgraduate Courses</li> <li>(b) Recovery of Loans</li> <li>(c) Breach of Agreements</li> <li>(d) Researches</li> <li>(e) Financial Control</li> <li>(f) Maintenance of Ledgers</li> <li>(g) Journal Entries</li> <li>(h) Subsidiary Registers</li> </ul>	<p>Through streamlining the systems and internal controls, training the staff and making them knowledgeable through training programmes, reviewing the past performances etc, action had been taken to ensure no deficiencies in systems and controls.</p>

Prof. A.K.W. Jayawardane  
Vice-Chancellor  
University of Moratuwa

## 23.8 Financial Performance of Statutory Boards - 2011

1 **Name & Address of Enterprise** - University of Moratuwa, Katubedda, Moratuwa

2 **Mission** -

To be the Leading Knowledge Enterprise for technological and related disciplines in Asia by:

Providing transformative education that nurtures the inquiring mind and develops skills for a diversity of challenges;

Carring out nationally relevant and high-impact research to expand the boundaries of knowledge;

Promoting entrepreneurship and facilitating technology transfer;

Providing expert service to the State, Industry and the Society as an Internationally positioned National University; and

Contributing to sustainable, scientific, technological, social and economic development of Sri Lanka.

3 **Major Activities**

Teaching, Research, Consultancy and other professional activities in Engineering, Architecture, Information Technology and allied technological fields.

4 **Performance Trend**

			2007	2008	2009	2010	2011
	<b>Revenue &amp; Expenditure</b>						
1	Govt: Grant - Recurrent	Rs.'000	606,347	660,000	717,900	773,200	875,881
2	Own Revenue- Recurrent	Rs.'000	7,410	9,533	10,466	11,405	18,221
3	Other Recurrent Grants (Mahapola & Bursary etc)	Rs.'000	21,721	24,471	19,531	17,771	15,368
4	Total Revenue- Recurrent (1+2+3)	Rs.'000	<b>635,478</b>	<b>694,004</b>	<b>747,897</b>	<b>802,376</b>	<b>909,470</b>
5	Total cost of Employment	Rs.'000	447,282	464,522	513,557	531,797	617,004
6	Other Recurrent Expenditure (Excluding Depreciation)	Rs.'000	214,328	249,879	289,074	278,829	294,102
7	Surplus / Deficit {3-(4+5)}	Rs.'000	<b>(26,132)</b>	<b>(20,397)</b>	<b>(54,734)</b>	<b>(8,250)</b>	<b>(1,636)</b>
8	Govt: Grant - Capital	Rs.'000	336,161	304,000	182,000	168,000	252,478
9	Other Grants - Capital	Rs.'000	9,657	45,922	44,870	-	20,439
10	Generated Fund - Capital	Rs.'000	31,103	34,682	13,867	15,570	23,791
11	Capital expenditure - Govt: Grant	Rs.'000	336,161	304,000	182,000	168,000	262,321
	<b>Assets &amp; Liabilities</b>						
12	Investments	Rs.'000	37,098	38,164	70,018	143,289	343,018
13	Non Current Assets	Rs.'000	1,609,208	1,816,588	1,896,148	1,920,955	2,077,375
14	Current Assets	Rs.'000	72,075	134,011	154,210	195,326	264,805
15	Current Liabilities	Rs.'000	179,881	260,339	297,278	368,990	414,807
16	Non Current Liabilities	Rs.'000	83,550	125,396	194,245	240,174	350,120
17	Donations/Foreign Aid (Cumillated)	Rs.'000	890,713	892,167	898,804	917,858	972,338
18	Accumilated Fund	Rs.'000	564,235	710,860	730,050	732,548	947,933
19	Number of Employees -Academic	(Nos)	384	399	375	388	400
20	Total Number of Employees	(Nos)	967	872	975	1,009	993
21	Number of Students	(Nos)	4,768	4,285	4,740	5,504	4,745
	<b>Key Performance Indicators</b>						
i	Own Revenue to Total revenue	%	1.17	1.37	1.40	1.42	2.00
ii	Total cost of Employment per Employee	Rs.'000	463	533	527	527	621
iii	Total cost of Employment per Student	Rs.'000	94	108	108	97	130
iv	Recurrent Grant/per Student/ Per year	Rs.'000	133	162	158	146	192
v	Total Cost per Graduate	Rs.'000	427	503	565	599	657
vi	Employability (within 3 months of Result)	%	95	97	95	95	96
vii	Student per Employee	(Nos)	5:01	5:01	5:01	5:01	5:01
viii	Student per Academic Staff (Actual)	(Nos)	12:01	11:01	13:01	14:01	12:01
ix	student per Vehicle	(Nos)	198.01	178.01	180.01	190.01	164:01